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**REPORT FROM THE COMMISSION**

**Directorate-General for Humanitarian Aid - (ECHO)  
Annual Report 2008**

**{SEC(2009)825}**

## TABLE OF CONTENTS

1.	Introduction .....	3
2.	General policy aspects.....	4
3.	Global overview of DG ECHO's humanitarian operations in 2008 .....	5
3.1.	Overall situation .....	5
3.2.	Main interventions in 2008 by region and allocation of funds .....	7
3.3.	Comparative analysis .....	8
3.4.	Disaster Risk Reduction including disaster preparedness activities .....	9
3.5.	Linking relief, rehabilitation and development (LRRD).....	9
3.6.	Main partners in the humanitarian operations.....	9
4.	Relations with Stakeholders .....	10
5.	Other activities .....	10
6.	Conclusion.....	11

### **Annexe:**

The annexe provides further details on:

- A country by country overview of humanitarian operations;
- Relations with stakeholders;
- Results of evaluations and;
- Financial tables.

## 1. INTRODUCTION

The European Union's humanitarian aid policy reflects its founding principles – solidarity, tolerance and respect for human dignity. Humanitarian aid, while not a crisis management tool, is one of the pillars of Community action for countries affected by natural or man made disasters as well as by complex emergencies<sup>1</sup>. Through its activities in disaster areas and its active contribution to promote respect for and adherence to International Humanitarian Law<sup>2</sup>, the European Commission has asserted itself as a major player in international humanitarian aid. Today it is the **largest single donor** in operations providing assistance, relief and protection to populations in third countries affected by humanitarian crises.

The Directorate-General for Humanitarian Aid<sup>3</sup> (DG ECHO) is the service of the European Commission responsible for providing **humanitarian assistance to the people affected by conflicts or disasters, both natural and man-made**, in third countries. This general objective contributes to the strategic objective of the Commission "*Europe as a world partner*" included in the general objective of External relations<sup>4</sup>, set out by the European Union (EU) Treaty.

DG ECHO defends the humanitarian space and principles, which are increasingly under threat, by maintaining a high level of engagement in the Good Humanitarian Donorship (GHD<sup>5</sup>) principles, remaining committed to high quality assistance and maintaining a transparent dialogue with other key players.

DG ECHO does not implement assistance programmes itself. It is a donor who implements its mission by funding Community humanitarian actions through partners who have signed either the Framework Partnership Agreement (FPA) such as European NGOs and International Organisations (Red Cross family) or the Financial and Administrative Framework Agreement (FAFA) for the UN agencies.

DG ECHO's task is to ensure that goods and services get to crisis zones fast through its partners. The rapidity of aid delivery is facilitated by special provisions in the Financial Regulation and their implementing measures. These structural arrangements also enable DG ECHO to deploy technical assistants (ECHO experts) in the field thereby ensuring identification of vulnerable sections of society, an accurate assessment of needs, a rapid identification of suitable partners and projects to meet such needs. This is followed up by on-the-spot monitoring of partners' and projects' progress in order to ensure sound financial management in support of the declaration of assurance that resources have been used for their intended purpose.

Based on its experience in responding to disasters, DG ECHO also works at **promoting disaster preparedness** in order to reduce both vulnerability and exposure of people to risks and disasters as well as to reduce the economic costs of such disasters. With a view to the effective discharge of its mandate, DG ECHO may support – where appropriate and necessary – **capacity building** measures of its implementing partners.

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<sup>1</sup> COM(2008) 130, Reinforcing the Union's Disaster Response Capacity

<sup>2</sup> [http://www.icrc.org/Web/Eng/siteeng0.nsf/htmlall/section\\_ihl\\_in\\_brief?OpenDocument](http://www.icrc.org/Web/Eng/siteeng0.nsf/htmlall/section_ihl_in_brief?OpenDocument)

<sup>3</sup> See Council Regulation n° 1257/96

<sup>4</sup> Article 21 Para 2.g of the EU Treaty

<sup>5</sup> <http://www.goodhumanitariandonorship.org/>

The current report is being issued in compliance with the requirement of art. 19 of the Humanitarian Aid regulation:

*"At the close of each financial year, the Commission shall submit an annual report to the European Parliament and to the Council with a summary of operations financed in the course of that year. The summary shall contain information concerning the agencies with which humanitarian operations have been implemented. The report shall also include a review of any outside assessment exercises which may have been conducted on specific operations".*

This report sums up DG ECHO's main activities implemented in 2008. The annex provides an extensive overview of the operations funded in the various countries and regions where DG ECHO provides assistance through its partners and statistics extracted from the 2008 financial report<sup>6</sup>.

## 2. GENERAL POLICY ASPECTS

Although the humanitarian situation throughout the world does not change drastically from one year to the next, humanitarian needs continue to remain high and interventions are increasing in terms of frequency.

In the last decade, the number of **natural disasters** has increased substantially, mainly due to the effects of climate change. Nine out of every ten disasters are now climate-related<sup>7</sup> and over the past two decades, the number of recorded disasters has doubled. Natural events often turn out to be disasters, because of the high level of vulnerability and lack of coping capacity of populations, in particular in developing countries.

In parallel to these disasters whose origin is partly found in human behaviour, the number of **conflicts** has not changed significantly but tend to last longer and increasingly destructive. The consequence is an increasing demand on global humanitarian aid. The challenge humanitarian donors like DG ECHO face is to keep a necessary equilibrium between the funding of actions aimed at prevention of humanitarian disasters and quick response to emergencies, be they natural or man-made.

On a policy level, the signing of the **European Consensus**<sup>8</sup> on Humanitarian Aid by the Presidents of the Council, the European Parliament and the European Commission in December 2007, followed by the adoption of an **action plan**<sup>9</sup>, is a considerable step forward for the European Union which has finally given itself a common set of values, principles and objectives intended to strengthen the coherence of its overall humanitarian action. The Consensus stresses the importance of the principle of diversity of the implementing partners and, as such, recognises that each of these bodies has comparative advantages in the response to specific situations or circumstances.

As part of the implementation of the action plan, a conference on **International Humanitarian Law (IHL)** was held at the European Parliament on 16<sup>th</sup> September 2008. The objective of this conference was to widen awareness raising to IHL violations and explore, in

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<sup>6</sup> Available at [http://ec.europa.eu/echo/funding/key\\_figures/echo\\_en.htm](http://ec.europa.eu/echo/funding/key_figures/echo_en.htm)

<sup>7</sup> The Economist's, J. Holmes, "The Year in 2009", *More help now, please* (p. 110)

<sup>8</sup> OJ C 25 – 30/1/2008

<sup>9</sup> SEC(2008)1991 – May 2008

the framework of the European Consensus on Humanitarian Aid, ways to better promote respect of IHL at European Union's level.

Finally, in March, the Commission adopted a communication on "*reinforcing the Union's Disaster Response Capacity*", to respond to increasing challenges whether they come from natural disasters or man-made crises and in order to reinforce the Union's capacity to provide civil protection and humanitarian assistance either on its own territory or in third countries.

### 3. GLOBAL OVERVIEW OF DG ECHO'S HUMANITARIAN OPERATIONS IN 2008

#### 3.1. Overall situation

Through its Directorate-General for Humanitarian Aid (DG ECHO), the Commission provides humanitarian assistance to the victims of natural or man-made disasters in third countries, on the sole basis of humanitarian needs. This year, the Commission's needs-based response to **humanitarian crises** in over 60 countries was channelled through 90 funding decisions, **totalling €37 million**. The initial budget of €751 million was reinforced on several occasions in order to respond to new crises and natural disasters occurring during the year and also, most importantly, in order to reply to soaring food prices.

In 2008, DG ECHO had to deal with the effect of **soaring food prices**. As a result of the surge in the prices of basic food aid products and oil, the cost of responding to the humanitarian needs identified for 2008 escalated significantly. Furthermore, the poor populations' vulnerability to crises increased as they have to devote more of their limited resources to food purchases. In order to tackle the short-term effect of rising food prices, the budget for DG ECHO's emergency food assistance almost doubled in 2008, with additional resources drawn from the Emergency Aid Reserve. At the end of the year, the food aid budget was €63 million, allowing aid to reach out to more than 25 million people.

In addition to the food crisis, **natural disasters** accentuated by climate change, continue to increase both in frequency and severity, affecting more frequently and more severely already vulnerable populations.

Natural disasters created serious damage in the following geographical areas in 2008: cyclones/hurricanes in the Caribbean region, affecting Haiti, Bahamas, Cuba, Madagascar and in Burma/Myanmar; droughts in the Horn of Africa, Sahel, Republic of Moldova, Paraguay, Honduras and Palestinian territories; earthquake in China; epidemics in Benin, Latin America and the Caribbean; floods in Bangladesh, Bolivia, Ecuador, Guatemala, Honduras, Nepal, Namibia, India and Yemen; period of extreme cold in Peru and Bolivia and typhoons in Laos and Vietnam. The Commission had to respond speedily to help thousands of suffering people, who in some cases already affected by other crises.

In terms of "**man-made**" crises, the conflict between Georgia and the Russian Federation in South Ossetia in August led to emergency intervention in favour of the population affected by this new conflict. Kenya was affected by widespread political turmoil following the disputed presidential elections. The post-election violence led to the displacement of more than 500,000 people. In 2008, Yemen experienced an escalation of the internal conflict in the north of the country. In August, the failed signature of a peace agreement between the Moro Islamic Liberation Front and the Government of Philippines sparked renewed fighting in the southern island of Mindanao, causing the displacement of more than 550,000 people. At year end,

around 320,000 people remained displaced, with no perspective of a solution in sight. Finally, in Sri Lanka, the government revoked the 2002 ceasefire agreement and intensified their offensive in the north of the country.

In addition to these new crises, the Commission had to manage **worsening humanitarian situations** often involving protracted, complex emergencies dating from previous years. The two main examples are Sudan and the Democratic Republic of Congo.

Through its humanitarian aid budget – food aid included –, the EU provided humanitarian assistance to an estimated 143 million beneficiaries in third countries<sup>10</sup>. In addition, 18.5 million of people were supported in respect of disaster preparedness, by strengthening community resilience and local response capacity.

The Commission allocated a total of €52 million (i.e. 58.9% of its total final budget) to ACP countries, the largest recipient of DG ECHO's funding, followed by Asia and Latin America (€192 million – 20.5%) and Eastern Europe, New Independent States, Middle East and Mediterranean countries (€156 million – 16.3%).

The application of needs-based principles<sup>11</sup> has led to the following **geographical breakdown**<sup>12</sup> of the funds committed for humanitarian aid in 2008 (in '000):

<b>Humanitarian assistance in 2008</b>		
<b>Unit/Region</b>	<b>Total</b>	<b>%</b>
<b>A/1: Africa, Caribbean, Pacific</b>	<b>551 847</b>	<b>58.9%</b>
<i>Sudan and Chad</i>	<i>197 000</i>	
<i>Horn of Africa</i>	<i>167 897</i>	
<i>Central &amp; Southern Africa, Indian Ocean</i>	<i>126 200</i>	
<i>West Africa</i>	<i>39 100</i>	
<i>Caribbean</i>	<i>21 650</i>	
<b>A/2: New Independent States, Middle East, Mediterranean</b>	<b>152 635</b>	<b>16.3%</b>
<i>Middle East, Mediterranean</i>	<i>124 860</i>	
<i>Europe, Caucasus and Central Asia</i>	<i>27 775</i>	
<b>A/3: Asia &amp; Latin America</b>	<b>192 327</b>	<b>20.5%</b>
<i>South Asia</i>	<i>94 257</i>	
<i>South East &amp; East Asia</i>	<i>64 000</i>	
<i>Latin America</i>	<i>34 070</i>	
<b>Non-geographic instruments</b>	<b>39 833</b>	
Capacity building, grants & services, DREF <sup>13</sup> decision and other	7 021	0.7%
Technical Assistance	25 000	2.7%
Support Expenditure	7 812	0.8%
<b>TOTAL</b>	<b>936 642</b>	<b>100%</b>

<sup>10</sup> Out of this figure, DG ECHO assisted 13.5 million IDPs on the total amount of 26 million reported – [www.internal-displacement.org](http://www.internal-displacement.org) (IDMC, Internal Displacement Monitoring Centre, Global overview of Trends and Developments in 2007)

<sup>11</sup> DG ECHO delivers its aid on the basis of humanitarian needs assessment using two complementary indices: the crisis index and the vulnerability index explained in part II of the annex

<sup>12</sup> Breakdown by budget line of the total committed in 2008 is available in part VIII

<sup>13</sup> Disaster Relief Emergency Fund

For 2008, of the 41 countries currently experiencing a crisis as defined by the evaluation, 15 have been considered as extremely vulnerable: of which 11 in Africa, the others being Afghanistan, Chechnya (Russian Federation), East Timor and Yemen.

In conformity with the methodology used, DG ECHO committed in 2008 **85%** of its initial planned budget on the main line for humanitarian aid (23.02.01) in priority areas of **high humanitarian needs**.

DG ECHO's aid strategy continues to focus on **forgotten crises** (situations where major humanitarian needs receive little attention on the part of donors - reflected by the low level of aid received - and the media). DG ECHO's analysis and methodology for identifying forgotten crises is based on both quantitative data (lack of media coverage or low donor support combined with high needs) and qualitative factors (field assessment by DG ECHO experts and desk officers). For more detail on forgotten crises, see annex, part II.

The results of Global Needs and Forgotten Crises assessments can be found on the Europa website [http://ec.europa.eu/echo/policies/strategy\\_en.htm](http://ec.europa.eu/echo/policies/strategy_en.htm).

### **3.2. Main interventions in 2008 by region and allocation of funds**

The Commission had to deal with a high number of natural disasters and man-made crises, but also with worsening humanitarian situations, sometimes protracted, complex emergencies already existing in previous years. D.R. Congo, for example, has posed a significant challenge to humanitarian organisations over a number of years with recurrent outbreaks of fighting in the east of the country causing hundreds of thousands of people to flee their homes. The Darfur region in Sudan is considered the worst humanitarian crisis in the world and consequently the international humanitarian aid effort is enormous. The lives of millions of people depend on external aid.

Interventions listed in the following sections are detailed in annexe – part III.

#### *3.2.1. Africa, Caribbean and Pacific (ACP countries)*

In 2008, DG ECHO allocated its largest funding to Sudan with a total of €167 million and to the Democratic Republic of Congo (€15.5 million + €8 million for the ECHO FLIGHT service). The other major interventions in Africa which required more than €20 million of funding were, Somalia (€44 million), Chad (€30 million), regional drought preparedness programme (€30 million), Zimbabwe (€25 million) and Ethiopia (€40 million).

#### *3.2.2. Middle East and NIS*

The Commission continued its response to the serious humanitarian situation in the West Bank and Gaza Strip which did not show any improvement in 2008, in spite of the resumption of structural assistance to the Palestinian Authority in December 2007. In addition to the political situation, the most vulnerable segments of the Palestinian population in the West Bank were affected by two climatic events: frost and drought. Funding of €82.8 million was provided to cover food needs of the most vulnerable population in the West Bank and Gaza Strip and Palestinian refugees in Lebanon. €30 million was also used to respond to the humanitarian and food needs resulting from the Iraqi crisis for beneficiaries inside and outside Iraq.



In the Northern Caucasus, the Commission pursued its funding to the victims of the Chechnya conflict in approving a total amount of €1 million.

3.2.3. *Asia*

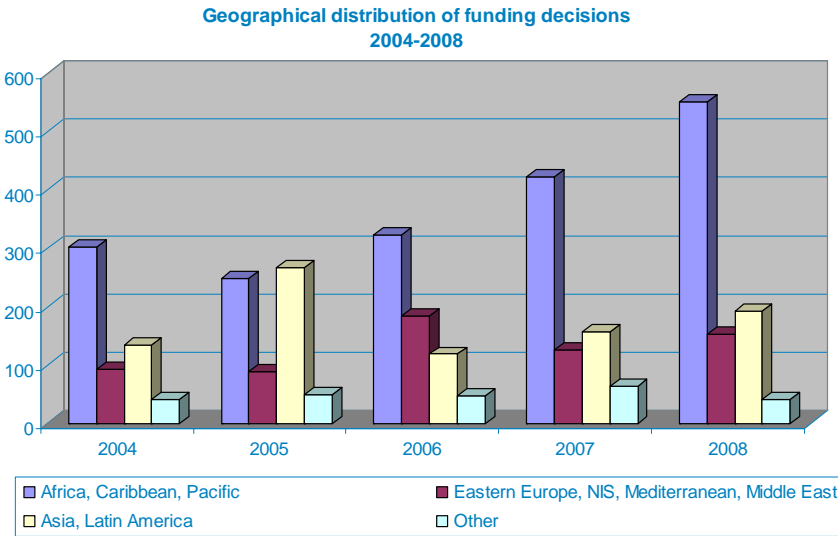
€9 million was allocated to help people in Burma/Myanmar affected by cyclone Nargis which hit the country, €6.3 million targeted vulnerable people affected by the conflicts and natural disasters in Afghanistan, Iran and Pakistan. €20.15 million was allocated to people affected by natural disasters in Bangladesh (rodent infestation in the Chittagong Hill Tracts, remaining needs from cyclone Sidr which hit the country at the end of 2007, heavy monsoon rains at the end of September 2008, combined with heavy water surges resulting in water-logging in the South-West). An additional €51,000 was allocated to support the (Burmese) Rohingya refugees present in Bangladesh.

3.2.4. *Latin America*

Finally, €4 million were allocated to Latin America of which €2.5 million for the victims of the Colombian conflict and the rest in response to several natural disasters, such as the La Niña phenomenon in Bolivia and Ecuador, drought in Paraguay and Honduras, cold waves in Bolivia and Peru and floods in Guatemala and Honduras.

3.3. **Comparative analysis**

In the chart below, the comparative analysis of the geographical distribution of funding decisions for the period 2004-2008 shows that the relative share of the funding to ACP countries is continuously increasing, apart from 2005, when this trend was reversed, leaving the lion's share of funding for Asia for the two main crises in that part of the world: the tsunami and the earthquake in Kashmir. If one looks at a five-year perspective, it should also be pointed out that the funding for the various regions and areas of the world is very variable, which confirms that DG ECHO intervention is by nature and definition short-term oriented. It should also be noted that **over 96%** of the humanitarian aid budget is for funding humanitarian operations, whereas less than 4% is for support and administrative expenditure (information, audits, evaluations, support staff, etc.). See annex, section VIII.



### **3.4. Disaster Risk Reduction including disaster preparedness activities**

As part of its mandate, DG ECHO finances activities to prepare for and reduce risks faced by the most vulnerable communities and those most exposed to natural disasters.

Considering the increasing awareness of the importance of preparedness, the substantial rise in the number and intensity of disasters over the last decades and the Hyogo Framework for Action 2005-2015 that calls for all governments and international organisations to prioritise and invest in Disaster Risk Reduction (DRR), DG ECHO has stepped up its funding for community-based disaster preparedness over the past years and is prepared to further refine its approach. Whilst remaining within the limits of its humanitarian mandate, DG ECHO can support a multitude of actions by making use of its proven strengths.

DG ECHO's contribution to DRR is channelled through its DIPECHO programme, drought preparedness initiatives, the integration of disaster preparedness measures in relief operations and advocacy efforts.

There are two main ideas at the core of DG ECHO's disaster preparedness approach: on the one hand, making communities more aware of the risks they face and, on the other hand, increasing their resilience. At the same time, activities have been started which are intended to strengthen capacities of the local public institutions responsible for protecting their populations. Disaster preparedness activities are implemented through a wide range of partners who are working in close collaboration with local organisations, which makes access to the most vulnerable and marginalised communities easier.

With its new action plan launched in South East Africa, DG ECHO is now present in seven regions of the world particularly prone to natural disasters.

### **3.5. Linking relief, rehabilitation and development (LRRD)**

DG ECHO's assistance also aims at facilitating, together with other aid instruments, the return of populations to self-sufficiency wherever and whenever possible, and to permit the phasing out of DG ECHO funding in good conditions. In that perspective, DG ECHO is actively engaged in implementing a **linkage strategy between relief, rehabilitation and development** "LRRD" and in developing stronger cooperation with other Commission services or donors.

### **3.6. Main partners in the humanitarian operations**

The humanitarian aid provided by DG ECHO is implemented through partners. DG ECHO works with about 200 non-governmental organisations, United Nations agencies and International Organisations such as the International Committee of the Red Cross and the International Federation of the Red Cross and the Red Crescent Societies.

Having a wide and diverse range of partners is important for DG ECHO, ensuring efficient coverage of an increasing list of needs all over the world. DG ECHO has developed close working relationships with its partners at the level of both policy issues and management of humanitarian operations.

In 2008, DG ECHO implemented its humanitarian operations through NGOs (44%), United Nations agencies (46%) and International organisations (10%).

During the year, DG ECHO reviewed, reassessed and refined the partnership agreements governing relations with its partners, by streamlining the procedures without compromising the control over the monitoring and supervision of the aid delivered. In doing so, the effectiveness of humanitarian aid has been maintained. For more details on the annual spread between families of partners, see annexe section VIII.5.

#### 4. RELATIONS WITH STAKEHOLDERS

As in previous years, DG ECHO pursued its active relationship with other European Institutions, Member States and International Organisations and continued to promote respect for international humanitarian law and humanitarian principles (humanity, impartiality, non-discrimination and neutrality).

It also ensured that the obligation to respect the humanitarian space during emergencies has been taken into account in the European and international debate. DG ECHO consolidated a solid working relationship with the Humanitarian 'Rapporteur' of the European Parliament.

Close contacts with the French and the incoming Czech Presidencies were pursued. In this regard, work has taken on particular importance with the creation of a new Council Working Group on Humanitarian and Food aid.

In the framework of its relations with non-EU donors, DG ECHO maintained contacts with the US including the organisation of a Strategic Partnership Dialogue (SPD) as well as other meetings and pursued its relations with other key donors.

Finally, DG ECHO continued to ensure representation and visibility of the humanitarian perspective in UN fora and ensured that EU co-ordinated positions, resolutions and statements in UN bodies reflect the EC policy.

More details on these stakeholders are given in annexe – section V.

#### 5. OTHER ACTIVITIES

In the context of its activities, DG ECHO has also to deal with other issues to support delivery and quality of Humanitarian Aid:

- (1) Development of a DG ECHO **security and safety** policy for staff involved in the delivery of humanitarian aid;
- (2) Support to the reinforcement of partners' institutional capacities in some specific areas to improve their capacity to respond quickly and efficiently to emergencies through **capacity building** programmes;
- (3) Strengthening of its **rapid response capacity** in the field by organising multi-sectoral teams;
- (4) **Communication strategy and information** and
- (5) On training initiatives, DG ECHO supports the "**Network on Humanitarian Assistance**" (NOHA) which offers a multi-disciplinary post-graduate diploma.

Details of these activities are given in Annex – section VI.

## 6. CONCLUSION

DG ECHO continued to respond speedily to unforeseen events in order to help thousands of suffering people sometimes already affected by long term crises. These long and increasingly destructive conflicts have dramatic consequences not only on the current populations who are permanently dependent of humanitarian assistance but also on future generations.

If climate change is the most important factor in the increase of humanitarian needs, global food crisis is the immediate problem. Added to the world financial and economic crisis, it is foreseen that many developing countries will reach the critical poverty level. Any decrease in international investments and assistance due to the crisis would particularly affect the most vulnerable regions.

Since its creation DG ECHO has continuously adapted its strategy so that its aid reaches the most needy populations. It is clear that the current geopolitical context poses new challenges. One is to protect a threatened humanitarian space and to promote adherence to International Humanitarian Law by all parties involved in an armed conflict. Another is the need to ensure coherence between increasing number of actors in order to bring effective and appropriate aid to those in need.

Finally, on the political side, the effort of co-ordination launched by the signing of a European Consensus on Humanitarian Aid – and the adoption of the action plan for its implementation – will allow DG ECHO to mark its ambition to actively contribute to the definition of a humanitarian policy and to strategic questions regarding the capacity to provide appropriate and effective humanitarian aid where most needed.