



EXPLANATORY MEMORANDUM

Humanitarian Aid Decision Budget Posting: 23 01 04 01 of the general budget of the European Union

1. IDENTIFICATION

<i>Form of programme</i>	Support expenditure for Humanitarian Aid Operations in 2004 ECHO/ADM/BUD/2004/01000
<i>Budget year</i>	2004
<i>Budget Posting</i>	23 01 04 01
<i>Financial allocation</i>	€3.8 million
<i>Legal basis</i>	Articles 3, 4 and 14 of Council Regulation (EC) No 1257/96 of 20 June 1996 concerning humanitarian aid
<i>Contracting</i>	Contracts and grants financed under this programme shall enter into force no later than 31.12.2004 . The final date for processing payments shall be 31.12.2005 , by which date the commitments shall be closed and decommitted as well.

2. SUMMARY OF THE PROGRAMME

The Support Expenditure Programme is intended to cover administrative support expenditures in relation to the Humanitarian Aid 2004 operations.

The Support Expenditure Programme of €3.8 million forms part of the overall Humanitarian Aid budget 2004 of €8 million under Budget posting 23 01 04

The overall Support Expenditure budget mainly covers expenditures on studies, grants (including NOHA), meetings of experts, information systems, information and publications directly linked to the achievement of the objective of the programme or measures coming under this item, plus any other expenditure on technical and administrative assistance not involving public authority tasks outsourced by the Commission under ad hoc service contracts.

3. BUDGETARY AND LEGAL BASIS

The programme will be financed from budget Posting 23.01.04.01 It covers expenditure on administrative management related to Posting 23.02 of the general budget of the European Union for Aid, including emergency food aid, to help the populations of the developing countries and other third countries hit by disasters or serious crises — Expenditure on administrative management'.

This appropriation is intended to cover:

- 1) Expenditure on technical and administrative assistance not involving public authority tasks outsourced by the Commission under ad hoc service contracts for the mutual benefit of the beneficiaries and the Commission;
- 2) Expenditure on studies, audits and evaluations directly linked to the achievement of the objective of the programme.

This appropriation does not cover expenditures on temporary support staff at headquarters (for the tasks previously conferred on dismantled technical assistance offices), nor does the appropriation cover temporary support staff for the purposes of devolved programme management in the Commission's delegations in non-member countries.

The relevant legal provisions for these actions are Articles 2, 3, 4 and 14 of Council Regulation (EC) No 1257/96 of 20 June 1996 concerning humanitarian aid.

4. PROGRAMME COMPONENTS

Activities and measures in support of humanitarian aid operations. to be financed in 2004 are the following: : Technical and administrative assistance for the purpose of this financing proposal focus on activities of mutual benefit to the Commission and the Humanitarian Aid Partners.

For the procedures and timetable for selection and award of grants and procurement contracts see the note in implementing arrangements in the annex of the financing decision.

4.1. EVALUATION AND AUDIT (€2.5 MILLION)

This programme component shall used to cover the fees, direct costs and reimbursable expenses incurred by service contracts and experts contracted by the Commission to undertake audits and evaluations of Echo Partners and actions.

Under Article 18 of the Regulation the Commission is required to "regularly assess humanitarian aid operations financed by the Community in order to establish whether they have achieved their objectives and to produce guidelines for improving the effectiveness of subsequent operations." These evaluations are structured and organised in overarching and cross cutting issues forming part of Echo's Annual Strategy such as child-related issues, the security of relief workers, respect for human rights, gender, etc. Each year, an indicative Evaluation Programme is established after a consultative process. This programme is flexible and can be adapted to include evaluations not foreseen in the initial programme, in response to particular events or changing circumstances. More information, including the expression of interest, can be obtained at: http://europa.eu.int/comm/echo/evaluation/index_en.htm. The evaluation activities under this component will be implemented by a restricted procedure including an expression of interest.

The audit activities under this component will be implemented through an existing audit framework contract N° ECHO/1/2002 concluded on 17 June 2002 that is valid for 1 year and renewable 3 times thereafter. Echo's policy and practices for audits can be found at http://europa.eu.int/comm/echo/finances/supervision_en.htm.

4.2. STUDIES AND TRAINING (€1.0 MILLION)

This programme component shall cover studies and training to the Echo FPA partners throughout the project cycle for all their operations. The purpose of these studies and training is to provide expertise and guidance to the FPA partners in accounting best practices, public procurement systems, disaster preparedness and tracking, and other topics included in the Echo 2004 annual strategy priorities.

This programme component will be implemented either through grants and calls for proposals or by restricted procedures including expressions of interest. The applicable rules,

calendar, and publication arrangements are indicated in the annex to the financing decision and will be published on Echo's web site:

http://europa.eu.int/comm/echo/partners/index_en.htm

4.3. Network to reinforce partnership between ECHO and NGOs (NOHA) (€0.3 MILLION)

A grant shall be awarded to cover expenditure on the running costs of the network on humanitarian assistance (NOHA) for an amount of EUR 300 000. In accordance with Art.108 (1) (b) of the Financial Regulation, this is a body whose objectives fall within EU policy on humanitarian aid as laid down in Reg. 1257/96 and within the activities identified in Article 4 (exchange of technical know-how and experience by European humanitarian organizations and agencies). The grant will cover 15.8% of the operating costs of the organisation.

5. PROGRAMME IMPLEMENTATION

These appropriations shall be implemented by Commission headquarters.

Contracts and grant agreements financed under this programme shall enter into force no later than **31.12.2004**. The final date for processing payments shall be **31.12.2005**, by which date the commitments shall be closed and decommitted as well.

6. BUDGET IMPACT

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Initial Available Credits for 2004	8 000 000
Supplementary Budgets	-
Transfers	-
Total Available Credits	8 000 000
Total executed to date	603 257
Available remaining	7 396 743
Total amount of the Decision	3 800 000

Changes within the envelope of €3.8 million do not require a new Commission decision where they do not exceed 20% of the amount of the subheadings.

Budget breakdown by subheadings

Principal objective: Support expenditure for Humanitarian Aid Operations	
SubHeadings	Allocated amount by Subheading (Euro)
Evaluations & Audits	2 500 000
Studies and Training	1 000 000
NOHA	300 000
TOTAL	3 800 000

COMMISSION DECISION

on

the financing of the Support expenditure for Humanitarian Aid Operations from the general budget of the European Union

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,
Having regard to Council Regulation (EC) No 1257/96 of 20 June 1996 concerning humanitarian aid^[1], and in particular Article 15 (2) thereof,

Whereas:

- (1) It is desirable to finance ancillary actions in the areas of evaluation, audits, grants, studies and support the Network On Humanitarian Assistance (NOHA);
- (2) It is estimated that an amount of 3 800 000 euro from budget Posting 23 01 04 01 of the general 2004 budget of the European Union is necessary to provide the support expenditure for Humanitarian Aid Operations in 2004.
- (3) The support expenditure under the Budget posting 23 01 04 01 are non-differentiated so that all grants and contracts must be concluded before 31/12/2004 and payments completed by 31/12/2005 and the duration of this decision is 12 months.
- (4) In accordance with Article 17 (3) of Regulation (EC) No 1257/96 the Humanitarian Aid Committee gave a favourable opinion on 16th of March 2004.

HAS DECIDED AS FOLLOWS:

Article 1

1. In accordance with the objectives and general principles of humanitarian aid, the Commission hereby approves a total amount of 3 800 000 euro for the Support Expenditure for Humanitarian Aid Operations in 2004, by using Budget Posting 23 01 04 01 of the 2004 general budget of the European Union.

2. In accordance with Articles 2, 3 and 4 of Regulation (EC) No 1257/96, the Support expenditure for Humanitarian Aid Operations in 2004 will consist of

- Evaluations & Audits
- Studies and Training
- Network On Humanitarian Assistance (NOHA)

Article 2

The duration for the implementation of this decision shall be for a maximum period of 12 months, starting on 1 January 2004. Expenditure under this Decision shall be eligible from that date.

Article 3

This Decision (ECHO/ADM/BUD/2004/01000) shall take effect on the date of its adoption.

Done at Brussels,

For the Commission

Member of the Commission

Annex: Breakdown of allocations by Subheadings

Principal objective: Support expenditure for Humanitarian Aid Operations	
Subheadings	Allocated amount by Subheading (Euro)
Evaluations & Audits	2 500 000
Studies and Training	1 000 000
NOHA	300 000
TOTAL	3 800 000

Grants for the implementation of humanitarian aid within the meaning of Regulation No.1257/97 are awarded in accordance with the Financial Regulation and Implementing Rules¹.

Rate of financing: In accordance with Article 169 of the Financial Regulation, grants for the implementation of this Decision may finance 100% of the costs of an action.

Where this financing decision is implemented by means of procurement contracts, these are awarded in accordance with European Community rules (Financial Regulation applicable to the general budget and its Implementing Rules). Framework contracts may be used. Where this is the case, it is indicated in the project descriptions in this financing decision.

Publication: Calls for tender and Calls for proposals are published on Echo's web site at: http://europa.eu.int/comm/echo/index_en.htm

Timetable: Since according to the Financial Regulation all legal commitments (contracts and grant agreements) implementing this Decision must be concluded by the end of the year covered by the Decision:

1) any calls for tender mentioned in the project descriptions of this decision will be published in the course of this year (see above for the publication details). Where the specific timetable is known this may be mentioned in the project descriptions above. Where no specific timetable is mentioned, it is normally expected that calls for tender will be published by the third quarter at the latest;

2) all selection and award procedures for grants, mentioned in the project descriptions of this decision, will be completed in 2004 since specific grant agreements have to be concluded before the end of the year. For calls for proposals, where the specific timetable is known, this is mentioned in the project descriptions above. Where no specific timetable is mentioned, it is normally expected that calls for proposal will be published by the third quarter at the latest.

¹ Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities; and Commission Regulation (EC, Euratom) No 2342/2002 of 31 December 2002 laying down detailed rules for the implementation of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities.