



Humanitarian Aid Decision

23 02 01

Title: Commission Decision concerning humanitarian aid in favour of the people in Nepal affected by the conflict

Location of operation: NEPAL

Amount of decision: 2,000,000 euro

Decision reference number: ECHO/NPL/BUD/2004/02000

Explanatory Memorandum

1 - Rationale, needs and target population:

1.1. - Rationale:

Landlocked between China and India, mountainous and hilly, with three physically diverse broad geographic areas running laterally-lowland with Terai Region in the south; the central lower mountains and hills constituting the Hill Region; and the high Himalayas, the Kingdom of Nepal is a constitutional monarchy and has been a multiparty democracy since 1990. Nepal is one of the world's poorest countries. Almost 90% of its 23 million inhabitants live in rural areas, and about 60% of them live below the poverty line¹.

The political situation is marked by growing concern over the activities of Maoist insurgency groups (CPN: Communist Party of Nepal) since their proclamation of a "Peoples' war" in 1996. The rebels aim to replace Nepal's constitutional monarchy with a republic. Government instability has grown rapidly since the killing of King Birendra and his family in June 2001. The proclamation of a State of Emergency in November 2001, the transfer of responsibility for security from the police to the Royal Nepal Army (RNA), the creation of the newly formed Armed Police Force (APF) and the instability of the political system have had severe repercussions on the Nepalese economy while the law and order situation has been rapidly deteriorating.

After the ceasefire of 29 January 2003, both sides agreed on 15 March 2003 to observe a 22-point "Code of Conduct" which, among other things, committed the parties to "stop violent and coercive activities and security measures that might ignite fear amongst the general public". Despite this agreement, cease-fire violations by both sides were reported on a regular basis. Three rounds of peace talks ensued - in April, May and August - aimed at finding a solution to the "people's war". As part of their main

¹ 2003 Human Development Index (HDI) rank : 140 out of 177 – Source: UNDP.

demands, the Maoists had listed a roundtable conference, the formation of an interim government and elections to a constituent assembly to draft a new Constitution. On 27 August 2003 the Maoists pulled out of the cease-fire agreement due to the violation of the ceasefire by the government and its decision not to accede to their demands.

Widespread human rights violations, including extrajudicial executions and deliberate and unlawful killings, disappearances, torture and death in custody, arbitrary arrest and detention, continue to be perpetrated by both the Maoist insurgents and the security forces². The State of Emergency allowed new freedom-restricting legislation in the form of the Terrorist Act and Disruptive Ordinance. The Act permits extended periods of preventive detention without a magistrate's review.

It is estimated that the eight-year insurgency has killed more than 10,000 people to date, with an increase since the proclamation of the State of Emergency³. It is almost impossible to verify casualty figures independently, as the rebels never respond to government claims. Battles are usually fought in remote, inaccessible areas, making it very difficult to confirm what has actually taken place.

This violent conflict has slowly spread across much of the kingdom over the years and has become a typical case of forgotten crisis, internally based and as yet of limited interest to the international community. Great uncertainty persists over the future evolution of the internal political situation in Nepal⁴.

CPN-Maoist units are active in mid-western regions, but highly influential in nearly all districts and conflict-related incidents also occur in all of Nepal's 75 districts. The Maoist influence is significant, not only in remote areas under their influence but all over the country. The government has maintained control of cities and district capitals, but in most rural areas their control is very tenuous, ineffective or non-existent. When the CPN-Maoists declare a general strike ("bandh"), the whole country ceases activities and virtually comes to a standstill⁵. The entire civilian population of Nepal can be considered affected by the conflict, including now even Kathmandu with regular bomb blasting.

The Maoist attacks on communications infrastructures and the limited freedom of movement caused by the conflict have isolated populations in the most affected areas and disrupted trade and tourism activities, both mainstays of the rural economy.

There have been no indications of significant population movements outside of normal economic migration from the hills to the fertile plain of Terai and to India, though

² See for example Amnesty International annual report 2004. On 14 July 2004, eight independent experts of the United Nation's Commission on Human rights (UNCHR) reiterated their serious concern regarding the extremely human rights situation in Nepal.

³ More than 2,100 killed in 2003 and nearly 1,900 people, including more than 300 civilians, between January and September 2004. Source: South Asia Terrorism Portal, Institute for Conflict Management.

⁴ See report of the EC conflict prevention assessment mission of January 2002, which remains valid: "The 'People's' war declared by the Communist party of Nepal has now spiraled into the beginning of a protracted internal war which will hamper development and democratic progress. (...) Following the breakdown of negotiations last year, successful talks are unlikely to begin in the near future. (...) Since the State of Emergency has been declared, the impression is that both sides have, at least for the present, adopted military strategies. Positions in the two camps get more and more polarised".

⁵ The latest blockade in Kathmandu took place on 16 and 17 November 2004.

precise information is still lacking at this stage. The Maoists have been targeting civil servants who are obliged to flee conflict-affected areas. However the risk of further displacement is growing as fighting continues to disrupt rural economic activity.

1.2. - Identified needs:

Health:

Theoretically, health posts are linked to district hospitals, the highest medical institutions in the district, but in reality, this system is often dysfunctional. The national reference hospital is the Kathmandu hospital and there are 5 regional hospitals with a theoretical capacity of 200 beds or more. The district hospitals control the Village Development Committees (VDC⁶)'health centres. These centres represent the basic health care structures. In reality, regional hospitals in the Mid-Western regions are not fulfilling their function and are acting as district hospitals only. Moreover, the district hospitals have no waste management system in place. There is no equipment available to this effect, or any code of conduct or minimum hygiene standards.

The weaknesses of the hospitals are also found in the health centres and posts and sub-posts of the districts: lack of trained personnel, especially related to hygiene, lack of medicine, and absence of waste equipment and management. Existing health posts do not function properly and are plagued by various problems. Pharmaceutical supplies are often exhausted during the first few months of the fiscal year, forcing the health centres to virtually close down for the rest of the year. In some cases, the centres have difficulty storing medicines due to lack of proper refrigeration. Non-respect of vaccination protocols, and especially those relating to the cold chain, has limited the positive effects of these campaigns.

In addition access to care for the population living in remote Maoist-controlled-areas is severely limited due to the conflict, adding to the chronic restrictions to daily life which people living in the hilly zones have been facing due to the geographical environment. The government has lost access in these areas and the Maoists do not seem capable to take over health services.

Other serious problems facing the healthcare system are the disproportionate concentration of medical facilities and personnel in urban and metropolitan areas, and a strong aversion among doctors, in particular, to postings to rural areas where living conditions are not up to the metropolitan standard. There are about 1,000 medical doctors in Nepal, the majority of whom are located in Kathmandu.

Therefore the rare available medical data reveal worrying trends, especially regarding children. According to the December 2002, USAID Report on Primary Health Care, national under-five mortality rate is 91 per 1,000 live births and maternal deaths are estimated at over 500 to 1,500 deaths per 100,000 births. In 2003, the under-five mortality rate grew to 104,7. Only 14% of the deliveries occur in health institutions and nationally only 12.5% of deliveries are attended by trained health providers. 26% of new-borns have low birth weight, which leaves them prone to illness and death in infancy. Acute respiratory infections (ARI) are responsible for 30-40% of deaths in children under five, with diarrhoea responsible for 16-25% of deaths.

⁶ The lowest level of government administration.

Water and sanitation:

Assessments by INGOs have shown that increasing access to drinking water at community level was identified as a top priority and also an activity that would be acceptable to both Government and Maoists. Most of the community drinking water systems constructed during the 80's and 90's are no longer functioning well. The Nepalese authorities have not been able to support the communities due to reduction in their budget as well as the worsening security situation. Also, as indicated above, the Maoists have destroyed some water supply schemes as part of their military operations. As a result, people are facing problems in getting drinking water and have no other option than to use river water or irrigation channels for their daily use. As a result, people are suffering from diarrhea and other water-borne diseases⁷.

In the villages, to cope with livelihood insecurity, male family members in the hilly areas migrate on a seasonal basis to find employment either in the Nepal lowlands or India. However, due to the present conflict situation, this trend has increased sharply⁸ with the fear of men and young boys being pulled into the conflict by both sides. As a result of this, more women and children are being left behind in the villages, adding greater responsibilities to the women as heads of the households. Due to the poor drinking water supply, fetching water is taking more of their time, allowing less time for other domestic and agriculture related work.

1.3. - Target population and regions concerned:

With regard to the above, the target population is the civilian population, particularly women, children and disabled, living in the conflict-affected districts in the Mid-Western and Central regions of Nepal.

1.4. - Risk assessment and possible constraints:

The 2002 and 2003 funding decisions have encouraged gradually ECHO partners to develop their interest in the humanitarian situation of the conflict-affected populations of Nepal. These Decisions show that there is an increasing number of partners willing to work now in the heart of the Maoist strongholds despite the increasing access problems met by INGOs to work there. However, the implementation of the identified operations is very fragile. Indeed, partners face two types of difficulties. Security still represents a major constraint for development and humanitarian aid activities⁹. The intensification of fighting since the breakdown of the ceasefire at the end of August 2003 has increased the risks in this regard and the Maoist decision to forbid US-funded organisations in their areas complicates the task of all Western NGOs. Moreover, Maoist pressure increased with the creation in April 2004 of a parallel "administration" based on tax extortion and of a geographical division competing with the official division, thus making relations with the rebels even more complex, with the existence of powerful local echelon.

Additionally, the Nepalese administration applies a strict regime for NGOs in order to control them in a way which is not compatible with the rules of independence of humanitarian aid organisations. For example, only two non-tourist visas for expatriates are foreseen as a maximum per project. Humanitarian aid INGOs are therefore

⁷ The diarrhoea incident rate is 174 per 1.000 for children under five.

⁸ Both in numbers and in the permanence of the migration.

⁹ Two international humanitarian and two national humanitarian aid workers faced a serious security incident in September 2003 in one district of the Mid Western region. Also, tourists are now regularly requested by the Maoists to pay taxes.

experiencing many difficulties in obtaining specific recognition from the Government and long-term visas for their expatriates, difficulties which add to those of getting the Maoists' agreement to work in the zones under their control.

2- Objectives and components of the humanitarian intervention proposed:

2.1. – Objectives:

Principal objective:

To support the rural population of Nepal affected by the conflict, particularly women, children and disabled

Specific objectives:

- To provide quality primary health care to approximately 190,000 people, particularly women, children and disabled in the Mid Western and Central Regions.
- To provide quality water and sanitation facilities to approximately 7,500 people and 3,000 children in schools in the Far Western and Mid Western Regions.

2.2. - Components:

The components foreseen under this Decision are the same as those of the 2003 funding Decision. However this Decision will firstly allow the expansion of primary health and water and sanitation activities to additional remote rural areas of the conflict-affected districts and will also include new activities such as physical rehabilitation services for the disabled, including war-injured people.

Health

Primary health care will be targeted with training for medical staff, provision of essential drugs and basic equipment for the district hospitals, the clinics and the health centres and posts in some of the Mid Western Region's districts. Medical data records will be established and epidemiological surveillance systems will be reinstalled. A community-based integrated management of childhood illness will be set up in one of these districts. Physical rehabilitation services will be provided to disabled. It is also expected that training activities related to hygiene and correct waste disposal practices and protocols will be conducted for medical staff and personnel in the hospitals, health centres and posts.

Water and sanitation

It is expected that at least 15 rural drinking water systems will be rehabilitated and constructed, and 25 existing water sources protected, at community level. Also, the construction of 500 toilets and over 1,000 pit latrines is envisaged. The installation of these facilities will be accompanied by training sessions on hygiene and sanitary practices, as well as training in water system management.

3 - Duration foreseen for actions within the framework of the proposed decision:

The duration for the implementation of this decision will be 15 months.

1. EU Members States (*)		2. European Commission		3. Others	
	EUR		EUR		EUR
Austria	0	ECHO	4,610,000		
Belgium	0	Other services			
Denmark	0				
Finland	0				
France	100,000				
Germany	1,600,000				
Greece	0				
Ireland	75,000				
Italy	0				
Luxembourg	0				
Netherlands	0				
Portugal	0				
Spain	0				
Sweden	107,000				
United Kingdom	150,054				
Subtotal	2,032,054	Subtotal	4,610,000	Subtotal	0
		Grand total	6,642,054		

Dated : 15/11/2004

(*) Source : ECHO 14 Points reporting for Members States. <https://hac.cec.eu.int>

Empty cells means either no information is available or no contribution.

6 –Amount of decision and distribution by specific objectives:

6.1. - Total amount of the decision: 2,000,000 euro

6.2. - Budget breakdown by specific objectives

Principal objective: <i>To support the rural population of Nepal affected by the conflict, particularly women, children and disabled.</i>				
Specific objectives	Allocated amount by specific objective (Euro)	Possible geographical area of operation	Activities	Potential partners¹⁰
Specific objective 1: To provide quality primary health care to approximately 190,000 people, particularly women, children and disabled in the Mid Western and Central Regions.	1,500,000	Mid Western and Central Regions	<ul style="list-style-type: none"> - Medical consultation and care to patients. - Supply of drugs and small medical equipment. - Set up of an epidemiological surveillance system. - Training of health staff and patients on basic hygiene rules and information on reproductive health. - Restoration of the cold chain. - Basic rehabilitation of health structures. 	<ul style="list-style-type: none"> - CAM - HANDICAP (FR) - MERLIN - MOVIMONDO - MSF - NLD
Specific objective 2: To provide quality water and sanitation facilities to approximately 7,500 people and 3,000 children in schools in the Far Western and Mid Western Region.	500,000	Far Western and Mid Western Regions	<ul style="list-style-type: none"> - Rehabilitation or construction of rural drinking water systems. - Protection of water sources. - Construction of latrines. - Training in water supply management, and in hygiene and sanitation practices. 	- CARE - AUT
TOTAL	2,000,000			

¹⁰ ARTSEN ZONDER GRENZEN (NLD), CARE OSTERREICH, (AUT), COMITE D'AIDE MEDICALE, HANDICAP INTERNATIONAL (FR), MEDICAL EMERGENCY RELIEF INTERNATIONAL (GBR), MOVIMONDO (ITA)

7 –Evaluation

Under article 18 of Council Regulation (EC) No.1257/96 of 20 June 1996 concerning humanitarian aid 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. 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 can be obtained at:

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

8 –Budget Impact article 23 02 01

	CE (in Euro)
Initial Available Appropriations for 2004	472,000,000
Supplementary Budgets	- 3,700,000
Transfers	
Total Available Credits	468,300,000
Total executed to date (as at 15/11/2004)	450,784,311.78
Available remaining	17,515,688.22
Total amount of the Decision	2,000,000

COMMISSION DECISION

of

**on the financing of humanitarian operations from the general budget of the European Union in
NEPAL**

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 aid¹¹, and in particular Article 14 thereof,

Whereas:

1. The internal conflict which started in Nepal in 1996 has killed about 10,000 people, including 4,000 these last two years.
2. This forgotten crisis has not received a lot of attention from the international community so far and humanitarian aid interventions are hampered by access constraints.
3. Basic needs such as health care and water provision are not adequately fulfilled, particularly in the remote and hilly Maoist-controlled areas.
4. An assessment of the humanitarian situation leads to the conclusion that humanitarian aid operations should be financed by the Community for a period of 15 months.
5. It is estimated that an amount of 2,000,000 euro from budget line 23 02 01 of the general budget of the European Union is necessary to provide humanitarian assistance to over 240,000 conflict-affected people living in rural areas, taking into account the available budget, other donors' interventions and other factors.

HAS ADOPTED THIS DECISION:

Article 1

1. In accordance with the objectives and general principles of humanitarian aid, the Commission hereby approves a total amount of 2,000,000 euro for humanitarian aid operations in favour of the people in Nepal affected by the conflict by using line 23 02 01 of the 2004 budget of the European Union.
2. In accordance with Article 2 of Regulation (EC) No.1257/96, the humanitarian operations shall be implemented in the pursuance of the following specific objectives:
 - To provide quality primary health care to approximately 190,000 people, particularly women, children and disabled in the Mid Western and Central Regions.

¹¹ OJ L 163, 2.7.1996, p. 1-6

- To provide quality water and sanitation facilities to approximately 7,500 people and 3,000 children in schools in the Far Western and Mid Western Regions.

The amounts allocated to each of these objectives are listed in the annex to this decision.

Article 2

The Commission may, where this is justified by the humanitarian situation, re-allocate the funding levels established for one of the objectives set out in Article 1(2) to another objective mentioned therein, provided that the re-allocated amount represents less than 20% of the global amount covered by this Decision.

Article 3

1. The duration for the implementation of this decision shall be for a maximum period of 15 months, starting on 01/11/2004.
2. Expenditure under this Decision shall be eligible from 01/11/2004.
3. If the operations envisaged in this Decision are suspended owing to *force majeure* or comparable circumstances, the period of suspension shall not be taken into account for the calculation of the duration of the implementation of this Decision.

Article 4

This Decision shall take effect on the date of its adoption.

Done at Brussels,

For the Commission

Member of the Commission

Annex: Breakdown of allocations by specific objectives

Principal objective: To support the rural population of Nepal affected by the conflict, particularly women, children and disabled.	
Specific objectives	Amount per specific objective (Euro)
To provide quality primary health care to approximately 190,000 people, particularly women, children and disabled in the Mid Western and Central Regions.	1,500,000
To provide quality water and sanitation facilities to approximately 7,500 people and 3,000 children in schools in the Far Western and Mid Western Regions.	500,000
TOTAL	2,000,000

Grants for the implementation of humanitarian aid within the meaning of Council Regulation (EC) No.1257/96 of 20 June 1996 concerning humanitarian aid are awarded in accordance with the Financial Regulation, in particular Article 110 thereof, and its Implementing Rules in particular Article 168 thereof.¹²

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.

Humanitarian aid operations funded by the Commission are implemented by NGOs and the Red Cross organisations on the basis of Framework Partnership Agreements (FPA) (in conformity with Article 163 of the Implementing Rules of the Financial Regulation) and by United Nations agencies based on the Financial and Administrative Framework Agreement (FAFA). The standards and criteria established in Echo's standard Framework Partnership Agreement to which NGO's and International organisations have to adhere and the procedures and criteria needed to become a partner may be found at

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

¹² Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002, OJ L248, 16/09/2002 and No 2342/2002 of 23 December 2002, OJ L 357 of 31/12/2002.