



Humanitarian Aid Decision

23 02 01

Title: Humanitarian aid in favour of vulnerable groups in DPRK

Location of operation: DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA

Amount of Decision: EUR 8,000,000

Decision reference number: ECHO/PRK/BUD/2006/01000

Explanatory Memorandum

1 - Rationale, needs and target population.

1.1. - Rationale:

The protracted humanitarian crisis in the Democratic People's Republic of Korea (DPRK) is caused by a combination of the continuing decline of the economy and an inability of the Government to effectively redress the situation with appropriate development measures.

The floods of the mid-1990s exposed the humanitarian magnitude of the fast deteriorating living conditions in the DPRK that resulted from the dissolution of its relationship with the former Soviet bloc economies after the ending of the Cold War. As a major catastrophe involving according to some sources up to an estimated 2 million casualties at that time, this crisis set off one of the biggest humanitarian aid operations in history.

There is a growing consensus among the international aid agencies working in DPRK that the humanitarian situation has stabilized. The nutritional status of the population has levelled off to a degree of chronic malnutrition similar to levels found in several countries in South East Asia. Food security has been improving following an increase in agricultural production that came as a result of external support to inputs, adjustments to the cropping system, and increased cultivation of marginal land on slopes (although this does present concerns for the longer term). Exchanges of surpluses among the population have become somewhat easier since small-scale trade was again permitted following the introduction of a first, albeit very timid, economic reform package in 2002.

At the same time the situation in DPRK remains fragile as no real change has taken place with regard to the fundamental causes of the humanitarian crisis. Risk of relapse into the famine conditions of the mid-1990s persists. The country remains food deficient with an annual gap of 800,000–1,000,000 tons, 15–20 % of the total estimated requirement. To cover this gap it continues to depend heavily on international food aid, now mainly provided on a

bilateral basis by the Republic of Korea (ROK) and China¹. There is a lack of openness and unwillingness on the side of the DPRK Government to discuss solutions with the international community as is evident from the way in which its unilateral decision to stop humanitarian aid programmes at the end of 2005 was taken.

DPRK recognizes its need for international aid aimed at poverty reduction if it is to achieve the Millennium Development Goals. However, lack of progress in restoring relations with the international community, concerns about DPRK's nuclear activities and the testing of ballistic missiles, mean that the country has extremely limited access to other aid instruments except humanitarian aid.

The DPRK Government requested its donors to end humanitarian aid for the first time in 2004 and finally enforced it by instruction in August 2005. This move was strongly questioned by the donor community not because of the demand to move on from humanitarian aid to development aid, but as the argument was clearly mixed with considerations related to internal security and the desire to reduce scrutiny by international aid agencies in general and the presence of expatriate aid workers in DPRK in particular.

Out of 11 projects funded by DG ECHO² that were under implementation in December 2005, 8 had to be suspended. Previously, 2 DG ECHO partners had already decided to terminate their contracts and leave DPRK. The Water and Sanitation Decision (ECHO/PRK/BUD/2005/03000) taken in October 2005, had to be cancelled without attributing contracts. At the request of the DPRK Government, negotiations took place in February 2006, which provided the basis for an arrangement allowing partners to reactivate all suspended DG ECHO funded projects in April 2006³. The Government established the Korean European Cooperation Coordination Agency (KECCA), which replaced the former structure of the Flood Disaster Relief Committee (FDRC), created in the aftermath of the 1996 inundations.

Following an extensive field review mission⁴ in June 2006, DG ECHO concluded that the new arrangement is a pragmatic solution whose level of functioning is considered acceptable to the extent that the NGO partners can achieve the objectives of their current contracts within the remaining period of the Decision ECHO/PRK/BUD/2005/01000. The same mission, however, recommends the phasing out of the DG ECHO programme in DPRK. The evolution in the humanitarian situation no longer justifies humanitarian assistance to DPRK as defined within the mandate of DG ECHO. Most of the ongoing projects have increasingly evolved into transition type of interventions. However, given the character of these interventions in line with earlier DG ECHO strategies in DPRK and the paucity of alternative funding sources, it is necessary to propose an ad hoc Decision for an 18-month phasing out period. This Decision would combine water and sanitation and health as the principal sectors of DG ECHO intervention in DPRK.

¹During the last 4 years on average 75-85% of all food aid was provided by China and ROK, whereas in preceding years it was about 50%. As a result of this assistance both countries have now emerged as major food aid donors on a global scale.

² Directorate General for Humanitarian Aid - ECHO

³The 6 DG ECHO partners present in DPRK established together the European Union Programme Support (EUPS) in which their respective teams work in separate units as groups of experts on their different projects. Having foregone all visible reference to their individual organisations, it allows the NGOs to continue working in DPRK and implement projects funded by the European Commission, without the need for a change in the legal status of the contracts for such projects.

⁴18 June 2006 – 4 July 2006. Participants: desk officer DG ECHO-HQ, head of DG ECHO-RSO Bangkok and 2 DG ECHO resident technical advisors.

1.2. - Identified needs:

Public health and water supply continue to be heavily impacted by the economic decline of the country, lacking adequate funding for investments in equipment and infrastructure, human resource development and running expenses. The level of services available to the population is often hardly a shadow of the erstwhile relatively well established structures. It results in poor health care and frequent occurrence of communicable and waterborne diseases that contribute to increased morbidity and mortality rates.

Successive DG ECHO Decisions in the water and sanitation and health sectors have positively contributed to reducing the impact of the deterioration process. At this stage, as the situation is stabilising and the aid transiting from humanitarian aid into poverty alleviation, needs are predominantly defined by what remains to be done to conclude ongoing projects. Compared to other countries transition will be more difficult in the case of DPRK, given the current political constraints on expansion of cooperation.

The above mentioned DG ECHO review mission exposed needs and initiated dialogue with partners on appropriate interventions that are required to consolidate and conclude current projects and leave behind a situation that assures the efficiency and impact of the investments made so far. It also looked into the capitalization of experiences in order to support transition and reinforce response capacity in the event of a possible future humanitarian crisis.

Drug supply and vaccines

According to estimates⁵, only half of the basic needs for essential western drugs are met, for which during the last couple of years DG ECHO provided about two-thirds of the funding. Discussions with the Government on alternative sourcing block on their conviction that the only solution is the re-establishment of national drug production. Initiatives in this direction supported by the ROK and private industry have had some modest success, but do not seem to provide yet a viable alternative on a national scale.

WHO, UNICEF and IFRC are discussing with the Ministry of Public Health the possibility of a national support programme for primary health care. Such a programme would include, in addition to a supply of essential drugs and preventive vaccination, human resource development and institutional support and would also address more fundamental issues of reform. Potential long-term funding is available from the ROK Government and the Global Alliance for Vaccination and Immunization (GAVI), while further support by DG ECHO in 2007 would prevent an abrupt termination in the current drug supply and allow time to develop, together with the DPRK Government, more alternatives.

Health institutions

DG ECHO funding has enabled WHO and NGO partners to assist successfully in the improvement of several hospitals, rural clinics and the reinforcement of the diagnostic services, blood transfusion and IV fluid production. Needs persist throughout the country, but except for the consolidation of some ongoing interventions, these should be addressed more comprehensively with a systemic development-oriented approach. The support provided for improving laboratory services is hampered by lack of financial sustainability, and a failure by the Government to allocate additional budget for recurring costs on imports of consumables.

⁵ OCHA: Framework for International Cooperation in 2005 in DPRK

Following the results of earlier DG ECHO supported projects, WHO attracted significant funding for the rehabilitation of hospitals and clinics from ROK, demonstrating a successful transition towards rehabilitation and development.

Social Institutions

A major difficulty encountered by DG ECHO partners is the lack of precise information on the magnitude of requirements for institutional care and the reluctance of the Government to allow partners to enhance their interventions. Extreme cases of poor care have sometimes been observed. It has, however, proven difficult to extrapolate on a national level. Partners have adopted different strategies in which, for example, intervention to improve child care become part of the wider issue of child protection as a cross-cutting theme in projects to improve water and sanitation. Several years of support to improve assistance to physically impaired and elderly people have had, as an additional impact, a more open recognition by the Government of the problems, which is a significant step in reinforcing the national capacity to deal with such issues.

Water and sanitation

While officially 82% of the population is reported to have access to piped water and 57% is supposed to use flush toilets, in reality many of these facilities have become defunct for want of funding for recurring expenses and maintenance. Alternatives as shallow dug wells or the use of surface water provide insufficient and unsafe water sources. Sewage systems in urban areas have often collapsed, while in rural areas inappropriately recollected human waste is used as the main fertilizer for agricultural production. This has caused a serious setback for the public health situation, among others aggravating the already poor nutritional status of the population and in particular of children.

Originally focusing on water supply and sanitation addressing the rural population and public institutions, DG ECHO partners have shifted their attention to urban areas. So far projects have been implemented in 14 cities varying in size from 15,000 to over 200,000 inhabitants. Although mostly successful, these types of interventions have also increasingly demonstrated the limits of the humanitarian aid instrument. Apart from a series of technical difficulties, the short-term funding cycle and reduced field access are major constraints preventing partners from developing the integral type of approach essential for this kind of interventions.

As most of the projects have been planned over different phases, support for completion of interventions in several towns is to be foreseen in order not to jeopardize the impact of earlier investments and to ensure an adequate takeover by the local authorities.

Food security and nutrition

The WFP food aid programme resumed its operation in June 2006 after it scaled down its programme from an appeal of 309,000 tons in 2005 to 150,000 tons for 2006 and 2007 together. The current Protracted Relief and Rehabilitation Operation (PRRO) is a compromise adjusting the volume of aid to the severely reduced number of international staff as requested in August 2005 by the Government and which had led to a temporary suspension in December 2005. The area of operation is also reduced accordingly, maintaining the common donor policy of 'no access = no aid'. Activities continue to focus predominantly on mother-and-child nutrition complemented by food for work and school feeding.

It is commonly presumed that successive seasons of good agricultural production and the regular flow of aid from China and ROK encouraged the Government to pursue its stand to

get rid of the far more stringently controlled WFP aid. However, excessive rain this summer and openly expressed reluctance by the ROK Government to continue its aid programme as long as DPRK is not returning to the negotiations on nuclear disarmament, demonstrate this approach to be less certain than initially thought.

The most recent nutritional survey on a national scale dates from October 2004 and reported malnutrition, i.e. underweight for age, of 7.0% of which 2.0% severe (< 3* standard deviation) against 8.3% and 2.6% in 2002. New in the 2004 survey was its inclusion of mothers with small children, of which it established that one third were malnourished and anaemic. In general, and opposed to access to food, the principal problems identified were a lack of diversity in the diet, as well as low levels of protein, fats, minerals and vitamins. The prevalence of malnutrition varies, being worse in the North and East provinces of Hamgyong and Ryangang and somewhat better around Pyongyang. No significant difference was found between urban and rural households

Nutritional status of children under 5 years (%).

	Nutrition Assessment DPRK UNICEF – WFP				Nutritional status 1996 – 2004***		
	1998*	2000	2002	2004	Indonesia	Cambodia	Philippines
Underweight	60.6	20.3	20.0	23.4	28	45	28
Stunted (to small for age)	62.3	21.9 – 60.3**	35.9	37.0	-	45	30
Wasted (underweight for age)	15.6	7.8 – 11.9**	8.3	<u>7.0</u>	-	15	-

* with EU support

** range age groups, no compounded average available

*** <http://www.unicef.org/infobycountry/...>

The DG ECHO mission in June 2006 confirmed the trend described in the nutritional assessments. Travelling extensively through the country and visiting several hospitals, paediatric wards, rural health centres, schools and child institutions did not reveal any visible signs of malnutrition among children. Hospital treatment for severe malnutrition has come down significantly, both in numbers and proportionally from the peak in the late 1990s. Current numbers of caseloads may be considered to be mainly related to diseases, in particular diarrhoea, rather than outright shortage of food.

Regular EC food aid was completely phased out in 2002 in favour of agricultural input support programmes. Subsequently DG ECHO has been funding WFP whenever there is a high risk of breakdown of the pipeline in particular for the mother and child oriented activities. Given the levels and the chronic character of the malnutrition there is no reason for any further support for humanitarian food aid at this stage. DG ECHO will follow up closely with WFP on its reinforced nutritional assessment capacity in order to monitor any adverse development in the nutritional situation.

Flood Victims

The impact of the flooding in the second part of July this year as a result of excessive summer rains has yet to be assessed to its full extent. The IFRC and UN have reported 16,900 families affected and 151 casualties with extensive damage to crops and infrastructure. The information is provided by the DPRK authorities, as direct field access was restricted.

However, DG ECHO partners, using their respective areas of operation as a reference, agree to the magnitude as officially reported. This is strongly contradicted by claims from the ROK-based private organisation 'Good Friends', which estimates over 57,000 casualties based on information it has been receiving from DPRK refugees and its sources inside the country. The ROK Government estimates about 40,000 households affected and 1,000 casualties.

In response to the floods, IFRC (4,950 family kits), UNICEF (emergency health kits to 8 county hospitals and 66 local clinics serving 15,000 people) and WFP (150 tons food aid) were allowed to carry out some relatively small local interventions, serving about 10–15,000 people. In case of other DG ECHO partners, minor interventions to assist in the repair of local public infrastructure damaged by the floods have been initiated, so far funded within the context of ongoing contracts from the 2005 Health Decision (ECHO/PRK/BUD/2005/01000).

DPRK declined all further offers of assistance to flood victims, though the Ministry of Foreign Affairs through KECCA has indicated interest in receiving aid for the reconstruction of houses of flood victims.

DG ECHO foresees a further assessment, in particular to evaluate the impact of the crop damage on food security.

1.3. - Target population and regions concerned:

The target population for this phasing out programme is defined in the previous programmes and covers all 10 provinces except for the 40 counties to which foreign access has been denied. With the distribution of essential drugs covering about 5,000 health facilities in 164 of all 204 cities and counties of the DPRK, the potential catchment of beneficiaries is estimated as over one third of the total population of 23 million. Support for preventive vaccinations may be provided for up to 200,000 new born children and their mothers.

Water and sanitation interventions financed under this Decision will cover 9 cities and counties with a potential of around 200,000 beneficiaries.

1.4. - Risk assessment and possible constraints:

Limitations on field access are the principal constraints for all aid organisations working in DPRK. It has been a problem ever since the first interventions started in 1996, although with some differentiation over time and between organisations and sectors of intervention.

The request in November 2005 by the DPRK Government to terminate all EU sponsored projects caused a serious setback in the implementation of the ongoing programme. The subsequent development of a new working arrangement and also the setting up of the KECCA by the Government provided a pragmatic avenue for DG ECHO partners to continue working in DPRK. In case of a renewed attempt to constrain the working conditions of DG ECHO partners, a permanent suspension of the programme would be considered.

No assistance is provided to any areas where field access for monitoring and project management is not granted.

Although this Decision is considered to phase out the current programme, there are substantial risks, in particular related to limitations in access to food which may trigger an aggravation of the situation and make it necessary to provide additional assistance.

2 - Objectives and components of the humanitarian intervention proposed:⁶

2.1. - Objectives:

Principal objective:

- Improve health conditions among the most vulnerable groups in the Democratic People's Republic of Korea.

Specific objectives:

- Reinforce the capacity of the healthcare system.
- Reduce waterborne diseases.
- Provide relief assistance to flood victims.
- Maintain a technical assistance capacity in the field to assess needs, appraise project proposals and to coordinate and monitor the implementation of operations.

2.2. - Components:

This Decision comprises the following activities which, within an overall context of phasing out humanitarian aid, serve the purpose described above:

- Provision of basic medical kits and human resource development for 5,000 local health care facilities to support the transition of the earlier countrywide drug distribution into a comprehensive primary health care development programme.
- Consolidate the support provided to set up 12 IV-fluid production units in hospitals throughout the country in order to enhance cost efficiency and sustainability and to expand the outreach.
- Enhance the cost efficiency and sustainability of the rehabilitated orthopaedic workshop in Hamhung by reinforcing integration with existing government structures and the ICRC sponsored orthopaedic workshop.
- Vaccination of 200,000 pregnant women and 200,000 children under 1 year old.

⁶ 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 (Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002, OJ L248 of 16 September 2002 and No 2342/2002 of 23 December 2002, OJ L 357 of 31 December 2002).

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 DG 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://ec.europa.eu/echo/partners/index_en.htm

- Complete and consolidate the rehabilitation of water supply in the cities of Dokchon, Hoichang, Kujang, Ambyon, Muchon, Yonsan, Unryul, Tanchon and Sinhung and some selected surrounding rural areas.
- Support hygiene promotion and introduce pilot demonstrations on appropriate low cost interventions to improve sanitation.
- Non-food aid to flood victims.

In order to maximise the impact of the humanitarian aid for the victims, the Commission will maintain a DG ECHO support office located at Pyongyang. This office will appraise project proposals, co-ordinate and monitor the implementation of humanitarian operations financed by the Commission. The office will provide technical assistance capacity and necessary logistics for the achievement of its tasks.

3 - Duration expected for actions in the proposed Decision:

The duration for the implementation of this Decision shall be 18 months. The increasingly transitional nature of the current operations and also the climatic constraints for implementation of technical works, justify the maximum period in order to allow for a reserve in the duration of the contracts.

Humanitarian operations funded by this Decision must be implemented within this period.

Expenditure under this Decision shall be eligible from 15 November 2006 in order to provide for the DG ECHO partners present to continue without an interruption in their operations in DPRK after the ending of current grant agreements.

Start Date: 15 November 2006.

If the implementation of the actions envisaged in this Decision is suspended due to *force majeure* or any comparable circumstance, the period of suspension will not be taken into account for the calculation of the duration of the humanitarian aid operations.

Depending on the evolution of the situation in the field, the Commission reserves the right to terminate the agreements signed with the implementing humanitarian organisations where the suspension of activities is for a period of more than one third of the total planned duration of the action. In this respect, the procedure established in the general conditions of the specific agreement will be applied.

4 - Previous interventions/Decisions of the Commission within the context of the current crisis

List of previous DG ECHO operations in DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA
--

Decision Number	Decision Type	2004 EUR	2005 EUR	2006 EUR
ECHO/PRK/BUD/2004/01000	Non Emergency	9,100,000		
ECHO/PRK/BUD/2004/02000	Prim. Emergency	200,000		
ECHO/PRK/BUD/2004/03000	Non Emergency	1,250,000		
ECHO/PRK/BUD/2004/04000	Non Emergency	6,200,000		
ECHO/PRK/BUD/2005/01000	Non Emergency		10,715,000	
ECHO/PRK/BUD/2005/02000	Emergency		3,000,000	
	Subtotal	16,750,000	13,715,000	0
	Grand Total	34,350,000		

Dated : 31/08/2006
Source : HOPE

5 – Overview of donors' contribution.

Donors in DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA in the last 12 months					
1. EU Members States (*)		2. European Commission		3. Others	
	EUR		EUR		EUR
Austria					
Belgium					
Cyprus					
Czech republic					
Denmark	536,193				
Estonia					
Finland	500,000				
France					
Germany	510,000				
Greece					
Hungary					
Ireland	500,000				
Italy					
Latvia					
Lithuania					
Luxemburg					
Malta					
Netherlands	515,000				
Poland					
Portugal					
Slovakia					
Slovenie					
Spain					
Sweden	4,586,422				
United kingdom					
Subtotal	7,147,615	Subtotal		Subtotal	0
		Grand total	7,147,615		

Dated : 31/08/2006

(*) Source : DG ECHO 14 Points reporting for Members States. <https://hac.ec.europa.eu>
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: EUR 8,000,000

6.2. - Budget breakdown by specific objectives

Principal objective: <i>Improve health conditions among the most vulnerable groups in the Democratic People's Republic of Korea.</i>				
Specific objectives	Allocated amount by specific objective (EUR)	Geographical area of operation	Activities	Potential partners⁷
Specific objective 1: Reinforce the capacity of the healthcare system.	4,100,000	North and South Hamgyong, North and South Pyongan, North and South Hwangae, Chagang, Kaesong, Ryangang, Pyongyang	<ul style="list-style-type: none"> - Provision of basic medical kits and human resource development for 5,000 local health care facilities to support the transition of the earlier countrywide drug distribution into a comprehensive primary health care development programme. - Consolidate the support provided to set up 12 IV-fluid production units in hospitals throughout the country in order to enhance cost efficiency and sustainability and to expand the outreach. - Enhance the cost efficiency and sustainability of the rehabilitated orthopaedic workshop by reinforcing integration with existing government structures and the ICRC sponsored orthopaedic workshop. - Vaccination of 200,000 pregnant women and 200,000 children under 1 year old. 	<ul style="list-style-type: none"> - Danish Red Cross - UNICEF - PU - HI

⁷ Dansk Rode Kors (DNK), UN-UNICEF-BEL, Premiere Urgence (FR), HANDICAP INTERNATIONAL (B), CONCERN WORLDWIDE (IRL), Deutsche Welt Hunger Hilfe (DEU)/German Agro Action, TRIANGLE Generation Humanitaire (FR), SAVE THE CHILDREN (GBR)

Specific objective 2: Reduce waterborne diseases.	3,300,000	Hoichang, Ambyon,Tanchon, Kujang, Muchon	Pukchang, Sinhung,	- Complete and consolidate the rehabilitation of water supply in the cities of Dokchon, Hoichang, Kujang, Ambyon, Munchon, Yonsan, Unryul, Tanchon and Sinhung and some selected surrounding rural areas. - Support hygiene promotion and introduce pilot demonstrations on appropriate low cost interventions to improve sanitation.	- DWHH - Triangle - SCF - CONCERN - UNICEF
Specific objective 3: Provide relief assistance to flood victims	100,000	Central and Eastern part of the country		- Non-food aid to flood victims.	- CONCERN - DWHH - SCF
Specific objective 4: Maintain a technical assistance capacity in the field to assess needs, appraise project proposals and to coordinate and monitor the implementation of operations.	150,000	Countrywide		Appraise project proposals and coordinate and monitor implementation of operations	
Contingency reserve, max. 10% of the total amount	350,000				
TOTAL:	8,000,000				

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 DG 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://ec.europa.eu/echo/evaluation/index_en.htm.

8 - Budget Impact article 23 02 01

	CE (EUR)
Initial available appropriations for 2006	470,429,000
Reinforcement from emergency aid reserve	90,000,000
Transfers Commission	-
Total available appropriations	560,429,000
Total executed to date (5 September 2006)	522,367,000
Available remaining	38,062,000
Total amount of the Decision	8,000,000

COMMISSION DECISION
of

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

DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA

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 aid⁸, and in particular Article 15(2) thereof:

Whereas:

- (1) The population of the Democratic People's Republic of Korea continues to suffer from a protracted humanitarian crisis caused by a combination of the continuing decline of the economy that resulted from the disintegration of the former communist economic block, recurring natural disasters, and an inability of the Government to effectively redress the situation with appropriate development measures;
- (2) Essential health services and water and sanitation services to the population of the Democratic People's Republic of Korea people are inadequate because of lack of supplies, training and poor maintenance of health facilities;
- (3) An assessment of the humanitarian situation leads to the conclusion that humanitarian aid operations in the Democratic People's Republic of Korea should be further financed by the Community for a period of 18 months;
- (4) In order to maximise the impact of humanitarian aid for the victims, it is necessary to maintain a technical assistance capacity in the field;
- (5) It is estimated that an amount of EUR 8,000,000 from budget line 23 02 01 of the general budget of the European Union is necessary to provide humanitarian assistance to over 8,000,000 Korean people, taking into account the available budget, other donors-contributions and other factors;
- (6) In accordance with Article 17 (3) of Regulation (EC) No.1257/96, the Humanitarian Aid Committee gave a favourable opinion on 20/10/2006.

⁸ OJ L 163, 2.7.1996, p. 1-6
[ECHO/PRK/BUD/2006/01000](#)

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 EUR 8,000,000 for humanitarian aid in favour of vulnerable groups in the Democratic People's Republic of Korea by using line 23 02 01 of the 2006 general budget of the European Union.

2. In accordance with Articles 2 and 4 of Council Regulation No.1257/96, the humanitarian operations shall be implemented in the pursuance of the following specific objectives:

- Reinforce the capacity of the healthcare system
- Reduce waterborne diseases
- Provide relief assistance to flood victims
- Maintain a technical assistance capacity in the field to assess needs, appraise project proposals and to coordinate and monitor the implementation of operations

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

Article 2

Without prejudice to the use of the contingency reserve, the Commission may, where this is justified by the humanitarian situation, re-allocate the funding levels established for one of the specific 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 18 months, starting on 15 November 2006.

2. Expenditure under this Decision shall be eligible from 15 November 2006.

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: Improve health conditions among the most vulnerable groups in the Democratic People's Republic of Korea.	
Specific objectives	Amount per specific objective (EUR)
Reinforce the capacity of the healthcare system	4,100,000
Reduce waterborne diseases	3,300,000
Provide relief assistance to flood victims	100,000
Maintain a technical assistance capacity in the field to assess needs, appraise project proposals and to coordinate and monitor the implementation of operations.	150,000
Contingency reserve	350,000
TOTAL	8,000,000