

COMMISSION DECISION
of
on the financing of emergency humanitarian operations from the general budget of the
European Communities 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 aid¹, and in particular Article 13 thereof,

Whereas:

- (1) During the week of 7 – 14 August 2007, torrential rains caused severe flooding in eight provinces and Pyongyang the capital city of the Democratic People's Republic of Korea.
- (2) More than 450 people have been killed. Some 960,000 people have been severely affected, as their houses were destroyed, damaged or submerged by the floods, and tens of thousands of people have taken refuge in temporary shelters.
- (3) The floods have caused unprecedented damage to public infrastructure, in particular to health care institutions and water supply systems, leading to the interruption of basic medical services and a sharp increase of water-borne diseases.
- (4) Preliminary assessments conducted by humanitarian actors on the ground have shown that the affected population is in urgent need of humanitarian assistance.
- (5) Humanitarian aid operations financed by this Decision should be of a maximum duration of 6 months.
- (6) It is estimated that an amount of EUR 2,000,000 from budget line 23 02 01 of the general budget of the European Communities is necessary to provide humanitarian assistance to 500,000 people directly affected by the floods, taking into account the available budget, other donors' contributions and other factors.
- (7) The present Decision constitutes a financing Decision within the meaning of Article 75 of the Financial Regulation (EC, Euratom) No 1605/2002², Article 90 of the detailed rules for the implementation of the Financial Regulation determined by Regulation (EC, Euratom) No 2342/2002³, and Article 15 of the Internal Rules on the Implementation of the general budget of the European Communities⁴.

¹ OJ L 163, 2.7.1996, p. 1-6

² OJ L 248, 16.9.2002, p.1. Regulation as last amended by Regulation (EC, Euratom) No 1995/2006, OJ L 390, 30.12.2006, p.1

³ OJ L 357, 31.12.2002, p.1 Regulation as last amended by Commission Regulation (EC Euratom) No. 478/2007, OJ L 111 of 28.4.2007, P. 13

⁴ Commission Decision of 21.02.2007, C/2007/513
ECHO/PRK/BUD/2007/01000

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 2,000,000 for emergency humanitarian aid operations to provide the necessary assistance and relief to 500,000 people in the Democratic People's Republic of Korea by using line 23 02 01 of the **2007** general budget of the European Communities.

2. In accordance with **Article 2(a)** of Council Regulation No.1257/96, the humanitarian operations shall be implemented in the pursuance of the following specific objective:

- To provide integrated relief assistance to the populations directly affected by the floods in the Democratic People's Republic of Korea

The total amount of this decision is allocated to this objective.

Article 2

1. The implementation of humanitarian aid operations funded by this Decision shall have a maximum duration of 6 months from their starting date.

2. Expenditure under this Decision shall be eligible from 7 August 2007.

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 humanitarian aid operations.

Article 3

1. The Commission shall implement the budget by direct centralised management or by joint management with international organisations.

2. The actions supported by this decision will be implemented by humanitarian aid organisations that are signatories to the Framework Partnership Agreements (FPA) or the EC/UN Financial Administrative Framework Agreement (FAFA).

3. Taking account the specificities of humanitarian aid, the nature of the activities to be undertaken, the specific location constraints and the level of urgency, the activities covered by this decision may be financed in full in accordance with Article 253 of the Implementing Rules of the Financial Regulation. This means that in case of co-financing, the possible rate of co-financing can go up to 99% if needed.

Article 4

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

Done at Brussels,

For the Commission

Member of the Commission



Emergency Humanitarian Aid Decision

23 02 01

Title: Emergency humanitarian assistance in favour of floods-affected people in the Democratic People's Republic of Korea

Location of operation: Democratic People's Republic of Korea

Amount of Decision: EUR 2,000,000

Decision reference number: ECHO/PRK/BUD/2007/01000

Explanatory Memorandum

1 - Rationale, needs and target population.

1.1. - Rationale :

During the week of 7 – 14 August 2007, torrential rains of 600 – 850 mm, the heaviest rains seen over the last 40 years, hit the Democratic People's Republic of Korea (DPRK). Coupled with high winds, the heavy rains triggered extensive flooding, land and mudslides in eight provinces of the country - South Hamgyon, South and North Phyongan, Kangwon, South and North Hwanghae, Ryangang, Chagang - and the capital city Pyongyang. The total population of the affected area is approximately 18 million people.

As of 22 August 2007, the death toll had already reached 454 people⁵ and 156 people were still missing. It is estimated that some 960,000 people have been severely affected, as their houses were destroyed, damaged or submerged by the floods. Nearly 170,000 people are now totally homeless, living in temporary shelters, whether in public buildings or makeshift constructions, or with relatives, neighbours or friends. The number of affected people however is much greater, as the water supply systems have suffered extensive damage and basic medical services have been interrupted.

The floods have caused unprecedented damage and destruction to an already poor public infrastructure: roads, bridges, clinics and hospitals, waterways, dams, reservoirs, water pumps, tidewater dykes and water networks, school buildings, electrical power sub-stations

⁵ Figures of the Government of DPRK, 22 August 2007
ECHO/PRK/BUD/2007/01000

as well as railways. More than 8,000 public buildings are reported to have been destroyed or badly damaged⁶. Health and water and sanitation facilities have particularly suffered. Public water supply systems have been destroyed and water sources and wells submerged, rendering them highly contaminated. The agriculture sector has also suffered, as, according to the Government of DPRK, up to 10% of rice and maize fields of the affected area have been submerged, buried or washed away.

DPRK is a middle-income developing country with a continually declining economy and where the root causes of the poverty of the population are not being effectively addressed. The level of social and in particular health services is very low, and the water and sanitation infrastructure is in a very bad condition. One of the consequences is the frequent breakout of communicable and waterborne diseases that have a direct impact on morbidity and mortality rates. As the DPRK's agricultural production remains insufficient to cover its needs, the population is also suffering from chronic malnutrition, and the country still depends heavily on international food aid.

Since 1997, DG ECHO⁷ has provided EUR 122,000,000 of humanitarian assistance to DPRK populations through its implementing humanitarian partners. Over the last few years, its assistance has been focused on health and water and sanitation programmes, which will be completed in mid 2008.

1.2. - Identified needs :

The International Federation of the Red Cross (IFRC), the United Nations (UN) agencies and Non Governmental Organizations (NGOs) active in the country have conducted 40 field assessment missions since 15 August 2007. DG ECHO participated in the first inter-agency assessment in the field on 15 August 2007 and several other missions with various humanitarian operational partners in the days that followed. All field assessments conducted indicate considerable humanitarian needs.

A large proportion of the population of the flooded area has very limited access to basic medical services. In fact, up to 40% of health institutions and local medical warehouses have been submerged or badly damaged⁸, resulting in the loss of medical stocks and preventing the health care providers from working in adequate conditions. Therefore, needs in the health sector are considerable.

As a large number of water supply systems have been destroyed or damaged, the local population is forced to use the nearby contaminated streams. Tens of thousands of people are living in temporary shelters, where water and sanitation conditions are poor. The overall deterioration in the hygiene situation, coupled with the lack of potable water and basic medical services, severely increases the risk of outbreaks of diarrhea, cholera, malaria and other waterborne diseases. The number of cases of diarrhoeal diseases is already reported to have increased by five-fold in some areas⁹, particularly among children.

For those people whose houses have been destroyed, submerged or badly damaged, there is a need to replace basic non-food items lost to the floods.

⁶ Source: Korean Central News Agency (KCNA), the State news agency

⁷ Directorate General for Humanitarian Aid

⁸ Source: field assessments of the International Federation of the Red Cross (IFRC)

⁹ Source: Save the Children – UK field assessment

In a country where domestic production accounts for 73% of total cereal consumption¹⁰, and where chronic malnutrition is common, floods have immediate and direct impact on the food security level of the affected population. Emergency food assistance is therefore necessary in the aftermath of such a natural disaster.

The DPRK Government swiftly responded to the situation, mobilizing civilian and military resources in rescue operations, repair of communication infrastructures, and first relief distribution. The DPRK Red Cross National Society mobilized over 14,000 Red Cross volunteers for hazard monitoring, evacuation, rescue and first aid services. All international humanitarian actors present in the country – IFRC, UN agencies, NGOs - immediately started to provide relief assistance.

However, the capacity in-country remains insufficient to address the large humanitarian needs created by the floods. The Government of DPRK, which is focusing its efforts on the repair and rehabilitation of public infrastructure - roads, bridges, public buildings -, has therefore requested international assistance on 21 August 2007, particularly in the sectors of health, water and sanitation, and food. No assistance has been required in the sector of shelter as the Government of DPRK is providing temporary shelter and the Republic of Korea has pledged USD 40,000,000 for shelter, construction material and heavy equipment.

On 20 August 2007, the IFRC launched a CHF 6,600,000 emergency appeal to fund essential medical supplies, non food items and hygiene promotion activities for 3,700,000 beneficiaries over a period of six months. As of 28 August 2007, the IFRC Appeal is 32% funded.

On 28 August 2007, the UN launched an inter-agency Flash Appeal for USD 14,102,922, which is focusing on the following sectors: health (USD 6,660,000 funding requirement), food (USD 4,652,922), water and sanitation (USD 990,000), education (USD 1,000,000) and agriculture (USD 800,000).

1.3. - Target population and regions concerned :

The floods have affected eight provinces of the country - South Hamgyon, South and North Phyongan, Kangwon, South and North Hwanghae, Ryangang, Chagang - and the capital city Pyongyang. The total population of the affected area reaches 18,000,000 people.

This Decision will target the people that have been directly affected, and is expected to have a direct impact for an estimated 500,000 people. However, as activities planned under this Decision will include the rehabilitation of water supply systems and the restoration of basic medical services serving large populations, the total number of people benefiting from this Decision is expected to be significantly greater.

1.4. - Risk assessment and possible constraints :

Since 2006, the Korean European Cooperation Coordination Agency (KECCA) coordinates the actions of international humanitarian actors in the country. Currently, cooperation between the international humanitarian community and the authorities is good. A decision by the Government of DPRK to limit access or decline requests for visas would obviously hamper the work of humanitarian organizations, and would then potentially lead to the necessity to terminate or suspend the humanitarian programs. A mitigant to this risk is the

¹⁰ Source: UN Flash Appeal, 28 August 2007
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fact that all potential partners recommended under this Decision were already fully operational in the country before the floods and have already started delivering emergency assistance to the floods victims with the agreement of DPRK authorities.

Although water has now receded in many locations, access remains difficult in some areas as key transport and communications infrastructure have suffered extensive damage.

There is no major security concern in DPRK.

2 - Objectives and components of the humanitarian intervention proposed:

2.1. - Objectives :

Principal objective: To respond to the humanitarian needs of floods-affected populations in the Democratic People's Republic of Korea

Specific objective:

To provide integrated relief assistance to the populations directly affected by the floods in the Democratic People's Republic of Korea

2.2. - Components :

This decision will focus on delivering essential health services to the affected population, restoring minimal sanitary and hygiene conditions, limiting the risks of outbreaks of diseases, and providing safe water as well as emergency food assistance. These sectors are indeed the ones in which humanitarian needs have been assessed to be the most acute. In addition, punctual actions covering existing gaps in the provision of non food items will also be supported.

The following actions will be put in place per sector:

Health

- Provision of emergency health and first aid kits, essential drugs, medical supplies and basic medical equipment
- Support to local primary health care providers in the provision of essential medical services and the maintenance of minimal sanitary and hygiene conditions
- Prevention of outbreaks of diseases and emergency response, disease surveillance
- Rehabilitation of the damaged health facilities
- Health education in communities and at first aid posts

Water, sanitation and hygiene

- Provision of safe water: water purification, water treatment, water quality control
- Rehabilitation of water supply and sanitation systems (pump or gravity-fed water systems, wells, latrines ...), provision of sanitation equipment and supplies
- Hygiene promotion
- Distribution of hygiene kits, including water containers

Food Aid

- Provision of emergency food relief

Non-Food Items

- Distribution of non food items, including tarpaulins, blankets, water containers, basic kitchen equipment

Activities will be implemented by UN Agencies, the Red Cross family and NGOs operating under the name of European Union Programme Support Units (EUPS).

All activities will be implemented in close coordination with local authorities, and in particular the KECCA.

3 - Duration expected for actions in the proposed Decision:

The duration of humanitarian aid operations shall be 6 months. Expenditure under this Decision shall be eligible from **7 August 2007**.

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 Korea, democratic people's republic of				
Decision Number	Decision Type	2005 EUR	2006 EUR	2007 EUR
ECHO/PRK/BUD/2005/01000	Non Emergency	10,715,000		
ECHO/PRK/BUD/2005/02000	Emergency	3,000,000		
ECHO/PRK/BUD/2005/03000	Non Emergency	3,885,000		
ECHO/PRK/BUD/2006/01000	Non Emergency		8,000,000	
	Subtotal	17,600,000	8,000,000	0
	Grand Total	25,600,000		

Dated : 28 August 2007
Source : HOPE

5 - Overview of donors' contributions

Donors in Korea, democratic people's republic of the last 12 months					
1. EU Members States (*)		2. European Commission		3. Others	
	EUR		EUR		EUR
Austria		DG ECHO	8,000,000		
Belgium		Other services			
Bulgaria					
Cyprus					
Czech republic					
Denmark	670,241				
Estonia					
Finland	500,000				
France					
Germany	3,125,000				
Greece					
Hungary					
Ireland	1,180,000				
Italy	400,000				
Latvia					
Lithuania					
Luxemburg	250,000				
Malta					
Netherlands					
Poland					
Portugal					
Romania					
Slovakia					
Slovenia					
Spain					
Sweden	3,125,389				
United kingdom					
Subtotal	9,250,630	Subtotal	8,000,000	Subtotal	0
		Grand total	17,250,630		

Dated : 28 August 2007

(*) 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 2,000,000

6.2. - Budget breakdown by specific objectives

Principal objective: <i>To respond to the humanitarian needs of floods-affected populations in the Democratic People's Republic of Korea</i>			
Specific objectives	Allocated amount by specific objective (EUR)	Geographical area of operation	Potential partners¹¹
Specific objective 1: To provide integrated relief assistance to the populations directly affected by the floods in the Democratic People's Republic of Korea	2,000,000	Provinces of South Hamgyon, South and North Phyongan, Kangwon, South and North Hwanghae, Ryangang, Chagang municipality of Pyongyang	- IFRC-FICR - P U - SC(UK) - UNICEF - WFP-PAM
TOTAL: 2,000,000			

¹¹ FEDERATION INTERNATIONALE DES SOCIETES DE LA CROIX-ROUGE ET DU CROISSANT ROUGE, PREMIERE URGENCE, (FR), THE SAVE THE CHILDREN FUND (GBR), UNICEF, WORLD FOOD PROGRAM

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 2007	485,000,000
Supplementary Budgets	-
Transfers Commission	-
Total Available Credits	485,000,000
Total executed to date by 28 August 2007	407,275,694.95
Available remaining	77,724,305.05
Total amount of the Decision	2,000,000

9. MANAGEMENT ISSUES

Humanitarian aid actions funded by the Commission are implemented by NGOs, Specialised Agencies of the Member States, and the Red Cross organisations on the basis of Framework Partnership Agreements (FPA) and by United Nations agencies based on the EC/UN Financial and Administrative Framework Agreement (FAFA) in conformity with Article 163 of the Implementing Rules of the Financial Regulation. These Framework agreements define the criteria for attributing grant agreements and financing agreements in accordance with Article 90 of the Implementing Rules and may be found at http://ec.europa.eu/echo/partners/index_en.htm.

Individual grants are awarded on the basis of the criteria enumerated in Article 7.2 of the Humanitarian Aid Regulation, such as the technical and financial capacity, readiness and experience, and results of previous interventions.