

COMMISSION DECISION
on the financing of humanitarian operations from the general budget of the European Communities in

Eritrea

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 15(2) thereof:

Whereas:

- 1) The consequences of the border conflict with Ethiopia and successive droughts in recent years have eroded assets and traditional coping capacities. This has exacerbated already chronic needs, making many people very vulnerable.
- 2) Up to 500,000 people are now estimated to face emergency levels of need for water, nutrition, health, livestock support, IDP assistance.
- 3) 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.
- 4) It is estimated that an amount of 6,000,000 Euro from budget line 23.02.01 of the general budget of the European Communities is necessary to provide humanitarian assistance to victims of livelihood insecurity, climatic hazards and conflicts, taking into account the available budget, other donors' interventions and other factors.
- (5) The present Decision constitutes a financing Decision within the meaning of Article 75 of the Financial Regulation (EC, Euratom) n° 1605/2002², Article 90 of the detailed rules of the implementation of the Financial Regulation determined by Regulation (EC, Euratom) n° 2342/2002³ and Article 15 of the internal rules on the implementation of the general budget of the European Communities⁴
- (6) In accordance with Article 17 (3) of Regulation (EC) No.1257/96, the Humanitarian Aid Committee gave a favourable opinion on 13 July 2007.

¹- OJ L 163, 2.7.1996, p. 1-6

² OJ L 248, 16.9.2002, p. 1

³ OJ L 357, 31.12.2002, p.1 as last amended by Council Regulation (EC, Euratom) No. 1995/2006, OJ L 390, 30.12.2006 p.1

⁴ Commission Decision of 21.2.2007, C/2007/513

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 6,000,000** for humanitarian aid operations to assist the victims of livelihood insecurity, climatic hazards and conflicts by using line 23 02 01 of the 2007 general budget of the European Communities.
2. In accordance with Article 2 of Council Regulation No.1257/96, the humanitarian operations shall be implemented in the pursuance of the following specific objective:

To provide humanitarian aid in different sectors, including water, nutrition, health, livestock support, IDP assistance, in order to reduce the impact on the affected population of a decline in livelihood insecurity, climatic hazards and conflicts.

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

Article 2

1. The duration for the implementation of this decision shall be for a maximum period of 15 months, starting on 1 June 2007.
2. Expenditure under this Decision shall be eligible as from **1 June 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 implementation of this Decision.

Article 3

1. The Commission shall implement the budget by direct centralised management.
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 will take effect on the date of its adoption.

Done at Brussels,

For the Commission

Member of the Commission



Humanitarian Aid Decision

23 02 01

Title: Humanitarian aid to assist the victims of livelihood insecurity, climatic hazards and conflicts

Location of operation: Eritrea

Amount of Decision: EUR 6,000,000

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

Explanatory Memorandum

1 - Rationale, needs and target population.

1.1. - Rationale:

In economic and social terms, the situation in Eritrea in 2007 is not improving. The seven years long unresolved border dispute with its neighbour, Ethiopia, has led to the continual decline in many sectors, such as livelihoods, health, food security. This impasse means that thousands of able-bodied men and women and other national resources are tied up for national defence purposes, thus restricting the scope and efficiency of domestic production and efforts to mitigate the adverse impact of the humanitarian situation, and causing poverty.

According to the Government of Eritrea, in good years, about 60% of its total cereal needs are produced. In poor years this figure drops to 25%. Due to lack of rain and manpower the country is forced to cover nearly all its cereal requirements through commercial imports and food assistance. This year again, despite close to normal rains, Eritrea will not be able to cover its annual national food consumption needs, estimated at between 500/600,000 MT⁵. Eritrea is classified as a structurally food deficient country. The Government departure from the common crop assessment approach, conducted in collaboration with WFP⁶ and FAO⁷, is limiting access to crucial information on food security. According to the FAO there is a threat

⁵ Metric tonnes

⁶ World Food Programme

⁷ Food and Agricultural Organisation

of a locust infestation in the Red Sea coastal areas this year, and, despite action being taken, crops could be at risk.

In April 2006, the Government of Eritrea introduced a new food security policy that called for monetisation of all food aid in order to finance a cash-for-work programme. Consequently, all in-country food aid was integrated in the new policy, including WFP and European Commission (EC) stocks. WFP has not been operational in Eritrea since the unresolved dispute that followed and the EC is negotiating a way to solve the dispute. To this end, an audit and evaluation study has been launched. After the unilateral change in government policy, all donors have suspended food aid to the country. In the short run, no food aid should be foreseen from DG ECHO⁸.

With a population of approximately 3,500,000, including an estimated 1,400,000 semi-nomadic or agro-pastoralists, Eritrea is located in one of the driest parts of Africa. The country has been frequently affected by severe droughts. As a result of the climatic conditions and the economic decline, large segments of the population are facing a deteriorating humanitarian situation.

The scope of the needs arising from the present situation is large and diverse. From a humanitarian point of view, the immediate consequences of the situation affect primarily the health and nutritional status of vulnerable population. Economic difficulties have led to worrying humanitarian indicators. The Global Acute Malnutrition (GAM) rate of children under five years of age has been increasing since 2001, reaching more than 15% in several regions, far above any emergency threshold. The level of malnutrition among non-pregnant women ranges from 35% to 54%.

There is a structural lack of water resources, and the agro-pastoralist sector remains in a constantly precarious state, barely ever entering a recovery phase. The penury and poor quality of water, consequences of successive years of drought, insufficient and unbalanced distribution of rains, lack of water points and poor maintenance, are directly responsible for the worrying water-borne disease morbidity rates commonly found in rural areas. The average monthly incidence of diarrhoea is above 10,000 per 100,000. Outbreaks of diarrhoea and dysentery are often reported.

Infant and under-five mortality rates are estimated respectively at 50 and 78 per 1,000 live births. Only 26% of women deliver in health facilities. The current Maternal Mortality Ratio is among the highest worldwide; estimated by WHO⁹/UNFPA¹⁰/UNICEF¹¹ at 630 per 100,000 live births, reaching 1,000 per 100,000 in North Red Sea (NRS) region and South Red Sea (SRS) region. The health system suffers from a severe lack of qualified staff, equipment and medicines.

Livestock production has a crucial impact on the nutritional status of the population, in particular children, as milk provides a large part of the caloric intake in agro-pastoralist communities. Losses of livestock were commonly reported over the past years, leading to asset depletion and less and less capacity to cope with harsh periods for the rural communities. An estimated 40% of the Eritrean population relies on livestock as its main source of income.

⁸ Directorate General for Humanitarian Aid - ECHO

⁹ World Health Organisation

¹⁰ United Nations Fund for Population Activities

¹¹ United Nations Children's Fund

A regional decision was adopted last year, entitled 'improved drought management in the Greater Horn of Africa through support to drought preparedness, risk reduction and early warning', amounting at EUR 10,000,000. Eritrea is included to a very limited extent, given the present limited implementing capacities existing in the country, with one project aiming to work at grassroots level with a pastoralist community. That decision had different objectives and it is complementary to the one presented here.

Eritrea is currently facing challenges posed by years of chronic drought, desertification, poor infrastructure and continued insecurity along the border with Ethiopia. With this decision, DG ECHO's intervention will seek to address the immediate acute needs through its few partners present in the country, in the following sectors of intervention: health, nutrition, water & sanitation, livestock support and IDP¹² assistance.

1.2. - Identified needs:

Health and Nutrition

Since at least 2001, the nutritional status of children under five years of age has continuously deteriorated. The Global Acute Malnutrition rate (GAM) is above the widely accepted emergency threshold of 10% in all regions. Nutrition surveys carried out between May 2005 and February 2006 indicate alarming rates in Gash-Barka (21%), NRS (15.2%) and Anseba (15%). In SRS, Maekel and Debub the situation is also worrying with GAM rates of respectively 12.2%, 11.1% and 10.9%. Aggravating factors, such as poor food security, poor health and poor access to water and sanitation are worsening the situation. Seasonal variations are reported, with an increased number of malnourished children during the hungry season, from May to August. Micronutrient deficiencies in iodine (25%), iron (34%) and vitamin A (42%) are affecting the health of an already weak population of under fives. The level of malnutrition among non-pregnant women ranges from 35% to 54% per region, indicating that a large proportion of the population is severely affected.

Nutrition surveillance needs to continue and be reinforced. Therapeutic care programmes, both at community level and facility-based need, to be strengthened. Targeted supplementary feeding activities need to continue in selected regions. A large scale vitamin A supplementation campaign is required.

As mentioned above, infant and under-five mortality rates are estimated at 50 and 78 respectively per 1,000 live births. Only 26% of women deliver in health facilities. The current maternal mortality ratio is among the highest worldwide, estimated by WHO/UNFPA/UNICEF at 630 per 100,000 live births, reaching 1,000 per 100,000 in NRS and SRS. The health system suffers from a severe lack of qualified staff, equipment and medicines.

Improvements have been registered, for example in the fight against malaria, with a significant increase in the use of mosquito-nets. Efforts have to be maintained to consolidate encouraging results. The Expanded Program on Immunisation has been doing relatively well considering the constraints. Polio, measles and maternal and neonatal tetanus seem under control although further progress is needed, especially in coastal areas where vaccination rates are well below 50%.

¹² Internally Displaced People
ECHO/ERI/BUD/2007/01000

The current health information system is neither sensitive enough, nor timely enough to detect deteriorating health conditions and increased mortality. In this type of highly fragile environment, a monitoring and early warning system mechanism is of crucial importance, permitting rapid response in areas where the situation is deteriorating quickly.

Sizable sections of the population have no access to health facilities and need outreach services. Support to basic primary health care, preventing meningitis and other epidemics, notably within the most vulnerable groups of the population, are highly recommended to prevent morbidity rates from increasing beyond minimum levels.

United Nations (UN) agencies working closely with the Ministry of Health seem to enjoy a constructive relationship with the authorities and to be able to develop and implement relatively large-scale public health and nutrition programmes. These do not only take into consideration the existing context, but also relatively recent experiences in other situations. For example, UNICEF has integrated the need to incorporate complementary community and facility based approaches when addressing malnutrition problems. WHO is addressing the needs of specific communities, often pastoralists, with the provision of outreach services.

Water and sanitation

The water shortage remains a major problem for almost half of the rural population. The water supply is far below standard, in terms of proximity, quantity and quality in most parts of the country. Recurrent droughts have dried up surface water sources and underground water tables have dropped. A few good rains will not be sufficient to significantly improve this difficult chronic situation.

The pressure on the existing water sources is extremely high and therefore unsustainable. The population, mainly women and children, often walk long distances to collect for what, generally, amounts to an insufficient quantity of water for household use. Unsafe water is fetched from unprotected and contaminated sources. Due to lack of sanitation, even protected sources are often contaminated. Many rural population have exhausted their coping strategies and are resorting to detrimental practices. The impact of this lack of safe water is made worse by very poor rural sanitation and hygiene practices. A country-wide assessment conducted at the end of last year established the rural water supply coverage with improved drinking water sources at 58% and rural sanitation coverage at below 1.5%. In fact, 52% of rural villages collect water from unprotected sources. The average water consumption stands far below the recommended minimum of 15 litres per person per day¹³. More than 100 villages are dependent on water trucking. Only half of the schools and an estimated 63% of the health centres have a water supply system.

Water supply operations are needed as the water table recedes during the driest months. Water tanking from perennial points, deepening and improving wells and water points, building water retention and conservation schemes, will provide relief and better quality water to the affected and increase the ground water recharge.

The lack of safe, adequate water coupled with poor sanitation results in high rates of diarrhoeal diseases, compounding the already alarming widespread malnutrition status of the affected population. Diarrhoeal diseases account for 19% of all deaths in children under 5 years old and are the second highest cause of mortality, after acute respiratory infections, according to UNICEF. The average monthly incidence of diarrhoea is above 10,000 per

¹³Sphere Project: Humanitarian Charter and Minimum Standards in Disaster Response
[ECHO/ERI/BUD/2007/01000](#)

100,000. Outbreaks of diarrhoea and dysentery are often reported, the latest suspected outbreak being in March 2007 in the Northern Red Sea region.

Livestock

Protracted shortages of rainfall and lack of pasture and water for livestock have forced farmers to sell their animals, adding to the decline of household income. Herd depletion is a common trend in the country with no real favourable period for recovery and herd rejuvenation. As milk production has a direct impact on the nutritional status of a large part of the population, especially children, support to livestock has proven to be effective in tackling malnutrition. The Ministry of Agriculture's means and capacities are minimal and further undermined by macro conditions at national level. The Ministry of Agriculture's budget does not allow for any effective veterinary support to pastoralists and farmers in most parts of the country.

IDP/Returnees and refugees

Communities have been living in camps and settlements since the end of the conflict with Ethiopia, with only partial support from the ICRC¹⁴ since 2002. Approximately 22,000 IDP still in camps, and 11,000 sheltered in host communities, are expected to return to their areas of origin or to be resettled this year. A UN Joint Programme has been agreed upon to provide assistance to this population. Basic and early recovery needs have to be met to alleviate day-to-day problems in the camps where IDPs still live in harsh conditions. Assistance is required to help these people find durable solutions in dignity.

Conflict resumption with Ethiopia

The continuing stalemate on the border issue between Eritrea and Ethiopia still constitutes a potential for the resumption of hostilities. In January 2007, the UN Security Council authorised a further reduction in troop levels serving for UNMEE¹⁵ from 2,300 to 1,700 men, despite a tense situation being reported at the border. As a result of this continued tension, thousands of IDP cannot return to their place of origin. The country remains in a state of no-war no-peace. The risk of resumption of hostilities is difficult to ascertain since the political developments in the region remain quite unpredictable. The recent altercation of the two countries over Somalia clearly indicates that the situation is unstable. The Eritrea-Ethiopia Boundary Commission gave the two countries until November 2007 to negotiate an agreement. It is impossible to anticipate what impact this deadline can have on the situation, if any. A renewal of military activities between Ethiopia and Eritrea can only lead to large displacements of the population within and outside the country (more than 1,000,000 IDP may flee the border area and around 300,000 people may cross to Sudan), causing huge humanitarian needs.

1.3. - Target population and regions concerned:

Direct beneficiaries: approximately 500,000.

The target population foreseen would be the rural population nationwide, including Anseba, Debub, Gash-Barka, Maekel, North and South Red Sea regions.

¹⁴ International Committee of the Red Cross

¹⁵ United Nations Mission in Ethiopia and Eritrea

1.4. - Risk assessment and possible constraints:

In the current tense regional context, and despite international diplomatic efforts, the risk of resumption of hostilities between Eritrea and Ethiopia certainly exists. Moreover, the almost total isolation Eritrea is currently faced with is likely to continue and directly affect the population, in both rural and urban areas. Should conflict resume, humanitarian actors might well see their movements in the country drastically reduced.

Shortages of food, drugs, diesel, raw materials, to cite but a few, are likely to continue and increase, partly due to the lack of hard currency in Eritrea.

The limited number of government-authorised partners in the country is a constraining factor on the implementation of programmes. The humanitarian space in Eritrea is shrinking, partly due to recent government policies on self-reliance. Moving the focus from emergency to recovery interventions could affect the delivery of essential humanitarian assistance. Although it should not be the case, humanitarian interventions could be perceived as opposed to the Government's recovery interventions. NGOs¹⁶ can be asked at any moment to leave the country and the work of a UN agency can be suddenly halted at any time. The number of international NGOs operational in the country was reduced from 37 in 2005 to 9 at present. National staffing capacities are low due to conscription to the defence ministry's structures which is *de facto* reducing capacities at every level. Other constraints for NGOs include the restriction to only one expatriate per organisation, the restriction of fuel and the requirement for travel permits to go out from Asmara, thus reducing the monitoring capacity of humanitarian actors.

Consequently, any EC humanitarian aid intervention is restricted to an *ad hoc* approach based on access granted for partners to assess and respond to acute needs. The Commission will follow this issue very closely with the Eritrean authorities.

2 - Objectives and components of the humanitarian intervention proposed:

2.1. - Objectives:

Principal objective: To strengthen the resilience of vulnerable population to livelihood insecurity, climatic hazards and conflicts

Specific objective: To provide humanitarian aid in different sectors, including water, nutrition, health, livestock support, IDP assistance, in order to reduce the impact on the affected population of a decline in livelihoods, climatic hazards and conflicts.

2.2. - Components:

Nutrition: Therapeutic care programmes, both at community level and facility based, should be strengthened. Targeted supplementary feeding activities should continue in selected regions. As the nature and causes of malnutrition are now better understood, the proposed response should address the needs in direct line with the roots of the problem, acknowledging

¹⁶ Non-governmental organisation
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the chronic component of the situation. The nutrition network should receive support to maintain regular assessments and surveys for the update and follow up of malnutrition.

Health: In most cases, medical problems are the causes or consequences of malnutrition and are thus intertwined. Essential, minimal medical coverage is needed to address high malnutrition in the country. Support to and reinforcement of existing health structures in delivering primary health care (including mother and child health care) in the most deficient areas, will contribute significantly to the achievement of the expected objectives. Epidemic outbreak prevention and response activities are strong components of the strategy to increase health coverage of the population.

Water and sanitation: In most cases, existing water points will be repaired or improved to increase yields and quality, through deepening wells or improving pumping equipment. Water conservation and retention schemes will be essential and complementary components to water point projects in order to maximize the benefits of any rainfall. Interventions would be in addition to ongoing government responses, rather than as a substitute, due to the scale of present needs.

Livestock support: The poor condition of herds requires an appropriate response. The primary objective will be to preserve core breeding livestock and bring them back to milk production – ensuring that essential contribution to children's diet - through targeted feeding of livestock and veterinary interventions, so as to avoid or mitigate epizootic trends.

IDP assistance: This component foresees the provision and renewal of shelter and non-food items for IDP communities, reinstallation support to recently resettled population – notably with basic community services in health and water sectors - and targeted extra assistance to the most vulnerable households within these communities.

3 - Duration expected for actions in the proposed Decision:

The duration for the implementation of this Decision shall be **15 months**. Humanitarian operations funded by this decision must be implemented within this period. Even if most of the foreseen interventions will have a duration of 12 months, a decision with a longer life-span will guarantee more flexibility in the implementation of projects.

The expenditures under this Decision shall be eligible from **01 June 2007**.

Start Date : 01 June 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 itself 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.

5 - Overview of donors' contributions

Donors in Eritrea the last 12 months					
1. EU Members States (*)		2. European Commission		3. Others(**)	
	EUR		EUR		EUR
Austria		DG ECHO	6,000,000	USA	54,779
Belgium		Other services		UNICEF	183,414
Bulgaria				CERF	801,470
Cyprus					
Czech republic					
Denmark					
Estonia					
Finland	400,000				
France					
Germany					
Greece					
Hungary					
Ireland					
Italy					
Latvia					
Lithuania					
Luxemburg					
Malta					
Netherlands	1,000,350				
Poland					
Portugal					
Romania					
Slovakia					
Slovenie					
Spain	499,958				
Sweden	91,024				
United kingdom	4,432,000				
Subtotal	6,423,332	Subtotal	6,000,000	Subtotal	1,039,663
		Grand total	12,532,995		

Dated : 08 May 2007

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

(**)Source: Financial Tracking System, 2007

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 6,000,000

6.2. - Budget breakdown by specific objectives

Principal objective: <i>To strengthen the resilience of vulnerable population to livelihood insecurity, climatic hazards and conflicts</i>					
Specific objectives	Allocated amount by specific objective (EUR)	Geographical area of operation	Activities	Potential partners¹⁷	
Specific objective 1: To provide humanitarian aid in different sectors, including water, nutrition, health, livestock support, IDP assistance, in order to reduce the impact on the affected population of a decline in livelihoods, climatic hazards and conflicts.	6,000,000	Nationwide	water, health, support, assistance	nutrition, livestock IDP	- CARE - UK - DCV - FAO - ICCO - ICRC-CICR - MDM - FRA - OCHA - OXFAM GB - P U - UNHCR - UNICEF - WHO
TOTAL:	6,000,000				

¹⁷ CARE INTERNATIONAL UK, COMITE INTERNATIONAL DE LA CROIX-ROUGE (CICR), DEUTSCHER CARITASVERBAND e.V. (DEU), Interkerkelijke Organisatie voor Ontwikkelingssamenwerking (NL), MEDECINS DU MONDE (FR), OXFAM (GB), PREMIERE URGENCE (FR), UNICEF, UNITED NATIONS - FOOD AND AGRICULTURE ORGANIZATION, UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES - BELGIUM, UNITED NATIONS, OFFICE FOR THE COORDINATION OF HUMANITARIAN AFFAIRS, WORLD HEALTH ORGANISATION - ORGANISATION MONDIALE DE LA SANTE

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 over-arching 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	485,000,000.00
Transfers Commission	-
Total Available Appropriations	485,000,000.00
Total executed to date (10 May 2007)	360,145,695.95
Available remaining	124,854,304.05
Total amount of the Decision	6,000,000.00

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.