

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

**THE COMMISSION OF THE EUROPEAN COMMUNITIES,**

Having regard to the Treaty establishing the European Community,  
Having regard to Council Regulation (EC) No.1257/96 of 20 June 1996 concerning humanitarian aid <sup>1</sup>, and in particular Article 13 thereof:

Whereas:

- (1) Moldova, the poorest country in Europe, experienced a severe drought in 2007 which affected 80% of its territory, in particular the South, and which followed another serious drought in 2003 and dry weather in the South in 2005/2006;
- (2) This drought has had a disastrous impact on agriculture and livestock, especially cattle;
- (3) As a result, the most vulnerable households have had less food from home garden production and significant losses of savings, food and income due to the liquidation of family livestock;
- (4) The Government does not have the resources to answer all urgent needs before the winter and the Prime Minister has addressed a letter to the President of the Commission on 27 July 2007 requesting 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 3,000,000** from budget line **23 02 01** of the general budget of the European Communities is necessary to provide humanitarian assistance to over **15,000 vulnerable rural households**, 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 1605/2002<sup>2</sup>, Article 90 of the detailed rules for the implementation of the Financial Regulation determined by Regulation (EC, Euratom) No 2342/2002<sup>3</sup>, and Article 15 of the internal rules on the implementation of the general budget of the European Communities<sup>4</sup>.

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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 21.2.2007, 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 3,000,000 for emergency humanitarian aid operations to provide the necessary assistance and relief to the victims of the drought in Moldova 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 maintain the remaining livestock assets.

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 15 September 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 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*

1. This Decision will take effect on the date of its adoption.

Done at Brussels,

For the Commission

Member of the Commission



EUROPEAN COMMISSION  
DIRECTORATE-GENERAL FOR HUMANITARIAN AID - ECHO

## **Emergency Humanitarian Aid Decision**

**23 02 01**

Title: **Emergency assistance for the victims of the drought in Moldova**

Location of operation: **Moldova**

Amount of Decision: **EUR 3,000,000**

Decision reference number: **ECHO/MDA/BUD/2007/01000**

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### **Explanatory Memorandum**

#### **1 - Rationale, needs and target population.**

##### 1.1. - Rationale :

In 2007, Moldova was hit by a severe drought which affected 80% of the country, especially districts in the South. The drought inflicted serious damage to the agricultural sector and in particular was a harsh blow for the most vulnerable small farmers who depend on livestock and home gardens. On 27 July, the Prime Minister of Moldova addressed a letter to President Barroso asking for international assistance to help his Government deal with this new crisis. In response to the crisis, FAO<sup>5</sup> and WFP<sup>6</sup> undertook a Crop and Food Supply Assessment and DG ECHO<sup>7</sup> sent its regional food aid / food security expert on 14-20 August to accompany and undertake its own assessment.

Moldova is primarily an agricultural country: agriculture accounts for 19,2% of Gross Domestic Product (30% including agro-processing), 43% of employment and 59% of the country's export. (Source: World Bank) As in many CIS<sup>8</sup> countries, privatisation of collective farms in Moldova has led to a dual land ownership structure. About half of the privately owned land belongs to 300,000 small, individual farms averaging 1.9 hectares. The other half of the privately owned land is managed by around 1,500 large-scale farms that average around 650 hectares, with cooperative cultivation of land.

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<sup>5</sup> Food and Agriculture Organisation

<sup>6</sup> World Food Programme

<sup>7</sup> Directorate General for Humanitarian Aid - ECHO

<sup>8</sup> Commonwealth of Independent States

The country is vulnerable to a wide array of natural disasters and hazards (droughts, floods, rain storms, hail, frost, landslides, erosion, earthquakes) which have severe consequences for rural livelihoods. The frequency and severity of these events is on the rise. According to the State Hydrometeorological Service of Moldova, droughts occur every ten years on average in the Northern areas, every five to six years in the centre and every three to four years in Southern areas. The drought of this year, however, is of an unprecedented dimension and losses of spring cereals are being compared to those of 1947, remembered as the year of the famine.

Home garden farming, both in rural areas and in small cities, constitutes a key element in ensuring availability of food staples for households (potatoes, vegetables, meat and milk). Families generally possess one or two cows, pigs, geese and/or chicken. Wheat (for bread making) and corn flour (an important staple diet for rural Moldova in the form of *polenta*) are home-produced or received as in kind remuneration for labour in the large-scale farms. Finally canning of meat and vegetables is also a widespread practice.

While the meat consumption level in Moldova is relatively low (about 5% of the total daily calorie intake), the livestock sector, comprising of mostly dairy cattle, pigs and sheep, plays a critical role as a source for revenue and asset accumulation by the rural poor. Between shocks, Moldavians reconstitute their livestock assets base. Nevertheless, the succession of disasters in recent years has undoubtedly overstretched them. There are several uncertainties about the forthcoming cropping season. In addition, if the next winter is as warm as last year, it means there will be less rain. But if the cold reaches past extremes, rural households will need more food.

In a country which is the poorest in Europe, where 61 % of the population live in rural areas and the majority of urban dwellers have relatives in villages, the availability of grain stocks in peasant farms is not only an insurance reserve (seeds, flour and bread) for themselves, but in lean years it also provides a buffer for urban relatives against bread price increases in cities.

## 1.2. - Identified needs :

While 80 % of the country has been affected by the drought, field visits undertaken in August by ECHO regional food aid / food security expert alongside a WFP/FAO assessment mission confirmed that the south of the country is more affected. Wheat, sunflower and corn are the main crops cultivated in Moldova. FAO forecasts for this year estimate that the winter wheat harvest will reach only 44 % of that of last year and a mere 28 % for sunflower and 27 % for corn. The reduced harvest has drastically reduced returns on land leased by the majority of small holders. Considering the recurrence of drought in Moldova, the structural impact on the agricultural sector and on the food security situation of the country as a whole is best addressed through structural development-oriented instruments. However, a short-term rapid intervention is warranted to address the most pressing effects of the present drought that have a direct impact on the livelihood of vulnerable small farmers.

The reduced availability of water has also sharply decreased household production from home gardens, a key source of food staples for almost all rural families. In addition, the lack of pasture and fodder and the need to purchase expensive food to replace that no longer being produced in the gardens, has forced a large number of households to sell part of their livestock for cash for food purchasing in the short term.

The priority before and over the coming winter is to preserve what is left of livestock assets by distributing fodder and feedstuffs to small-scale farmers and agricultural workers. As a result, more home-produced cereals will be available for their own consumption and the little cash available will be used for other purposes (including purchasing food). The situation will have to be reviewed after the winter in the light of the weather conditions that have prevailed to determine whether livestock restocking as well as distribution of agricultural inputs for home garden farming are relevant options in a second phase.

### 1.3. - Target population and regions concerned :

The populations targeted will be the most vulnerable small-scale farmers and agricultural workers in the Southern districts of Moldova (Stefan-Voda, Taraclia, Cahul, Cantemir, Causeni, Cimislia, Leova and UTA Gagauzia). The total rural population in these districts amount to a little more than 500,000 people (166,000 households).

### 1.4. - Risk assessment and possible constraints :

The following risks and constraints should be considered:

- Limited availability of fodder in country or from neighbouring countries. In this case, more feedstuffs will be provided.

## **2 - Objectives and components of the humanitarian intervention proposed:**

### 2.1. - Objectives :

Principal objective: **To ensure the availability of food for the most vulnerable small-scale farmers and agricultural workers in the southern districts of Moldova**

Specific objective: **To maintain the remaining livestock assets.**

### 2.2. - Components :

The intervention will mainly consist in the distribution of fodder, feedstuff and supplements for the feeding of cows, pigs, sheeps and goats and poultry. Local purchase, especially from the less affected districts in the north, will be encouraged.

Concurrently, a simple livelihoods survey will be carried out to better determine the course of action after the winter season, in the context of ECHO's exit strategy and the transfer to development programmes.

## **3 - Duration expected for actions in the proposed Decision:**

The duration for the implementation of this Decision shall be **6** months.

Expenditure under this Decision shall be eligible from 15 September 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**

*Not Applicable*

#### **5 - Overview of donors' contributions**

*Not Applicable*

#### **6 - Amount of decision and distribution by specific objectives:**

6.1. - Total amount of the decision: EUR **3,000,000**

## 6.2. - Budget breakdown by specific objectives

<b>Principal objective:</b> <i>To ensure the availability of food for small-scale farmers and agricultural workers in the southern districts of Moldova</i>				
<b>Specific objectives</b>	<b>Allocated amount by specific objective (EUR)</b>	<b>Geographical area of operation</b>	<b>Activities</b>	<b>Potential partners<sup>9</sup></b>
Specific objective 1: To maintain the remaining livestock assets.	3,000,000	Districts of Stefan-Voda, Taraclia, Cahul, Cantemir, Causeni, Cimislia, Leova and UTA Gagauzia	Distribution of fodder, feedstuff and supplements for the feeding of cows, pigs, sheeps and goats and poultry	- UNDP-PNUD
<b>TOTAL:</b>	<b>3,000,000</b>			

<sup>9</sup> UNITED NATIONS DEVELOPMENT PROGRAMME



## 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](http://ec.europa.eu/echo/evaluation/index_en.htm).

## 8 - Budget Impact article 23 02 01

	CE (EUR)
Initial Available Appropriations for <b>2007</b>	485.000.000,00
Supplementary Budgets	
Transfers	
<b>Total Available Credits</b>	485.000.000,00
Total executed to date (by ..)	406.645.694,95
Available remaining	78.354.305,05
<b>Total amount of the Decision</b>	<b>3,000,000</b>

## 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](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.