



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels
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COMMISSION DECISION

of

**Funding of a suitable intervention response for small-scale disasters in the form of a
European Community's contribution to the Disaster Relief Emergency Fund**

(ECHO/DRF/BUD/2008/01000)

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Funding of a suitable intervention response for small-scale disasters in the form of a European Community's contribution to the Disaster Relief Emergency Fund

(ECHO/DRF/BUD/2008/01000)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC, Euratom) No.1257/96 of 20 June 1996 concerning humanitarian aid¹, and in particular Article 2 a) thereof;

Whereas:

- (1) Over the last four years, the frequency and severity of weather-related natural disasters around the world, in particular the number of floods and storm-related disasters, has increased significantly;
- (2) Weather-related disasters equally include slow-onset emergencies such as heat and cold waves, drought and the spread of water-related diseases such as malaria, cholera and dengue;
- (3) The scale of most of these emergencies is not necessarily large and often does not trigger international disaster response. Most of these emergencies are thus responded to at local or national level;
- (4) With access to basic health services, clean water and proper sanitation severely hampered by extreme conditions, a reduction of the coping mechanisms of local populations and an increase of existing vulnerabilities is to be expected;
- (5) In countries where infrastructure and public health services are weak, the needs caused by small-scale disasters can often only be met by local humanitarian organisations;
- (6) A rather small response (EUR 50,000 – EUR 150,000) would typically be called for in order to finance the provision of short-term relief in the form of food, health, shelter, water and sanitation;
- (7) Red Cross and Red Crescent National Societies supported by the International Federation of Red Cross and Red Crescent Societies are particularly well-rooted in local communities and are often best placed to provide an immediate response to natural disasters;
- (8) In accordance with the principles of Good Humanitarian Donorship² subscribed by the Commission in the European Consensus on Humanitarian Aid³, funds should be

¹ OJ L 163, 2.7.1996, p. 1

available to respond to emergencies not covered by Primary Emergency and Emergency humanitarian aid Decisions, thus ensuring equitable funding for small-scale disasters response;

- (9) For the purposes of this Decision, a disaster is considered of small-scale when it affects less than 100.000 people at the outset, affects a clearly identified location and does not trigger international assistance;
- (10) The International Federation of the Red Cross and Red Crescent Societies established the Disaster Relief Emergency Fund (DREF) to ensure an immediately available financial support for the National Red Cross and Red Crescent Societies' response to small-scale emergencies;
- (11) It is pertinent to contribute to the funding of the DREF, in complement to other types of immediate response and to the funding provided to humanitarian organisations within the framework of geographic decisions, in order to guarantee an efficient, effective and timely response to small-scale disasters;
- (12) In accordance with Article 2 of Council Regulation (EC, Euratom) 1257/96 on humanitarian aid, actions funded by this Decision should respond to a specific imminent, sudden or slow-onset disasters falling under the category of small-scale disaster.
- (13) In order to preserve life and to substitute for the loss of basic subsistence, the Community allocation to the DREF should finance the provision of short-term relief in the form of food, health, shelter, water and sanitation;
- (14) The Community contribution to the DREF should be used within a period of 16 months from 1 January 2009;
- (15) It is estimated that an amount of EUR 2,000,000 from budget article 23 02 01 of the general budget of the European Communities is necessary to achieve the objectives described in Article 1.2 of this Decision, taking into account the available budget, other donors' contributions and other factors. Therefore, actions funded by this Decision may be financed in full in accordance with Article 253 of the detailed rules for the implementation of the Financial Regulation established by the Commission Regulation (EC,Euratom) 2342/2002⁴;
- (16) Actions supported by this Decision will be implemented through Joint Management with the International Federation of the Red Cross and Red Crescent (IFRC) in conformity with Article 53d Financial Regulation (EC, Euratom) No 1605/2002⁵;
- (17) The specific modalities for the mobilisation of the Community contribution to the DREF should be established in the contribution agreement;
- (18) The present Decision constitutes a financing Decision within the meaning of Article 75 of the Financial Regulation (EC, Euratom) No 1605/2002, Article 90 of the detailed rules for the implementation of the Financial Regulation, Regulation (EC, Euratom)

² The Principles and Good Practice of Humanitarian Donorship, Stockholm, 17 June 2003; endorsed by the OECD–DAC in April 2006

³ OJ C 25 of 30.01.2008, adopted by the Council, European Parliament and Commission on 18 December 2007

⁴ OJ L 357, 31.12.2002, p1

⁵ OJ L 248, 16.09.2002, p1

No 2342/2002, and Article 15 of the internal rules on the implementation of the general budget of the European Communities⁶.

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 "funding of a suitable intervention response for small-scale disasters in the form of a European Community's contribution to the Disaster Relief Emergency Fund" by using article 23 02 01 of the 2008 general budget of the European Communities.
2. In accordance with Article 2 of Council Regulation No.1257/96, this Decision principal objective is to address humanitarian needs arising from small-scale humanitarian emergencies in third countries by ensuring immediate preparedness and a suitable response.

Humanitarian actions funded under this decision shall be implemented in the pursuance of the following specific objective:

To respond to specific imminent, sudden or slow-onset small-scale disasters aiming to preserve life and to substitute for the loss of basic subsistence.

The full amount of this Decision is allocated to this specific objective.

Article 2

1. The duration for the implementation of this Decision shall be for a maximum period of 16 months, starting on 1 January 2009.
2. Expenditure under this Decision shall be eligible from 1 January 2009.
3. If the actions 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. Actions supported by this Decision will be implemented through Joint Management with the International Federation of the Red Cross and Red Crescent in conformity with Article 53d Financial Regulation (EC, Euratom) No 1605/2002.
2. The contribution agreement concluded with the International Federation of the Red Cross and Red Crescent for the award of financing shall contain detailed provisions for the implementation of the tasks entrusted to IFRC.
3. Taking account of the specificities of humanitarian aid, the nature of the activities to be undertaken, the specific location constraints and level of urgency and the contributions by other donors, actions funded by this Decision may be financed in full in accordance with Article 253 of the detailed rules for the implementation of the

⁶ Commission Decision of 5.3.2008 C/2008/773

Financial Regulation established by the Commission Regulation (EC,Euratom)
2342/2002.

Article 4

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

Humanitarian Aid Decision

23 02 01

Title: Funding of a suitable intervention response for small-scale disasters; European Community's contribution to the Disaster Relief Emergency Fund (DREF)

Location of Action: Third countries eligible for Community humanitarian aid

Amount of Decision: EUR 2,000,000

Decision reference number: ECHO/DRF/BUD/2008/01000

Supporting document

1. RATIONALE, NEEDS AND TARGET POPULATION

1.1. Rationale and identified needs

According to the Intergovernmental Panel on Climate Change (IPCC), climate change is expected to lead to an increase in the frequency and the severity of weather-related disasters, such as floods and tropical cyclones. Weather-related disasters equally include slow-onset emergencies such as heat and cold waves and drought, as well as the spread of water-related diseases such as malaria, cholera and dengue. Scientific evidence indicates that these trends will continue. Population movements and growing uncontrolled urbanisation and deterioration of the natural environment exacerbate the impact of natural disasters.

Between the 1970s and 2007, the average number of reported natural disasters has increased fourfold. However, the scale of most of these emergencies is not necessary large; they may affect no more than 100.000 people in a determined location at a given moment. They may occur in remote or isolated areas and rarely trigger a declaration of emergency. As a consequence, they do not figure prominently in the news despite the serious humanitarian needs they create locally.

Even if these emergencies may affect a limited number of people, they often have a serious negative impact on the livelihood of the populations affected. Given the recurrent nature and frequency of natural disasters in determined regions of the globe, local coping capacity is strained, and the poorest strata of society in particular is becoming more and more vulnerable. The vulnerability of people most at risk of natural disasters has continued to increase over the past decades, and climate change has further aggravated the situation. Moreover, a systemic approach to disaster risk reduction (i.e. different institutional, sector and territorial actors coordinating their actions and sharing

responsibilities) is not yet well developed in many countries and preparedness at local level remains low.

Hence, the impact of disasters is highest where vulnerability is the highest and response capacity the lowest. These elements help to explain why small-scale disasters have such a devastating effect at community level.

Therefore, the relative limited size of a disaster does not mean that there is not an urgent need to respond and to bring relief to the people affected; the speed of response is vital for the preservation of lives.

The European Commission has, by means of Primary Emergency and Emergency Decisions, been able to provide a rapid response to large scale natural disasters. Moreover, the European Commission's procedures allow the financial resources available to be rapidly increased to meet growing needs in large scale emergencies by mobilizing funds through both emergency and ad hoc decisions for the same crisis.

However, the current funding mechanisms are not adequate to respond to small-scale emergencies. The very concept of small-scale disaster, i.e. an emergency affecting a limited number of people, does not trigger international response. Such emergencies therefore fall outside the scope of the normal interventions of the European Commission as international donor.

As the numbers of those affected by small-scale natural disasters and the severity of the damage inflicted on populations continues to grow, it is pertinent to complete the European Community's action as humanitarian donor with a suitable intervention response to small-scale disasters. Such a response will reinforce the principle of solidarity by European citizens, one of the guiding principles governing the interventions of the Directorate General for Humanitarian Aid (DG ECHO). DG ECHO's intervention in this context will also place emphasis on improving the affected communities' preparedness to enable them to better face future disasters and minimize losses.

Most of such small-scale emergencies are responded to at local or national level. In countries where infrastructure and public health services are weak the needs generated by these small-scale disasters can often only be met by humanitarian organisations. A rather small response (EUR 50,000 – EUR 150,000) would typically be called for in order to finance the provision of short-term relief in the form of food, health, shelter, water and sanitation, aiming to preserve life and to compensate for the loss of basic subsistence.

The European Commission response to small-scale disasters has to be designed taking into account the particularities of these actions, the relatively low amount of funding required and their frequency. Furthermore, weather-related disasters and the likelihood of outbreaks of water-borne diseases can to a large extent be predicted with a certain amount of advance warning. The improvement of systems of early warning and of analysis of the likely effects of evolving weather patterns and epidemic outbreaks should allow a better prediction of these effects, therefore allowing concrete and early action to be taken to avoid death, injuries and damage, and thus reducing the impact of disasters.

The funding of a suitable intervention response must, therefore, ensure a fast and efficient response on the basis of a flexible administrative procedure.

Furthermore, in accordance with the humanitarian principles enshrined in the Humanitarian Aid Regulation¹, any and all assistance is to be provided on the basis of, and in proportion to, needs. An essential regulatory requirement demands an intervention system that will allow for the traceability of the funds.

In order to meet these requirements, the European Commission must establish an intervention mechanism which takes account of those already developed by humanitarian organisations. In this regard, the mechanism developed by the International Federation of Red Cross and Red Crescent Societies (IFRC) deserves particular attention. Red Cross and Red Crescent National Societies supported by the IFRC are particularly well-rooted in local communities and are often best placed to provide an immediate response to natural disasters.

In 1985, the IFRC established the Disaster Relief Emergency Fund (DREF) as part of the organisation's overall disaster response capacity with the objective of providing financial support to their members in order to undertake disaster response when needed. When a disaster occurs, the National Society in the country affected may request an allocation from the DREF, which is authorized and released within 24 hours of the request. DREF allocations may be used:

- As a loan to support operations for which an Emergency Appeal is being launched, (start-up funds in the case of large-scale disasters). These allocations are reimbursed to the DREF as soon as sufficient funding has been raised through the Emergency Appeal;
- As a grant to fund operations responding to small-scale emergencies (referred to as DREF Operations), for which no international appeal is launched. Small-scale emergency operations are often fully funded by the DREF and there is no automatic recovery in these cases;
- As grants to fund disaster response preparedness activities in the case of imminent disasters (e.g. mobilization and equipment of volunteers, including transport costs, per diems, visibility items; activation of community early warning procedures; evacuation of people at risk; preparation of shelters etc);
- As a grant to fund the position of a DREF Officer recently appointed to administer the Fund in 2008/2009.

In 2007, the DREF provided financial support to 77 National Red Cross and Red Crescent Societies to support approximately 100.000 National Society volunteers and staff to assist 13.5 million people affected by disasters. Sixty percent of the DREF allocations were made to small-scale disasters for which no appeal for international assistance was launched. The majority of these operations were in response to disasters that affected under 100.000 people, of which nearly half of these were in response to floods.

This data confirms the adequacy of the DREF to provide a suitable intervention response to small-scale emergencies and to ensure a fast and efficient mobilisation of funds. Moreover, the modus operandi for the mobilisation of DREF allocations guarantees that

¹ Council Regulation (EC, Euratom) 1257/96 on humanitarian aid, OJ L 163, 2.7.1996

the assistance is provided on the basis of needs and allows for the traceability of the funds.

1.2. Target populations and regions concerned

The regions concerned by this Decision are third countries eligible for European Community humanitarian aid.

It is estimated that the European Commission contribution to the DREF could finance DREF operations and immediate disaster response preparedness operations reaching over 3.000.000 beneficiaries.

On the basis of the distribution of DREF resources in past years, it may be expected that Africa will be the region receiving the largest amount of contributions (over 50%), followed by Asia-Pacific (15%) and the Americas (10%).

In 2007, the DREF was used to fund disasters related to floods (50%), cyclones and storms (14%), extreme temperatures (3%), epidemics (17%), contingency plans (2%), population movements (5%), earthquakes (4%), explosions (1%) and other events (4%).

1.3. Risk assessment and possible constraints

Access to affected areas may be hampered by their remoteness, lack of access infrastructure or security constraints, depending on the country and type of disaster concerned.

Coordination with and among aid agencies and potential donors responding to the humanitarian needs provoked by a natural disaster is essential to ensure the most efficient and effective use of funds available.

External support must also carefully foster local response capacities. It is important to establish links to the greatest extent possible with any ongoing/future DIPECHO operations in the region, as well as with other EC-funded programmes.

2. OBJECTIVES AND COMPONENTS OF THE HUMANITARIAN INTERVENTION PROPOSED

2.1. Objective

Principal objective: To address humanitarian needs arising from small-scale humanitarian emergencies in third countries by ensuring immediate preparedness and a suitable response.

Specific objective:

- To respond to specific imminent, sudden or slow-onset small-scale disasters aiming to preserve life and to substitute for the loss of basic subsistence.

2.2. Components

On the basis of the analysis made in point 1 of this document, the present Decision proposes a European Community contribution of EUR 2,000,000 to the DREF. This contribution will be implemented in Joint Management with the International Federation of the Red Cross and Red Crescent Societies in conformity with Article 53d Financial Regulation (EC, Euratom) No 1605/2002².

The specific modalities for the mobilisation of the European Community contribution to the DREF will be established in the contribution agreement. In particular, the contribution agreement will determine the procedure for the allocation of funds to individual actions implemented by National Societies of the Red Cross and Red Crescent in order to ensure the predictability of the financial support. The contribution agreement will, furthermore, establish the specific reporting and visibility and communication requirements that will govern this cooperation.

The European Commission contribution shall be used for two types of interventions:

- as a grant to fund smaller-scale emergencies, for which no appeal is likely to be launched, referred to as DREF Operations;
- as a grant to fund disaster response preparedness activities for imminent crisis that can not be planned for in advance, (in an annual plan or in similar type of programming instrument, such DIPECHO).

Without prejudice to the eligibility rules established in the contribution agreement, the European Commission contribution to the DREF may be used for the following activities:

2.2.1. Early warning, disaster response preparedness

- Mobilization and equipment of volunteers, including transport costs, per diems, visibility items ;
- Activation of community early warning procedures ;
- Evacuation of people at risk ;
- Preparation of shelters ;
- Pre-disaster assessment of capacity to respond to imminent crisis ;
- Activation and implementation of existing contingency plan ;
- Pre-positioning of relief supplies, logistics and human resource assets ;
- Provision and pre-positioning of additional resources, both human and material ;
- Communications (both telecommunications and media) ;

2.2.2. Emergency response

- Mobilization and equipment of volunteers, including transport costs, per diems, visibility items ;
- Mobilization and deployment of response teams, including National and Regional Disaster Response Team members or Field Assessment and Coordination Team ;
- Search and rescue and evacuation ;
- Needs assessment missions ;

² OJ L 248, 16.09.2002, p1

- Procurement, transport and distribution of relief items ;
- Distribution of vouchers and small cash grants directly to the beneficiaries
- Water purification or production of clean water ;
- Sanitation, including latrine construction and waste disposal ;
- Vector control ;
- First aid ;
- Immunization and vaccination campaigns;
- Basic health care;
- Mother and child health care;
- Psychosocial support, for people affected and for responders ;
- Awareness raising, hygiene and epidemic sensitization campaigns ;
- Assistance to and registration of displaced people ;
- Restoring family links ;
- Protection activities in an emergency situation ;
- Information materials, radio or television campaigns
- Volunteer training for relief distributions or sensitization campaigns for the specific operation generating the DREF request ;
- Travel and operational costs of National Society or Federation personnel as part of the relief operation ;
- Communication costs related to the relief operation, including emergency deployment costs for a media or communications delegate;
- Monitoring and evaluation of relief operation (including beneficiary satisfaction surveys and lessons learned for volunteers and National Society staff).

In areas with a high HIV and AIDS prevalence rate, particular attention will be paid to the specific needs of HIV and AIDS affected groups, in line with DG ECHO's Guidelines on HIV and AIDS in emergencies.

The following costs will not be considered eligible:

- Any administrative costs of permanent staff and structures, either of the National Society or IFRC offices ;
- Any costs or activities budgeted under an annual appeal ;
- Recovery or rehabilitation activities ;
- National level disaster management or capacity building training not related to the specific operation.;

3. DURATION EXPECTED FOR ACTIONS IN THE PROPOSED DECISION

The duration for the implementation of this Decision shall be 16 months. The implementation of individual actions funded by the Commission contribution to the DREF must start within the year 2009. Moreover, and as a general rule, these actions should have an implementing period not longer than six months.

Expenditure under this Decision shall be eligible from 1 January 2009.

If the implementation of the individual actions 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 its implementing period.

4. PREVIOUS INTERVENTIONS/DECISIONS OF THE COMMISSION WITHIN THIS CONTEXT

Not applicable. This is the first funding Decision of its type adopted by the Commission.

5. OVERVIEW OF DONORS' CONTRIBUTIONS

Financing support to DREF comes from Governments and National Societies of the Red Cross and Red Crescent. The Netherlands Government and the Netherlands Red Cross contributes to the DREF through the Silent Emergency Fund, created in 2005. This funding mechanism allows for the earmarking of contributions to specific crisis. Other Governments are currently discussing similar funding arrangements with the IFRC. The IFRC has tripled the resources available in the last three years, and plans to continue this progression from the EUR 9,300,000 on forecast for 2008 to EUR 13,500,000 by 2010.

DREF donors at 5 November 2008		
	2007 EUR	2008 EUR
UK Govt	733,918	313,383
Danish Govt	141,145	136,266
Irish Govt		1,000,000
Irish Red Cross		4,065
Italian Govt Bilateral Emer. Fund		586,000
Luxembourg RC	3,022	14,000
Luxembourg Govt		125,000
Netherlands Govt/RC 90%/10%	851,245	1,179,936
Norwegian Govt 90% / 10%	2,029,307	*1,000,000
Spanish Govt/RC	12,473	
Swedish RC/Govt 50% / 50%		57,283
		*Pledge announced

Amount of Decision and distribution by specific objectives

5.1. Total amount of the Decision: EUR 2,000,000

5.2. Budget breakdown by specific objectives

Principal objective: To address humanitarian needs arising from small-scale humanitarian emergencies in third countries by ensuring immediate preparedness and a suitable response.			
	Allocated amount by specific objective (EUR)	Geographical area of operation	Potential partner
Specific objective: To respond to specific imminent, sudden or slow-onset small-scale disasters aiming to preserve life and to substitute for the loss of basic subsistence.	2,000,000	Third countries eligible for European Community humanitarian aid	International Federation of the Red Cross and Red Crescent Societies (IFRC)
TOTAL:	2,000,000		

6. 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 actions financed by the Community in order to establish whether they have achieved their objectives and to produce guidelines for improving the effectiveness of subsequent actions." 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/policies/evaluation/introduction_en.htm.

7. MANAGEMENT ISSUES

This contribution will be implemented in Joint Management with the International Federation of the Red Cross and Red Crescent Societies in conformity with Article 53d Financial Regulation (EC, Euratom) No 1605/2002³.

The DREF is included in the IFRC annual financial statement as a fund administered by the Federation and is subject to audit. The Fund is reported on through the Annual Appeal Programme Update.

The Commission is satisfied that IFRC apply standards which offer guarantees equivalent to internationally accepted standards in its accounting, audit, internal control and procurement procedures.

³ OJ L 248, 16.09.2002, p1