



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels
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COMMISSION DECISION

of

**on the financing of Emergency Humanitarian Actions in Ethiopia from the 10th
European Development Fund**

(ECHO/ETH/EDF/2009/01000)

COMMISSION DECISION

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on the financing of emergency humanitarian Actions in Ethiopia from the 10th European Development Fund

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THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to the ACP-EC Partnership Agreement signed in Cotonou on 23 June 2000, in particular Articles 72 and 73 thereof,

Having regard to Council Regulation (EC) No 617/2007 of 14 May 2007 on the implementation of the 10th European Development Fund under the ACP-EC Partnership Agreement, in particular Articles 5.4 and 8 thereof¹

Whereas:

- (1) The survey "Disaster Risk Management and Food Security Sector" issued on 13 July 2009 found that the number of people in need of food assistance in Ethiopia has increased from 4,900,000 to 6,200,000. The increase is due to the further deteriorating food security situation in Belg and pastoral areas as well as the poor Kiremt rains outlook.
- (2) The food security situation is deteriorating rapidly over large areas of Ethiopia at a time when substantial numbers of people are already under severe livelihood stress for a second consecutive season, and their capacity to cope has been drastically reduced. Food prices continue to be very high, affecting access for poor people.
- (3) Populations in the north, east and south of Ethiopia are already experiencing high rates of malnutrition and there is a trend of increasing admissions into therapeutic nutritional treatment centres, despite the injection of food aid to 4,900,000² people since February.

¹ OJ L 152 of 13.06. 2007, p. 1

² Based on the meher seasonal assessment in November 2008.

- (4) Trend analyses for the second half of 2009 predict that well over 6,000,000 people³ will require food aid;
- (5) To reach populations in need, emergency aid should be channelled through International Organisations, including United Nations (UN) agencies. Therefore, the European Commission should implement the budget by joint management.
- (6) An assessment of the humanitarian situation leads to the conclusion that an urgent Humanitarian Aid Action should be financed by the Community for a period of 6 months.
- (7) In accordance with the objectives set out in Articles 72 and 73 of the ACP-EC Partnership Agreement and Article 5.4 of Council Regulation No 617/2007, it is estimated that an amount of EUR 10,000,000, from Ethiopia's allocation for unforeseen needs (B-envelope) of the 10th European Development Fund, is necessary to provide emergency humanitarian assistance to populations directly affected by the drought. Although as a general rule actions funded by this Decision should be co-financed, the Authorising Officer, in accordance with Article 103.3 of the Financial Regulation applicable to the 10th EDF⁴, together with Article 253 of the Implementing Rules of the Financial Regulation applicable to the general budget of the European Communities⁵, may agree to the full financing of actions.
- (8) The use of the 10th European Development Fund is necessary as all the funds for ACP countries in the general budget are entirely allocated.
- (9) The Commission will inform the EDF Committee within one month of the adoption of this Decision in accordance with Article 8 of Council Regulation 617/2007 of 14 May 2007 on the implementation of the 10th European Development Fund under the ACP-EC Partnership Agreement.

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 10,000,000 from the 10th European Development Fund for Emergency Humanitarian Aid Actions to assist vulnerable people directly affected by the drought in Ethiopia.
2. In accordance with Articles 72 and 73 of the ACP-EC Partnership Agreement, the principal objective of this Decision is to prevent human suffering caused by the deterioration of food security, nutrition and health. The humanitarian aid actions shall be implemented in the pursuance of the following specific objective(s):

³ This figure does not include the 7.5 Million vulnerable PSNP beneficiaries already at the end of their support cycle (January to June cash/ food transfers).

⁴ OJ L 78 of 19.03.2008, p.1.

⁵ OJ L 357 of 31.12.2002, p.1.

- To provide immediate humanitarian food assistance to people affected by acute food insecurity as a consequence of recurrent drought, agricultural production failures and continuing high staple food prices in Ethiopia.

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

Article 2

1. The period for the implementation of the actions financed under this Decision shall start on 13 July 2009. Expenditure under this Decision shall be eligible from the same date. The duration of individual humanitarian aid actions financed under this Decision shall be limited to a maximum of six months.
2. If the implementation of individual actions is suspended owing to force majeure or other exceptional circumstances, the period of suspension shall not be taken into account in the implementing period of the Decision in respect of the Action suspended.
3. In accordance with the contractual provisions ruling the Agreements financed under this Decision, the Commission may consider eligible those costs arising and incurred after the end of the implementing period of the Action which are necessary for its winding-up.

Article 3

1. As a general rule, actions funded by this Decision should be co-financed.

The Authorising Officer by delegation, in accordance with Article 103.3 of the Financial Regulation applicable to the 10th EDF, together with Article 253 of the Implementing Rules of the Financial Regulation applicable to the general budget of the European Communities, may agree to the full financing of actions when this will be necessary to achieve the objectives of this Decision, and with due consideration to the nature of the activities to be undertaken, the availability of other donors and other relevant operational circumstances.
2. Actions supported by this Decision will be implemented by International organisations.
3. The Commission shall implement the budget by joint management with international organisations that are signatories of the EC/UN Financial Administrative Framework Agreement (FAFA) and which were subject to the four pillar assessment in line with Article 29 of the Financial Regulation applicable to the 10th EDF.

Article 4

This Decision shall 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

COMMISSION DECISION

on the financing of Emergency Humanitarian Actions in Ethiopia from the 10th European Development Fund

Titre: COMMISSION DECISION on the financing of Emergency Humanitarian Actions in Ethiopia from the 10th European Development Fund

Description: Emergency food assistance to people affected by drought in Ethiopia

Location of Action: Ethiopia

Amount of Decision: EUR 10,000,000

Decision reference number: ECHO/ETH/EDF/2009/01000

Supporting Document

1 - Rationale, needs and target population.

1.1. - Rationale:

Ethiopia is the second most populous country in Africa with a population of over 79,000,000 and a demographic growth rate of 2.6%. Close to 84% of the population depend on agriculture. The living conditions of the people belong to the lowest in the world and the proportion of people living on less than \$1 per day is 23%. According to the 2005 Demographic and Health Survey (DHS), infant mortality is 77 and under-five mortality is 123 out of 1,000 live births. Recurrent droughts, floods, epidemics, internal and cross-border conflicts are some of the factors constraining the country's overall development.

The Human Development Indicator for Ethiopia is 0.406, making it the 169th out of 177 countries of the world. According to the Global Needs Assessment (GNA) Vulnerability Index 2008/2009, the score for Ethiopia is 3 and the Crisis Index is 3; which is a deterioration from the earlier scores of 2007/2008, where the Vulnerability Index was 3 and the Crisis Index was 2.

In the summer of 2009 (26/06/09 – 02/07/09), DG ECHO conducted a food security assessment in the country including four different regional States, namely Amhara, SNNPR¹, Oromya and Somali in order to analyse the food security situation and WFP's Relief operations. The assessment has produced the following findings:

Food Security

The poor performance of the *Belg/Gu* rains in 2009 has resulted in below normal to complete crop failure in *Belg* dependent areas and has negatively affected the long-cycle *Meher* crops. The *Belg* green harvest that usually fills food gaps during the hunger period is thus not going to take place in many areas. Food price inflation is at 53% and while grain prices are decreasing, they are still 72% higher than the five year average.

Successive shocks (failure of *Belg/Gu* and mixed performance of the *Meher* in 2008; rampant food price inflation; and the failure of 2009 *Belg/Gu* rains) have made the livelihoods of already chronically vulnerable households even more fragile. There are clear signs of cumulative stress across the board.

Poor rangeland conditions, declining terms of trade and high loss of livestock in 2008 have limited pastoralists' coping strategies, particularly in Afar and Somali Regions. The key "hunger food" in southern regions, false banana stems or "*enset*", which takes at least five years to mature, was consumed in 2008, and thus is not available. If the climate outlook prediction holds, the *Meher* crop production, on which 90- 95% of crop production depends, is likely to be below normal in the northwest and eastern parts of the country, making it the second consecutive season of below normal production. The *kiremt* rains are expected to be normal/above normal in the central-west and south- west crop producing areas.

Nutrition

Despite General Food Distributions (GFD) and nutrition interventions in nutritional hotspot Woredas, there was an increase in Therapeutic Feeding Centre (TFC) admissions from February to March throughout the country, according to the Emergency Nutrition Coordination Unit (ENCU). While this could be due to greater outreach of nutritional programmes due to the 2008 scale up, ENCU also reported that 70% of Woredas (19/27) surveyed in SNNPR, Oromiya, Beneshangul Gomuz, Amhara and Tigray were classified as poor or serious GAM classification², with 33% classified as serious.

Out of the seven Somali Region Woredas surveyed in May 2009, one was classified as poor, four as serious and one as critical GAM, indicating that much of the population were already in a nutrition crisis even before entering the dry/hunger season in June. High GAM is not unusual in Somali region, but these numbers exist despite the injection of 113,603 metric tonnes (MT) of food from October 2008 to June 2009.

¹ Southern Nations, Nationalities, and People's Region

² According to WHO, rates of GAM are classified as: acceptable (<5%), poor (5-9%), serious (10-14%) and critical (>=15%).

The aggravating factors, which have continued over the last three months, were poor harvest, pasture and livestock condition. If food input is not increased/sustained there is a risk that the situation continues to deteriorate in hot spot Woredas as the hunger season progresses. This situation is not expected to improve unless the emergency food pipeline is restored to an acceptable level in order to stabilise the acute food shortage faced by millions of people. The overall operation is under-resourced in comparison with rapidly growing needs.

1.2. - Identified needs:

On 13 July 2009, the Disaster Risk Management and Food Security Sector (DRMFSS), in a briefing given to donors, stated that the number of people in need of food assistance from June to December has increased to 6,200,000. It is to be recalled that, on 30 January 2009, according to Partners and Government joint Humanitarian Requirement Document, the number of people in need of food assistance were estimated at 4,900,000. The increase is due to the further deteriorating food security situation in *Belg* and pastoral areas as well as the poor *Kiremt* rains outlook. Besides, the below normal rains in *Belg* producing areas have already affected the long cycle crops.

The present shortfall of the food requirement, based on the projected 6,200,000 people, stands at 391,218 MT, which doubles the previous short fall of 176,277 MT on the basis of 4,900,000 beneficiaries figure.

As reported by WFP, the preliminary findings of the *Belg* season multi-agency needs assessment indicates that the performance of the *Belg* was well below normal in many crop producing highland areas, as well as in pastoral areas that received rains during the same period (February-May). The Zone and Woreda assessment in Amhara disclosed that only 30% of the expected yield will be harvested. In the six *Belg* areas of Tigray, 1% of normal production is expected. WFP underlines that these conditions will be further compounded by the poor start of the 2009 *Kiremt* rains (July to September), which will in turn delay the availability of green harvest normally expected in September.

Given the assumption that WFP covers 80% of the total requirement, an immediate donor response is required in order to prevent further deteriorations of the humanitarian situation in the country. Due to financial constraints, WFP was able to carryout only 3 rounds of distributions out of the 6 rounds that should have taken place from January to June 2009.

Currently, there are two channels through which the food resources are being delivered to the beneficiaries, which includes the WFP/DRMFSS and the Joint Emergency Operation (JEOP). If the 4,900,000 beneficiary level is maintained, with the available WFP/DRMFSS resources, 4,400,000 people can be supported in the fourth round, at a reduced ration of 10kg/person/month, largely in priority 1 areas. The JEOP is planning to cover 104 Woredas in two rounds where 92 are priority 1 and 12 are priority 2. However, with an increased number of beneficiaries of 6,200,000, available resources will be unable to cover the fourth round distribution.

The general food distribution aside, there is a clear and increasing need for complementary food assistance to nutritional programmes in areas affected by the failed *Belg/Gu* season over the next four months until the *Meher* harvest to respond to current needs and prevent the situation deteriorating even more dramatically. The pipeline for WFP's Relief operation will

break after the fourth allocation due to be distributed in July if no further resources are committed. Therefore, this financial decision envisages providing support to the relief component of the PRRO 10665 of WFP.

1.3. - Target population and regions concerned:

The beneficiaries will be 6,200,000 affected people countrywide, with particular focus on those living in Amhara, Tigray, Oromia, SNNP, Somali and Afar Regions.

1.4. - Risk assessment and possible constraints:

The deteriorating security situation in various places emanating from competition over natural resources may impede humanitarian actions. This may particularly occur in the southern lowland Oromia, Southern SNNP, Afar, Gambella and other pocket areas.

The conflict in Somali Regional State may escalate and making access difficult for humanitarian actors.

Transport constraints and congestions from the seaport of Djibouti to major hubs and from hubs to food distribution points. This has already affected the WFP operations in the past six months.

Insufficient *Keremt* rains further increasing the food gap.

2 - Objectives and components of the humanitarian intervention proposed:

2.1. - Objectives:

Principal objective: To prevent human suffering caused by the deterioration of food security, nutrition and health.

Specific objective: To provide immediate humanitarian food assistance to people affected by acute food insecurity as a consequence of recurrent drought, agricultural production failures and continuing high staple food prices in Ethiopia.

2.2. - Components:

WFP's Relief component of the PRRO will be supported in order to make food available to the most affected communities in Ethiopia, through General Food Distribution.

As indicated earlier, food availability in the country is at its lowest, due to low local food production and resource constraints in financing the relief operations. In addition, the grain price in 2009 is 72% higher than the five year average and this is prohibitive for the poor. The outlook for the *Meher* production is low as well, given the normal to below normal prediction of *Kiremt* rains by the national meteorological agency.

3 - Duration expected for Actions in the proposed Decision:

The duration of humanitarian aid Actions shall be 6 months. 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 Actions.

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 ETHIOPIA

Decision Number	Decision Type	2007 EUR	2008 EUR	2009 EUR
ECHO/-AF/EDF/2007/01000 (*)	Non Emergency	0		
ECHO/-FA/BUD/2007/01000 (*)	Non Emergency	15,000,000		
ECHO/ETH/BUD/2007/01000	Non Emergency	5,000,000		
ECHO/-FA/BUD/2008/01000 (*)	Non Emergency		13,500,000	
ECHO/-FA/BUD/2008/02000 (*)	Non Emergency		6,000,000	
ECHO/-FA/BUD/2008/03000 (*)	Emergency		16,200,000	
ECHO/-HF/BUD/2008/01000 (*)	Non Emergency		8,400,000	
ECHO/ETH/BUD/2008/01000	Non Emergency		4,000,000	
ECHO/-FA/BUD/2009/01000 (*)	Non Emergency			10,000,000
ECHO/-HF/BUD/2009/01000 (*)	Non Emergency			3,000,000
ECHO/ETH/BUD/2009/01000	Non Emergency			6,000,000
	Subtotal	20,000,000	48,100,000	19,000,000
	Grand Total	87,100,000		

Dated : 22 July 2009
Source : HOPE

(*) decisions with more than one country

5 - Overview of donors' contributions

Donors in ETHIOPIA the last 12 months					
1. EU Members States (*)		2. European Commission		3. Others	
	EUR		EUR		EUR
Austria		DG ECHO	35,200,000		
Belgium	2,750,000	Other services(**)	113,000,000		
Bulgaria					
Cyprus					
Czech republic					
Denmark	2,078,974				
Estonia					
Finland	1,150,000				
France	1,700,000				
Germany	5,490,700				
Greece	480,000				
Hungary					
Ireland	975,000				
Italy	2,000,000				
Latvia					
Lithuania					
Luxemburg	313,500				
Malta					
Netherlands	19,000,000				
Poland					
Portugal					
Romania					
Slovakia					
Slovenie					
Spain	300,000				
Sweden	3,550,857				
United kingdom	20,701,100				
Subtotal	60,490,131	Subtotal	35,200,000	Subtotal	0
		Grand total	95,690,131		

Dated : 22 July 2009

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

Empty cells means either no information is available or no contribution.

(**) Pro-rata of the 10th European Development Funds allocations (A and B envelopes) for the period 2007-2013

6 - Amount of Decision and distribution by specific objectives:

6.1. - Total amount of the Decision: EUR 10,000,000

6.2. - Budget breakdown by specific objectives

Principal objective: To prevent human suffering caused by the deterioration of food security, nutrition and health			
Specific objectives	Allocated amount by specific objective (EUR)	Geographical area of operation	Potential partners³
Specific objective 1: To provide immediate humanitarian food assistance to people affected by acute food insecurity as a consequence of recurrent drought, agricultural production failures and continuing high staple food prices in Ethiopia	10,000,000	Nationwide	Joint management - WFP-PAM
TOTAL: 10,000,000			

³ 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 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 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.

8. Management issues

Humanitarian aid actions funded by the Commission are implemented by NGOs and the Red Cross National Societies on the basis of Framework Partnership Agreements (FPA), by Specialised Agencies of the Member States and by United Nations agencies based on the EC/UN Financial and Administrative Framework Agreement (FAFA) in conformity with 103.3 of the Financial Regulation applicable to the 10th EDF together with Article 163 of the Implementing Rules of the Financial Regulation applicable to the general budget of the European Communities. These Framework agreements define the criteria for attributing grant and contribution agreements and may be found at http://ec.europa.eu/echo/about/actors/partners_en.htm .

For NGOs, Specialised Agencies of the Member States, Red Cross National Societies and International Organisations not complying with the requirements set up in the Financial Regulation applicable to the general budget of the European Communities for joint management, actions will be managed by direct centralised management.

For International Organisations identified as potential partners for implementing the Decision, actions will be managed under joint management.

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.