



EUROPEAN COMMISSION

Brussels, xx.xx.2010
C(2010) XXX final

COMMISSION DECISION

of [...]

**on the financing of emergency humanitarian actions in Djibouti from the general budget
of the European Union**

(ECHO/DJI/BUD/2010/01000)

COMMISSION DECISION

of [...]

on the financing of emergency humanitarian actions in Djibouti from the general budget of the European Union

(ECHO/DJI/BUD/2010/01000)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EC) No.1257/96 of 20 June 1996 concerning humanitarian aid¹, and in particular Article 2(a) and Article 13 thereof;

Whereas:

- (1) The deterioration of the food security situation, due to the continued dry conditions that have prevailed over the last few months, has clearly exacerbated humanitarian needs in Djibouti;
- (2) The Djibouti Government-led inter-agency assessment, carried out in March 2010, concluded that approximately 120,000 (50%) of the rural population will need humanitarian assistance up to the end of the year. Pastoralists in the Northwest and Southeast of the country require particular attention;
- (3) According to the last FEWSNET (Famine Early Warning System Network) food security outlook issued in May 2010, poor urban households are likely to face extreme food insecurity as the lean period (starting from 1 June until end of August) approaches. Moreover, most pastoralists are currently highly food insecure due to a delay in response after significant livestock losses. This analysis and the need to provide urgent humanitarian assistance during the next critical months have been confirmed by a food security snapshot issued on 4 June 2010 by FAO (Food and Agricultural Organisation);
- (4) To reach populations in need, humanitarian aid should be channelled through non-governmental organisations and international organisations, including United Nations agencies. Therefore, the European Commission should implement the budget by direct centralised management or by joint management;
- (5) Humanitarian aid actions financed by this Decision should be of a maximum duration of 6 months;
- (6) It is estimated that an amount of EUR 2,000,000 from budget article 23 02 02 of the general budget of the European Union is necessary to provide humanitarian assistance to over 120,000 persons, taking into account the available budget, other donors'

¹ OJ L 163, 2.7.1996, p. 1.

contributions and other factors. The activities covered by this Decision may be financed in full in accordance with Article 253 of the Implementing Rules of the Financial Regulation;

- (7) The present Decision constitutes a financing Decision within the meaning of Article 75 of the Financial Regulation (EC, Euratom) No 1605/2002², Article 90 of the detailed rules for the implementation of the Financial Regulation determined by Regulation (EC, Euratom) No 2342/2002³, and Article 15 of the internal rules on the implementation of the general budget of the European Union⁴;

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 the financing of emergency humanitarian actions in Djibouti from budget article 23 02 02 of the 2010 general budget of the European Union.
2. In accordance with Article 2(a) of Council Regulation No.1257/96, the principal objective of this Decision is to save and preserve life of vulnerable populations affected by drought in Djibouti. The humanitarian actions shall be implemented in the pursuance of the following specific objective:
 - To provide humanitarian food and nutrition assistance to the most vulnerable populations affected by drought.

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 1 June 2010. 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. In accordance with Article 253 of the Implementing Rules and having regard to the urgency of the action, the availability of other donors and other relevant operational circumstances, funds under this Decision may finance humanitarian actions in full.

² OJ L 248, 16.9.2002, p.1.

³ OJ L 357, 31.12.2002, p.1.

⁴ Commission Decision of 5.3.2008, C/2008/773

2. Actions supported by this Decision will be implemented either by non-profit-making organisations which fulfil the eligibility and suitability criteria established in Article 7 of Council Regulation (EC) No 1257/96 or international organisations.
3. The Commission shall implement the budget:
 - * either by direct centralised management, with non-governmental organisations;
 - * or by joint management with international organisations that are signatories to the Framework Partnership Agreements (FPA) or the Financial Administrative Framework Agreement with the UN (FAFA) and which were subject to the four pillar assessment in line with Article 53d of the Financial Regulation.

Article 4

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

Done at Brussels,

For the Commission
Peter ZANGL
Director-General



Emergency Humanitarian Aid Decision

23 02 02

Title: Commission Decision on the financing of emergency humanitarian actions in Djibouti from the general budget of the European Union

Description: Emergency response to food insecurity in Djibouti

Location of Action: DJIBOUTI

Amount of Decision: EUR 2,000,000

Decision reference number: ECHO/DJI/BUD/2010/01000

Supporting document

1 Humanitarian context, needs and risks

1.1 Situation and context

Food security in Djibouti remains very poor due to a series of repeated shocks including low rainfall, high staple food prices, security concerns, and poor terms of trade. In January 2010 FEWSNET (Famine Early Warning System Network)¹ launched a food security alert highlighting the deterioration of the situation due to a reduction in cash transfers and the continuing low rainfall predictions. As pastoralists lost 50-70 percent of their livestock in late 2008 due to drought and because recovery was so slow, household ability to absorb further livestock losses has been very limited. Milk production has been below normal, producing poor livestock birth rates. Livestock prices have also been below normal due to weak animal body conditions, with staple food prices remaining above average, meaning that 'livestock-to-cereal' terms of trade did not favour pastoralists, in turn limiting their food access.

¹ Djibouti Food Security Alert January 11, 2009

Following the above-mentioned FEWSNET alert, various missions have been undertaken by the Commission's Directorate-General for Humanitarian Aid and Civil Protection (DG ECHO) and by a food assistance expert from DG ECHO's Regional Support Office in Nairobi in order to obtain a better insight into the situation. Simultaneously, a rapid assessment has been undertaken by a Djibouti Government-led inter-agency team comprising the major humanitarian agencies in the country, including the World Food Programme (WFP), the United Nations International Children's Emergency Fund (UNICEF), the Food and Agricultural Organisation (FAO) and the World Health Organisation (WHO).

Since then, high livestock mortality has been reported in most pastoral livelihood zones generating increased internal population displacement towards urban areas. For households remaining in rural areas, food and income from animals are currently considerably below average and poor households in most pastoral areas depend on assistance from other households or humanitarian agencies to meet basic food needs, being classified as "highly food insecure".

While the current *Sougoum* rains (March-May) have brought some relief in terms of water availability and pasture regeneration, they have so far been below normal and the benefits of these rains will therefore be extremely short lived. However, the forecasts for the *Karan/Karma* rains (July to September) are positive and likely to be above normal. In other terms, improvements in terms of food security for rural pastoralist households will only materialise after September 2010, when pasture should be regenerated and the new kidding season should increase milk availability. Therefore the hunger gap, usually lasting from June to August/September, has started two month earlier (from April/May).

A rapid nutritional assessment using the Middle Upper Arm Circumference (MUAC) method, carried out as part of the inter-agency assessment in March 2010, found a percentage of 20% of children with a MUAC below 125 mm and 6% of children with a MUAC of 115 mm. This indicates a potentially very critical nutritional situation amongst the measured sample of children under 5 years of age.

According to the last FEWSNET food security outlook of May 2010², poor urban households are likely to face extreme food insecurity as the lean period (starting 1 June until end of August) approaches. The main driving factors include high unemployment, a decline in petty trade activities, above average staple food prices, increased rural-urban migration, and closure of schools. The nutritional situation in urban areas is also very critical with Global Acute Malnutrition (GAM) rates standing at around 20%. These rates have been more or less constant over the last 10 years.

According to a food security snapshot issued on 4 June 2010 by the FAO animal body conditions and milk production have slightly improved, but further improvements are not expected until the start of the *Karan/Karma* rains (July to September).

In general, the overall food security situation, and especially that of pastoralists, continues to be critical due to the substantial reduction in their herd size. This follows several poor rainy seasons and the persistence of high food prices that progressively eroded the ability to access food, especially by the most vulnerable groups. Food insecurity is expected to remain critical

² Djibouti Food Security Outlook Update, May 2010

in the coming months also for poor urban households due to high prices of staple food, high unemployment rates and reduced remittances.

The deterioration of the food security situation, due to the continued dry conditions prevailing over the last few months, has clearly exacerbated humanitarian needs in Djibouti. The situation prompts an intervention from DG ECHO.

1.2 Identified humanitarian needs

Recent modification of the Djibouti constitution is creating tensions which may lead to civil strife and unrest. This could disrupt markets and affect both availability and access to staple foods.

Most pastoralists are currently highly food insecure due to a delay in response after significant livestock losses. Staple food prices are above average and coping strategies are exhausted. WFP food aid distribution is currently covering the food deficit, but other emergency needs (e.g. treatment of malnutrition, water) remain unmet.

Poor urban households will be extremely food insecure as the typical lean period (June - August) approaches. The main driving factors include high unemployment, a decline in petty trade activities, above-average staple food prices, increased rural-urban migration, and closure of schools. External assistance is currently very limited in urban areas. Security is a concern in both urban and rural areas and reports indicate that crime is increasing in Djibouti and affecting petty trade, an important source of income for the poor.

The priority is to support the rural population survive the hunger gap. The Djibouti Government-led inter-agency assessment concluded that around 120,000 (50%) of the rural population will need humanitarian assistance up to the end of the year. Pastoralists in the northwest and southeast require particular attention.

The priority needs are therefore to:

- Support the most vulnerable rural population to ensure adequate food consumption;
- Support up-scaling of the current nutritional response to treat acute malnutrition in both rural and urban areas;
- Assist rural pastoral communities to protect their livelihood by protecting their livestock.

1.3 Risk assessment and possible constraints

As the Government was leading the rapid assessment and fully supports the action it is unlikely that it will be subject to any risks.

2 Proposed DG ECHO response

2.1 Rationale

The target population are the most vulnerable rural populations suffering from high level food insecurity and from malnutrition. Pastoralist households in rural areas and in the Northwest and Southeast in particular, will be given priority. Urban populations will be targeted for nutritional intervention only.

2.2 Objectives

- Principal objective: to save and preserve life of vulnerable populations affected by drought in Djibouti.
- Specific objective: To provide humanitarian food and nutrition assistance to the most vulnerable populations affected by drought.

2.3 Components

To address the needs identified, this Decision foresees the provision of humanitarian food assistance and assistance in the nutrition sector. Humanitarian food assistance hereby refers to any intervention designed to tackle food insecurity, its immediate causes, and its various negative consequences. Food assistance may involve the direct provision of food, but may utilise a wider range of tools, including the transfer or provision of relevant services, inputs or commodities, cash or vouchers, skills or knowledge. Therefore, it could include short term food security and livelihood support. Assistance in the nutrition sector encompasses all activities related to the treatment and management of acute malnutrition.

2.4 Complementarity and coordination with other EU services, donors and institutions

(See Table 3 in Annex)

2.5 Duration

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

Expenditure under this Decision shall be eligible from 1 June 2010.

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 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.

3 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 Union 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 .

4 Management Issues

Humanitarian aid actions funded by the EU 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 signatories to the Financial Administrative Framework Agreement with the UN (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/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 Union 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.

5 Annexes

Annex 1 - Summary decision matrix (table)

Principal objective: To save and preserve life of vulnerable populations affected by drought in Djibouti				
Specific objectives	Allocated amount by specific objective (EUR)	Geographical area of operation	Activities	Potential partners³
To provide humanitarian food and nutrition assistance to the most vulnerable populations affected by drought	2,000,000	Nationwide	Food aid, nutrition, emergency food security and livestock support	<u>Direct centralised management</u> - MSF - CHE <u>Joint management</u> - FAO - UNICEF - WFP-PAM
TOTAL	2,000,000			

³ MEDECINS SANS FRONTIERES - SUISSE (CH), UNICEF, UNITED NATIONS - FOOD AND AGRICULTURE ORGANIZATION, WORLD FOOD PROGRAM

Annex 2 - List of previous DG ECHO decisions

List of previous DG ECHO operations in DJIBOUTI				
Decision Number	Decision Type	2008 EUR	2009 EUR	2010 EUR
ECHO/-FA/BUD/2008/03000 (*)	Emergency	1,400,000		
ECHO/-HF/BUD/2008/01000 (*)	Ad hoc	2,680,000		
	Subtotal	4,080,000	0	0
	TOTAL	4,080,000		

Date : 25/05/2010

Source : HOPE

(*) decisions with more than one country

Annex 3 - Overview table of the humanitarian donor contributions

Donors in DJIBOUTI over the last 12 months			
1. EU Member States (*)		2. European Commission	
	EUR		EUR
Germany	116,196	DG ECHO	0
		DG Development(**)	41, 100,000
Subtotal	116,196	Subtotal	41, 100,000
TOTAL	41,216,196		

Date : 25/05/2010

(*) Source : DG ECHO 14 Points reports. <https://webgate.ec.europa.eu/hac>

(**) Global 10th EDF envelope for the period 2008-2013

Empty cells : no information or no contribution.