



EUROPEAN COMMISSION

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COMMISSION DECISION

of

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

(ECHO/-FA/BUD/2010/04000)

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

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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 and Article 15(3) thereof;

Whereas:

- (1) Typhoon Ketsana hit Laos on 30 September 2009, causing unprecedented flooding and wind destruction in five southern provinces of Laos: Attapeu, Sekong, Saravan, Savannakhet and Champassack. Substantial damage to livelihoods and infrastructure affected over 180,000 people living in already very vulnerable areas;
- (2) In the immediate aftermath the European Commission supported relief actions in favour of the victims of Typhoon Ketsana in the Mekong region with a total EUR 9,000,000, of which EUR 2,676,515 for humanitarian operations in Laos until June 2010;
- (3) In March 2010, the humanitarian community alerted international donors on the challenging post-Ketsana recovery in Southern Laos. A rapid food security assessment conducted by the World Food Programme showed that the level of relief need had not been reducing as earlier anticipated in Ketsana-stricken areas. Food insecurity persisted as a result of incomplete recovery compounded by the effects of an exceptionally dry season;
- (4) Based on the findings of the assessment, it is considered that food assistance in these areas is required for 98,000 persons for the months to come, with a view to consolidating the post-Ketsana recovery process and to supporting households with limited access to food until the 2010 harvest (October/November 2010);
- (5) To reach populations in need, humanitarian 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 humanitarian aid actions should be financed by the European Union for a period of 6 months;

¹ OJ L 163, 2.7.1996, p. 1.

- (7) It is estimated that an amount of EUR 1,000,000 from budget article 23 02 02 of the general budget of the European Union is necessary to provide humanitarian assistance to over 98,000 people, taking into account the available budget, other donors' 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;
- (8) 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 1,000,000 for the financing of humanitarian actions in Laos from budget article 23 02 02 of the 2010 general budget of the European Union.
2. In accordance with Article 2 of Council Regulation No.1257/96, the principal objective of this Decision is to provide food assistance to vulnerable people recovering from Typhoon Ketsana in Laos.

The humanitarian actions shall be implemented in the pursuance of the following specific objective:

- To ensure an adequate food distribution for the most vulnerable households in disaster-affected areas of Southern Laos.

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 July 2010 and shall run for 6 months. Eligible expenditure shall be committed during the implementing period of the Decision.
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.

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

4. The Authorising Officer may, where this is justified by the humanitarian situation, extend the duration of the Decision for a maximum of 6 months provided that the total duration of the Decision does not exceed 18 months, in accordance with Article 90.4 of the Implementing Rules of the Financial Regulation.

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. 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 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 will take effect on the date of its adoption.

Done at Brussels,

For the Commission
Peter Zangl, Director-General



Humanitarian Aid Decision 23 02 02

<u>Title:</u>	Commission Decision on the financing of humanitarian actions in Laos from the general budget of the European Union.
<u>Description:</u>	Humanitarian assistance for people affected by post-Typhoon Ketsana food insecurity in Southern Laos.
<u>Location of Action:</u>	Laos
<u>Amount of Decision:</u>	EUR 1,000,000.-
<u>Decision reference number:</u>	ECHO/-FA/BUD/2010/04000

Supporting document

1 Humanitarian context, needs and risks

1.1 Situation and context

Typhoon Ketsana hit Laos on 30 September 2009 causing unprecedented flooding and wind destruction in five southern provinces (Attapeu, Sekong, Saravan, Savannakhet and Champassack), which are among the most vulnerable, poorest and food-insecure of the country (up to 50% of children are underweight). According to the Joint UN Assessment, 180,674 people were affected in these five provinces. 27,836 households suffered the consequences of the disaster. Having struck when farmers were preparing for the harvest, Ketsana exacerbated the food insecurity situation, while infrastructure damage amplified the needs.

Following the Laos Government's appeal for international aid, on 26 October a USD 10,153,872 Flash Appeal was launched by the humanitarian community. The European Commission, through its Directorate-General for Humanitarian Aid and Civil Protection (DG ECHO), supported relief actions in favour of the victims of Typhoon Ketsana in the Mekong region (Vietnam, Laos and Cambodia) with an initial EUR 2,000,000 primary emergency decision, followed by a EUR 7,000,000 emergency decision. Of this amount, EUR 2,676,515 in total was allocated for

humanitarian operations in Laos carried out by NGOs, the Red Cross and the World Food Programme (WFP).

At the end of February 2010, the humanitarian community including NGOs and the WFP alerted international donors on the challenging post-Ketsana recovery in Southern Laos. In March, WFP conducted a rapid food security assessment in both Northern and Southern provinces of Laos. In April the results of the assessment were shared with the relevant stakeholders.

1.2 Identified humanitarian needs

Through partner agencies, the EU has been assisting affected populations in the South of Laos since the start of the crisis. In particular, with a contribution of EUR 1,000,000 from DG ECHO to its emergency operation, WFP and seven NGO cooperating partners delivered food assistance to some 136,000 people within days of the typhoon. A combined 7,890 metric tonnes of WFP food aid, supplemented by additional commodities from NGOs, was provided through March 2010.

Notwithstanding this support, the level of relief need has not been reducing as earlier anticipated. The re-assessment conducted by WFP in March 2010 demonstrates that further humanitarian needs exist in Ketsana-stricken areas. The assessment report shows that continuing food insecurity in Southern provinces is a function of incomplete recovery following the typhoon, combined with the effects of an exceptionally dry season which is increasingly taking its toll on already overstretched coping capacities of vulnerable communities.

According to the report, in all locations the households visited had initiated lean season consumption patterns earlier than in ordinary circumstances. It was generally reported that the overall meal composition and size, as well as the frequency of meal consumption, had been affected. In terms of coping strategies, there were indications that distress or extreme coping mechanisms had been initiated. In terms of livelihood, higher levels of post-Ketsana animal disease/mortality were detected, compounding existing household vulnerability. In all provinces visited, water levels of both major rivers and minor (albeit locally important) tributaries were reported to be low to very low, compounding pre- and post-Ketsana irrigation issues affecting agricultural production output.

The findings of the assessment concluded that the levels of food assistance should be kept at 98,000 persons for the months to come, with a view to solidifying the gains made in the post-Ketsana recovery process and to support households with limited access to food prior to the 2010 harvest, due from end of October onwards.

As far as Northern Laos is concerned, food insecurity is unrelated to post-Ketsana recovery. Although in the last two years a few livelihood shocks affected the region, worsening food insecurity to the point of triggering short-term emergency support, globally, the current situation of food insecurity appears to be of a structural nature and therefore mainly outside the scope of humanitarian aid intervention.

1.3 Risk assessment and possible constraints

In Laos, constraints on EU-funded interventions are traditionally represented by the limited presence of humanitarian partners in the affected areas and by the geographical coverage of Memoranda of Understanding (MoU) between humanitarian agencies and national authorities, whose negotiation processes are very cumbersome and time-consuming. This should remain a relatively theoretical risk for the present Action. UN agencies such as WFP are exempted by Laos from the MoU process.

Remoteness of affected areas and unforeseen climatic hazards are also standard constraints which may affect the timeliness of the intervention.

At this stage and according to the Food and Agriculture Organisation (FAO), international rice prices are under a downward pressure with ample supplies in exporting countries and stagnant demand.

In principle there are no security risks in the targeted provinces.

2 Proposed DG ECHO response

2.1 Rationale

DG ECHO proposes to provide a humanitarian response to the current food insecurity in Ketsana-affected areas of Southern Laos, so as to bridge the food gap until the main 2010 harvest, which is to be regarded as a key-milestone in the post-Ketsana recovery process.

After launching an appeal for funds at the end March, WFP received some donations, but due to the scale and timing of the confirmations it was not able to assist all the people in need and had to adjust the caseload and rations to a lower level (approx. a 50% reduction overall).

DG ECHO intends to support this shortfall so as to ensure food assistance to the populations in need over the critical period from July through to October, i.e. when the lean season will reach its peak and until the main 2010 harvest (October/November).

The post-Ketsana context in Southern Laos should not represent an intractable crisis with no clear endpoint. Recovery is possible and underway, although not yet complete. Given the appropriate levels of external assistance, a return to pre-existing standards of living is attainable.

It can be expected that challenges will persist as recovery gathers pace, as many of the districts and villages of Southern Laos experience food deficits even under normal conditions. The role of food assistance, however, pertains to immediate relief and recovery needs and should therefore be clearly defined.

Following the harvest of 2010, further review will need to determine the post-harvest role of food assistance and the modalities of an exit strategy, to be defined by WFP in

consultation with the Government of Laos, cooperating partners, and the communities themselves. For such purpose the findings of the United Nations Children's Fund (UNICEF) survey later in the year will also provide relevant information. Furthermore, regular monitoring of the general food situation in the Ketsana affected areas will take place during the lean season.

2.2 Objectives

- Principal objective: To provide food assistance to vulnerable people recovering from Typhoon Ketsana in Laos

- Specific objective:

To ensure an adequate food distribution for the most vulnerable households in disaster-affected areas of Southern Laos

2.3 Components

Food assistance: Rice will be the most important food item to be distributed, either under food for relief (FFR) or food for work (FFW); a consistent approach will be applied at district level.

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

Please see Annex 3 concerning European Union Member State donors.

Donors outside the EU include the United States Agency for International Development (USAID) and the East Asian Emergency Rice Reserve (EAERR).

DG ECHO will continue to coordinate closely with the European Commission's external relations services in order to ensure that long-term food insecurity in Laos is addressed through the appropriate instruments.

2.5 Duration

The duration for the implementation of this Decision shall be 6 months. Humanitarian actions funded by this Decision must be implemented within this period.

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

Start Date: 1 July 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 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 European Union 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 Financial and 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 provide food assistance to vulnerable people recovering from Typhoon Ketsana in Laos				
Specific objective	Allocated amount by specific objective (EUR)	Geographical area of operation	Activities	Potential partners¹
To ensure an adequate food distribution for the most vulnerable households in disaster-affected areas of Southern Laos	1,000,000	Provinces : Attapeu, Sekong, Saravan, Savannakhet, Champassack	- Food aid	<u>Joint management</u> - WFP
TOTAL	1,000,000			

¹ UNITED NATIONS WORLD FOOD PROGRAMME

Annex 2 - List of previous DG ECHO Decisions

List of previous DG ECHO operations in LAOS				
Decision Number	Decision Type	2008 EUR	2009 EUR	2010 EUR
ECHO/-AS/BUD/2008/02000*	Emergency	1,500,000*		
ECHO/-FA/BUD/2008/05000	Food Aid		1,500,000	
ECHO/-AS/BUD/2009/02000*	Primary Emergency		2,000,000*	
ECHO/-AS/BUD/2009/03000*	Emergency		7,000,000*	
Subtotal		1,500,000	10,500,000	0
TOTAL		12,000,000		

Date :
Source : HOPE

(*) decisions with more than one country

Annex 3 - Overview table of the humanitarian donor contributions

Donors in LAOS over the last 12 months			
1. EU Member States (*)		2. European Commission	
	EUR		EUR
Belgium	1,000,000	DG ECHO	4,826,515
Germany	2,478,955		
Italy	170,000		
Luxembourg	150,000		
Subtotal	3,798,955	Subtotal	4,826,515
TOTAL	8,625,470		

Date : 07/06/2010

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

Empty cells : no information or no contribution.

