



EUROPEAN COMMISSION

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

COMMISSION DECISION

of

**on the financing of humanitarian Actions in the Philippines from the general budget of
the European Union**

(ECHO/PHL/BUD/2010/02000)

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on the financing of humanitarian Actions in the Philippines 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) The 2009 typhoon season in the Philippines was very destructive, especially in the National Capital Region and central and northern Luzon; more than 10 million people were affected by extensive and long lasting floods, landslides and strong winds.
- (2) The UN Flash Appeal launched in October and revised in November up to USD 143 million is only 40% covered, with key sectors such as shelter and early recovery significantly under funded; serious gaps remain in the assistance, both for emergency and early recovery needs of the most vulnerable;
- (3) The same regions are now affected by the El Niño climatic phenomenon, which is causing drought and water shortages, further hampering the recovery of typhoon affected populations, especially in the north of the country.
- (4) To reach populations in need, humanitarian aid should be channelled through Non-Governmental Organisations (NGOs) and International Organisations including United Nations (UN) agencies. Therefore the European Commission should implement the budget by direct centralized management or by joint management;
- (5) 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 18 months;
- (6) It is estimated that an amount of EUR 4,000,000 from budget article 23 02 01 of the general budget of the European Union is necessary to provide humanitarian assistance to over 200,000 vulnerable people taking into account the available budget, other donors' contributions and other factors. Although as a general rule Actions funded by this Decision should be co-financed, the Authorising Officer, in accordance with Article 253 of the Implementing Rules of the Financial Regulation, may agree to the full financing of Actions;
- (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

¹ OJ L 163, 2.7.1996, p. 1.

² OJ L 248, 16.9.2002, p.1.

Regulation (EC, Euratom) No 2342/2002³, and Article 15 of the internal rules on the implementation of the general budget of the European Union⁴;

- (8) In accordance with Article 17(2) of Council Regulation (EC) No.1257/96 of 20 June 1996, the Humanitarian Aid Committee gave a favourable opinion on 7 May 2010.

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 4,000,000 for the financing of humanitarian Actions in the Philippines from budget article 23 02 01 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 humanitarian assistance to vulnerable people affected by hydro-meteorological events and by drought in the Philippines. The humanitarian Actions shall be implemented in the pursuance of the following specific objective:
 - To improve the humanitarian situation of vulnerable people affected by hydro-meteorological events and by drought through the provision of integrated relief and early recovery assistance.

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 and shall run for 18 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.

³ OJ L 357, 31.12.2002, , p.1.

⁴ Commission Decision of 5.3.2008, C/2008/773

Article 3

1. As a general rule, Actions funded by this Decision should be co-financed.
The Authorising Officer, in accordance with Article 253 of the Implementing Rules, 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 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 EU/UN Financial Administrative Framework Agreement (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
Member of the Commission



Humanitarian Aid Decision
23 02 01

Title: Commission decision on the financing of humanitarian Actions in the Philippines from the general budget of the European Union.

Description: Humanitarian assistance for populations affected by hydro-meteorological events and by the El Niño climatic phenomenon in the Philippines.

Location of Action: The Philippines

Amount of Decision: EUR 4,000,000

Decision reference number: ECHO/PHL/BUD/2010/02000

Supporting Document

1 - Rationale, needs and target population:

1.1. - Rationale:

On 26 and 27 September 2009, tropical storm Ketsana (local name Ondoy) struck the northern Philippines. The continuous heavy rains (455 mm in 24 hours, equivalent to the normal rainfall of the whole month of September) brought by the tropical storm caused widespread flooding to Metro Manila and nearby areas, in the worst floods since 1972.

On 3 and 4 October, Typhoon Parma (local name Pepeng) hit the northern tip of the Philippines (Cagayan, Isabela, Ilocos in northern Luzon), causing limited damage except in the agricultural sector. It initially left the Philippines on 4 October but returned on 6 October, making landfall in central Luzon and causing extensive damage in Pangasinan, Benguet and other provinces, leaving vast areas flooded and triggering several deadly landslides. Dams were opened as a last resort in a belated attempt to release the pressure which resulted in the flooding of dozens of villages in the low lying areas of Pangasinan.

At the end of October, Typhoon Mirinae (local name Santi) hit the country, bringing more rains and strong winds to the areas already affected by Ketsana.

In response to these disasters, the Directorate-General for Humanitarian Aid and Civil Protection (DG ECHO) allocated a total of EUR 9,000,000 through a primary emergency decision (EUR 2,000,000 adopted on 29 September) and an emergency decision (EUR

7,000,000 adopted on 16 November) in support of interventions addressing the urgent needs of the most vulnerable and assisting with logistics. **More than 10 million people** have been affected by these disasters¹, both in the very populated Metro Manila and in a very extensive area north and south of the city in southern Luzon (Ketsana and Mirinae), and in northern and central Luzon (Parma). Some areas around Manila were flooded until end of December 2009.

On 6 October, a Flash Appeal was launched for an amount of USD 74 million, which was revised in November to USD 143 million to respond to very significant needs in the sectors of water and sanitation, food, health, shelter, camp coordination & management, logistics and transport and early recovery (agriculture). As of 26 March 2010, the Appeal is covered at 40%, but with a very low coverage in terms of shelter and non-food items (8%), a low coverage in agriculture (35%) and no funding at all for livelihoods and early recovery. As a result of the disaster, more than 300,000 houses were completely destroyed or significantly damaged. As of 1 of March 2010, 5,402 families (approx. 25,000 people) are still in 54 evacuation centres. This figure does not take into account all the people who are staying with relatives or in tents in their own villages.

A DG ECHO mission to the area from 15 to 18 February 2010 witnessed significant gaps and still uncovered needs of the most vulnerable (including several ethnic minorities, both in Benguet and Zambales), especially in terms of emergency repair of shelters or transitional shelters for those who have lost everything, and restoration of livelihoods. In Benguet, where innumerable landslides had cut off whole regions for weeks, thereby hampering the access to markets for rural families, villages are still very isolated. Damage caused by the typhoon is being slowly repaired, but many families who lost their houses are still living with relatives or in tents. In National Capital Region, on the shores of Laguna de Bay, many people are still living in tents in squalid conditions or went back to their dilapidated shacks. Shelter assistance has been insufficient and fragmented, one of the main issues being allocation of land in a safe location for the resettlement.

The current gaps are now being compounded by the El Niño phenomenon, which is causing drought in many areas of the country, including the ones most hit by last year's typhoons and floods. According to the National Disaster Coordinating Council Updates of February 19 and March 08, Regions I and II, which were the areas most affected by Parma, are experiencing drought and dry spell conditions, increased temperature, decreased rainfall, very low levels in water reservoirs and water supply which affects agricultural production. This means that the recovery of livelihoods for the most vulnerable is seriously hampered, thus extending the emergency situation these population groups still have to face.

El Niño started a heat wave (increased evaporation rate) and drought across much of northern Luzon Island, parts of central Visayas and in Mindanao at the end of last year and is foreseen to continue until June 2010. The Presidential Task Force on El Niño was reactivated on 25 January 2010 and meets regularly.

Irrigation reservoirs have been drying up in the Northern provinces, and in several provinces, including Mindanao, power outages due to a water shortage are becoming a real problem. Poverty figures in the country are expected to rise from 33% in 2006 to 38% in 2010 with the combined effect of the typhoons, the food crisis and El Niño². The access to clean water, also for the National Capital Region, is causing increased concerns and huge gaps are anticipated, with the winding down of Manila Water's emergency services and the departure of several humanitarian organizations, which may partly be attributed to the low response to the Flash Appeal. A few months ago the overall food security in the country was considered

¹ National Disaster Coordinating Council updates

² Southeast Asian Regional Centre for Graduate Study and Research in Agriculture (SEARCA)

satisfactory except in certain areas, especially those affected by tropical storms in late September and October and the on-going internal conflict in Mindanao. The food security situation has further deteriorated due to the high price of imported rice and the decline of remittances from abroad precipitated by the global financial crisis³.

According to the World Food Programme (WFP)/Food and Agriculture Organization (FAO)/United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA)⁴, 130,065 out of the 429,258 ha cultivated land affected have no chance of recovery. A total of 785,426 metric tonnes (mt) of corn, rice and high value cash crops are lost.

Earlier estimates (FAO 2009) put the country's total cereal import requirements for 2009/10 marketing year (July-June) at 5.1 million (mt), including 1.8 million (mt) of rice. Since wheat is not produced in the country, the estimated requirements of some 3 million (mt) are all imported.

More recent estimates⁵ consider that with El Niño expected to reduce the paddy harvest this year, the Philippines need to import an additional 200,000 to 250,000 (mt) of rice this year above the 2.3 million (mt) already contracted for 2010.

1.2. - Identified needs:

Considering the extent of the still uncovered needs of the populations affected by last year's disaster and to mitigate the effects of the drought on already strained coping mechanisms, a follow-up intervention is necessary, addressing specifically the underserved sectors of shelter and livelihoods, but also any other uncovered needs.

Shelter:

As of 1 March 2010, an estimated 25,000 people are still residing in 54 evacuation centres. This figure does not take into account people residing with relatives or host families or in tents in their villages. It also does not reflect the reality of many very vulnerable families who had to leave evacuation centres hosted in schools when classes reopened and who came back to their dilapidated houses or who went to live in tents. In this context, both transitional shelters for those who lost their houses and repair kits for those who went back to their damaged shacks are needed. Ensuring proper water and sanitation conditions should be integrated into the assistance package.

The issue of availability of land in safe locations will be crucial and will have to be addressed in collaboration with local authorities and/or private entities.

Livelihoods:

The areas affected by Ketsana can be classified as urban and the populations living on the shores of the Laguna de Bay and in poor neighbourhoods of Manila lost their assets and small businesses located in damaged homes.

In the areas affected by Parma, the majority of livelihoods are based on agriculture and fisheries. Farmers usually keep 10% of their production for their own use and sell the remaining 90%. Access to markets is therefore paramount, as much as the capacity to produce. During the typhoon, villages in Cordillera Administrative Region remained isolated for up to three weeks, due to huge landslides which had cut off the main roads. Crops situated in riverbeds and on slopes were lost. In the low-lying areas of Pangasinan, where very

³ FAO, Country Brief, October 2009

⁴ Presentation in Humanitarian Country Team meeting, March 2010

⁵ Asia Pacific Food Situation Update, FAO Feb 2010, Bangkok Regional Office for ASIA and The Pacific

extensive areas were flooded for weeks, crops were lost and fields devastated. The absence of rainfall since December 2009 and the drought linked to the El Niño phenomenon is aggravating the situation of people whose survival relies on rain-fed agriculture and is hampering the recovery process.

Disaster preparedness mainstreaming

Philippines, and specifically Luzon, being one of the most disaster-prone areas in the world, the mainstreaming of disaster preparedness in the activities is necessary in order to help communities preparing for future disasters. Any transitional shelter, any repair of shelter and infrastructure should take into account elements of preparedness.

1.3. - Target population and regions concerned:

As was the case for the ECHO-funded emergency operation, the focus will be placed on most vulnerable populations, including ethnic minorities, people with disabilities (PwDs), elderly, women headed households, etc. in the Luzon Island, with focus on Region I, III, IV-A and Cordillera Administrative Region (CAR).

The operation will be implemented primarily in the areas affected both by the typhoon season and by the El Niño phenomenon. Residual needs in typhoon/tropical storm affected areas not currently hit by the drought will also be addressed.

1.4. - Risk assessment and possible constraints:

Unavailability of land for reallocation of people living in “danger zones” could hamper or delay the establishment of transitional shelters. Adequate interaction with local authorities will have to take place in order to find sustainable solutions.

In the wake of the elections in May, some socio-political turbulence could happen.

In some areas of implementation, insecurity as a result of New People's Army (NPA) activities could pose limited security threats.

Finally, the impact of the upcoming typhoon season will also have to be taken in consideration in the implementation planning.

2 - Objectives and components of the humanitarian intervention proposed:

2.1. - Objectives:

Principal objective:

To provide humanitarian assistance to vulnerable people affected by hydro-meteorological events and by drought in the Philippines.

Specific objective:

To improve the humanitarian situation of vulnerable people affected by hydro-meteorological events and by drought through the provision of integrated relief and early recovery assistance.

2.2. - Components:

Shelter support

- Provision of transitional shelter including water and sanitation facilities and distribution of shelter repair kits and selected non food items,

- Training in typhoon resistant construction techniques,
- Support to advocacy/lobbying for access to safe land for the resettlement of people from hazard prone locations.

Livelihood rehabilitation

- Cash for work, provision of assets/tools/training necessary for restarting/initiating small scale income generating activities (including specific needs for PwDs),
- Provision of farm inputs such as seeds, seedlings, fertiliser, tools as well as assistance to rehabilitation of irrigation systems and fish ponds. Assistance to the cleaning of fields might also be necessary.

Food Assistance

- Early recovery assistance through food and/or Cash For Work (CFW).

Water and Sanitation

- Hygiene promotion and, where needed, support to improvement of water and sanitation facilities.

- **Disaster preparedness** will be mainstreamed, where possible, into all operations.

3 - Duration expected for Actions in the proposed Decision:

The duration for the implementation of this Decision shall be 18 months. Humanitarian Actions funded by this Decision must be implemented within this period.

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

Start Date: 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 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 PHILIPPINES				
Decision Number	Decision Type	2008 EUR	2009 EUR	2010 EUR
ECHO/DIP/BUD/2008/02000(*)	Non Emergency	1,872,800		
ECHO/PHL/BUD/2008/01000	Emergency	4,000,000		
ECHO/PHL/BUD/2008/02000	Emergency	2,500,000		
ECHO/PHL/BUD/2009/01000	Non Emergency		3,000,000	
ECHO/PHL/BUD/2009/02000	Prim. Emergency		2,000,000	
ECHO/PHL/BUD/2009/03000	Emergency		7,000,000	
ECHO/DIP/BUD/2010/01000(*)	Non Emergency			
ECHO/PHL/BUD/2010/01000	Non Emergency			5,000,000
	Subtotal	8,372,800	12,000,000	5,000,000
	Grand Total	25,372,800		

Dated : 22 April 2010
Source : HOPE

(*) decisions with more than one country for 2010, amount not yet allocated

5 - Overview of donors' contributions

Donors in PHILIPPINES the last 12 months					
1. EU Members States (*)		2. European Commission		3. Others	
	EUR		EUR		EUR
Austria	200,000	DG ECHO	18,250,000		
Belgium	300,000	Other services			
Bulgaria					
Cyprus					
Czech republic	100,000				
Denmark					
Estonia					
Finland					
France	810,000				
Germany	4,137,251				
Greece	100,000				
Hungary	6,390				
Ireland	399,995				
Italy	966,561				
Latvia					
Lithuania					
Luxemburg	450,000				
Malta					
Netherlands	600,000				
Poland	20,620				
Portugal					
Romania					
Slovakia					
Slovenie					
Spain	1,050,000				
Sweden	1,958,270				
United kingdom	543,425				
Subtotal	11,642,512	Subtotal	18,250,000	Subtotal	0
		Grand total	29,892,512		

Dated : 29 March 2010

(*) 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.

6 - Amount of Decision and distribution by specific objectives:

6.1. - Total amount of the Decision: EUR 4,000,000

6.2. - Budget breakdown by specific objectives

Principal objective: <i>To provide humanitarian assistance to vulnerable people affected by hydro-meteorological events and by drought in the Philippines.</i>				
Specific objectives	Allocated amount by specific objective (EUR)	Geographical area of operation	Activities	Potential partners⁶
Specific objective 1: To improve the humanitarian situation of vulnerable people affected by hydro-meteorological events and by drought through the provision of integrated relief and early recovery assistance.	4,000,000	Most affected regions of Luzon Island, with focus on Region I, III, IV-A and Cordillera Administrative Region (CAR)	Support to shelter and advocacy for allocation of land for resettlement Assistance to rehabilitation of livelihoods Food Assistance WASH DP mainstreaming	<u>Direct centralised management</u> - CARE NEDERLAND (FORMER DRA) - CROIX-ROUGE - ESP - HANDICAP (FR) <u>Joint management</u> - IFRC-FICR - IOM - WFP-PAM
TOTAL:	4,000,000			

⁶ CRUZ ROJA ESPAÑOLA, (E), FEDERATION INTERNATIONALE DES SOCIETES DE LA CROIX-ROUGE ET DU CROISSANT ROUGE, HANDICAP INTERNATIONAL (FR), INTERNATIONAL ORGANIZATION FOR MIGRATION (INT), Stichting CARE Nederland, 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 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.

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 EU/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/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.