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GENERAL BUDGET - 2006
SECTION III - COMMISSION TITLES 23, 31

TRANSFER OF APPROPRIATIONS N°DEC 27/2006
Humanitarian aid to WEST BANK and GAZA
NON-COMPULSORY EXPENDITURE

EUR

FROM

CHAPTER - 31 02 RESERVES FOR FINANCIAL INTERVENTIONS

ARTICLE 31 02 42 Emergency aid reserve

Commitments	- 50 000 000
Payments	- 25 000 000

TO

CHAPTER - 23 02 Humanitarian aid

ARTICLE - 23 02 01 Aid, including emergency food aid, to help the populations of the developing countries and other third countries hit by disasters or serious crises

Commitments	50 000 000
Payments	25 000 000

I. INCREASE

a) Heading

23 02 01 - Aid, including emergency food aid, to help the populations of the developing countries and other third countries hit by disasters or serious crises

b) Figures at 16/06/2006

	Commitments	Payments
1A. Appropriation in budget (initial budget + AB)	470 429 000	470 429 000
1B. Appropriation in budget (EFTA)	0	0
2. Transfers	0	0
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3. Final appropriation for the year (1A+1B+2)	470 429 000	470 429 000
4. Utilisation of final appropriation	363 009 425	218 515 730
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5. Amount not used/available (3-4)	107 419 575	251 913 270
6. Requirements up to year-end	157 419 575	276 913 270
7. Increase proposed	50 000 000	25 000 000
8. Increase as percentage of appropriation in budget (7/1A)	10.63%	5.31%

c) Detailed grounds for the increase

Following the success of the Change and Reform's party in the Palestinian Legislative Council (PLC) elections, the Government of Israel stopped the transfer of Palestinian value added taxes and customs taxes it is obligated to pass over – this comprises around 50% of the Palestinian Authority (PA) budget - which has precipitated a fiscal crisis. At the same time, main donors have reduced various categories of foreign assistance, mainly budgetary support to the PA.

The Israeli closure policy and reduced trade flows have also weakened the fiscal position and economic activity leading to widespread food shortages and price increases with a high impact on the vulnerable population. The number of checkpoints has increased from 376 prior to the Israeli disengagement from Gaza to 515 in mid-May 2006, blocking Palestinian movement in the West Bank. Approximately 60,000 Palestinians cross through the checkpoints daily. The separation barrier, which already has had a profound impact on Palestinian lives, especially in terms of access to education, health care services and economic ties, nears completion in and around East Jerusalem, further restricting West Bank Palestinian access into the city. These obstacles have further restricted access to land, markets, and services and have also impacted negatively on the humanitarian situation.

A Commission decision for humanitarian aid is pending adoption in June. It foresees € 34 million for the most vulnerable populations in the ongoing crisis in the West Bank and Gaza (WBG) (€ 30 m) and for Palestinian refugees in Lebanon (€ 4 m), providing humanitarian assistance in the form of distributions of food parcels and provision of productive agricultural inputs; creation of emergency jobs, ensuring access to primary health care services; provision of community-based psychosocial support for children and adolescents; regaining of access to water for household and agricultural purpose; protection and coordination. Out of these € 34 million some € 28 million have been earmarked for the continuation of ongoing operations responding to earlier identified needs, while an additional € 6 million will be allocated to respond to newly emerging needs, especially in the sectors of food aid and emergency jobs. However, the € 29,6 million earmarked for the WBG will by no means cover the needs that DG ECHO has identified as the most urgent ones.

The Commission is deeply concerned with the sharp deterioration of the humanitarian situation and the increased hardship among the population in the WBG that requires an increased international response. Various UN agencies have drawn attention to the humanitarian crisis for the Palestinian population as a result of Israel's decision to withhold Palestinian clearance revenues, the aforementioned tighter closure policy and the cuts in international aid to the PA. According to the World Bank, almost half of the West Bank's inhabitants and nearly 70% of the Gaza Strip's live below the poverty line. At present around 40% of people in

the West Bank lack regular access to water and food and the World Food Programme (WFP) estimates that the number of people in need of food aid will have increased by 25% by the end of this month.

The Quartet in its statement of 9 May 2006 “*expressed serious concern about the deteriorating conditions (...) and expressed concern about the delivery of humanitarian assistance, economic life, social cohesion and Palestinian institutions*”; and the international community has been called upon to respond to the increasing and rising humanitarian needs.

Both the UN High Commissioner for Human Rights and the Under Secretary-General and Emergency Relief Coordinator of the Office for the Coordination of Humanitarian Affairs (UNOCHA) have recently warned that the international community is facing a humanitarian and security crisis in the WBG.

Identified needs

In view of the current situation described above, the following needs and proposed responses in the sectors below have been identified. The envisaged humanitarian aid projects will help to mitigate effects of the current crisis on the Palestinian population, mainly targeting access to primary health care, the provision of basic food commodities, the creation of emergency jobs, access to drinking water and strengthened protection activities.

- *Food Aid*

The Commission plans to support a food aid operation through WFP for an amount of € 9 million to cover the Palestinian *non refugee* caseload for a period of 6 months. WFP's revised emergency appeal totals € 20,8 million. DG ECHO shall focus its support on social hardship cases and social institutions in the WBG.

The Commission intends to support food aid distributions through UNRWA for the WB and one for GS totalling € 8,98 million.

The Commission also envisages to support the purchase of 30% of bulk quantities of fruits and vegetables from farmers' associations, using existing logistics and facilities, and distributing these food items to institutions and/or vulnerable families for an amount of € 3,3 million.

- *Health*

The Palestinian Ministry of Health (MoH) is currently exhausting its strategic stocks of pharmaceuticals and medical supplies. If this situation persists, the health system will not be able to continue to function and the entire Palestinian population will have no longer access to health care services.

In line with its mandate, the Commission/ DG ECHO intends to support the WHO for the provision of medical supplies, to further develop an emergency coordination and surveillance system and to set up an additional rapid response capacity. At the same time a minimum of resources should be made available to WHO to keep the mental health embryonic structure in function. DG ECHO will reinforce its support to ensure access to primary health care. This will include a geographical expansion of ongoing primary health care operations in order to cover an additional 150,000 direct beneficiaries.

The Commission shall focus on the above mentioned niches of the health sector through ECHO partner NGOs (MERLIN, CARE) and WHO for an amount of € 11,72 million over a period of 6 months.

- *Emergency Job Creation*

The Commission foresees to respond to the loss of income of 21.825 needy families (or 130.950 persons) through supporting temporary emergency job creation operations carried out mainly through UNRWA and two partner NGOs (Mercy Corps and COOPI) for an amount of € 11 million over a 6-month period.

- *Water*

Within the crisis context, the Commission plans to concentrate on supporting the provision of tankered water, which would mostly help most vulnerable families to cope with the effect of the crisis, and support the set up of rapid response capacities. These operations would be carried out by ICRC and two ECHO partner NGOs (ACH, OXFAM) for an estimated amount of € 3 million over a period of 6 months.

- *Protection*

It is evident that a worsened humanitarian and security situation demands strengthened and reinforced protection activities.

DG ECHO intends to increase its support vis à vis ICRC's protection mandate (3 m€).

SUMMARY

The following table provides an indicative summary of the intervention sectors and the implementing partners.

SECTOR	AMOUNT	IMPLEMENTING PARTNER
Food Aid	€ 21,28 Mio	WFP, UNWRA
Health	€ 11,72 Mio	WHO, MERLIN, CARE
Emergency job Creation	€ 11,00 Mio	UNWRA, COOPI, Mercy Corps
Water and Sanitation	€ 3,00 Mio	ACH, OXFAM
Protection	€ 3,00 Mio	ICRC
TOTAL	€ 50,00 Mio	

II. DECREASE

a) Heading

31 02 - RESERVES FOR FINANCIAL INTERVENTIONS - Article 31 02 42 - Emergency aid reserve

b) Figures at 16/06/2006

	Commitments	Payments
1A. Appropriation in budget (initial budget + AB)	0	0
1B. Appropriation in budget (EFTA)	0	0
2. Transfers	0	0
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3. Final appropriation for the year (1A+1B+2)	0	0
4. Utilisation of final appropriation	0	0
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5. Amount not used/available (3-4)	0	0
6. Requirements up to year-end (*)	0	0
7. Proposed decrease	50 000 000	25 000 000
8. Decrease as percentage of appropriation in budget (7/1A) (*) Not relevant for a provisions line or reserve line	N/A	N/A

c) Detail grounds for the transfer

Use of the emergency aid reserve is in response to the humanitarian crisis in West Bank and Gaza.