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

TRANSFER OF APPROPRIATIONS N° DEC35/2006

NON-COMPULSORY EXPENDITURE

Humanitarian Aid to Lebanon

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 04/07/2006

	Commitments	Payments
1A. Appropriation in budget (initial budget + AB)	470 429 000	470 429 000
1B. Appropriation in budget (EFTA)	0	0
2. Transfers	90 000 000	45 000 000
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3. Final appropriation for the year (1A+1B+2)	560 429 000	515 429 000
4. Utilisation of final appropriation	510 017 000	299 891 377
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5. Amount not used/available (3-4)	50 412 000	215 537 623
6. Requirements up to year-end	100 412 000	240 537 623
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7. Increase proposed	50 000 000	25 000 000
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8. Increase as percentage of appropriation in budget (7/1A)	10.63%	5.31%

c) Detailed grounds for the increase

The Commission is deeply concerned about the sharp and rapid deterioration of the humanitarian situation and living conditions of the population of Lebanon following the start of the conflict on 12 July 2006. After three weeks of war, the coping mechanisms of the population of Lebanon are rapidly depleting. Skyrocketing prices and fuel shortages are signals of a standstill of economic life. Especially the estimated 900,000 internally displaced people (IDPs) are in dire need of access to safe shelter, food, water and medical care.

Humanitarian organisations are mobilised and need financial support. The UN issued a flash appeal on 24 July 2006 for a total of \$ 150 million (~EUR 122 million) for three months. The International Committee of the Red Cross has launched on 28 July an appeal for SFR 100 million (EUR 63 million) and International NGOs have also asked for substantial funding.

In order to meet the most urgent needs, the Commission has already launched two emergency decisions of € 10 million each adopted on 24 July and 26 July respectively.

But these decisions are not enough to respond to the sheer scale of the disaster. The European Commission has taken a leading role in the donor community and is expected by the Member States to shoulder its responsibility. Based on current estimates of the humanitarian organisations and their initial funding requests as well as the indications received from field experts, an overall response of € 50 million is required from the Commission's side in order to provide the necessary humanitarian assistance to the Lebanese population. The funds managed by the Commission's Directorate General for Humanitarian Aid (DG ECHO) will cover a range of urgent relief activities including the provision of emergency supplies for displaced people and medical assistance. The funds will be implemented by DG ECHO's partners: UN agencies, International Red Cross and European NGOs.

Given that almost the entire budget for humanitarian aid has been committed or allocated and that there is no further margin within the humanitarian aid budget a reinforcement of € 50 million is requested in order to meet the humanitarian needs following the humanitarian crisis in Lebanon.

The requested € 50 million is the global package of humanitarian aid in favour of the population of Lebanon, including the € 20 million which is already provided to meet the most urgent needs. Should the two decisions of € 20 million not be replenished by fresh funds from the Emergency Aid Reserve, the available margin within the humanitarian aid budget would be almost entirely exhausted. This would seriously hamper the Commission's ability to meet future unforeseen crises until the end of the year. The hurricane season in the Pacific and Caribbean is about to begin.

II. DECREASE

a) Heading

31 02 42 - Emergency aid reserve

b) Figures at 04/07/2006

	Commitments	Payments
1A. Appropriation in budget (initial budget + AB)	229 000 000	229 000 000
1B. Appropriation in budget (EFTA)	0	0
2. Transfers	-130 000 000	-47 000 000
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3. Final appropriation for the year (1A+1B+2)	99 000 000	182 000 000
4. Utilisation of final appropriation	0	0
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5. Amount not used/available (3-4)	99 000 000	182 000 000
6. Requirements up to year-end	49 000 000	157 000 000
7. Proposed decrease	50 000 000	25 000 000
8. Decrease as percentage of appropriation in budget (7/1A)	21.83%	10.92%

c) Detail grounds for the transfer

Use of the emergency aid reserve is in response to the humanitarian crisis in Lebanon.



HUMANITARIAN AID TO LEBANON DETAILED GROUNDS FOR THE REQUESTED BUDGETARY REINFORCEMENT

I. GENERAL CONTEXT OF THE IMPLEMENTATION OF HUMANITARIAN AID IN 2006

The DG for Humanitarian Aid (ECHO) establishes a detailed budget by country/region every year. This programming is based on ECHO's evaluation of humanitarian needs in the world, as well as on a wide consultation process with its main partners.

As part of the programming exercise and to maintain the necessary flexibility, ECHO sets aside a non-programmed amount (operational reserve) in order to cover possible emergency needs. The amount of programmed aid for 2006 was € 402 million. In line with the Declaration of the Council of 16 July 2003, the non-programmed amount of aid to cover unforeseeable emergencies was set at around 15% of the initial budget, i.e. € 69 million.

ECHO requested already in June 2006 two reinforcements from the emergency aid reserve: € 40 million in order to provide humanitarian assistance to the victims of the Darfur conflict and € 50 million for humanitarian aid for the most vulnerable populations affected by the aggravating crisis in the West Bank and Gaza.

At present the implementation rate of the total commitment appropriations of the budget line 23 02 01 reaches 91%. The amount that remains to cover unforeseen events for the remaining 5 months of the year 2006 is around € 8 million.

The high level of implementation is the combined result of the implementation of the humanitarian aid in accordance with the budgetary programming and a number of new emergencies and worsening of existing crisis that ECHO has had to deal with, such as ¹: the Drought in the Horn of Africa (10), the nutritional crisis in Niger (10), the Cholera outbreak in Angola (3) and the Earthquake in Java (3).

Two funding decisions of €10 million each have already been taken from the available margin in order to meet the most urgent needs following the conflict in Lebanon.

Given the fact that almost the entire budget for humanitarian aid has been committed or allocated and that there is no further margin within the humanitarian aid budget, a reinforcement of € 50 million is requested in order to meet the humanitarian needs following the humanitarian crisis in Lebanon.

The requested € 50 million is the global package of humanitarian aid in favour of the population of Lebanon, including the € 20 million which is already provided to meet the most urgent needs. Should the two decisions of € 20 million not be covered by fresh funds from the Emergency Aid Reserve, the available margin within the humanitarian aid budget would be almost entirely exhausted. This would seriously hamper the Commission's ability to meet future unforeseen crises until the end of the year. The hurricane season in the Pacific and Caribbean's is about to begin and the likelihood of humanitarian catastrophes in the last 5 months of the year is, based on previous years, very high.

¹ Amounts in millions. Rounded figures - Only new or worsening crisis with a budgetary impact of at least 3 million are listed as examples.

II. THE HUMANITARIAN CRISIS IN LEBANON

Summary

As of 12 July 2006, border skirmishes in the Middle East have turned into a large scale conflict between warring factions with a significant human toll (more than 1000 casualties, over 3500 wounded) and massive displacement. In Lebanon, bombing of Beirut, the Beeqa valley and the South of Lebanon has forced about 1.1 million people to flee their homes. The Israeli attacks on Lebanon targeted and destroyed major parts of the country's infrastructures (bridges, roads, fuel and gas storage tanks, food factories, water plants, ports and airports) and led to the disruption of essential services, posing a serious challenge to the Lebanese authorities in ensuring appropriate shelter, food, safe drinking water and health care for the affected. Some of the internally displaced persons (IDPs) have crossed borders and have sought refuge in neighbouring countries such as Syria.

As a result, the Lebanese authorities have asked for humanitarian assistance from the International Community. The Commission adopted two humanitarian emergency decisions for a total of 20 MEUR for Lebanon and neighbouring countries, respectively on 24/7/06 and 26/7/06, to address immediately the most urgent humanitarian needs identified right after the first attacks on Lebanon. The following sectors of intervention were included: shelter and non food items, health, water and sanitation, food, psycho-social support, protection and last but not least, coordination.

Following the adoption on 12/08/06 of UN Security Council Resolution 1701 hostilities have been halted on the 14/08/06. Despite a still very unstable security situation, IDPs have immediately and massively started to return to their places of origin. Many of them will find their homes and all their belongings destroyed. Especially in the southern strip of the country and in the Beeqa valley whole villages, including the entire infrastructure (roads, bridges, plants, hospitals), have been flattened by the Israeli air strikes, and so have been whole neighbourhoods in southern Beirut. Consequently, substantial numbers of IDPs are in urgent need of immediate assistance (temporary shelter, water and sanitation, food and non-food items).

Justification

The Commission is deeply concerned with the humanitarian situation and living conditions of the population in Lebanon affected by the conflict. Their coping mechanisms have been depleted by the war between Israel and Hezbollah. Increased prices and fuel shortages are signals of a standstill economic life. Tourism, one of Lebanon's main sources of income, has stopped following the hostilities; approximately 80% of the population is now without income.

In response to the evolving humanitarian crisis in Lebanon, the United Nations (UN) had launched a Flash Appeal on 24 July 2006, appealing for US\$ 150,000,000 (~EUR 122.000.000) to alleviate the dire humanitarian consequences of the current crisis and meet the needs of approximately 900,000 people over the next three month. The appeal represents a first assessment of the immediate needs by the UN agencies and a limited number of NGO's, albeit the difficulties to perform proper and precise needs assessments in the given circumstances. In the appeal the UN agencies have mainly identified needs in terms of food, water and non-food item distribution to the IDPs that have fled the South and Beirut. On 28 July 2006, the ICRC launched an additional appeal for SFR 100 million (€ 63 million) for three months.

Given the change of circumstances following the halt of hostilities, the nature of the humanitarian needs has changed. In the coming month, returnees have to be accompanied with proper temporary shelter, water and sanitation, health, food and non-food items assistance. A further

priority to enable a safe return of the approximately 1.1 million displaced people is the clearing of big numbers of unexploded ordnance in the affected regions.

A smaller number of IDPs who can for the time being not return to their places of origin due to security concerns, the lack of economic resources or the fact that they simply have no place to return to needs continued humanitarian support in the community centres or other places where they have sought refuge.

Funds will enable the UN agencies and their implementing partners to carry out programmes to provide assistance and protection for the Lebanese population affected by the conflict. Given the scale of the humanitarian crisis, the EC is compelled to provide further funds to respond to the needs of the returnee population and the remaining IDPs. In order to respond to the most urgent humanitarian needs during the war, DG ECHO has already made 20 M€ immediately available from its regular budget. To address the newly arising needs of approximately 1.1 million returnees immediately and over the winter, additional funding will be necessary.

Identified needs

The following identification of needs is based on the ongoing assessments of DG ECHO experts in Lebanon, assessments provided by several UN agencies and other DG ECHO partners present in the field (NGOs and Red Cross family). For the time being, the situation still remains volatile and as mentioned by the UN in its Flash Appeal it is at present difficult to accurately quantify in detail the needs arising from the conflict. However, the following humanitarian needs have been identified to be addressed:

UXO clearing: Unexploded ordnance presents a life-threatening danger to the fast-returning population of Lebanon. According to a human rights group, experts from the UN have already identified ten places where Israel used cluster bombs in its air strikes on southern Lebanon. The demarcation of affected areas, awareness raising programmes for the returning population and UXO clearance are urgent needs in the aftermath of the conflict.

Shelter and non-food items: It has been estimated that 900,000 persons have been displaced internally and around 200,000 outside Lebanon. These people took temporary refuge with host families, in public institutions, schools, mosques and churches. They are now returning to their homes, many of them damaged or destroyed. Before actual reconstruction has taken place, temporary shelter and non-food items will be needed, especially during the coming winter.

Water and Sanitation: The availability of clean water, sanitation and hygiene is vital for the well-being of the population. Access to drinking water has been affected by heavy shelling and the resulting damages to the electricity system have further limited the available water supply. Besides, fuel rationing poses serious concerns for the pumping of water. The damaged water and sanitation infrastructure will have to be repaired and in the meantime temporary solutions have to be found to provide clean water, sanitation facilities and public health services.

Food: The World Food Programme (WFP) reports that in the south of the country food supplies are running low. Furthermore, there are access problems to the food available for the most vulnerable parts of the population due to increased prices and lack of economic resources. In the UN flash appeal, WFP considers that food assistance will be required for up to 260,000 displaced and isolated people.

Protection: The ICRC made the necessary representations to the parties concerned in order to remind them of their obligations to respect and to protect the civilian population and civilian objects, as required by IHL. In addition the UN Flash Appeal underlines the risk of gender based violence and UN agencies have undertaken to address it.

Psychosocial: In order to minimize the psychological impact of the conflict on large sections of the population and in particular on the most vulnerable, children and women, it is vital to deliver early psychological assistance if and where possible.

Coordination: Steps have been taken to establish a coordinated response in order to avoid duplication and to maximise the benefits of the intervention. The UN has started efforts to set up an interagency response, using the cluster approach. DG ECHO will support coordination mechanisms that are necessary to maximise the efficiency of the international response.