



# **2018**

# **Annual Activity Report**

**Directorate-General  
for European Civil  
Protection and  
Humanitarian Aid  
Operations  
(DG ECHO)**

## Foreword

Humanitarian crises have steadily increased in complexity and severity over the last decades, and in 2018, this trend continued. Conflict remained the main driver of humanitarian needs, while natural disasters continued to cause many people to need emergency aid. Overall, more than 134 million people across the world needed humanitarian assistance and protection – and more funding than ever before was required to help them. The United Nations' (UN) humanitarian appeal for 2018, amounting to USD 25.4 billion, was only 32.6% funded as of mid-year.

Again this year, the EU remained one of the largest humanitarian donors, providing relief and support to the most vulnerable people suffering from conflicts and disasters across the world through the mobilisation of both humanitarian aid and European civil protection assistance. However, maintaining DG ECHO's capacity to respond rapidly to emerging crises remains a challenge as the worsening of the humanitarian access and security situation in several countries is affecting our partners' ability to address all humanitarian needs.

DG ECHO was at the forefront of the EU's response to crises. The Commission funded humanitarian aid operations for more than EUR 1.8 billion<sup>1</sup> in more than 90 countries in 2018. A significant proportion of this went on supporting the conflict-affected populations inside Syria and refugees in neighbouring countries and regions. The EU has also continued to be a leading donor in other parts of the world, with Africa continuing to account for a large share of funding.

In 2018, the Syrian conflict has caused hundreds of thousands of deaths, displaced more than 11 million people and left close to 19 million Syrians in need of assistance. Yemen is the largest humanitarian crisis worldwide, with over 22 million people in need of humanitarian and/or protection assistance at the end of 2018, and twenty million food insecure of whom 9.6 million just one step away from famine.

Promoting principled humanitarian aid and respect for international humanitarian law has continued to be at the heart of the Commission's overarching objectives as a donor. In 2018, DG ECHO continued playing a leading role by chairing for the EU two donor groups: the Donor Support Group<sup>2</sup> of the International Committee of the Red Cross (ICRC), and the Good Humanitarian Donorship group that will be chaired until mid-2020 together with Switzerland.

In 2018 the Commission kept chairing the global initiative Call to Action on Protection from Gender-Based Violence (GBV) in Emergencies<sup>3</sup>, until its chairmanship was handed over to Canada in January 2019. GBV remains a major priority for DG ECHO.

The Commission has also pursued work on resilience as a key response to the "new normal" of crisis and fragility in many parts of the world, as well as making significant strides in the operationalisation of the humanitarian-development nexus. The peace element of the Nexus was endorsed during the informal Foreign Affairs Council for Development (FAC DEV) meeting of ministers in September 2018 with the understanding that the triple Nexus should contribute to addressing a protracted crisis but not to the detriment of a principled humanitarian assistance programmes. The Commission has also continued to work for the greatest possible efficiency and value for money in the way

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<sup>1</sup> Including Emergency Support in the EU (EUR 199 million).

<sup>2</sup> The ICRC Donor Support Group is made up of governments, supranational organizations or international institutions that contribute a minimum of 10 million CHF per year.

<sup>3</sup> From June 2017 to December 2018, the EU led the 'Call to Action on Protection from Gender-Based Violence in Emergencies', a global initiative which aims to drive structural change in the humanitarian system to address gender-based violence. The Call to Action brings together 82 partners. The EU has been an active member of the Call to Action since its creation in 2013. A Call to Action Road Map 2016-2020 sets out an operational framework with common objectives to be translated into targeted actions on the ground. For more information: [https://ec.europa.eu/echo/what/humanitarian-aid/gender-sensitive-aid\\_en](https://ec.europa.eu/echo/what/humanitarian-aid/gender-sensitive-aid_en) or [www.calltoactiongbv.com](http://www.calltoactiongbv.com)

humanitarian funding is used, in line with the Grand Bargain agreed in 2016 between donors and operational agencies at the World Humanitarian Summit. A key part of this has been the Guidance Note on the Delivery of Large-Scale Cash Transfers, which applies where large-scale humanitarian assistance is delivered as cash transfers and has at its core the aim of ensuring that more funding reaches beneficiaries and that less is absorbed in administrative costs. Innovation and the use of digital technologies play an important role in addressing humanitarian challenges with greater cost-effectiveness. DG ECHO has continued supporting the development of innovative approaches, and synergies are being exploited between digital developments and improved needs assessments, assistance delivery, cash programme and identity management.

Education in emergencies remains more than ever a flagship policy for DG ECHO: in 2018, the Commission adopted a Communication on Education in Emergencies and protracted Crises setting clear and strategic priorities for education across the humanitarian and development nexus. DG ECHO also delivered on Commissioner Stylianides' pledge to devote 8% of the EU's 2018 humanitarian aid budget to education in emergencies, and set the ambitious goal of reaching 10% in 2019.

In line with its commitment to support cash as a delivery modality whenever possible<sup>4</sup>, DG ECHO has encouraged the use of cash in its programmes throughout the world and has continued to roll out the innovative programme known as the Emergency Social Safety Net (ESSN) for refugees in Turkey. As of December 2018, over 1.5 million refugees in Turkey had benefitted from monthly cash transfers under this programme.

In 2018, DG ECHO continued to play an active role in first response to emergencies and disasters both inside and outside Europe. The unprecedented 2018 forest fire season, which extended all the way into Northern Europe, proved once more the need to continue pursuing efforts to strengthen the Union Civil Protection Mechanism. Therefore, DG ECHO focussed on concluding negotiations on the Commission proposal to amend the Union Civil Protection Mechanism<sup>5</sup> (rescEU). The political agreement on the Commission's proposal was reached at the end of 2018 paving the way for its rapid implementation, which is a top priority for DG ECHO in 2019.

The EU Civil Protection Mechanism was activated twenty times. Within the EU, assistance was provided through the Mechanism for the devastating forest fires in Greece, Latvia, Portugal and Sweden. EU support on marine pollution was also requested by Bulgaria and France following oil leaks. International assistance through the Mechanism was also provided to Guatemala following a volcanic eruption, Ebola in the Democratic Republic of Congo, and an earthquake and tsunami in Indonesia. The assistance through the Mechanism was coordinated through DG ECHO's Emergency Response Coordination Centre (ERCC) and included in-kind assistance, equipment and modules but also experts and specialised teams. Experts sent through the Mechanism provided advice and expertise on areas ranging from dam integrity at the Ituango dam in Colombia through medical expertise in the Ebola response in the Democratic Republic of the Congo to fire safety in the Rohingya refugee camps in Bangladesh.

Monique Pariat  
Director-General

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<sup>4</sup> In 2018, DG ECHO aims to deliver 35% of its assistance in the form of cash-based transfers.

<sup>5</sup> Proposal for a Decision of the European Parliament and of the Council amending Decision No 1313/2013 on a Union Civil Protection Mechanism (COM(2017)772 final of 23.11.2017).

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## THE DG IN BRIEF

The mandate of the Directorate-General for European Civil Protection and Humanitarian Aid Operations (DG ECHO) is to help save and preserve life, prevent and alleviate human suffering and safeguard the integrity and human dignity of populations affected by natural disasters and man-made crises. DG ECHO works both as the EU's humanitarian aid donor<sup>6</sup>, through its partner organisations, and by coordinating and facilitating the deployment of Participating States' in-kind disaster relief assistance through the Union Civil Protection Mechanism<sup>7</sup>.

As a donor, DG ECHO provides needs-based humanitarian assistance to people affected by crises and disasters around the world. Its work is based on the humanitarian principles of humanity, neutrality, impartiality and independence as set out in the European Consensus on Humanitarian Aid<sup>8</sup>. Apart from being a key donor, the EU plays an important role in developing thematic policies, supporting multilateral action, and coordinating approaches with EU Member States.

DG ECHO has over 500 people working in headquarters. In addition, DG ECHO has a field network of almost 460 people in 48 offices spread over 38 third countries. The field network's role is primarily to assess needs and monitor aid operations – one of the pillars of DG ECHO's control architecture – and to be a "first responder" to sudden-onset disasters. Along with its human and financial resources, DG ECHO's framework for action has been constantly adapted to allow the EU to face ever-greater challenges.

The Treaty of Lisbon, which entered into force on 1 December 2009, introduced a new legal basis for EU humanitarian aid as well as for civil protection policies, and emphasises the application of international humanitarian law including impartiality and non-discrimination.

For its humanitarian aid and EU Aid Volunteers (EUAV) activities, DG ECHO acts in the context of the framework provided for by Article 214 of the Treaty on the Functioning of the European Union (TFEU), while Article 196 underpins its civil protection actions. DG ECHO also funds actions to support vulnerable refugees within the European Union (in Greece) under the Emergency Support Instrument<sup>9</sup>.

DG ECHO's humanitarian interventions mainly consist of funding for the work of operational humanitarian actors – it does not, with some exceptions, intervene directly on the ground. DG ECHO manages the EU's humanitarian aid financing through individual agreements with partner organisations. Partners are either NGOs<sup>10</sup> that have signed a Framework Partnership Agreement (FPA), United Nations agencies covered by the Financial and Administrative Framework Agreement (FAFA), or other international organisations<sup>11</sup> with which relations are governed by an ad-hoc FPA. The management mode applied with NGOs is direct management, and with the UN and International Organisations, indirect management. DG ECHO has a strong presence in the field; it works closely with partner organisations, and is fully involved in policy development in

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<sup>6</sup> Council Regulation (EC) No 1257/96 of 20 June 1996 concerning humanitarian aid (OJ L 163, 2.7.1996, p. 1).

<sup>7</sup> Decision No 1313/2013/EU of the European Parliament and of the Council of 17 December 2013 on a Union Civil Protection Mechanism (OJ L 347, 20.12.2013, p. 924).

<sup>8</sup> Joint Statement by the Council and the Representatives of the Governments of the Member States meeting within the Council, the European Parliament and the European Commission (OJ C 25, 30.1.2008, p. 1).

<sup>9</sup> Council Regulation (EU) 2016/369 of 15 March 2016 on the provision of emergency support within the Union (OJ L 70, 16.3.2016, p. 1).

<sup>10</sup> Non-Governmental Organisations.

<sup>11</sup> International Committee of the Red Cross (ICRC) and the International Federation of Red Cross and Red Crescent Societies (IFRC).

the area of humanitarian aid. Since 2016, the EU Aid Volunteers Initiative<sup>12</sup> contributes operationally to the EU's humanitarian aid effort.

The Union Civil Protection Mechanism (UCPM)<sup>13</sup> aims at improving disaster prevention, preparedness and response in the field of civil protection and marine pollution to reduce impacts of natural and man-made disasters. The key stakeholders of DG ECHO's civil protection activities are the 34 Participating States of the UCPM. When civil protection assistance is requested by the affected country, the Emergency Response Coordination Centre (ERCC) coordinates the delivery of the Participating States' resources, ensuring a coherent European response to disasters, including in case of invocation of the Solidarity Clause (Article 222 of the TFEU). The UCPM can also be activated in support to consular operations. At the same time, DG ECHO pursues effective prevention and preparedness policies with the Member States, thus ensuring a balance between Member States' responsibilities and European solidarity.

DG ECHO is further responsible for the implementation of Council Regulation (EU) 2016/369 on the provision of emergency support within the Union adopted in 2016 to address the humanitarian impact of natural and manmade disasters in the EU. Emergency support can only be provided where the exceptional scale and impact of the disaster is such that it gives rise to severe wide-ranging humanitarian consequences in one or more Member States and only in exceptional circumstances where no other instrument available to Member States and to the Union is sufficient. The modalities for the provision of such support are broadly analogous to those of EU humanitarian aid. The Emergency Support Instrument's criteria have led to assistance being deployed in one Member State, Greece, in the context of the refugee and migration crisis. The activation of this instrument expires in March 2019.

DG ECHO is responsible, moreover, for managing the EU Aid Volunteers initiative<sup>14</sup>, which brings together volunteers and organisations from different countries to provide practical support to humanitarian aid projects and contribute to strengthening the resilience and disaster risk management capacity of fragile or disaster-affected communities. In this context, DG ECHO also contributes to the rollout of the European Solidarity Corps (ESC)<sup>15</sup>.

In its work across the policy areas and priorities outlined above, DG ECHO attaches great importance to effective coordination with other humanitarian and disaster relief actors (both bilaterally and in a multilateral context, and with civilian as well as military actors). While the EU and its Member States are the world's largest humanitarian donors, coordination with strategic partners is more important than ever in a context where needs are growing dramatically while the resources available globally to address them are not.

In its policy response, DG ECHO pushes for strong coordinated efforts of the international community to respond to humanitarian challenges worldwide, for better disaster risk management and for more involvement of development actors in protracted crises. DG

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<sup>12</sup> Regulation (EU) No 375/2014 of the European Parliament and of the Council of 3 April 2014 establishing the European Voluntary Humanitarian Aid Corps ('EU Aid Volunteers initiative') (OJ L 122, 24.4.2014, p. 1).

<sup>13</sup> Decision No 1313/2013/EU of the European Parliament and of the Council of 17 December 2013 on a Union Civil Protection Mechanism (OJ L 347, 20.12.2013, p. 924).

<sup>14</sup> Entrusted management of EU Aid volunteers to the Education, Audio-visual and Culture Executive Agency (EACEA).

<sup>15</sup> European Solidarity Corps: Press release: [http://europa.eu/rapid/press-release\\_IP-17-1383\\_en.htm](http://europa.eu/rapid/press-release_IP-17-1383_en.htm)

ECHO engages in strategic dialogues with key partners (such as WFP<sup>16</sup>, UNHCR<sup>17</sup>, ICRC and UNICEF<sup>18</sup>) and is actively involved in agency boards, donor support groups, and other international fora. Through DG ECHO, the Commission maintains its high level of commitment to the IASC<sup>19</sup> Transformative Agenda. DG ECHO also works closely with Member States and other relevant stakeholders to follow up on the commitments taken at the 2016 World Humanitarian Summit including notably the Grand Bargain, where it has been particularly active as co-lead for the needs assessments work stream, and continues implementing the European Consensus on Humanitarian Aid.

The Commission ensures coordination and complementarity with Member States in humanitarian aid and civil protection through the Council Working Party on Humanitarian Aid and Food Aid (COHAFA) and the Council Working Party on Civil Protection (PROCIV). Furthermore, the Commission is engaging with the European Parliament, in the Committee on Development (DEVE) for humanitarian aid, and the Committee on the Environment, Public Health and Food Safety (ENVI) on civil protection.

DG ECHO operations are implemented in complementarity with other Commission services working in the area of external relations<sup>20</sup> and the European External Action Service (EEAS), which all contribute to the formulation of an effective and coherent policy of the European Union, to enable the EU to assert its identity and values on the international scene. They contribute to the work of the High Representative of the Union for Foreign Affairs and Security Policy/Vice-President, who is responsible for steering and coordinating the work of all Commissioners in the realm of external relations.

Both humanitarian aid and civil protection are delivered in often very difficult circumstances, characterised by unpredictability, volatility, insecurity and difficult access to affected people. Implementation of the humanitarian objectives is challenging and can be risky. Crises zones appear and disappear, move places, and are in constant transformation. These access and security risks are part of DG ECHO's operating context and come along with our mandate and objectives.

DG ECHO seeks to contain and reduce the operational and associated financial risks to acceptable levels through its robust control architecture and strong security policy with standard operating procedures, security trainings for staff and regular inspections of its offices in the field. For example, DG ECHO implements humanitarian aid exclusively with the help of trusted FPA partners and pillar-assessed UN agencies. Furthermore, DG ECHO's field network, with humanitarian experts and local staff on the ground, assesses and monitors each of its projects in its local context and can act quickly should the situation deteriorate.

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<sup>16</sup> World Food Programme.

<sup>17</sup> United Nations High Commissioner for Refugees.

<sup>18</sup> United Nations Children's Fund.

<sup>19</sup> Inter-Agency Standing Committee.

<sup>20</sup> The Commission services concerned include, in addition to DG ECHO, the Directorate-General for International Cooperation and Development (DEVCO), the Directorate-General for Neighbourhood and Enlargement Negotiations (NEAR), the Directorate-General for Trade (TRADE), and the Service for Foreign Policy Instruments (FPI).

## EXECUTIVE SUMMARY

The Annual Activity Report is a management report of the Director-General of DG ECHO to the College of Commissioners. Annual Activity Reports are the main instrument of management accountability within the Commission and constitute the basis on which the College takes political responsibility for the decisions it makes as well as for the coordinating, executive and management functions it exercises, as laid down in the Treaties<sup>21</sup>.

### **a) Key results<sup>22</sup> and progress towards the achievement of general and specific objectives of the DG (executive summary of section 1)**

The European Union together with its Member States is the world's leading donor in humanitarian assistance, and is consistently at the forefront of the response to humanitarian crises and disasters, relying to this end on the Humanitarian Aid Regulation<sup>23</sup> and the Union Civil Protection Mechanism<sup>24</sup>.

As in previous years, in 2018 DG ECHO had to intervene in support of humanitarian organisations in the field in a wide range of crises in more than 90 countries around the world. For the most part EU humanitarian funding is dedicated to addressing needs arising from protracted crises.

In 2018, humanitarian crises further increased in number, complexity and severity. There was limited improvement in the most severe large-scale crises such as those in Syria, Yemen, South Sudan, and the Lake Chad region, the Sahel region or Ukraine. There was an unprecedented scale of forced displacement, migrants and refugees.

In 2018, humanitarian crises increased in number, complexity and severity. There were over 40 armed conflicts, many of which had dramatic regional repercussions with knock-on effects on access for humanitarian aid, the protection of affected populations and the security of humanitarian workers. Natural disasters – related to climate change and linked to mega-trends such as water scarcity, urbanisation and demographic pressures – also created humanitarian needs for millions of people around the world.

Social and economic fragility, caused by inability or unwillingness of governments to provide either basic services or social equality, further fuelled humanitarian crises. Because of the lack of political solutions, many crises continued to be protracted.

Conflict remains the main driver of humanitarian needs, while natural disasters continue to cause many people to need emergency aid. Overall, more than 134.6<sup>25</sup> million people across the world need humanitarian assistance and protection – and more funding than ever before is required to help them.

In 2018, the crisis in Syria entered its eighth year, remaining a major humanitarian and security crisis in the world. While fewer Syrians arrived in the EU in 2017-18 as

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<sup>21</sup> Article 17(1) of the Treaty on European Union.

<sup>22</sup> Annex 12 of this report provides comprehensive reporting on the related performance indicators and outputs. Further indicators and a complete listing of the expenditure-related outputs can be found in the Programme Statements of the relevant spending programmes annexed to the EU budget.

<sup>23</sup> Council Regulation (EC) No 1257/96 of 20 June 1996 concerning humanitarian aid (OJ L 163, 2.7.1996, p. 1).

<sup>24</sup> Decision No 1313/2013/EU of the European Parliament and of the Council of 17 December 2013 on a Union Civil Protection Mechanism (OJ L 347, 20.12.2013, p. 924).

<sup>25</sup> Global Humanitarian Overview 2018:  
<https://interactive.unocha.org/publication/globalhumanitarianoverview/>



compared to 2015 and 2016, the Syrian crisis was still the main cause of the large numbers of displaced persons seeking refuge in the EU and its neighbourhood.

In 2018, DG ECHO allocated EUR 260 million to humanitarian operations in Syria and neighbouring countries, in line with the political pledges made at the first Brussels conference on "Supporting the future of Syria and the region" in 2017. In April 2018, DG ECHO co-organized, together with the European External Action Service (EEAS) and DG NEAR, the second Brussels conference, which led to a substantial pledge from the international community.

DG ECHO pursued its support for multi-sectorial, rapid, flexible and reactive responses to emergencies, for example during the siege of Eastern Ghouta and Dar'a as well as during the offensive to North West Syria at the beginning of 2018, while maintaining regular humanitarian assistance to the most vulnerable populations inside Syria and the most vulnerable refugees living in countries in the region, i.e. Lebanon, Jordan, Iraq, Egypt and Turkey.

Regarding Turkey, in 2018 DG ECHO successfully completed the implementation of the first tranche of the Facility for Refugees in Turkey and fully contracted approximately EUR 1.4 billion for humanitarian purposes, with the second tranche agreed in 2018 (see hereunder). The Emergency Social Safety Net put in place to meet the basic needs of refugees in Turkey<sup>26</sup> covering multi-sectoral needs through cash transfers was the largest humanitarian aid operation ever financed by the EU, complemented with crosscutting protection activities. With the government of Turkey being responsible for the management of refugee camps, DG ECHO's main focus was to provide humanitarian relief to out-of-camp refugees.

DG ECHO played a key role in providing assistance to victims in other extended conflicts. For example, in Iraq, DG ECHO provided EUR 40 million in 2018 for food, health care, water, sanitation and hygiene as well as protection, shelter and education.

In Ukraine, the EU remained one of the largest humanitarian donors, as DG ECHO's projects directly helped half a million people, who received food, shelter, health services, protection and psychological support, in particular along the line of contact and in the non-government controlled areas where humanitarian needs have increase after four years of conflict.

With regard to food and nutrition, DG ECHO faces huge challenges in all the regions where we operate, with increasing levels of acute food insecurity and major food crises, affecting up to 124 million people. We have seen a 14% increase in the number of food insecure people in need of humanitarian aid over the past two years. This is driven by multiple factors such as conflict, insecurity and massive displacement of populations combined with climate related factors such as prolonged drought conditions, disease outbreaks and disruption of basic services. This is most evident in the Sahel region. DG ECHO has continued to respond to those in need throughout the world and especially in Yemen, the Horn of Africa, the Sahel and South Sudan.

From June 2017 to December 2018, the EU led the global humanitarian initiative "Call to Action on Protection from Gender-Based Violence in Emergencies". During its leadership of the Call to Action, the EU, amongst other things, welcomed 18 new members to the initiative, raised awareness on GBV at different high-level global events in Brussels, New

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<sup>26</sup> This approach involves making a fixed amount of cash available to persons in need through a payment card, enabling them to cover their most basic needs as regards food, housing, etc.

York and Geneva, initiated the piloting of the Call to Action in Nigeria and Democratic Republic of the Congo (implementing partner: UNFPA/GBV AoR and WRC), organised 10 awareness-raising workshops through its field offices reaching more than 500 humanitarian practitioners, and facilitated the drafting of the 2017 Call to Action Progress Report<sup>27</sup>. Since 1 January 2019, Canada is the new global lead of the initiative.

2018 was a year of major achievements in the field of education in emergencies. The Commission increased its funding to 8.5% of its humanitarian aid budget – surpassing its target of 8%. This funding amounted to EUR 91.6 million, supporting EiE activities in 34 countries. DG ECHO allocated a further EUR 1.4 million to EiE from the Emergency Support Instrument as well. The overall assistance to EiE benefited 1.25 million beneficiaries, securing access to safe and quality education for girls and boys in the most vulnerable situations. Furthermore, under the lead of DG ECHO, the Commission adopted a Communication on Education in Emergencies and Protracted Crises in May, endorsed by Council Conclusions in November. The policy framework not only anchors support to EiE in humanitarian response but also creates a holistic scope that includes both emergencies and protracted crises, thereby harnessing the added value and funding by all relevant humanitarian and development instruments of the EU. In 2018, the Union Civil Protection Mechanism (UCPM) was activated 20 times for a variety of natural and man-made disasters with 9 requests for assistance from within Europe and 11 requests from outside the Participating States. Within Europe, the Mechanism was activated five times for forest fires in Greece, Latvia, Portugal and Sweden. A UCPM prevention and preparedness advisory mission on forest fires was requested by Portugal. Romania activated the Mechanism due to a shortage of immunoglobulin. Bulgaria and France both requested specialised support to combat the effects of marine pollution following oil spills.

International assistance provided through the Mechanism included provision of facilities for a humanitarian hub in Kananga, Democratic Republic of Congo as well as specialised medical evacuation equipment for the Ebola response in the Equateur and North Kivu provinces. Following the Sulawesi earthquake and tsunami in Indonesia, 8 Participating States offered assistance and an EU Civil Protection Team (EUCPT) was sent to coordinate and provide support on logistics. Experts were also deployed through the Mechanism to provide expertise in Colombia (following an oil spill and a dam failure), to Guatemala (following the Fuego volcano eruption), to Nigeria and India following floods and to Papua New Guinea to assess the impact of an earthquake. An UCPM expert mission was also sent to Bangladesh to provide advice on fire prevention, preparedness and response in the Rohingya camps.

By the end of 2018, 23 Participating States had offered 105 response capacities to the EU voluntary pool of emergency response capacities, illustrating the continued commitment to deploy for European operations under the UCPM. Throughout the year, 33 response capacities finalised the European certification process, and great efforts have been made to consolidate this process. In addition, three new adaptation grants were awarded, providing financial support to existing national capacities to upgrade for international deployment. From the perspective of the European Medical Corps, important progress has been made in developing a European response plan for mass burn casualty disasters.

As regards policy development, DG ECHO continued to implement together with

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<sup>27</sup> EU Leadership of the Call to Action on Protection from Gender-Based Violence in Emergencies: [http://ec.europa.eu/echo/files/aid/countries/factsheets/thematic/call\\_to\\_action\\_on\\_protection\\_from\\_gender\\_based\\_violence\\_in\\_emergencies\\_en.pdf](http://ec.europa.eu/echo/files/aid/countries/factsheets/thematic/call_to_action_on_protection_from_gender_based_violence_in_emergencies_en.pdf)

DG DEVCO the policy approach on forced displacement. The aim is to prevent forced displacement from becoming protracted and gradually end dependence on humanitarian assistance in existing displacement situations by fostering self-reliance and enabling the displaced person to live in dignity as contributors to their host societies, until voluntary return or resettlement.

DG ECHO also continued to work on implementation of the Grand Bargain agreed at the World Humanitarian Summit in 2016. The Commission was a key member of the Facilitation Group playing a key role in setting up and driving the process forward and in identifying and solving issues that needed to be addressed. DG ECHO contracted and coordinated the Independent Annual Report (together with UN Women) and Self-Reporting process for the Grand Bargain and acted as Secretariat of the Grand Bargain until it was properly established. DG ECHO has prioritised a number of work-streams under the Grand Bargain, such as ensuring joint and impartial needs assessments, the humanitarian-development nexus (work-stream successfully closed in 2018) and scaling up cash, as well as work-streams where DG ECHO could wield significant leverage with aid organisation signatories such as multi-year planning and funding. In particular, DG ECHO has worked with OCHA, the United Nations Office for the Coordination of Humanitarian Affairs, in taking a global lead on advancing a coordinated approach to needs assessment with a view to developing a collaborative, pragmatic and evidence-based approach to underpin and improve strategic and operational decision-making.

With regard to cash in particular, recent internal policy developments have placed DG ECHO ahead of the curve as one of the most progressive and innovative donors delivering cash assistance. These include the 2017 Cash Guidance Note, which has continued to be rolled out in 2018 and which has boosted efficiency and effectiveness in a number of contexts, such as Turkey, Somalia, Lebanon and others and the launch of a Preliminary Market Consultation in 2018 to explore the potential of working directly with the private sector. DG ECHO consistently seeks to ensure that more humanitarian assistance reaches the beneficiary, with less absorbed by overheads.

Within the European Union, the Emergency Support Instrument<sup>28</sup> continued to be in 2018 a very useful tool to fund humanitarian response actions (in Greece) in the context of the refugee and migration crisis. The priorities of the Emergency Support Instrument focused on shelter, the multi-purpose cash programme Estia covering both food and non-food needs, and the handover of key activities to the Asylum, Migration and Integration Fund of DG HOME in view of the end of the activation of the emergency support regulation in March 2019. Sound financial management and compliance with the provisions of the Greek Financial Planning for 2018 were key priorities.

DG ECHO further advanced its global Disaster Risk Reduction (DRR) efforts. All Humanitarian Implementation Plans incorporated an analysis of options and priorities for preparedness, early action and DRR. 65% of 2018 humanitarian assistance grants include elements of risk reduction for an amount of EUR 96 million. EUR 50 million of this amount targets specific disaster preparedness actions.

DG ECHO is also committed to contribute to investing in disaster risk reduction. To that effect, DG ECHO coordinated the preparation of a second review of the EU Action Plan of the Sendai Framework for Disaster Risk Reduction 2015-2030<sup>29</sup> thereby showing its

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<sup>28</sup> Regulation (EU) 2016/369 on the provision of emergency support within the Union.

<sup>29</sup> Action Plan on the Sendai Framework for Disaster Risk Reduction 2015-2030 - A disaster risk-informed

strong commitment to make progress on those issues. It also coordinated the participation of the European Commission in the European Forum on disaster risk reduction (Rome, Italy, November 2018).

## **Summary overview of evaluations carried out**

### **Comprehensive evaluation of EU Humanitarian Aid, 2012-2016**

The external study for the comprehensive evaluation of European Union Humanitarian Aid (2012-2016) was finalised in 2017, and provided the basis for a Commission Staff Working Document that was completed in 2018. The evaluation concluded that the EU is a principled, needs-based donor with some unique features, such as its approach to partnerships, its field network and its contributions to shaping the humanitarian system. Budget allocations were found to be relevant to the needs of the targeted populations and to the humanitarian aid objectives, and to be driven by comprehensive and robust needs assessments.

EU-funded actions were found to be overall cost-effective and positively contributing to saving lives, reducing morbidity and suffering as well as improving dignity of life of populations affected by disasters. The scale of funding dedicated to humanitarian aid actions allowed the EU to have a real impact on the ground. As resources were limited compared to the overall humanitarian needs, the EU had to make strategic choices during the evaluation period, with an increasing focus on the Middle East and North Africa and the European neighbourhood (i.e. related to the Syrian crisis). The Commission selected appropriate partners and the Commission's humanitarian field network provided overall high-quality support.

EU-funded actions provided clear added value notably achieved through: focusing on forgotten crises, as in the 2012-2016 period 16% of EU funding was allocated to forgotten crises, compared to 12% for all other donors; filling gaps in global humanitarian aid by addressing needs in areas that were difficult to access, and providing a rapid response at the onset of several crises (e.g. Syria, Sudan, Burundi crisis); and by funding sectors and themes that were underfunded by other donors (e.g. protection sector, education in emergencies).

Areas for improvement encompass developing, when appropriate, a more programmatic approach to the partnership between the EU as a donor and its humanitarian partners; increasing the involvement of local implementing partners in the delivery of EU-funded actions; scaling up successful innovative approaches and improved reporting; more systematic coherence and synergies between the EU humanitarian aid and civil protection activities; better communication of the rationale of the EU's strategic directions; as well as continued emphasis on Linking Relief, Rehabilitation and Development (LRRD) and defining exit strategies.

The following three other evaluations were completed in 2018:

### **Evaluation of Humanitarian Logistics within EU Civil Protection and Humanitarian Action, 2013-2017**

The scope of the evaluation covers DG ECHO investments in humanitarian air services, in initiatives to improve systems for humanitarian logistics, and funding to the logistics

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approach for all EU policies (SWD (2016) 205 final of 17.6.2016).

elements of DG ECHO projects. The evaluation took a broad definition of logistics, in line with the supply chain management approach increasingly adopted by humanitarian organisations. The evaluation finds that DG ECHO investments in logistics hubs, logistics training and support to the development of the Global Logistics Cluster all had lasting benefits, and that support to air services remains highly relevant. Given that a substantial proportion of DG ECHO funding is spent on humanitarian logistics, the evaluation recommends that DG ECHO develop a humanitarian logistics policy and that the organisation gives greater attention to logistics within partnership agreements, as well as in its crisis assessment and planning tools.

The report documents the key challenges facing humanitarian logistics and proposes actions for DG ECHO's consideration of how the organisation can exercise further leadership in the realm of logistics, working collaboratively with other humanitarian actors to achieve efficiencies and improve results for beneficiaries of humanitarian action.

### **Evaluation of the EU humanitarian aid intervention in the African Great Lakes region, 2013-2017**

This evaluation provides an assessment of the EU humanitarian interventions in the African Great Lakes region during 2013-2017. It found that budget allocations were not proportionate to the increasing needs in the region, which implied that DG ECHO had to restrict its interventions to its core mandate of lifesaving. Despite these limitations, DG ECHO's strategy was relevant and adapted to the evolution of the needs. The EU-funded activities achieved its short-term objectives, and positive outcomes were also visible at medium-term, within communities benefiting from aid. However, difficulties were encountered in achieving the longer-term effects outlined in the strategy. DG ECHO achieved a high level of coherence within its portfolio of actions and played a key role in the humanitarian coordination structures in the region. The evaluation identified specific aspects contributing to DG ECHO's efficiency, e.g. strong monitoring processes. Scope for improvements were found for 're-application' processes (i.e. for renewal of grants to an implementing partner for the continuation of a specific action) and/or multi-year projects. Multiple aspects contributed to DG ECHO's added value in the region, including the ECHO flight services.

The evaluation provides recommendations on: (1) the implementation of the humanitarian-development nexus, (2) rapid response mechanisms, (3) data management, (4) regional approach, and (5) further support to framework partners.

### **Evaluation of the operation of Regulation (EU) 2016/369 on the provision of emergency support within the Union, 2016-2018**

The main objective of the evaluation was to assess the extent to which the Regulation is fit-for-purpose, and to provide a series of recommendations to improve the design and implementation of the ESI if the instrument were to be activated again in the future. The evaluation concluded that the ESI was the most relevant tool for addressing an emergency situation such as the one faced by Greece. The ESI funded actions complemented the actions implemented/ funded under other EU or national instruments, due to the unique aims, scope and implementation method of ESI. By channelling funding through an instrument aimed at serving exclusively a humanitarian purpose, the ESI was able to respond fast, in a timely manner and to operate complementing the other available instruments on the ground. The main achievements of the ESI actions were to reach a high number of people in need and improving their situation compared to the starting point in 2016. A comparative analysis was carried out to assess the efficiency of

the ESI with respect to similar Commission humanitarian responses in third-countries, which indicated that the ESI-funded actions in certain sectors achieved strong efficiencies. The evaluation found that the ESI demonstrated clear EU added value given the operational response provided in Greece, and also when compared to other national instruments and EU funding mechanisms in place. Some initial challenges were faced at the beginning of the Greek activation relating to cooperation between the EU and national authorities, as well as with local implementing partners. Thus, it should be ensured for future activations that a clear framework is in place for such cooperation. Moreover, mechanisms to warrant sustainability of actions should be set up at an earlier stage than was the case for the activation in Greece.

**A mid-term evaluation of the EU Aid Volunteers initiative** was carried out in 2017<sup>30</sup> and finalised in May 2018<sup>31</sup> focussing on the relevance, coherence, EU added value, effectiveness and efficiency of the programme. In 2017, 178 EU Aid Volunteers were deployed. Taking into account the findings of the external evaluation report and its own experience and dialogue with stakeholders during the initiative's initial implementation period, the Commission's overall conclusion is that the initiative provides added value and its objectives are relevant to stakeholders. Simplification of processes and administrative procedures needs to be put in place in order to increase participation by organisations in the initiative. Coherence and synergies with the European Voluntary Service and the European Solidarity Corps should be sought.

## b) Key Performance Indicators (KPIs)

Key Performance Indicators (KPIs) cover the most crucial aspects of DG ECHO's performance and provide insights into DG ECHO's most significant achievements<sup>32</sup>. They reflect the main activities and objectives of DG ECHO. In addition, one KPI is selected with respect to the achievement of DG ECHO's internal control objectives to assess and evidence the reasonable assurance given on the use of the assigned resources. The targets and latest known results are presented in the table below.

Result/Impact indicator	Baseline (2015)	Target 2018	Next milestone
		Result 2018	
1. Average speed (hours) of reaction under the Union Civil Protection Mechanism (from the acceptance of the offer to deployment). This KPI is reflected in the performance table of General Objective 1	≤ 24	≤ 18	≤ 12 (2020)
		Within Europe is <b>13.7h</b> and outside Europe <b>75h</b> <sup>33</sup>	

<sup>30</sup> Thematic evaluations: [https://ec.europa.eu/echo/funding-evaluations/evaluations/thematic-evaluations\\_en](https://ec.europa.eu/echo/funding-evaluations/evaluations/thematic-evaluations_en).

<sup>31</sup> Report from the Commission to the European Parliament and the Council on the Interim Evaluation of the EU Aid Volunteers initiative for the period mid-2014 to mid-2017 (COM(2018) 496 final) and Commission Staff Working Document on the Interim Evaluation of the EU Aid Volunteers initiative Accompanying the document Report from the Commission to the European Parliament and the Council on the Interim Evaluation of the EU Aid Volunteers initiative for the period mid-2014 to mid-2017 (SWD/2018/353 final).

<sup>32</sup> These KPIs reflect a selection from the DG ECHO Strategic Plan 2016-2020. Methodological refinements that have occurred in the meantime have led to a revision of the milestones and targets in order to reflect more accurately what can realistically be achieved based on available data.

<sup>33</sup> The lower than expected average score is a result of delays in obtaining the necessary clearances for dispatch of assistance during deployments outside EU. The average speed in hours within Europe is 13.7 hours whereas outside Europe it was 75 hours due to the delay in acceptance of offers by national authorities.

2. Budget is allocated to Education in Emergencies (EiE) as a priority area. This KPI is reflected in the performance table of General Objective 1	1.25%	8% of initial adopted budget allocated to EiE	10% of initial adopted budget allocated to EiE (2019)
		8.5% of initial adopted budget allocated to EiE	
3. Percentage of DG ECHO funded projects which strongly integrate resilience (i.e. resilience marker value given by desk officer = 2). This KPI is reflected in the performance table of General Objective 1	28%	≥ 30%	ca
		43%	
4. Number of beneficiaries (million) in situation of forced displacement. This KPI is reflected in the performance table of General Objective 2	54-60 million	54-60	Figures available once new method <sup>34</sup> for determining beneficiaries is operational
		64.9	
5. Multi-annual Residual Error Rate. This KPI is reflected in the financial management section, performance table of Objective 2 section 2.1.1	1.26%	≤ 2%	≤ 2%
		0.49%	

### c) Key conclusions on Financial management and Internal control (executive summary of section 2.1)

In accordance with the governance arrangements of the European Commission, DG ECHO conducts its operations in compliance with the applicable laws and regulations, working in an open and transparent manner and meeting the expected high level of professional and ethical standards.

The Commission has adopted a set of internal control principles, based on international good practice, aimed to ensure the achievement of policy and operational objectives. The financial regulation requires that the organisational structure and the internal control systems used for the implementation of the budget are set up in accordance with these principles. DG ECHO has assessed the internal control systems during the reporting year and has concluded that the internal control principles are implemented and function as intended with the exception of six of the internal control principles where some minor improvements are needed. Please refer to AAR section 2.1.3 for further details.

<sup>34</sup> The data for this indicator are based on the aggregation of the estimated number of 'action beneficiaries' as declared by the partners implementing humanitarian projects funded by DG ECHO. One single individual beneficiary in need of humanitarian assistance can benefit from more than one humanitarian action and from more than one project. DG ECHO is putting in place a new methodology for estimating the total aggregate number of actual beneficiaries in situation of forced displacement.

In addition, DG ECHO has systematically examined the available control results and indicators, including those aimed to supervise entities to which it has entrusted budget implementation tasks, as well as the observations and recommendations issued by internal auditors and the European Court of Auditors. These elements have been assessed to determine their impact on the management's assurance as regards the achievement of control objectives. Please refer to Section 2.1 for further details.

In conclusion, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented. The Director General, in her capacity as Authorising Officer by Delegation has signed the Declaration of Assurance.

## **d) Information to the Commissioner**

In the context of the regular meetings during the year between the DG and the Commissioner on management matters, also the main elements of this report and assurance declaration have been brought to the attention of Commissioner Stylianides responsible for Humanitarian Aid and Crisis Management.



# 1. KEY RESULTS AND PROGRESS TOWARDS THE ACHIEVEMENT OF GENERAL AND SPECIFIC OBJECTIVES OF THE DG

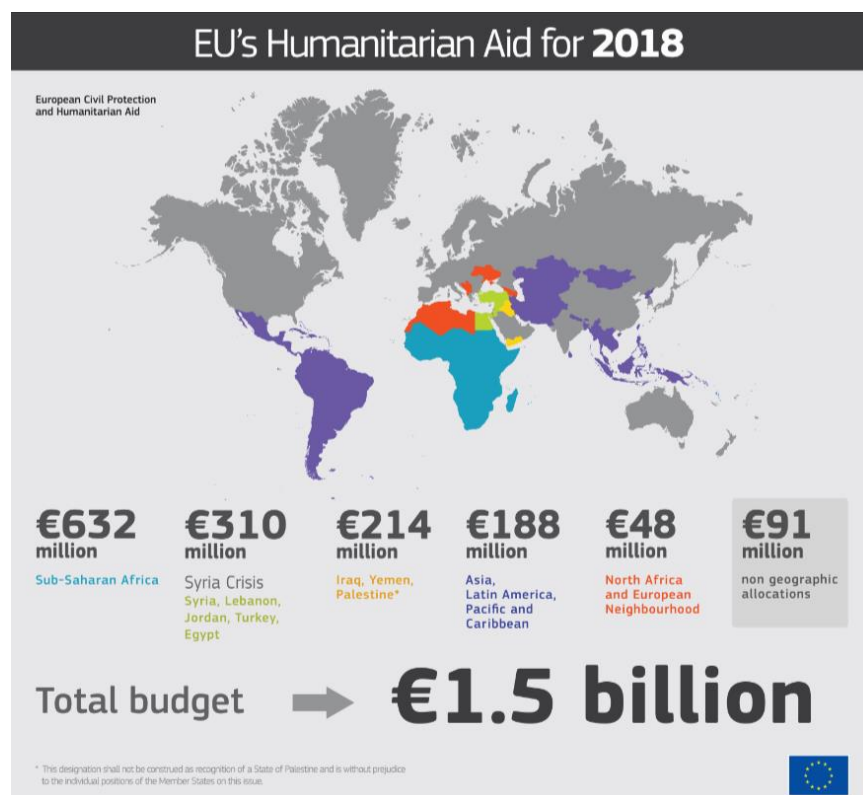
DG ECHO's mandate is to deliver quick and relevant humanitarian and civil protection assistance to alleviate humanitarian crises around the world, working closely with our Member States, United Nations (UN) partners, NGOs and civil society. As outlined in DG ECHO Strategic Plan 2016-2020, the fulfilment of this mandate directly supports the achievement of three of the Commission's President Juncker ten political priorities: 1) A stronger global actor; 2) Towards a new policy on migration; 3) A new boost for jobs, growth and investment.

## 1.1 General Objective 1: A stronger global actor

### **Specific Objective 1.1: People and countries in need are provided with adequate and effective humanitarian and civil protection assistance**

#### **a) Geographical crises**

As in previous years, DG ECHO had to continue intervening in support of humanitarian organisations in the field in a wide range of crises and disasters around the world<sup>35</sup>. For the most part, EU humanitarian funding is dedicated to addressing needs arising from protracted crises.



*NB: figures in the above infographic do not include funding of EUR 199 million for inside the EU under the Emergency Support Instrument.*

<sup>35</sup> Annex 12 of this report provides a comprehensive reporting on the related performance indicators and outputs. Further indicators and a complete listing of the expenditure-related outputs can be found in the Programme Statements of the relevant spending programmes annexed to the EU budget.

While DG ECHO finances operations in more than 90 countries, the following crises are taken as particularly relevant examples of ECHO's action, due to their size, severity or complexity:

### **The Syria Crisis**

The Syria conflict, in its eighth year in 2018, continued to cause massive displacement, casualties and tremendous suffering of the civilian population, with more than 13 million people in need of humanitarian assistance inside the country.

The conflict is characterised by: indiscriminate use of weapons on densely populated areas, besiegement and starvation of populations, deliberate targeting of civilians and civilian infrastructure and humanitarian aid workers, sexual and gender-based violence (SGBV), forced displacements, arbitrary arrests and forced detention, summary executions, widespread contamination of Explosive Remnants of War (ERW), recruitment and use of child soldiers, and severe restrictions of humanitarian access.

The year 2018 has seen rapid shifts in territorial control. Offensives in the North Eastern (Afrin, Idlib), Central (Eastern Ghouta, Yarmouk) and South Western (Der'a, Quneitra) Syria have resulted in further acute humanitarian needs and massive displacement of population, with severely limited access to humanitarian assistance. DG ECHO continues to deliver life-saving assistance and support to millions of people throughout the country from all humanitarian hubs, including across conflict lines and international border crossings. This assistance contributed to the vital delivery of food, medicine, water, and shelter items for millions of Syrians directly affected and/or internally displaced by the conflict. In neighbouring Lebanon, EU humanitarian funding has contributed to cash assistance for the most vulnerable refugees, secondary healthcare for life-saving cases, non-formal education and shelter - including water, hygiene and sanitation - to improve the living conditions of the vulnerable families most affected by displacement. In Jordan and Turkey, DG ECHO supports the most vulnerable refugees inter alia through cash assistance, as this is considered the most cost-efficient and dignified delivery mode.

DG ECHO was directly involved in international diplomatic initiatives such as the "Supporting the Future of Syria and the Region" Conference in Brussels on 24-25 April 2018, co-chaired by the United Nations, the Humanitarian Task Force of the International Syria Support Group in Geneva, the Senior Officials meetings organised in Oslo in March 2018 and in Berlin in October 2018 and other advocacy efforts to promote the respect of humanitarian principles and respect of International Humanitarian Law. The Brussels conference has raised awareness of the plight of affected civilians in Syria, with pledges totalling EUR 3.5 billion for 2018, as well as multi-year pledges of EUR 2.7 billion for 2019-2020. DG ECHO also contributed to implementation and monitoring of mutual commitments of the Partnership Priorities ('Compacts') with Jordan and Lebanon.

### **Ukraine**

After four years of conflict, humanitarian needs persist in eastern Ukraine. The conflict has affected over 4.4 million people, out of which over 3.4 million are estimated to be in need of humanitarian assistance mainly in the non-government controlled areas (NGCA) and along both sides of the contact line. This includes over 1.5 million IDPs and hundreds thousands Ukrainian citizens who have fled to neighbouring countries. Despite the action of the humanitarian community since the beginning of the conflict, lack of humanitarian access and adverse political and security developments over the past year have led to deterioration of the humanitarian situation. The humanitarian response is challenged by a combination of factors, notably the high politicisation of the conflict and the decreased funding allocation of humanitarian donors. The EU, together with its Member States, remained one of the largest humanitarian donors, with a total of EUR 232 million support in 2018.

DG ECHO continued to provide life-saving assistance to the most vulnerable conflict-affected population living in the most exposed conflict areas while promoting for a smooth transition to medium and long-term assistance in other areas of eastern Ukraine.



Opitne, Ukraine 2018 © European Union/DG ECHO

### **The Yemen Crisis**

For most of 2018, the situation in Yemen remained characterised by ongoing conflict, directly affecting civilians and with blatant violations of International Humanitarian Law. The Hodeidah offensive launched in June 2018 generated over 500 000 displaced people and contributed to a lower level of imports of basic commodities, aggravating the humanitarian crisis. A first round of peace talks held in Sweden in December 2018 offers a glimpse of hope, but the main drivers of the crisis remain unaddressed.

Yemen is the largest humanitarian crisis worldwide (L3 crisis). At the end of 2018, according to the UN, 22.2 million people were in need of humanitarian and/or protection assistance. The conflict and its disproportionate economic consequences on civilians are driving the largest food security emergency in the world. Twenty million people are currently food insecure, 9.6 million of whom are one step away from famine.

During 2018, the Commission made significant efforts to scale up its response to the Yemen crisis, both in the north and in the south of the country, reaching a total allocation of EUR 127.5 million. With these funds, the Commission supports life-saving interventions to conflict affected populations and to people affected by the food insecurity, nutrition and health crises. Protection, logistics, Education in Emergency and advocacy are mainstreamed or supported by standalone projects. Over 14 million vulnerable people were reached through this assistance.

### **Mali regional crisis**

Armed conflict and violence (including inter-community-violence) increased in North and Central Mali, with continued spillover to neighbouring Burkina Faso, Mauritania and Niger. Some 390,000 people were forcibly displaced. As a result, humanitarian needs were on the rise, while access challenges remained. In 2018, the European Commission provided some EUR 61 million to respond to the Mali regional crisis.

DG ECHO assistance in Mali focused mainly on health and nutrition assistance, covering 80% of the health districts in the North. Over 124,000 children under the age of five

suffering from Severe Acute Malnutrition received life-saving nutrition assistance. About 160,000 vulnerable people were provided with emergency food assistance during the lean season, including through multi-purpose cash transfers. Furthermore, thousands of children benefitted from Education in Emergencies activities in North and Central Mali, where the impact of the conflict prevented many children from receiving basic education. At the same time, DG ECHO provided food assistance to over 160,000 Malian refugees in Burkina Faso and Niger as well as food assistance and support to Education in Emergencies to Malian refugees in Mauritania.



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### **Sahel food and nutrition crisis**

2018 saw the worst food and nutrition crisis in the Sahel in many years. This was due to an increasing spread of conflict and an agro-pastoral crisis in addition to the already existing complex mix of factors that strongly affect an increasingly vulnerable population. In response, DG ECHO provided emergency assistance totalling 272.9 million in the region. With this support, over 1.1 million vulnerable people received food assistance, helping to cover their acute food needs during the lean season. With DG ECHO funds, life-saving treatment was also provided to more than 450,000 children suffering from Severe Acute Malnutrition.

In view of the complexity of the situation in the Sahel, while addressing immediate humanitarian needs, DG ECHO has been working actively to implement the Humanitarian-Development Nexus. The aim has been to strengthen the resilience of the affected population, reduce humanitarian needs and properly address the root causes of food insecurity and acute undernutrition.

### **The Lake Chad Basin Crisis**

The humanitarian crisis in the Lake Chad basin (Northeast Nigeria, Niger, Cameroon and Chad) remained among the largest in the world in 2018. Conflict and violence continued to severely affect the population living in the area (a total of 17 million). Over 2.7 million people were forcibly displaced inside their country or to neighbouring countries - 1.5 million of them children. New displacement continued particularly because of an upsurge of violence in Northeast Nigeria, including increasing attacks on civilians. Furthermore, according to OCHA, an estimated 823,000 people were living in areas inaccessible to humanitarian organisations in 2018 in Nigeria.

In addition to forced displacement and related protection needs, acute food insecurity and undernutrition remained at critical level, with 3 million people severely food insecure. In 2018, DG ECHO substantially stepped up its assistance and allocated over EUR 105 million in response to the wide-ranging humanitarian needs faced by the most vulnerable populations in the four affected countries.

A significant proportion of humanitarian funding was used to provide food assistance, basic health care, water and sanitation, shelter and household items for the internally displaced people, refugees and vulnerable host communities.

The high-level Berlin Conference on the Lake Chad region on 03-04 September 2018 provided a good opportunity to renew international commitment to support the Lake Chad countries in linking humanitarian aid and development cooperation highlighting the regional dimension and the need for cross border cooperation. Commissioner Stylianides announced a funding of EUR 138 million combining humanitarian and development assistance.

### **Central African Republic (CAR) regional crisis**

The overall security situation in CAR continued to deteriorate in 2018, with an increased spill-over to the neighbouring countries. Fighting between armed groups, attacks against humanitarians (six workers killed during the year) and atrocities spread into areas previously considered stable.

More than half of CAR's population (some 2.5 million people) were in need of humanitarian assistance. Over 2 million were suffering from food insecurity, and two thirds of the population had no access to basic healthcare. About one in four citizens of CAR was forcibly displaced, either inside the country or to neighbouring countries (notably to Cameroon, Chad and the Democratic Republic of Congo). By December 2018, some 648,500 people were internally displaced (IDPs) in CAR, compared to 384,000 in July 2016. The number of refugees rose to 577,000.

In 2018, DG ECHO allocated over EUR 32 million to the CAR regional crisis. This included emergency support to conflict-affected populations in CAR as well as assistance to help address the needs of CAR refugees in Cameroon and Chad.

### **Democratic Republic of Congo (DRC)**

Humanitarian funds allocated to DRC by the European Union in 2018 were over 80 million euros; still short to cover all needs. Commissioner Stylianides co-chaired in April 2018 in Geneva an international donors' conference to raise further funds and increase awareness towards the DRC crisis.

Currently still facing an Ebola outbreak, the humanitarian situation in DRC is extremely fragile and continues to deteriorate, as populations are affected by constant conflict, forced displacement (mainly in the east provinces and the Kasais) and the political situation remains uncertain.

In 2018, more than 13 million people were food insecure, the double when compared to 2017. UNICEF estimated that there were over 6 million children under five with chronic malnutrition, out of which around 2 million suffering from severe malnutrition.

The number of internally displaced persons is extremely difficult to calculate as populations are in constant move. It is estimated that around 4.5 million persons have been forcibly displaced in the past years and an additional 800,000 Congolese have sought refuge in neighbouring African countries. The country also hosted some 530,000 refugees mainly from Rwanda, Central African Republic, Burundi and South Sudan.

In addition, DRC is prone to epidemics and given its weak health system, unable to respond even to basic health needs. The 10th and largest Ebola Virus Disease outbreak in the country was declared on 1 August 2018. It was the first to occur in a conflict-affected area, challenging the response (community resistance has been in some cases violent, attacking response teams, burning and looting health centres or refusing treatment/vaccination). So far, over 600 cases have been reported. Numbers are expected to keep increasing and the outbreak to last for at least six more months into 2019. According to the World Health Organisation, there is a "very high risk" of a regional spread of the Ebola virus, as the affected area is bordering Uganda, Rwanda and Burundi.

Against this background, EU's efforts have been focused on life-saving assistance. The EU has been supporting partners working mainly in the east region of DRC (Ituri, North Kivu, South Kivu and Tanganyika) and in the Kasais. In addition, the EU has also provided logistical support to its partners and to the humanitarian community through its humanitarian air service, called "ECHO Flight".

Regarding in particular the Ebola response, from day one, the EU has been working closely with the Government of DRC, WHO and other partners, providing technical expertise to the coordination and response teams, logistic support and financing operations on the ground. Following lessons learned after the West Africa Pandemic and given the proximity of the outbreak to the border, the EU deployed medical experts and other experts to neighbouring countries to follow-up and support preparation and implementation of their preparedness plans. In addition, the EU has also provided funds for preparedness and detection measures undertaken by the Red Cross in Burundi, Rwanda, South Sudan and Uganda.

## **Somalia**

In 2018, the humanitarian needs remained high in Somalia due to the continued severe drought and armed conflict. Even though the international community had successfully supported Somalia in averting a famine (IPC phase 5) in 2017, the food security and nutrition situation remained critical due to the long lasting consequences of the drought on agricultural production, but also due to the floods that affected South – Central Somalia.

6.2 million people, half of the population, were in need of humanitarian assistance. This included more than one million people who were displaced by drought and conflict in 2017, bringing the total number of displaced to over 2.6 million (2.2 million in urban areas). Displaced communities are often living in overcrowded settlements and are disproportionally exposed to protection risks, such as discrimination, child rights violations and gender-based violence. Adding onto an already dire humanitarian crisis, forced evictions from state owned property where the IDPs reside continue to be a major problem in Somalia's urban areas. In 2018 alone, more than 300,000 people were forcefully evicted (compared to 200,000 in 2017), mainly in Mogadishu, Baidoa, and Galkayo.

Significant efforts were made to sustain the continued support to Somalia in 2018. The total allocation of EUR 89 million in humanitarian aid enabled partners to provide life-saving assistance in the regions hardest hit by water and food shortages and disease outbreaks. The delivery of cash assistance remained a priority. Giving people money to buy the essentials was an effective and dignified way of providing assistance. Other forms of assistance include health and nutrition care, shelter, water, sanitation and hygiene, protection, education and emergency preparedness and response. With the timely and sustained humanitarian assistance and favourable rains in the first half of the year, the number of severely food-insecure people decreased by 54% between 2017 and 2018. In order to enhance resilience, initiatives were made to transition from emergency cash transfer response to a shock responsive and predictable safety net, in close collaboration with development donors. However, the humanitarian situation is fragile



and the needs remain above the pre-crisis levels of two years ago.

## **Ethiopia**

While recurrent droughts have led to large-scale humanitarian needs in previous years, the main crisis of concern for the humanitarian community in Ethiopia has become since autumn 2017, and then particularly in 2018, the inter-ethnic violence and the resulting massive displacement. Close to 3 million Ethiopians were and are still displaced within their country, the large majority due to the atrocities and targeted killing campaigns. The violence, initially limited to the border region between Oromiya and Somali Regional State, has spread to several parts of the country, namely Gedee/Guji and more recently Kamashi and Welega. Despite their safety and security not being assured, the authorities had tried to return the displaced people to their place of origin. This was against the principles of voluntary and safe returns. Humanitarian organisations were very concerned about the risks the forcibly returned IDPs are facing.

During his visit to Ethiopia in December 2018, while expressing strong EU support to the new Ethiopian government, Commissioner Stylianides echoed the concerns regarding the plight of the IDPs and the need for sustainable solutions that respect the principles of voluntary and safe returns. He announced the EU's important humanitarian funding of EUR 89 million for 2018 - 2019 for the various humanitarian crises in the country.

With over 900,000 refugees from South Sudan, Somalia and Eritrea, Ethiopia is hosting one of highest number of refugees in Africa. Refugees from South Sudan, having arrived in the last five years, constitute the largest group. While the Ethiopian government officially followed an open-door policy, it is very much afraid of creating a 'pull-factor' in form of too favourable conditions for new arrivals. Humanitarian partners and ECHO were concerned about the lack of adequate assistance to those new arrivals, which lead to very high malnutrition rates.

The opening of the border between Eritrea and Ethiopia in September 2018 has caught international attention. Over 24,000 Eritreans have registered as refugees since, joining the 175,000 Eritrean refugees already in the country. Family reunification is thus one of the motivations for many. Many of the new arrivals benefit from permits to live outside of the refugee camps.

In 2018, ECHO has contributed EUR 63 million in humanitarian assistance to respond to the needs of crisis-affected people in Ethiopia. Working through partners, ECHO assisted refugees from South Sudan and Eritrea with food, shelter, essential household items, malnutrition treatment, water and sanitation. The largest share of funding was however dedicated to the internally displaced people who had to flee violence and destruction of their homes and livelihoods.

## **Sudan**

The socioeconomic crisis that started in Sudan at the beginning of 2018 has resulted in a further deterioration of the humanitarian situation. This was mainly visible in poor economic access to food, but other sectors were also affected (e.g. nutrition, health, education) whilst negative coping mechanisms were leading to additional protection concerns. This led to atypically high number of people facing Crisis or Emergency levels of food insecurity during the harvest season (Nov. to Jan.), while the figure reached approximately six million during the 2018 lean season (May to Oct.).

The impact of the economic crisis on refugees, forcibly displaced and host communities took place against a background of high vulnerability (limited access to basic services) and critical levels of global and severe acute malnutrition. This was already witnessed during the lean season, with areas facing an increase trend of admissions between June

and September and confirmed by nutritional surveys in locations hosting refugees. Increasing restrictions on the physical access to cash also created additional constraints, for people's access to commodities and essential services (including health care), for suppliers and for farmers (to pay daily workers during the harvest).

In order to respond to these new humanitarian needs in Sudan, the Commission mobilised a total of EUR 41 million to support the response to the most acute needs.

### **Venezuela**

2018 saw a critical deterioration in the overall living conditions of the population in Venezuela due to a sharpening socio-economic and political crisis. Lack of medicines, combined with a drastic reduction in the health system's capacity, resulted in a growing number of people lacking treatment for chronic diseases or emergency medical care. Several large outbreaks of infectious disease occurred, including measles, diphtheria and malaria, as a result of discontinuation of preventive programmes, deterioration of sanitary conditions and decreased vaccination coverage. Malnutrition rates exceeded emergency thresholds in many areas. By end 2018, over 3.2 million people had left the country, concentrating notably in Colombia, Peru, Brazil and Ecuador. A total of EUR 32 million were allocated by ECHO to help the affected populations in Venezuela and in the region, with the provision notably of health and nutritional services, water and sanitation, protection, education in emergencies, as well as support to host communities.

### **Colombia**

In 2018, humanitarian needs were on the rise in Colombia's forgotten humanitarian crisis. Access and respect for International Humanitarian Law became even more challenging in some areas. Conflict and violence perpetrated against civilians by old and new-armed groups seeking to gain territorial control caused new population displacement with spillover effects in the region. Over 150,000 people were displaced in 2018, and 1 million suffered confinement and mobility restrictions. By the end of the year, there were around 300,000 Colombian refugees in neighbouring countries. In addition, the escalation of the multidimensional crisis in Venezuela pushed large numbers of people to flee to Colombia, escaping insecurity and/or looking for basic assistance.

Colombia is also highly prone to natural disasters. Conflict-affected municipalities are particularly at risk and provide only limited access to emergency responders. A total of EUR 8 million were allocated by ECHO to help conflict-affected people in Colombia and in the region, as well as people affected by natural disasters inside Colombia. Aid sectors included protection, health care, water and sanitation for the most vulnerable groups, education in emergency as well as disaster preparedness.

### **Haiti – Food Crisis**

Haiti faced critical food and nutritional insecurity in 2018, with more than 1.3 million people in acute food crisis, out of which 132,000 were in food emergency situation. The food situation of the most vulnerable households was particularly worrying in the areas stricken by hurricanes Matthew and Irma, where unmet humanitarian needs remain significant, as well as in the North-West department. Prevalence of acute malnutrition among children under the age of five remained high and above WHO emergency levels in several locations, including the northwest department.



More than two years after hurricane Matthew made landfall on the Haitian coasts, over 140,000 affected households still lack access to earthquake-resistant shelters, as well as to water and sanitation.

In 2018, the EU provided EUR 12 million to respond to acute food insecurity and to increase coordination across humanitarian operations. Furthermore, EUR 3.4 million were invested in disaster preparedness initiatives including water, sanitation and hygiene preparedness, supporting rapid response capacities, disaster-resistant shelter building techniques and drought preparedness. The EU also provided Non-Food Items in response to the October earthquake for EUR 0.2 million.

### **Afghanistan Protracted Crises**

As the Afghan conflict goes into its 17<sup>th</sup> year, Afghan people face multiple humanitarian challenges. The war causes an increasing number of civilian casualties, in particular among women and children, protracted displacement and the destruction of the already poor infrastructure of basic services, such as the health and education facilities, water, electricity and telecommunication systems. In addition, the country is hit by a severe drought for the 5<sup>th</sup> year in a row, affecting more than 13 million people.

As a result, some 600,000 people were internally displaced during 2018, partially because of the civil conflict, and partially because of the drought. Most of them being in need of humanitarian assistance, in particular shelter, food and Non-Food Items.

About 850,000 deportees came back from Iran and Pakistan in 2018, many of them without any place to go and in need of assistance. About 13.5 million people are now facing a situation of food insecurity, with an increase of 6 million during the last year.

DG ECHO continued to provide life-saving assistance in Afghanistan, despite the shrinking humanitarian space and very challenging security conditions. EUR 46 million were allocated in 2018 in order to support relief operations and the Emergency Response Mechanism, which aims to ensure timely emergency assistance to people who have been recently displaced. DG ECHO, in particular, aims at reaching those areas of the country that are not supported by other donors and government services.



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## Rohingya Crisis

The Rohingya population of Myanmar has been exposed to systematic discrimination and targeted violence in Rakhine State for decades, pushing them to flee into Bangladesh multiple times in recent years. After the massive displacement from Myanmar of August 2017, over 900,000 stateless refugees reside now in Cox's Bazar region of Bangladesh, the majority of them are living in an extremely congested mega-camp. Refugees in Bangladesh remain fully reliant on humanitarian aid, without freedom of movement and without any livelihoods opportunity. This is an unprecedented protection crisis, in an area prone to natural disasters. Displacement from Myanmar has almost tripled the total population in Cox's Bazar, with a huge impact on the environment and livelihoods activities of the half a million Bangladeshis who live there and creating tensions with local communities. For the time being, conditions for a voluntary, safe, dignified and sustainable return to Myanmar are not present. About half a million of Rohingya still live in Rakhine State of Myanmar in dire conditions, part of them in confinement camps where they are fully dependant on humanitarian assistance.

The Joint Response Plan for 2018 for the Rohingya Refugee Crisis amounted of USD 950 million to cover critical humanitarian assistance for 1.3 million people of Cox's Bazar, including host communities. In 2018, the EU has provided EUR 46 million in humanitarian assistance for the Rohingya crisis, both in Bangladesh and Myanmar, in the form of basic health care, water, sanitation, shelter, nutrition, protection, psychological support and disaster risk reduction assistance for the monsoon season.



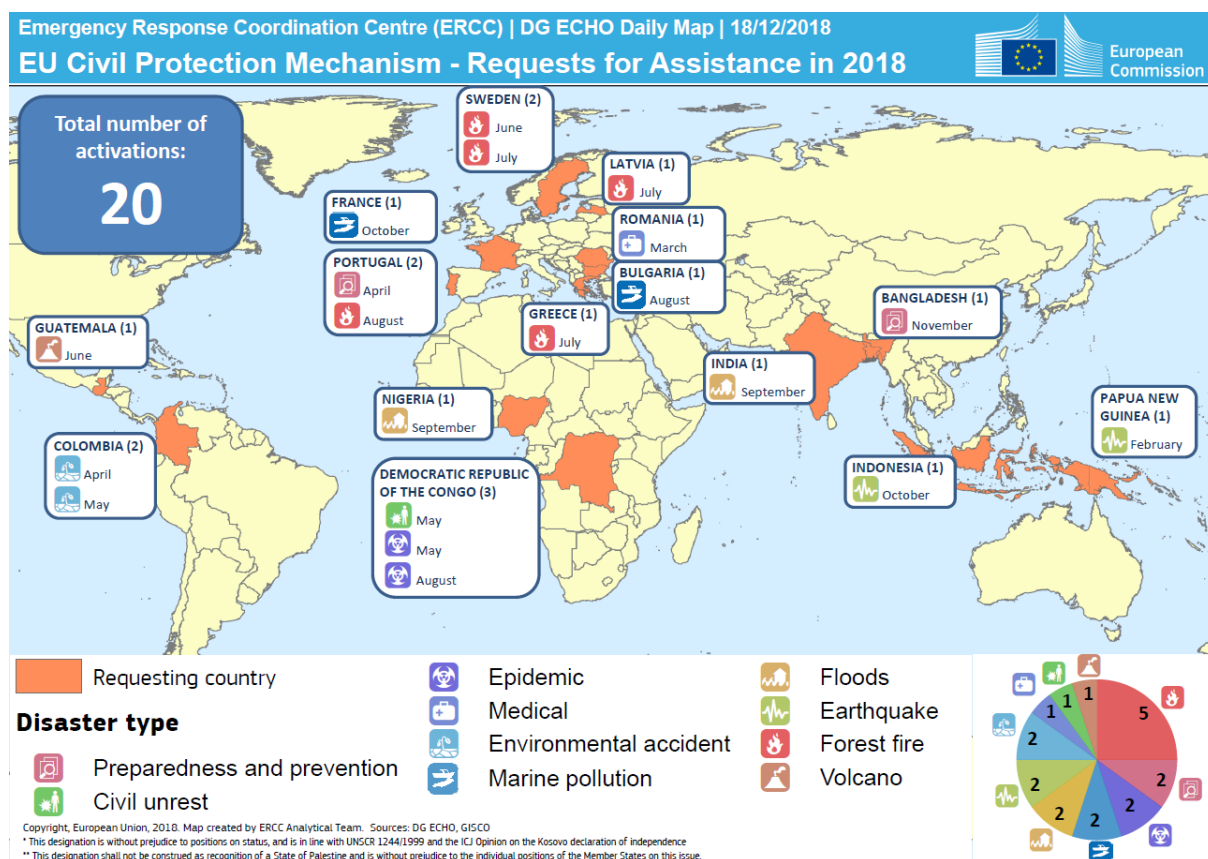
Fleeing Rohingya refugees © WFP/Saikat Mojumder

## b) EU emergency response under the UCPM

The Union Civil Protection Mechanism (UCPM) facilitates the cooperation in disaster response among 34 European Participating States (28 EU Member States, the Republic of North Macedonia, Iceland, Montenegro, Norway, Serbia and Turkey).

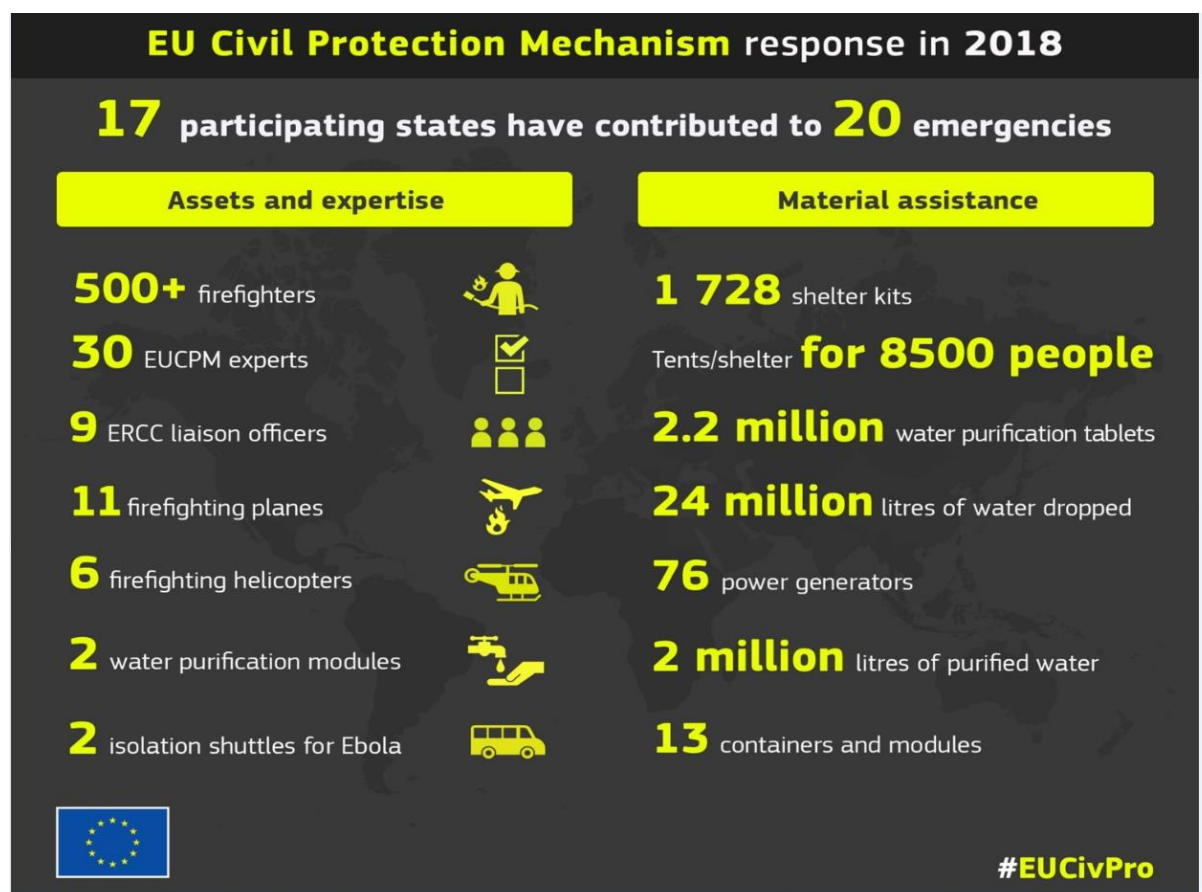
The European Commission manages the Mechanism through the Emergency Response Coordination Centre (ERCC). The Participating States pool resources that can be made available to disaster-stricken countries all over the world.

The support provided through the Mechanism may take the form of in-kind assistance, deployment of specially-equipped teams, or assessment and coordination experts sent to the field. The UCPM can also be activated in support to consular operations.



In 2018, the EU activated the Mechanism to respond to 20 emergencies. Within the EU, the most frequent emergencies were forest fires (with 5 requests for assistance). Through the Mechanism, assistance was provided to third countries affected by floods, earthquakes, volcanos, other humanitarian crises and epidemics, notably Ebola in the Democratic Republic of Congo (DRC).



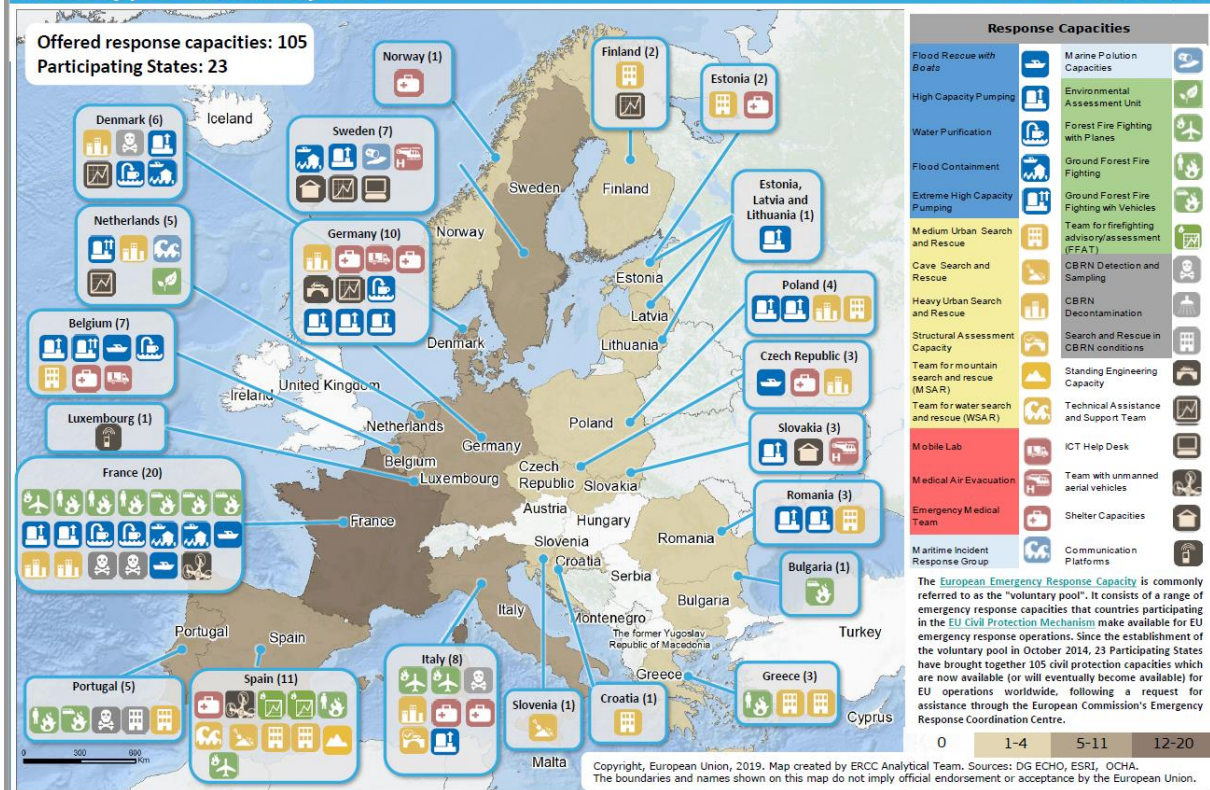


By the end of 2018, a total of 105 emergency response capacities were committed to the European Emergency Response Capacity (Voluntary Pool) and are available for immediate deployment. Out of these, 33 capacities finalised the certification process in 2018. Three new adaptation grants, for a total amount of 615,857 EUR, were granted for the upgrading of national capacities to allow for their international deployment.

With respect to the further development of the European Medical Corps, three European emergency medical teams received the World Health Organization (WHO) classification; all three are registered in the Voluntary Pool. DG ECHO provides financial support to the WHO to allow (among others) mentorship for the European emergency medical teams who wish to go through the WHO classification process. Significant progress was also reached with regard to the development of a European response plan for mass burn casualty disasters. The plan is being developed in close collaboration with the European Burns Association, and a workshop was hosted by Romania in October 2018 to advance the finalisation of the plan.



Aerial medical evacuation capacity for highly contagious patients © Luxembourg Air Rescue





## Response to Forest Fires

The 2018, once again the forest fire season resulted in tragic loss of life and destruction of livelihoods and property. Forest fires southern Europe but also this year in northern Europe resulted in significant destruction of property and livelihoods with impacts on the economy including to network infrastructure, businesses, agricultural and forestry activities. The EU Civil Protection Mechanism was activated 5 times to respond to forest fires in Greece, Latvia, Portugal and Sweden. Overall, substantial support was provided to the countries in need, namely Sweden and Greece. In total, 15 planes, 6 helicopters and over 400 firefighters and crew were mobilized. Some EUR 1.6 million was allocated in transportation costs for the mobilization of support to the affected countries. A prevention and preparedness mission took place in Portugal to provide advice on strengthening the country's capacity to deal with forest fires. Furthermore, 139 Copernicus satellite maps on forest fires were produced, on the request of the Member States.

As in previous years, Commission co-financed aerial forest fire fighting capacities (buffer capacities) to reinforce Member States capacities to fight forest fires. These buffer capacities were included as part of the voluntary pool. The buffer capacity based in Italy was composed of two heavy amphibious planes and the one based in Spain consisted of air tractors. In July 2018, the EU buffer capacity based in Italy was deployed to Sweden for 11 days (from 17 to 27 July). It carried out a total of 162 flight hours and 1180 water drops.



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## Support by EU civil protection around the world

In 2018, there were 11 requests for assistance from outside the EU for sudden onset and large-scale emergencies. The Mechanism facilitated the provision of assistance and experts to the following countries: Bangladesh, Colombia, the Democratic Republic of Congo, Guatemala, India, Nigeria, Indonesia and Papua and New Guinea.

## Copernicus Rapid Mapping Service

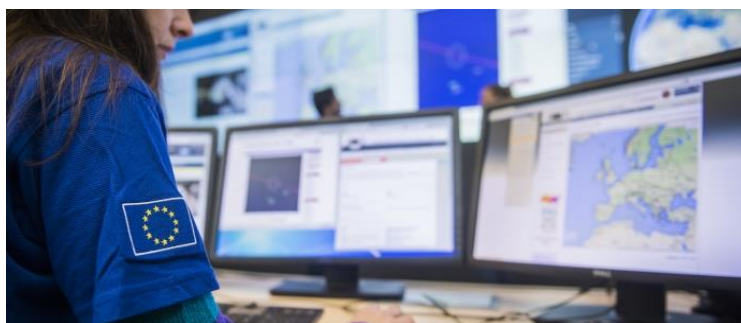
The EU's Copernicus system was activated 74 times to provide satellite maps to help assess damages and provide information to assist emergency response (50 times for maps for EU Member States and 24 times for maps outside the EU). Over 1,000 maps were produced in rapid mode.

## The Emergency Response Coordination Centre (ERCC)

In 2018, the ERCC continued to provide significant added-value through its 24/7 coordination and monitoring capabilities, which ensured real-time monitoring and immediate reaction. The ERCC facilitated the production of daily crisis information, maps and civil protection messages for a wide range of interlocutors.

It also contributed and distributed integrated situational awareness and analysis (ISAA)

reports that support the political decision-making in the Council in the context of Integrated Political Crisis Response (IPCR) arrangements that are triggered automatically by the invocation of the Solidarity Clause<sup>36</sup> or in cases of 'stand-alone' activations of the IPCR.



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### **Outlook for the Union Civil Protection Mechanism (UCPM)**

Following the Commission proposal<sup>37</sup> to strengthen the Union Civil Protection Mechanism submitted to the co-legislators in November 2017, intense negotiations took place throughout the whole of 2018. On 12 December 2018, the three institutions reached a political agreement on a compromise text that substantially strengthens the current system.

The new legal framework will bolster disaster response capacities at EU level by:

- Establishing an additional reserve of capacities 'rescEU' to respond to disasters. Such capacities would include firefighting planes, as well as other means to respond to situations in which overall EU capacities are insufficient to ensure an effective response (e.g. for medical emergencies or chemical biological radiological and nuclear incidents).
- Co-financing the operational costs of rescEU capacities when used for Union Civil Protection Mechanism operations;
- Co-financing the development of rescEU capacities;
- Increasing financial support for capacities registered in the European Civil Protection Pool, including in relation to adaptation, repair, operational (inside the EU) and transport costs (outside the EU).

The EU will also step up support for Member States to improve their disaster risk management and will:

- establish a simplified reporting framework, focusing on key risks of a cross-border nature and risks of low probability with high impact;
- provide support to Member States to increase their existing measures through consultation mechanisms as well as deployment of expert missions and follow-up recommendations;
- share knowledge and lessons learnt through the setting up of a new EU Civil Protection Knowledge Network.

This new legal framework also provides for a total overall increase in the UCPM financial

<sup>36</sup> Article 222 of the Treaty on the Functioning of the European Union.

<sup>37</sup> COM(2017)772.

envelope of EUR 205 additional million for the remaining Multiannual Financial Framework period (2019-2020).

### *Horizontal priorities*

## **Education in Emergencies**

In 2018 DG ECHO dedicated 8.5% of its budget to Education in Emergencies (EiE), amounted to EUR 91.6 million, supporting EiE activities in 34 countries. This is not only surpassing its target of 8% for the year but also well on track towards the pledge by the Commissioner for Humanitarian Aid and Crisis Management at the 2016 World Humanitarian Summit to reach 10% by the end of his mandate in 2019. Besides the humanitarian budget, in 2018 DG ECHO also managed EUR 1.4 million worth of EiE funding through the Emergency Support Instrument in Greece. The overall assistance to EiE benefited 1.25 million beneficiaries, securing access to safe and quality education for girls and boys in the most vulnerable situations. DG ECHO also led on the policy development in this thematic area, culminating in the adoption of a Communication on education in emergencies and protracted crises<sup>38</sup> in May 2018. The new policy framework will enable the EU to leverage its resources more predictably, flexibly and effectively based on a holistic and coordinated humanitarian-development nexus approach and clear strategic priorities. Partnerships for a rapid, efficient, effective and innovative education response; promoting access, inclusion and equity; championing education for peace and protection; and supporting quality education for better learning outcomes will all contribute to the EU's focus on the continuity of education in crisis contexts. EU Member States endorsed the policy framework in Council Conclusions<sup>39</sup> adopted in November 2018.



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<sup>38</sup> Communication on education in emergencies and protracted crises (COM (2018)304 final of 18.5.2018).

<sup>39</sup> Council Conclusions on education in emergencies and protracted crises (12817/18 of 26 November 2018).



## Cash assistance

DG ECHO pays particular attention to the modalities used to deliver adequate, effective and needs-based humanitarian assistance.

A strong evidence base shows that cash transfers are often more efficient and cost-effective than other forms of aid. With reduced transaction costs, cash and vouchers result in more aid directly reaching beneficiaries, which ultimately ensures the maximum impact for those in need and better value-for-money for donors and taxpayers. Cash transfers also provide people in need with wider and more dignified assistance, giving them the flexibility to choose what to purchase based on their preferences. Finally, cash assistance supports local markets, lays the foundations for communities' recovery and resilience, and can complement existing social safety protection systems.

This is why DG ECHO takes every opportunity to scale up the use of cash, where appropriate to the context. In particular, multi-purpose cash transfers allow beneficiaries to meet a range of basic needs across sectors, while measuring the impact of cash assistance and ensuring that the quality of assistance received is maintained. Among the most prominent examples of multi-purpose cash programmes is the Emergency Social Safety Net in Turkey, which allows over 1.5 million vulnerable refugees to meet their most pressing basic needs in a dignified way through cash assistance.

The international community has recognised and expressed the need to scale up cash assistance in humanitarian aid through the World Humanitarian Summit and Grand Bargain. DG ECHO has taken important measures to lead this change, and advance the use of cash in humanitarian operations. Over the past years, DG ECHO has increased the percentage of assistance we deliver in the form of cash – in 2017, we passed the 35% mark. We maintained our commitments in 2018, and we plan on doing the same in 2019.

Since the Cash Guidance Note was issued in November 2017, a gradual application of its principles has taken place in a variety of contexts, which in turn has increased the effectiveness and efficiency of large-scale cash transfer operations. For instance, cash assistance to asylum-seekers in Greece evolved from a fragmented approach into a mechanism that includes a single grant agreement with one partner, a single cash card and financial service provider, and a single database. Iraq shows another example of a cash consortium promoting ultimate coordination and harmonisation among partners through common targeting criteria and transfer value, an interoperable database, and common delivery mechanisms. Finally, EU partners in Somalia have streamlined their operations through the establishment of a consortium, which has significantly improved the design and performance of the programme and increased the segregation of duties across the components of the cash delivery.

Efficiency ratios<sup>40</sup> of 85:15, as envisioned in the Cash Guidance Note, are already being achieved and DG ECHO will continue to seek even greater efficiencies, to reduce the humanitarian footprint and ensure that more humanitarian assistance reaches those who need it most.

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<sup>40</sup> For large-scale cash operations, the Total Cost to Transfer Ratio (TCTR) is a standard way of measuring efficiency, defined as the proportion of the value of transfers received by beneficiaries. An efficiency ratio of 85:15 means that 85% of the total value is transferred to final beneficiaries.

## **Innovation and private sector engagement**

In 2018, DG ECHO actively engaged in the global debate around humanitarian innovation and private sector engagement, notably at the Annual Meeting of the World Economic Forum, at the ECOSOC Humanitarian Affairs Segment and at the UN General Assembly. At European level, it promoted the sharing of best practice and information on these themes during meetings of COHAFA (Council working group on Humanitarian Aid and Food Assistance) and with national experts.

DG ECHO continued to support the development of innovative approaches, including as regards digitalisation, inter alia by exploiting opportunities offered by EU research and innovation programmes. By way of illustration, three European Innovation Council Horizon 2020 Prizes of direct relevance for the humanitarian sector were launched and exploited as catalysts for cross-sectoral partnerships in 2018: Affordable High-Tech for Humanitarian Aid, Early Warning for Epidemics and Blockchains for Social Good.

## **Call to Action on Protection from Gender-Based Violence in Emergencies**

From June 2017 to December 2018, DG ECHO led the global humanitarian initiative "Call to Action on Protection from Gender-Based Violence in Emergencies". The Call to Action is a global initiative, which brings together 82 partners, including States and donors, international organisations and NGOs aiming to drive change and foster accountability in the humanitarian system to address Gender-Based Violence (GBV) from the earliest phases of a crisis. This initiative was created in 2013 by the United Kingdom and Sweden.

DG ECHO has been an active partner of the initiative since 2013. In June 2017, DG ECHO became the fourth global lead of the initiative, following the United Kingdom, the United States, and Sweden.

During 2017 and 2018, DG ECHO allocated approximately EUR 62 million in humanitarian aid for the prevention of and response to sexual and gender-based violence worldwide under its protection and health programming.

DG ECHO's leadership of the Call to Action was guided by four specific priorities:

1. Increase advocacy on the prevention of and response to GBV in emergencies. DG ECHO significantly strengthened support for the partnership, by welcoming 18 new partners to the Call to Action. DG ECHO advocated for the prevention of and response to GBV in emergencies by organising a number of global events in Brussels, Geneva and New York. These include a high-profile event in Brussels during the 2018 European Development days and a joint DG ECHO-UNICEF event during the United Nations General Assembly in New York in September 2018.
2. Increase focus on prevention of GBV in emergencies. The EU strives to prevent GBV in emergencies, and advocates so that GBV prevention becomes a reflex for all humanitarian actors. Examples include EU support to UN Women and Oxfam UK for the revision of the Inter-Agency Standing Committee (IASC) Gender Handbook, a practical tool that provides guidance to frontline humanitarian workers on how to integrate gender in humanitarian aid. In October 2018, DG ECHO published a first-ever report on its Gender-Age Marker, which includes a criterion on risk mitigation. Many of the events that the DG ECHO hosted discussed issues relevant to prevention, risk mitigation, and collective responsibility of humanitarian actors to address GBV in emergencies.
3. Raise awareness of the Call to Action at the field level where awareness is the lowest yet the potential impact is the biggest. The EU supports the United Nations Population Fund (UNFPA) and the Gender-Based Violence Area of Responsibility with EUR 975,000 for the operationalisation of the Call to Action at field level, in Nigeria and the Democratic Republic of the Congo (DRC). This two-year project

started in early 2018. The Northeast Nigeria Call to Action Road Map was formally launched in September 2018. A similar process is ongoing in the DRC. The EU is also supporting the UNFPA to develop inter-agency global minimum standards on GBV in emergencies, which is a key deliverable, part of the Call to Action Road Map. Throughout 2018, the EU organised a series of field workshops to raise awareness on the Call to Action and discuss context-specific challenges, in Afghanistan, Colombia, Kenya, Cameroun, Iraq, Jordan, Sudan, Thailand, Turkey and Senegal, welcoming almost 500 participants in total.

4. Lead the implementation and monitoring of the Call to Action Road Map 2016-2020. During its leadership, in addition to tasks related to leading the Steering Committee and acting as the de facto secretariat of the partnership, the EU also facilitated the finalisation of the Monitoring and Evaluation Framework for improved reporting of the impact and overall progress of the Call to Action, piloted a standard reporting tool, and facilitated the drafting of the 2017 Call to Action Progress Report. In November 2017, DG ECHO also launched the Call to Action website, a joint platform owned by the partnership and managed by the rotating leadership of the initiative. In addition, the partnership also developed its first logo. On 27-29 June 2018, DG ECHO hosted the annual Call to Action partners meeting, bringing together approximately 100 representatives of Call to Action partners.



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### **ECHO Flight (Africa) and support to Humanitarian Air Transport Services**

Guaranteeing fast and safe access to the field is vital to save lives in humanitarian emergencies. In contexts where there are no reliable roads, ports or other infrastructure, access to crises by land or water becomes difficult, if not impossible. Humanitarian air services are crucial to get access to remote places and reach people in need. In addition to transporting humanitarian supplies and workers, humanitarian air services also carry out medical and security evacuations.

DG ECHO operates its own humanitarian air service - ECHO Flight - with hubs in Kenya, Uganda, Democratic Republic of Congo and Mali. The service is free of charge for ECHO's partners and humanitarian organisations.

The fleet consists of six small aircrafts: three in DRC / Uganda, one in Kenya and two in Mali.



An ECHO Flight aircraft © European Union/DG ECHO

In 2018, ECHO Flight supported the humanitarian staff of more than 250 projects and transported 26,176 humanitarian aid workers and around 230 tons of humanitarian cargo. The ECHO Flight budget in 2018 amounted to EUR 14.6 million. More than 70 flights were performed in support of the two Ebola outbreaks, in DR Congo, in 2018, to ensure ease of access for humanitarian workers and medical cargo.

In addition, the Commission supports other not-for-profit humanitarian air services. In 2018, it contributed EUR 20 million to the WFP/United Nations Humanitarian Air Service (UNHAS) and logistics operations in Sudan, South Sudan, Chad, Mauritania, Niger, Nigeria, Mali, Yemen, Ethiopia, Cameroon, Somalia, DR Congo and the Central African Republic, and EUR 750,000 to the Afghanistan operations of Mission Aviation Fellowship (MAF- PACTEC).

In 2018, the combined direct contributions to humanitarian transport and logistics operations amounted to EUR 35 million.

### **Specific Objective 1.2: People and communities at risk of disasters are resilient**

#### ***a) Resilience and Disaster Risk Reduction***

DG ECHO attaches great importance to the link between humanitarian aid, as a rapid response measure in crisis situations, and more medium and long-term development action. The humanitarian-development nexus requires increased coordination – leading to joint humanitarian-development approaches and collaborative implementation, monitoring and progress tracking.

DG ECHO and DG DEVCO<sup>41</sup> continued to step up their cooperation in 2018 based on a common approach to resilience-building, which aims to ensure greater coherence between EU-funded projects, better complementarity with local systems and EU development co-operation, and a clearer portrayal of the EU's added value.

DG ECHO works closely with DG DEVCO from the start to ensure that risk and vulnerability is appropriately assessed and that emergency response is accompanied by preparedness actions and followed by strengthening resilience-building in the most

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<sup>41</sup> Directorate-General for International Cooperation and Development

affected countries<sup>42</sup>.

DG ECHO further advanced its global Disaster Risk Reduction (DRR) efforts. All Humanitarian Implementation Plans incorporated an analysis of options and priorities for preparedness, early action and DRR. DRR activities were mainstreamed in 52% of all humanitarian operations in 2018, (65% in 2017) and reached 28 million beneficiaries worldwide.

### **EU Aid Volunteers: supporting resilient communities**

The EU Aid Volunteers Initiative<sup>43</sup> started at the end of 2014 bringing together volunteers and organisations from different countries, providing practical support to humanitarian aid projects and contributing to strengthening the local capacity and resilience of disaster-affected communities. A mid-term evaluation of the programme, carried out in 2017 and finalised in 2018, assessed its relevance, coherence, EU added value, effectiveness and efficiency supported by an external study<sup>44</sup>.

As of December 2018, DG ECHO has funded a total of 728 benefitting sending and hosting organisations<sup>45</sup> under the EU Aid Volunteers Initiative. This support included strengthening their capacity, technical assistance and managing deployment of volunteers to disaster-affected communities.



EU Aid Volunteer in Lebanon © European Union

To support the implementation of this programme, DG ECHO continued operating the EU Aid Volunteers Platform<sup>46</sup>. The Platform provides a space for the publication of volunteering vacancies, a discussion forum for volunteers, volunteer sending organisations and local host organisations, and the publication of stories from the field. It supports partnerships and collaboration between projects, houses the online volunteering activities and allows organisations to manage the learning and development, the mentoring and the creation of certificates for EU Aid Volunteers.

To strengthen the network and receive feedback on the functioning of the EU Aid

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<sup>42</sup> Six pilot countries, namely Chad, Iraq, Myanmar, Nigeria, Sudan and Uganda.

<sup>43</sup> Regulation (EU) No 375/2014 of the European Parliament and of the Council of 3 April 2014 establishing the European Voluntary Humanitarian Aid Corps ('EU Aid Volunteers initiative') (OJ L 122, 24.4.2014, p. 1).

<sup>44</sup> Thematic evaluations: [https://ec.europa.eu/echo/funding-evaluations/evaluations/thematic-evaluations\\_en](https://ec.europa.eu/echo/funding-evaluations/evaluations/thematic-evaluations_en)

<sup>45</sup> Of which 311 in capacity building, 70 in technical assistance, 347 in deployment projects. Some organisations participated in several of these projects.

<sup>46</sup> EU Aid Volunteers Platform: [https://webgate.ec.europa.eu/echo/eu-aid-volunteers\\_en/](https://webgate.ec.europa.eu/echo/eu-aid-volunteers_en/)

Volunteers initiative, DG ECHO organised two workshops (in April and in October) with sending and hosting organisations as well as volunteers with 160 participants in total.

The number of proposals selected for funding in 2018 following the two calls for proposals was 18 and resulted in a full consumption of the budget. DG ECHO will continue its outreach and communication activities to promote this initiative in order to achieve higher rates of participation in the calls in the future. In 2018, DG ECHO made an effective contribution to the drafting of the legislative proposal for a Regulation laying down the legal framework of the European Solidarity Corps under the new MFF 2021-2027. Integration of the EU Aid Volunteers and the Solidarity Corps could potentially increase the rate of participation in the calls in the future.

As a result of the 2018 calls for proposals, 368 vacancies for volunteers will be published in the course of 2019. As of December 2018, 570 candidate volunteers went through the EU Aid Volunteers training.

## **1.2 General Objective 2: Towards a new policy on migration**

### **Specific Objective 2.1: The humanitarian as well as longer-term needs of the most vulnerable people in displacement crises are met**

There were more than 68.5 million forcibly displaced people by the end of 2017. Most of them were hosted in developing countries with limited resources. Protracted displacement, i.e. lasting five or more years, has become the norm. Forcibly displaced people rely for years on humanitarian assistance and also in 2018, DG ECHO life-saving humanitarian assistance reached IDPs and refugees in all major displacement situations world-wide. However, humanitarian assistance is not meant to cater for long-term displacement as it cannot provide what is most needed in such situations: engagement of the human potential of the displaced, self-reliance and sustainable livelihoods.

Throughout 2018 DG ECHO was closely engaged in the formal consultation process for the adoption of the Global Compact on refugees and of the Global Compact for migration both of them adopted in December 2018. DG ECHO also actively followed the process at field level, especially the roll-out of the Comprehensive Refugee Response Framework (CRRF) in focus countries in the Horn of Africa and in the Northern Triangle in Central America.

Throughout 2018, DG ECHO continued to implement the Commission's approach to protracted forced displacement outlined in the Communication "Lives in Dignity: from Aid-dependence to Self-reliance"<sup>47</sup>. Its aim is to prevent forced displacement from becoming protracted and to gradually end dependence on humanitarian assistance in existing displacement situations by fostering self-reliance and enabling the displaced to live in dignity as contributors to their host societies, until voluntary return or resettlement. Building on strong partnerships with hosting countries, it calls for greater synergies between humanitarian and development actors, thus preventing fragmentation or overlaps, and making the response by the EU and its Member States more coherent and more effective. The progress of the implementation was reported to the Council in April 2018. Furthermore, forced displacement has been a very strong element in country-based implementation of humanitarian –development nexus. A number of workshops were held in four out of the six pilot countries, such as in Uganda, Chad, Myanmar and Iraq, and joint humanitarian –development frameworks agreed upon among services in several countries in the MENA region (Jordan/Lebanon/Syria) and Ukraine. In 2018, DG ECHO continued to engage with other Commission services and the EEAS to further

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<sup>47</sup> COM (2016) 234 of 26.4.2016.

disseminate and implement the Communication including through six guidance notes (on coordination, protection, first response, basic services, self-reliance/livelihood and durable solutions).

Given the anniversary of the adoption of the guiding principles on internal displacement, DG ECHO together with other services strengthened its advocacy and organised several visibility events on the issue (including at the margins on ECOSOC humanitarian segment). It continued to explore potential for a possible high-level international process on the issue, in accordance with the UN general resolution on Assistance to internally displaced persons (A/RES/72/182).

## **Refugee and migration crisis**

### **Instrument for Emergency Support within the EU**

2018 has been the third year of activation of the Emergency Support Instrument (ESI), put in place in 2016 for the management of the humanitarian impact of the refugee and migration crisis inside the EU.

The EU continued facing the humanitarian consequences of the refugee and migration crisis on its own territory. At the beginning of 2018, around 50,000 refugees and migrants still remained in Greece, according to Greek Government statistics, and UNHCR declared that at the end of 2018, over 71,200 refugees and migrants were still stranded in the country. During 2018, the ESI catered for up to 63,000 of these beneficiaries, in line with "Financial Planning 2018" communicated from the Greek Government to the Commission.

The ESI was allocated EUR 200 million in 2018 for the provision of needs-based emergency support in Greece. This funding complements the efforts of the Greek authorities, as well as the support provided to Greece by other EU instruments.

Throughout 2018 and for the third and last year of ESI activation, 18 humanitarian partners have continued to carry out ESI-funded actions always in coordination with the Greek authorities.

The ESI met the basic needs of people of concern in Greece, through the provision of multi-sectorial support: basic needs assistance; food assistance; shelter, site planning and site management; protection, including unaccompanied minors; educational services; healthcare, including psychosocial support and mental health.

In view of the obligation of submitting an evaluation of the Emergency Support Regulation in March 2019 an internal and an external evaluation of the emergency support regulation was carried out in 2018. The Commission's report will become available in the first quarter of 2019.

Main outcomes during 2018:

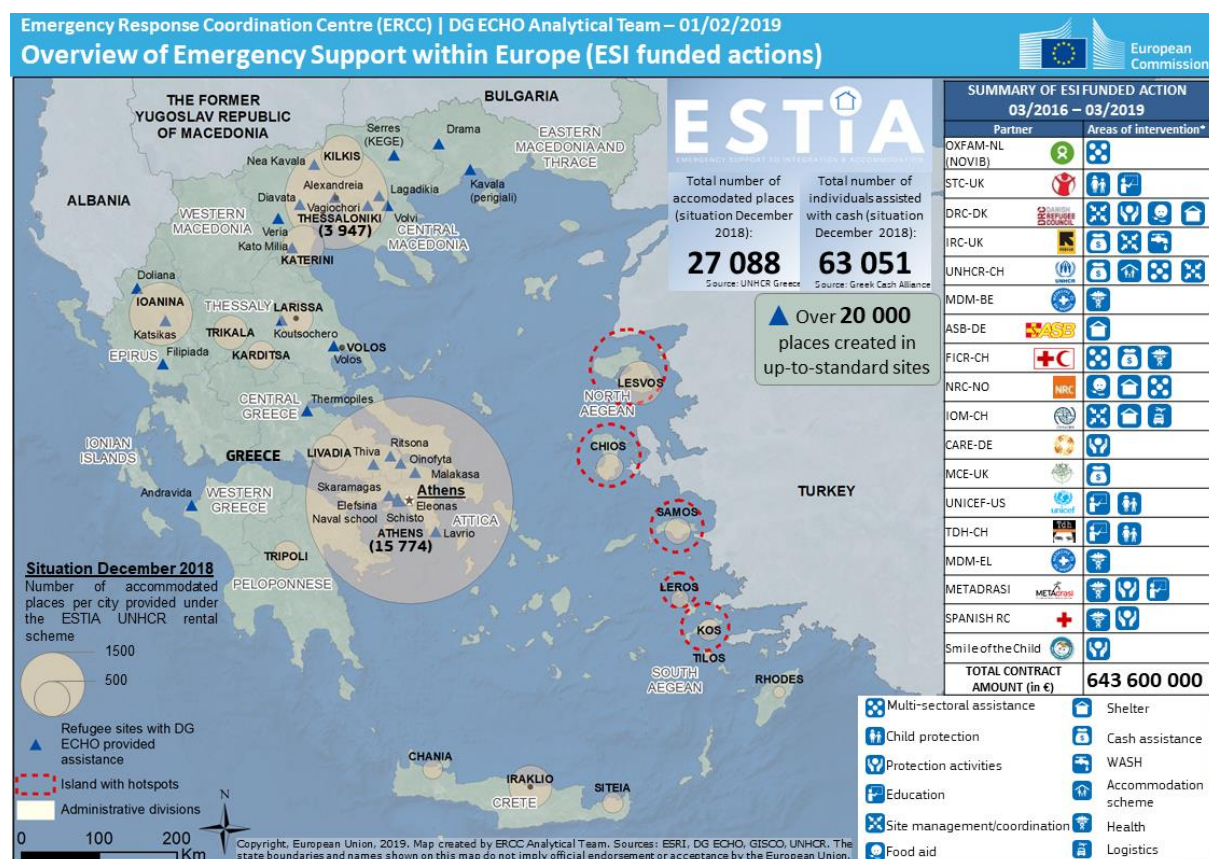
2018 was the de facto final year of implementation of actions, since the ESI activation will end on 15 March 2019. Throughout 2018, the main focus of DG ECHO has been the closure and handover of projects. The main outcome was the successful handover of the two main programmes to the Asylum, Migration and Integration fund managed by DG HOME: the ESTIA accommodation and cash scheme, and the Site Management Support (SMS) for the mainland.

- The ESTIA cash scheme ensured coverage of basic needs to 99,945 individuals (cumulative number).

- The ESTIA rental scheme ensured a coverage of accommodation needs for 34,305 individuals (cumulative). In parallel, DG ECHO continued to operate in camps on the mainland in 2018, in coordination and agreement with the Greek authorities, covering



infrastructure and services for over 26,000 people (shelter, wash, healthcare, protection, education), including running costs (cleaning, transport and waste). All permanent camps on the mainland have been fully winterised. The camp supported activities have also been successfully handover to DG HOME as of 1 January 2019.



## ESTIA – Emergency Support to Integration and Accommodation

The EU's flagship Emergency Support to Integration and Accommodation (ESTIA) programme, started in 2017, was implemented throughout 2018. It helps refugees live more secure and normal lives and better integrate them into the local economy and society.

Thanks to the programme, refugees and their families can stay in rented urban accommodation and obtain regular cash assistance. The ESTIA programme had a budget of over EUR 167 million in 2018, and has been implemented by UNHCR together with other implementing partners.

In December 2018, 63,051 people have benefitted from the cash assistance scheme. This system establishes a basic social safety net for all asylum seekers and refugees in Greece by providing them with pre-defined monthly cash allocations through a dedicated card. It aims to enable refugees to meet their basic needs in a dignified manner. The allocations are consistent across the country, and pegged to the Greek emergency social safety net, as well as being based on the refugees' family size. At the same time, this assistance is re-injected into the local economy, family shops and service providers.

A second pillar of ESTIA is the provision of up to 27,000 urban accommodation places, aimed at improving living conditions of asylum seekers.



The bulk of apartments are rented in cities and towns on mainland Greece. Ten municipalities in Greece are formally part of this project.



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- In 2018, ESI continued to run 24/7 safe zones for Unaccompanied Minors in sites in the mainland, providing secure shelter for over 900 children.
- In 2018, EUR 23 million was provided for non-formal educational activities. In 2018, approximately 10 100 refugee and migrant children between 5-17 years old were enrolled in primary and secondary education in Greece. This was facilitated with ESI funding. Approximately 2,400 children and adults accessed non-formal education.
- In 2018, more than 10.000 asylum seekers and beneficiaries of international protection benefitted from protection activities such as legal aid, case management, support in case of Gender-based violence.
- Primary health care consultations and referrals to hospitals were available in all camps where needed, as well as in Athens and Thessaloniki. As part of the ESI exit strategy, the responsibility of implementing health activities was progressively handed over to the Greek Ministry of Health with AMIF (DG HOME) funding.
- A clear distribution of responsibilities between the Greek authorities and the relevant Commission services (as delineated in the Financial Plan 2018) was key in providing support in 2018 in the most efficient way, and avoided overlap with other EU funding sources. The DG ECHO intervention was focused primarily on the mainland, whereas the Greek islands were covered mainly by funding from DG HOME.

## Turkey

On 29 June 2018, the 28 EU Member States agreed on the financing additional EUR 3 billion for the EU Facility for Refugees in Turkey to support Syrian refugees. The agreement honours the commitment undertaken by the EU under the EU-Turkey statement of 18 March 2016. Under the second tranche of EUR 3 billion, EUR 550 million has been committed in 2018, out of which EUR 50 million for humanitarian aid, mainly on protection and health. This brings the overall humanitarian funding contracted under the Facility to EUR 1.45 million. The Humanitarian Implementation Plan (HIP) 2018 focused mostly on protection, funding activities on information and awareness raising, specialised protection services as well as targeted protection monitoring and advocacy.

The Facility's flagship humanitarian program is the Emergency Social Safety Net (ESSN), a social assistance scheme that allows the most vulnerable refugees to meet their most pressing basic needs. As of December 2018, the ESSN is assisting over 1.5 million beneficiaries. It is the largest single humanitarian project in the history of the EU.

Building on the ESSN, the European Union has funded the Conditional Cash Transfer for Education (CCTE) project since the beginning of 2017. The EU contribution of EUR 84 million funds bi-monthly cash transfers to vulnerable refugee families whose children attend school regularly. The project also includes a child protection component to ensure refugee children continue to attend school and receive complementary child protection services when needed. By December, the CCTE has in total supported over 410 000 children who attended school regularly. These projects are complemented by a number of other humanitarian aid projects addressing protection issues, providing non-formal education and specialized health care services.

### **Western Balkans**

In 2018, DG's ECHO activities focused mainly on support to refugees and migrants in Bosnia and Herzegovina. At the beginning of 2018, local communities and international organisations provided basic assistance such as food, shelter, and basic healthcare. However, their capacities were overstretched. In May 2018, the Council of Ministers of Bosnia and Herzegovina officially requested assistance from the EU. The European Commission allocated EUR 2 million in humanitarian aid in 2018 to provide emergency assistance. This emergency response addresses the needs of the refugees and migrants present in particular in the Una-Sana Canton region in the north west of Bosnia and Herzegovina where the needs are most acute. The short-term assistance was complemented by a mid-term response amounting to EUR 7.2 million by DG NEAR.

## 1.3 General Objective 3: A new boost for jobs, growth and investment

### **Specific Objective 3.1: Populations and economic assets at risk of disasters in the EU are protected**

The European Union aims to promote the well-being of citizens, which means contributing to their security. It has played a key role in protecting citizens against natural disasters in the past year, and must continue to do so. The Union Civil Protection Mechanism is evidence of European solidarity both inside and outside the Union borders.<sup>48</sup>

In 2018, the European Commission continued to implement the Sendai Framework for Disaster Risk Reduction 2015-2030 and its own Action Plan<sup>49</sup>, covering four key areas related to four Sendai priorities: (1) building risk knowledge in all EU policies; (2) an all-of society approach in disaster risk management; (3) promoting risk-informed investments; and (4) supporting the development of a holistic disaster risk management approach - and 51 actions aiming at ensuring EU policy is disaster-informed and contributes to risk reduction.

DG ECHO coordinated the preparation of a second review of the Action plan, covering 2017 and 2018. The second review highlighted four key areas to prioritise by the Sendai interservice group in 2019 and 2020: cooperation with the private sector and insurance, risk-informed and sustainable financing and investment, disaster recovery and resilient infrastructure, and national and local disaster risk reduction strategies.

The Commission continued to support the EU Member States in the global Sendai Framework monitoring process (targets and indicators). DG ECHO also played an active role in coordinating the European Commission's engagement in the European Platform for Disaster Risk Reduction (Rome, November 2018), a key milestone to take stock of the Sendai Framework implementation.

At the end of 2018, the three EU institutions reached a political agreement on a Commission proposal to strengthen the Mechanism, through inter alia the establishment of a dedicated reserve of additional capacities - rescEU, in order to ensure that the Union can provide better crisis and emergency support to EU citizens with maximum efficiency.



Aerial fire fighting aircraft, one of the critical assets for disaster response in Europe  
© DGSCGC MRI, France



EU co-financed high capacity pumping module 'BaltFloodCombat' © European Union

<sup>48</sup> Annex 12 provides a comprehensive reporting on the related performance indicators and outputs. Further indicators and a complete listing of the expenditure-related outputs can be found in the Programme Statements of the relevant spending programmes annexed to the EU budget.

<sup>49</sup> SWD(2016)205 final/2 [http://ec.europa.eu/echo/sites/echo-site/files/sendai\\_swd\\_2016\\_205\\_0.pdf](http://ec.europa.eu/echo/sites/echo-site/files/sendai_swd_2016_205_0.pdf)

The current Mechanism has proved to be a good tool to mobilise and coordinate the assistance provided by the Participating States to respond to disasters inside and outside the Union. The extent and geographical spread of the disasters in 2017 and 2018 and the response provided by existing structures, have however shown that it has reached its limits.

Building on these strengths, the new legal framework aims to reinforce the provisions of the current mechanism to enhance the collective capacity of Member States to respond to disasters. The proposal expressly provides for setting up additional operational capacities, ensuring rapid access to those capacities. This new reserve capacity, as well as higher co-financing rates for the European Civil Protection Pool (currently known as European Emergency Response Capacity, EERC) will contribute to addressing structural and emerging critical gaps in disaster response.



rescEU: Commissioner Stylianides proposes a new approach for preventing, preparing for and responding to disasters in the EU © European Union

*"The tragedies of last summer and the past few years have shown that our current disaster response system has reached its limits in its existing voluntary format. The challenges we face have evolved, and so must we. It is a matter of solidarity and shared responsibility at all levels. This is what European citizens expect from us and I now look to European governments and the European Parliament to embrace this proposal."* Christos Stylianides, Commissioner for Humanitarian Aid and Crisis Management, Brussels, 23 November 2017<sup>50</sup>

The proposal further enhances prevention by establishing a simplified reporting framework, focusing on key risks of a cross-border nature and risks of low probability with high impact; providing support to Member States to increase their existing measures through consultation mechanism and, deployment of expert missions and follow-up recommendations; and sharing knowledge and lessons through the setting up of a new Union Civil Protection Knowledge Network.

In 2018, DG ECHO continued to support Member States in the assessment of their risk management capability and in the preparation of national risk assessments and continued to promote cooperation between Member States in sharing good risk management practices and tools.

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<sup>50</sup> rescEU Press release: [http://europa.eu/rapid/press-release\\_IP-17-4731\\_en.htm](http://europa.eu/rapid/press-release_IP-17-4731_en.htm)



The UCPM peer review programme, where the disaster risk management system of one country is examined on a voluntary and equal basis by experts ('peers') from other countries, was re-launched in 2018 with three peer reviews conducted in Cyprus, Tunisia, and the Republic of North Macedonia, and three more peer reviews planned in 2019.

As the vast majority of investments in disaster risk management come through the European Structural and Investment Funds (ESIF), DG ECHO continued to monitor and follow up closely the implementation of the current programming period (2014-2020), as well as participated and contributed to the negotiations of the next Multiannual Financial Framework (MFF 2021-2027) proposal, with DG REGIO in the lead. DG ECHO contributed to approaches on disaster risk management provisions for the next ESIF funds, which have been reflected in the policy priorities (including "promoting climate change adaptation, risk prevention and disaster resilience") and the respective implementation rules (Enabling conditions) that are of utmost importance for an increased streamlining and fostering a culture of prevention and disaster risk reduction across EU policies.

The current Union Civil Protection Mechanism legislation provides for an allocation of the 2014-2020 financial envelopes by percentages between prevention, preparedness, and response.

For prevention actions, a 20% spending target is defined with a flexibility of +/- 8 percentage points. The legislator recognises that prevention actions are the best way to achieve the necessary protection of populations and economic assets at risk of disasters.

DG ECHO implements these prevention actions in a variety of ways, financial and non-financial. Prevention and preparedness projects contribute through their dissemination and replication capacity to an increased public awareness and preparedness for disasters.

In 2018, DG ECHO continued to ensure the implementation of such high quality projects including large and small-scale exercises and training and by promoting the joint design, planning, development and implementation of innovative civil protection activities among Participating States of the UCPM, including procedures, techniques, tools, etc.



European civil protection modules exercise (MODEX), Sweden 2017 © European Union

DG ECHO enhanced the level of preparedness of its emergency response operations in a three-fold way: 1) by coordinating the training and exercise activities for its partners and the Union Civil Protection Mechanism; 2) by providing security management and support capacities, including security awareness measures, risk assessment for DG ECHO staff and infrastructure for missions, housing and offices; and 3) by providing rapid situational awareness and analysis of disaster situations.

DG ECHO also contributed to Integrated Situational Awareness and Analysis (ISAA) reports in the framework of the Integrated Political Crisis Response Arrangements (IPCR) and the Solidarity Clause.



European Civil Protection Exercise (CBRN), France © *European Union / DG ECHO / YD*

DG ECHO delivered comprehensive situational analyses and risk assessments, various mapping products and launched the European Natural Hazard Scientific Partnership providing the Emergency Response Coordination Centre with a 24/7 scientific advice service. By the end of 2018, DG ECHO produced more than 600 maps, 85 analytical briefs and 6 full deployment plans for 14 different emergencies around the world. It also provided maps for other Commission services and Member States in the Council.

## 2. ORGANISATIONAL MANAGEMENT AND INTERNAL CONTROL

This section explains *how* the DG delivered the achievements described in the previous section. It is divided into two subsections.

The first subsection reports the control results and all other relevant information that support management's assurance on the achievement of the financial management and internal control objectives<sup>51</sup>. It includes any additional information necessary to establish that the available evidence is reliable, complete and comprehensive; appropriately covering all activities, programmes and management modes relevant to the DG.

The second subsection deals with the other components of organisational management: human resources, better regulation principles, information management and external communication.

### 2.1 Financial management and internal control

Assurance is an objective examination of evidence for the purpose of providing an assessment of the effectiveness of risk management, control and governance processes.

This examination is carried out by management, who monitors the functioning of the internal control systems on a continuous basis, and by internal and external auditors. Its results are explicitly documented and reported to the Director-General. The reports produced are:

- the reports of Authorising Officers by Sub-delegation (AOSD) managing DG ECHO budget appropriations;
- the reports from Authorising Officers in other services managing budget appropriations in direct delegation, in particular regarding the management for funds devoted to EU Aid Volunteers program by EACEA<sup>52</sup>;
- the reports and/or management declarations from the Organisations managing grants under indirect management and the reports from the managers of the EU Trust Funds which DG ECHO contributed to;
- the contribution of the Director in Charge of Risk Management and Internal Control, including the results of internal control monitoring at the DG level;
- the reports of ex-post audits on legality and regularity;
- the observations and recommendations reported by the Internal Audit Service (IAS);
- The observations and the recommendations reported by the European Court of Auditors (ECA);
- the reports on recorded exceptions, non-compliance events and any cases of 'confirmation of instructions' (Art 92.3 FR).

These reports result from a systematic analysis of the evidence available. This approach

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<sup>51</sup> Art 36.2 FR: a) effectiveness, efficiency and economy of operations; b) reliability of reporting; c) safeguarding of assets and information; d) prevention, detection, correction and follow-up of fraud and irregularities; and e) adequate management of risks relating to the legality and regularity of underlying transactions.

<sup>52</sup> The EACEA (Education, Audiovisual and Culture Executive Agency) is directly entrusted with the management of the EU Aid Volunteers program.

provides sufficient guarantees as to the completeness and reliability of the information reported and results in a complete coverage of the budget delegated to the Director-General of DG ECHO.

This section reports the control results and other relevant elements that support management's assurance. It is structured into (a) Control results, (b) Audit observations and recommendations, (c) Effectiveness of the internal control system, and resulting in (d) Conclusions on the impact as regards assurance.

### 2.1.1 Control results

This section reports and assesses the elements identified by management that support the assurance on the achievement of the internal control objectives<sup>53</sup>. The DG's assurance building and materiality criteria are outlined in the AAR Annex 4. Annex 5 outlines the main risks together with the control processes aimed to mitigate them and the indicators used to measure the performance of the relevant control systems.

The inherent risks of DG ECHO are associated with the nature of its operations. Humanitarian aid is delivered in difficult environments characterised by unpredictability, volatility, insecurity and difficult access to affected people, which makes proper implementation a true challenge. DG ECHO seeks to contain and reduce the risks to an acceptable level, inter alia through its control architecture and security policy and guidance. DG ECHO puts high emphasis on the balance between the achievements of its policy objectives and the need for efficient financial and operational controls of its activities.

Increasingly, extreme operating environments such as those prevailing in besieged areas in Syria, are making the delivery of humanitarian assistance even more difficult, with humanitarian organisations on the ground facing particularly challenging obstacles. In this context, DG ECHO had witnessed that partners were unable to apply certain standard procedures while delivering life-saving support in besieged areas, leaving hundreds thousands people without the essential humanitarian assistance. To respond to the humanitarian imperative while continuing to comply with the Financial Regulation with regard to legality and regularity, DG ECHO has implemented a framework of specific procedures and verification methods to minimise the risk for EU funds during the implementation of actions subject to Exceptional Extreme Operational Constraints (EEOCs)<sup>54</sup>. These specific procedures are aligned with the Financial Regulation and corroborated by the European External Action Service as well as the relevant services of the European Commission<sup>55</sup>; they were shared with the European Parliament and the European Court of Auditors. In 2018, one grant agreement was signed under EEOCs for operations inside Syria.

Following the Sexual Exploitation and Abuse (SEA) issues that affected several humanitarian aid organisations, DG ECHO took immediate action reminding all its Humanitarian Partners of their duty to abide by the highest ethical and professional standards in the area of humanitarian assistance, in line with the provisions laid down in the Framework Partnership agreement specifically on "zero tolerance" for SEA. Partners were requested to provide information on their policies and procedures for the prevention of sexual exploitation and abuse and reporting of responses to allegations of such

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<sup>53</sup> 1) Effectiveness, efficiency and economy of operations; 2) *reliability of reporting*; 3) *safeguarding of assets and information*; 4) prevention, detection, correction and follow-up of fraud and irregularities; and 5) adequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multiannual character of programmes as well as the nature of the payments (FR Art 36.2). *The 2<sup>nd</sup> and/or 3<sup>rd</sup> Internal Control Objective(s) (ICO) only when applicable, given the DG's activities.*

<sup>54</sup> Applies only to individually authorised operations responding to IASC Level 3 emergencies, e.g., to date, Syria or Yemen.

<sup>55</sup> SG, DG BUDG and the LS.



behaviour. DG ECHO also reinforced its checks on these matters during on-going and future audits. This sensitive matter has been tackled in close coordination with other Commission's services (in particular DG DEVCO and DG NEAR), and with other donors.

### ***Budget implementation***

In 2018, operations were implemented through 1,351 agreements/contracts (1,373 in 2017), of which 46% under<sup>56</sup> direct management (DM) and 54% under indirect management (IM).

Humanitarian operations and Emergency Support in EU were implemented by partners, which are NGOs (42%), UN agencies (48%) and other international organisations (10%). Civil Protection and EU Aid Volunteers were exclusively implemented through direct management.

The EU budget for humanitarian aid, in commitments, amounted in 2018 to EUR 1,524 million (-31.7% compared to 2017). This significant reduction is due to the transition from the first to the second tranche of the Facility for Refugees in Turkey, whereby the project cycle will only entail significant funding for the second tranche in 2019. Furthermore, the limited availability of funds both from the European Development Fund and from the redeployments of other external relations DGs has also contributed to the decrease.

The implemented 2018 budget for payments amounted to EUR 1,831.2 million (EUR 2,531 million in 2017). The decrease is a direct consequence of the lower Commitment Appropriations budget for Humanitarian Aid explained previously.

PAYMENTS	
Chapter	Implementation
Humanitarian aid <sup>a</sup>	1.542.392.991
EU Aid Volunteers <sup>b</sup>	15.217.130
Civil protection <sup>c</sup>	42.461.568
Emergency support in the EU	225.852.047
Administrative and support expenditure <sup>d</sup>	5.296.644
<b>Total<sup>e</sup></b>	<b>1.831.220.380</b>

<sup>a</sup> including EDF appropriations (EUR 42.1 million), Dairy products distribution (EUR 6 million) & external assigned revenue (EUR 58.4 million).

<sup>b</sup> including payments implemented by EACEA executive agency and DIGIT (EUR 14,7 million)

<sup>c</sup> including NEAR/ECHO appropriations (EUR 0.5 million) and programmes managed by DIGIT/SCIC (EUR 0.5 million).

<sup>d</sup> The partial implementation of payment appropriations for support expenditure is due to the specific rules applying to administrative expenditure, whose balance is carried over (for payments) to the following year. The overall consumption over 2 years is usually close to 100%.

<sup>e</sup> The payment considered in Annex 3 (EUR 1.776.357.557) is reconciled with the Total DG ECHO payments as follow: Total Payment (EUR 1.831.220.380) minus EDF appropriation (EUR -42.095.796) minus payment implemented by other DGs (EUR -15.780.770) minus support expenditures managed by other DGs (EUR -1.837.948) plus support expenditures carried over from 2017 (EUR 4.851.691)

<sup>56</sup> Value terms

From its Humanitarian Aid budget, DG ECHO contributed to the following EU trust funds managed by other Commission's services:

	Commitments	Payments
EU TF Africa (DEVCO)	10.000.000	
EU TF MADAD (NEAR)		3.000.000
<b>Total</b>	<b>10.000.000</b>	<b>3.000.000</b>

In terms of payments, the EU Humanitarian Aid budget (chapter 23 02) has been implemented at 99.7%. The amount of unused re-assigned revenue (EUR 4,6 million) is automatically carried over to 2019. Payment appropriations available under the Emergency Support Instrument (chapter 18 07) were disbursed at 97.1%. The EU Aid Volunteers programme (chapter 23 04) has been implemented at 99%. With respect to Civil Protection (chapter 23 03), of the unused EUR 11,9 million, EUR 0,9 million are automatically carried over to 2019 as they are related to re-assigned revenue. There are different reasons for the underspending, in general this is due to late submission of final reports by beneficiaries or to claimed expenditure lower than committed.

The following Financial Framework Partnerships have been extended beyond 4 years<sup>57</sup>:

- The 2014 NGO Financial Partnership Agreement (FPA) entered into force on the 1st of January 2014 and was initially valid until 31st of December 2018. DG ECHO and its partners agreed to further extend the duration of the FPA by two additional years<sup>58</sup>. The FPA remains in force until 31st of December 2020;
- The 2014 IFRC<sup>59</sup> FPA entered into force upon signature by both parties (31st July 2014) and applies to all Agreements entered into between the Commission and the IFRC in the field of humanitarian aid as of 1st January 2014. The Agreement is not time bound and may be terminated by either party upon giving six months prior written notice to that effect to the other party.
- The 2014 ICRC<sup>60</sup> FPA entered into force upon signature by both parties (19th of March 2014) and applies to all specific Agreements entered into between the Commission and the ICRC in the field of humanitarian aid as from the date of the signature, unless otherwise agreed in exceptional circumstances by the Commission and the ICRC. The Agreement is not time bound and may be terminated by either party upon giving six months prior written notice to that effect to the other party.
- The EU-UN Financial and administrative framework agreement (EU-UN FAFA) was concluded in 2003 and initially amended in February 2014. The Commission and the UN have agreed to adapt the FAFA via an exchange of letters signed on the 31st of December 2018 in order to reflect changes occurred to the legal and regulatory framework in the last years, and especially the entry into force of the new EU Financial Regulation on August 2, 2018. Although the Agreement was initially not time bound, following the FAFA adaptation, the parties agreed that the FAFA is to be reviewed at least once during each EU Multiannual financial framework.

<sup>57</sup> New Financial Regulation art 130.4.

<sup>58</sup> With due consideration to an opinion of the Commission Legal Service – after a request from DG ECHO - , FPAs with Swiss NGOs have not been extended.

<sup>59</sup> International Federation of Red Cross and Red Crescent Societies.

<sup>60</sup> International Committee of the Red Cross.

For derogations from the principle of non-retroactivity of grants<sup>61</sup> the acceptance of costs incurred before the project grant application was submitted applied in the following cases:

- When providing humanitarian aid funding, an early intervention by the Union is of major importance to enable humanitarian organisations to address and meet in an effective manner humanitarian needs in the field as early as possible upon their occurrence, or when there is good cause to believe that such needs will arise in the near future. Therefore, in such cases, the costs incurred by a grant beneficiary before the date of submission of the application are eligible for Union financing.
- For the emergency support activities implemented under the Emergency Support Instrument in Greece, expenditure incurred by a partner organisation before the date of submission of an application for funding is eligible for Union financing as laid down in of Article 5 of Regulation (EU) 2016/369 on the provision of emergency support within the Union.
- In view of the specific nature of the response actions financed under the Union's Civil Protection Mechanism, as set out in Articles 15, 16, 17 and 18 of the Decision No 1313/2013/EU on a Union Civil Protection Mechanism, expenditure incurred up to 15 days before the date of the submission of the grant application is considered eligible for Union funding.

### ***Control architecture***

During 2018, DG ECHO has kept two main relevant control systems related to indirect and direct management activities. The proper implementation of funded actions, applicable to these management modes is ensured through several layers of checks and controls at the various stages of the project cycle of DG ECHO operations. These controls should not be seen in isolation, as each of them contributes to providing the overall reasonable assurance on the legality and regularity of transactions. The main aspects of the control strategy developed, its supervision and monitoring procedures and the ex-ante and ex-post controls applicable to both direct and indirect management are described below:

- Selection of and quality control mechanisms for partners (through regular and ad hoc assessments of NGOs and 6-pillar review and regular verification of International Organisations);
- Needs based assessment when identifying actions to be funded;
- Ex-ante controls on the selection of projects, and before the contract's signature;
- Regular monitoring of all projects, including field visits of the actions carried out by Desk Officers and Technical Assistants;
- Control of eligible expenditure both by operational and financial desk officers to ensure that financial transactions are in conformity with the applicable rules;
- Financial audits carried out during and after implementation of the actions<sup>62</sup>;
- Evaluation and review programs.

DG ECHO has assessed the achievement of the internal control objectives during the reporting year and reached a positive conclusion. No instances of ineffective controls came to management's attention that would have exposed the DG to serious risks. The

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<sup>61</sup> Art 193 Financial Regulation (new Financial Regulation art 193.2).

<sup>62</sup> Field audits are conducted on projects under implementation and HQ audits are carried out after project finalisation. Audits cover eligibility of expenditure, as well as internal controls and compliance with FPA rules.

residual error rate or the weaknesses pointed out by the auditors do not call the overall effectiveness into question. Against this background, DG ECHO does not consider the need for making a reservation in the Director-General's declaration of assurance.

## **1. Effectiveness: the control results and benefits**

### ***Legality and regularity of the transactions***

DG ECHO has set up internal control processes aimed to ensure the adequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multiannual character of programmes as well as the nature of the payments concerned.

In addition, DG ECHO has put in place procedures to ensure legality and regularity of underlying expenditures even incurred in operations characterised by being implemented either under Exceptional Extreme Operational Constraints<sup>63</sup> or Remote Management<sup>64</sup>. These procedures include clear requirements to be respected by our partners before and during the implementation of these operations as well as at reporting stage. Therefore, ex ante and ex post controls apply equally to such operations.

Ex-ante controls are performed on all eligible expenditure claimed by partners to ensure conformity with the applicable rules before performing the final payment. This control is done by both the operational and financial desks.

Ex-post controls are implemented in line with DG ECHO's audit strategy, which ensures that every partner organisation is selected for audit on average every four years. The Annual Audit Plan includes a sample of grant and contribution agreements which has been selected based on several criteria such as the relative amount of the agreement, the type of management mode used, the complexity of the actions and their risk level (grants judged to be at higher risk based on information from previous audits, specific requests from the desks, or other risk criteria). In order to increase transparency and accuracy, DG ECHO distinguishes, where appropriate, between expenditure implemented under direct management (DM, i.e. grant agreements to NGOs) and under indirect management (IM, i.e. contributions to International Organisations and UN agencies).

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<sup>63</sup> Applies only to individually authorised operations responding to IASC Level 3 emergencies, e.g., to date, Syria and Yemen.

<sup>64</sup> DG ECHO defines "Remote Management" as an operational approach used to provide relief in situations where humanitarian access to disaster-affected populations for its partner organisations is limited by security concerns and/or formal or informal decisions imposed by de jure or de facto authorities, thus requiring adjustments to the management of the humanitarian actions.

See below for further details:

Indicator (in EUR million)	Cumulative	2018		2017		2016		Expenditure Coverage
		IM	DM	IM	DM	IM	DM	
Detected ineligible expenditure by ex-ante controls	16,71	0,81	4,03	0,52	6,94	0,7	3,7	100,00%
Detected ineligible expenditure by ex-post audits	12,78	0,07	2,28	0,08	5,86	0,8	3,7	98,69% <sup>65</sup>
Recovery orders following ex-ante controls and ex-post audits	25,82	0,50	5,69	6,43	9,20	0,9	3,1	100,00%
Cashed in/Offset	24,42	0,28	5,60	6,43	8,50	0,9	2,7	100,00%

In 2018 a total of EUR 4.84 million of ineligible expenditure has been detected and corrected following ex-ante controls over EUR 1.807 million in payments (EUR 7.46 million in 2017 for payments of EUR 2.498 million); of which EUR 4.03 million (EUR 6.94 million in 2017) related to expenditure implemented under direct management and EUR 0.81 million (EUR 0.52 million in 2017) under indirect management.

Ex-post controls, through audits, detected EUR 2.35 million of ineligible expenditure over EUR 517,9 million of expenditure audited, where EUR 2.28 million are related to expenditure implemented under direct management and EUR 0.07 million under indirect management (in 2017, EUR 5.86 million non-eligible expenditure had been detected under direct management and EUR 0.08 million under indirect management, for a coverage of EUR 467,4 million of audited expenditure).

The value of recovery orders issued following ex-ante and ex-post controls amounted to EUR 6.19 million in 2018 (EUR 15.63 million in 2017): an amount of EUR 5.69 million (EUR 9.20 million in 2017) related to expenditure implemented under direct management and EUR 0.50 million (EUR 6.43 million in 2017) under indirect management.

In 2018, EUR 5.88 million have been cashed, representing 95% of the total value of recovery orders (EUR 14.93 million, and 96%, in 2017). The outstanding non-cashed amounts are related to recoveries for which the process is still on-going.

<sup>65</sup> The Annual Audit Plan covers neither Administrative and Support Expenditure nor the EU Aid Volunteers expenditure.

## Error rate calculation

	A) Detected ineligible expenditure <sup>b</sup>	B) Value of expenditure audited	C) <b>Representative detected error rate</b>	D) Payments <sup>c</sup>	E) Value of expenditure audited	F) Outstanding unaudited expenditure	G) Uncorrected detected ineligible items	H) Amount at risk <sup>d</sup>	<b>Residual error rate<sup>e</sup></b>
IM 2018	0,07	188,2	<b>0,04%</b>	1.023,8	-188,2	835,6	0,0	0,3	<b>0,03%</b>
DM 2018	2,28	329,7	<b>0,69%</b>	783,3	-329,7	453,6	-1,0 <sup>f</sup>	2,2	<b>0,28%</b>
<b>Total 2018</b>	2,35	517,9	<b>0,45%<sup>a</sup></b>	1.807,1	-517,9	1.289,3	-1,0	2,5	<b>0,14%<sup>a</sup></b>
Cumulative 2016-2018 IM	0,94	398,1	<b>0,24%</b>	4.008,0	-398,1	3.609,9	0,0	9,2	<b>0,23%</b>
Cumulative 2016-2018 DM	11,84	946,5	<b>1,25%</b>	2.665,1	-946,5	1.718,6	0,7	23,7	<b>0,89%</b>
<b>Cumulative 2016-2018<sup>a</sup></b>	12,78	1.344,6	<b>0,95%<sup>a</sup></b>	6.673,1	-1.344,6	5.328,5	0,7	32,9	<b>0,49%<sup>a</sup></b>

<sup>a</sup> This rate takes into account the respective weights of IM and DM.

<sup>b</sup> The detected ineligible expenditure is the amount of expenditure considered ineligible by ex-post audits.

<sup>c</sup> This amount corresponds to the total implemented budget (payments) from which have been deducted EUTF (EUR 3 million), the payments implemented by EACEA/DIGIT/NEAR/SCIC (EUR 15.8 million) and Administrative and Support Expenditure (EUR 5.3 million).

<sup>d</sup> The amount at risk is the representative detected error rate (C) multiplied by the part of the budget which has not been audited (F), to which is added the amount of detected ineligible expenditure that has not yet been corrected, i.e. recoveries orders issued, awaiting to be cashed. (G).

<sup>e</sup> The residual error rate is the ratio between the amount at risk (H) and the final budget (D).

<sup>f</sup> In 2018, the uncorrected detected ineligible items by audits is negative as, DG ECHO cashed in a high level of recoveries linked to ineligible expenditures identified in previous years. This amount was greater than the detected ineligible expenditures identified by audits closed in 2018.



The Multi-annual residual error rate for the period 2016-2018 is 0.49%. In 2018, the error rate for expenditures in direct management was 0.28%, while in indirect management it was 0.03%. Audits are carried out on a 4-year cycle, which ensures a coverage of all Partners. Even if not statistically representative, the audit coverage is sufficient to produce a reliable best estimate for the residual error rate.

The expenditure relative to the EU Aid Volunteers programme has not been considered in the final budget, as managed by EACEA and DIGIT. For Civil Protection it was also excluded the expenditure implemented by NEAR, DIGIT and SCIC. Equally, the amounts transferred to EUTFs (see above) have not been considered.

The control objective is to ensure that the error rate does not exceed the materiality threshold of 2%. The analysis of the control results for 2018 has not shown any significant weaknesses that would have a material impact on the legality and regularity of the financial operations and, hence, on the achievement of the control objective. In conclusion, the controls in place have been effective since DG ECHO's cumulative residual error rate was 0.49% (0.14% in 2018) of the annual budget covering both direct and indirect management, far below the materiality threshold.

**In the context of the protection of the EU budget, at the Commission's corporate level, the DGs' estimated overall amounts at risk and their estimated future corrections are consolidated.**

**For DG ECHO, the estimated overall amount at risk at payment<sup>66</sup> for the 2018 expenditure is EUR 12,45 million. This is the AOD's best, conservative estimation of the amount of *relevant expenditure*<sup>67</sup> during the year (EUR 1,799.2 million) not in conformity with the applicable contractual and regulatory provisions at the time the payment is made<sup>68</sup>.**

**This expenditure will be subsequently subject to ex-post controls and a sizeable proportion of the underlying error will be detected and corrected in successive years. The conservatively estimated future corrections<sup>69</sup> for the 2018 expenditure are EUR 7,20 million. This is the amount of errors that the DG conservatively estimates to identify and correct from controls that it will implement in successive years.**

**The difference between those two amounts leads to the estimated overall amount at risk at closure for the 2018 expenditure of EUR 5,25 million.**

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<sup>66</sup> In order to calculate the weighted average error rate (AER), the *detected or equivalent* error rates have been used; see note 6 to the table.

<sup>67</sup> "*relevant expenditure*" during the year; see note 5 to the table.

<sup>68</sup> "*payments made*" or equivalent; see note 2 to the table.

<sup>69</sup> Based on the 7 years historic Average of Recoveries and financial Corrections (ARC), which is the best available indication of the corrective capacity of the ex-post control systems implemented by the DG over the past years.

**Table X - Estimated overall amount at risk at closure**

<b>DG ECHO</b>	"payments made" (FY; m€)	<i>minus</i> new prefinancing (in FY; m€)	<i>plus</i> cleared prefinancing (in FY; m€)	<b>= "relevant expenditure" (for the FY; m€)</b>	Average Error Rate ( <i>weighted</i> AER; %)	estimated overall amount at risk <i>at payment</i> (FY; m€)	Average Recoveries and Corrections ( <b>Historic ARC</b> ; %)	estimated future corrections [and deductions] (for FY; m€)	<b>estimated overall amount at risk at closure (m€)</b>
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Indirect Management	1.001,2	-776,4	771,2	995,9	0,24%	2,36			
Direct Management	775,2	-564,2	595,3	806,2	1,25%	10,09			
Items EU (by all)	1.776,4	-1.340,6	1.366,4	1.802,2	0,69% [0,95%]	12,45	0,40%	7,21	5,24
<i>of which DG's contrib. to EUTF 'A' (each EUTF in a separate row)</i>									
EU TF MADAD	3	(n/a)	(n/a)						
= Total EU , excl. contributions to EUTFs		...	...						
Overall Total, after cancelling out the contributions to the EUTFs	= 1.773,4	= -1.340,6	= 1.366,4	1.799,2 mEUR	0,69%	= 12,45 mEUR; and 0,69% of (5)	0,40%	= 7,20 mEUR; and 0,40% of (5)	= 5,25 mEUR; and 0,29% of (5)

**Notes to the table**

(2) Payments made or equivalent, such as after the expenditure is registered in the Commission's accounting system, after the expenditure is accepted or after the pre-financing is cleared. In any case, this means after the preventive (ex-ante) control measures have already been implemented earlier in the cycle: This amount corresponds to the total implemented budget (payments) from which have been deducted EDF (EUR 42.09 million), the payments implemented by EACEA/DIGIT/NEAR/SCIC (EUR 15.8 million), the Support Expenditure implemented by DIGIT/OP/PMO (EUR 1.8 million) and added the payment of Support Expenditures done in 2018 (EUR 4.8 million) carried over from 2017.

In all cases of Co-Delegations (Internal Rules Article 3), the "payments made" are covered by the Delegated DGs. In the case of Cross-Sub Delegations (Internal Rules Article 12), they remain with the Delegating DGs.

(3) New pre-financing actually paid by out the department itself during the financial year (i.e. excluding any pre-financing received as transfer from another department). The "Pre-financing" is covered as in the context of note 2.5.1 to the Commission (provisional) annual accounts (i.e. excluding the "Other advances to Member States" (note 2.5.2) which is covered on a pure payment-made basis).

"Pre-financings paid/cleared" are always covered by the Delegated DGs, even in the case of Cross-Sub Delegations.

(4) Pre-financing actually having been cleared during the financial year (i.e. their 'delta' in FY 'actuals', not their 'cut-off' based estimated 'consumption').

(5) For the purpose of equivalence with the ECA's scope of the EC funds with potential exposure to L&R errors (*see the ECA's 2017 AR methodological Annex 1.1 point 15*), also our concept of "relevant expenditure" includes the payments made, subtracts the new pre-financing paid out [*& adds the retentions made*], and adds the previous pre-financing actually cleared [*& subtracts the retentions released and those (partially) withheld; and any deductions of expenditure made by MS in the annual accounts*] during the FY. This is a separate and 'hybrid' concept, intentionally combining elements from the budgetary accounting and from the general ledger accounting.

(6) In order to calculate the weighted Average Error Rate (AER) for the total relevant expenditure in the reporting year, the cumulative Detective Error Rate per segment (Indirect Management and Direct Management) over the period 2016-2018 has been used. The overall weighted AER (0,69%) takes into account the respective weights of IM and DM and consequently differs from the overall cumulative Detective Error Rate over the same period [0,95%].

(8) The calculation is based on the cumulative (2016-2018) recovery rate, weighted by IM and DM. A rate of 0.3871% was obtained, which is very close to DG BUDG's 7-year rate (0,40%). Since DG ECHO's payments have decreased in 2018 (from EUR 2.498 million to EUR 1.807 million) but are likely to increase in 2019 with rescEU, DG ECHO's "conservative best estimate" would be to keep the 7 years historic Average of Recoveries and financial Corrections (ARC), which is the best available indication of the corrective capacity of the ex-post control systems implemented by the DG over the past years.

The estimated quantifiable benefits resulting from the implementation of the control strategy represents an amount of EUR 0.9 million for the indirect management and EUR 6.3 million for the direct management. This figure includes the detection and correction of ineligible items through ex-ante controls as well as ex-post audits.<sup>70</sup>

In order to have a fair and full picture of the impact of the control architecture, the previous figure should be read in combination with those benefits, which due to their nature, are unquantifiable, yet equally important. The main unquantifiable benefits are:

- The preventive effect of limiting operations to those organisations which after been duly assessed, have qualified to become a partner organisation through the signature of a partnership agreement;
- DG ECHO's ex-post audits, in addition to detecting ineligible expenditure, give assurance on the partners internal controls as well as on their compliance with the FPA requirements, including non-financial aspects such as compliance with humanitarian aid principles, detection and management of misconduct, whether relating to sexual exploitation, abuse and harassment, or fraud. In 2018, DG ECHO has reinforced its controls over the partners' processes in those areas that can adversely affect the implementation of the action from a qualitative and ethical perspective, with a negative impact on the Commission's reputation.
- DG ECHO's internal control team has dedicated staff dealing with fraud allegations, either signalled by whistle-blowers through a dedicated functional mailbox, reported by the partner itself, or detected through ECHO's own monitoring visits. The follow-up of those reported cases, as well as their transmission to OLAF are a key qualitative control that needs to be in place, particularly since DG ECHO operates in high risk environments. The benefits of such controls are both qualitative (deterrent effect and assessment of partners' capacity to investigate) and quantitative (recovery of amounts affected by fraud).
- In addition to audits on closed actions, DG ECHO carries out field audits of on-going projects that raise partners' awareness and knowledge on the eligibility rules of claimed expenditure. Field audits assess the state of implementation of a project
- The deterrent effect of the implementation of both ex-ante controls and ex-post controls, leading to a limitation of the occurrence of ineligible items and, more generally, to the promotion of sound financial management;
- Technical Assistants working in the ECHO Field Offices contribute to the assurance-building process by supporting budget implementation through both the needs assessment for the allocation of funding as well as the ensuring quality monitoring of the actions funded on the ground.

The estimated cost of controls of EUR 7.21 million<sup>66</sup> is nearly fully covered by the quantifiable benefits of EUR 7.19 million of detected non-eligible expenditure.

The compliance of funded actions with relevant quality standards is one of key performance indicators, ensuring that the management and control procedures in place will actually achieve their intended qualitative purposes. Based on these considerations, it is possible to reasonably conclude that the unquantifiable benefits outweigh the part of the cost of controls not covered by the quantifiable benefits.

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<sup>70</sup> The detailed calculation is further explained in part 3 Economy : the cost of controls and in Annex 10.

- ***Fraud prevention, detection and correction***

**DG ECHO has developed and implemented its own anti-fraud strategy since 2013, elaborated on the basis of the methodology provided by OLAF. It has been updated in June 2016.**

The Anti-Fraud Strategy (AFS) 2016-2020 has been adopted in the first half of 2016 based on a revision of the previous AFS. It takes into account the IAS recommendations formulated following their audit of the AFS in 2015, and has been validated by the European Anti-fraud Office (OLAF).

This AFS includes an action plan with, inter alia, a number of actions to increase fraud awareness among staff in HQ and in the field, as well as a commitment to adapt the control architecture to risk levels. Monitoring of the implementation of the AFS is done twice per year and included in the reporting to management. As part of the AFS, fraud awareness has been included in trainings provided to staff and one specific action targeted field staff.

In line with the AFS 2016-2020 action plan, DG ECHO has organised training sessions for staff aimed at raising fraud awareness; these sessions took place during the Middle-East and the African 2018 Regional Seminars. DG ECHO also organised training session during the 2018 Administrative Coordinator – Logistician Regional Seminar of the ECHO Field Network.

In the 2018 Audit Plan, fraud risk was included as a sampling criterion in the selection of actions and partners to be audited.

A new internal document defining internal procedures, both in terms of information flow and decision-making process, to be followed in case of fraud allegations, was adopted in December 2017 and was implemented during 2018. This document further clarifies how anti-fraud and risk management should be mainstreamed in the whole cycle of DG ECHO actions.

Throughout 2018, DG ECHO Audit and Control sector has been involved in the revision of several DG ECHO Policies (e.g. DG ECHO approach to Remote Management and Aid Diversion, FPA Review) in order to main-stream anti-fraud and fraud risk management in all policies.

DG ECHO has a dedicated functional mailbox that enables direct reporting on any allegation of fraud, mismanagement and/or irregularity. An assigned team analyses every allegation, ensures a thorough follow-up, reports to OLAF in accordance with EU rules, and takes appropriate measures to address confirmed cases. In 2018, 117 allegations have been reported. The number of allegations has considerably and consistently increased since 2016 (41) and 2017 (72). This should not be perceived as a deterioration of the capacity of partners to prevent fraud but, on the contrary, as an improvement of their capacity to detect potential situations of fraud as well as an increased transparency vis-à-vis DG ECHO.

DG ECHO has taken all the necessary measures to protect the financial interests of the Union through the analysis of financial, operational and reputational risks, suspending operations, contracting and payment, where appropriate, in close liaison with field experts, partners and, where relevant, competent authorities.

Based on the results of the analysis of prima facie evidence, 43 cases have been transmitted to OLAF in 2018 (30 in 2017); 10 cases led to the opening of investigative activities, 29 are still being considered by OLAF to determine whether opening an investigation would be warranted, while the remainder has been dismissed. Among the 43 cases transmitted to OLAF, 4 have been dismissed by OLAF with no fraud confirmed

and 39 are still under investigation with fraud not yet confirmed by OLAF. During 2018, OLAF closed 5 investigation for cases opened in 2016 and 2017.

According to the results of OLAF investigations concluded in 2018, DG ECHO funds impacted by fraud, irregularities or any other wrongdoing are much reduced. DG ECHO maintains tight cooperation with OLAF, follows the ongoing cases closely and assess regularly the relevance and effectiveness of our anti-fraud strategy. Therefore, it is possible to conclude positively that the risk of fraud affecting DG ECHO funds is kept under control.

- ***Other control objectives: safeguarding of assets and information, reliability of reporting***

Not applicable to DG ECHO

## **2. Efficiency : efficiency indicators**

The following indicators support the analysis of control efficiency:

Indicator	2018	2017	2016	Budget Coverage*
Average time to pay	25.7 days	30.5 days	30.2 days	100%
Payments within legal time	88.6%	77.7%	80.2%	100%
Consumption rate of payment appropriations <sup>71</sup>	98.4%	99.4%	94.4%	100%
Financial assessment of partners (DM)	100%	100%	100%	100%**
Monitoring of actions	94.5%	94.2%	93.0%	96.48%

\*Payments

\*\* 100% of the direct management budget to partners

- The average time to pay was 25.7 days, which is a significant decrease as compared to last year. The improvement of the percentage of payments within legal time is due to an enhanced monitoring system to follow up the payment deadlines. This is also the result of the awareness raising sessions addressed to all ECHO staff at the end of 2017 and early 2018.
- The consumption rate of payment appropriations has reached a high level of 98.4%.
- DG ECHO performs an assessment of its NGOs partners. The process starts with the assessment of non-governmental organisations who apply to sign a Framework Partnership Agreement (FPA) with DG ECHO, in order to become partner. The application period for the current FPA (the "2014 FPA") started on 30th September 2013 and was open until 31 March 2018. In 2018, eight non-governmental organisations applied for the signature of the 2014 FPA with DG ECHO and four additional organisations were granted partnership following assessment of their applications.

<sup>71</sup> Excluding externally assigned revenues



Once they are partners, NGOs are assessed periodically in order to check that the requirements of the framework partnership agreement are still met. "Periodically" means that partners should provide its financial statements audited as soon as they are available. The assessment focuses on their financial robustness. It should be noted that the operational capacity of partners, either NGO, International Organisations (IOs) or UN, is systematically assessed for 100% of the proposals received.

The validity of the 2014 FPA has been extended by two years, until 31 December 2020, to allow DG ECHO to prepare and roll out the new FPA, due to apply as of 1 January 2021.

- Monitoring of actions is one of the pillars of DG ECHO's control architecture and it is ensured by the geographical desks at headquarters and technical assistants (TAs) in the field (i.e. DG ECHO's Field Network). In 2018, 600 actions out of 635<sup>72</sup> were monitored in the field, representing a coverage of 94.5% (94.2% in 2017). Conventional monitoring may not be possible in some cases due to punctual problems of access, security and other constraints: in particular, 1.6% of actions were not visited due to security constraints. For actions which have been granted under the modalities Remote Management (RM) or Exceptional Extreme Operational Conditions (EEOCs), it is considered that the security and access issues are globally inhibiting any presence of ECHO staff and alternative procedures are hence in place to ensure that the actions are adequately performed and monitored.

### **3. Economy : the cost of controls**

DG ECHO has estimated the costs of the main control processes<sup>73 74 75</sup>. The total cost of controls is EUR 7.2 million.

The average cost per audit (including ex-ante field audits and ex-post audits/UN verifications) was EUR 13 937. The cost of audit assignments undertaken by audit firms for outsourced audits amounted to EUR 1.4 million in 2018 (EUR 1.7 million in 2017).

The estimated cost of the control strategy<sup>76</sup> represents 0.29% of the 2018 indirect management budget (1.1% in 2017) and 0.54% of the direct management 2018 budget (0.7% in 2017). The overall estimated cost of the control strategy represents 0.40%.

The corporate methodology for the estimation, assessment and reporting on the cost-effectiveness of controls was revised in September 2018 and applied for the first time in the 2018 annual reporting. In line with this new methodology, the functions and activities to be considered for the cost of control calculation have been reviewed. Control functions/activities cover controls in financial management, such as financial operations, accounting and external audit.

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<sup>73</sup> See Annex 10 Specific annex related to "Financial Management" – Table Y Overview of the estimated cost of controls at Commission (EC) level.

<sup>74</sup> As stipulated in the Financial and Administrative Framework Agreement (FAFA) agreement between the Commission and Entrusted Entities, DG ECHO contributes for their overall administration/management in the broad sense with an overhead of 7% of the direct eligible costs for the projects granted in indirect management. See Annex 5, stage 3.

<sup>75</sup> For more information on the benefits of controls, see part 1. Effectiveness: the control results and benefits.

<sup>76</sup> The amounts of EDF budget and assigned revenues managed by DG ECHO are taken into account in the calculation of the cost of controls. However, the EUTF and the Aid Volunteers budget implemented by EACEA are excluded.

DG ECHO has quantified the full-time equivalents (FTEs) allocated to the control activities functions both in HQ and in our Field Offices. As a result of the new corporate methodology, the estimated cost of controls has decreased compared to previous years and does not reflect any substantial change in the DG's control strategy.

#### **4. Conclusion on the cost-effectiveness of controls**

Based on the most relevant key indicators and control results, DG ECHO has assessed the effectiveness, efficiency and economy of the control system and reached a positive conclusion on the cost-effectiveness of controls.

### **2.1.2 Audit observations and recommendations**

This section reports and assesses the observations, opinions and conclusions reported by auditors in their reports as well as the limited conclusion of the Internal Auditor on the state of internal control, which could have a material impact on the achievement of the internal control objectives, and therefore on assurance, together with any management measures taken in response to the audit recommendations.

All observations and recommendations included in the reports of the Internal Audit Service (IAS), the European Court of Auditors (ECA) and the Discharge process or Budget Authorities are transmitted to DG ECHO management, according to their respective roles, and appropriate corrective action is taken.

#### **Internal Audit Service (IAS)**

There are no open critical or very important IAS recommendations. For the remaining recommendations, the state of play is as follows:

- In 2018, the IAS conducted a follow-up audit on the multi-DG performance audit on the objective setting process in the context of the preparation of the Management Plans done in 2015. The two remaining important recommendations were closed.
- The audit on DG ECHO's Grant Management in response to the Syrian Crisis in the Middle East, finalised in 2017, issued two important recommendations and one desirable, which have all been reported as implemented by DG ECHO.
- There is one remaining open important recommendation stemming from the IAS audit on Contribution agreements with International Organisations. The recommendation requires DG ECHO to update the audit manual based on the new audit strategy.

In its contribution to the 2018 Annual Activity Report process the IAS has concluded that the internal control systems in place in DG ECHO for the audited processes are effective.

In October 2018, the IAS has launched a performance audit on DG ECHO's Control Strategy. The audit is planned to be finalised by mid-2019.

#### **Supervision of the Education, Audio-visual and Culture Executive Agency (EACEA)**

DG ECHO is, together with DG EAC (lead DG), DG CNECT and DG HOME, one of the parent DGs of EACEA as it has entrusted the Agency with the management of the EU Aid Volunteers programme. DG ECHO is therefore part of the Steering Committee of the agency and has a supervisory role. This supervisory role is defined in several legal documents and guidance (the Commission Delegation Act to EACEA, the Memorandum of

Understanding between the DGs and the agency, the Commission Guidelines on Executive Agencies, etc.). In addition, all the executive agencies participate in horizontal governance processes, such as the peer review of critical risks.

DG ECHO, together with the other parent DGs, has taken measures in 2018 to reinforce supervision on the activities of the Agency such as: continued participation in evaluation committees, attending meetings between the IAS and EACEA, examination of best practice in other Executive Agencies, and participation in the "communities of practice" coordinated by DG BUDG.

The IAS performed two audits<sup>77</sup> in 2017 and 2018 on the Agency's grant management. The audits concluded that there were weaknesses in the systems and issued two critical and several very important recommendations. The residual risks related to these recommendations may affect one or several control principles and/or components. As a result of the 2018 audit, the IAS contribution to the 2018 Annual Activity Report process states that the internal control systems in place for the audited processes of the Agency are overall not effective.

In the meantime, these issues are being addressed through the implementation by the Agency of the recommendations stemming from the phase II audit, in accordance with the action plan that has been submitted and assessed as satisfactory by the IAS. The mitigating actions put in place by EACEA for phase II include the following:

- Better reporting from the AOSDs to the AOD including the key building blocks which support the declaration of assurance on internal control;
- Development of an improved register of exceptions and non-compliances;
- Strengthened procedure for handling exceptions and non-compliance events;
- Provision of training on implementing the internal control framework and on exceptions and non-compliances in particular in collaboration with central services.

As a result of the actions put in place by the Agency in 2018 and 2019 to respond to the audit recommendations, the IAS has closed all the recommendations from the phase I audit and downgraded the critical recommendation from the phase II audit to 'very important'.

In addition, the new Director of the Agency is planning significant changes in the Agency to further improve the situation. In particular, a structural reorganisation of the Agency is planned that should take effect in the second half of 2019. This will also put EACEA on a sound basis for the next Multiannual Financial Framework. The Director of EACEA has accordingly made a reservation in EACEA's AAR 2018 for Internal Control Component III "Control Activities" and partially for Component V "Monitoring Activities".

### ***Assessment***

Overall, DG ECHO considers that its supervision of the Executive Agency, whose Authorising Officer receives delegation directly from the Commission, has been effective and sufficient in 2018.

All the reports provided for in the Memorandum of Understanding between EACEA and its parent DGs were provided and the reinforced measures implemented. This has enabled DG ECHO to closely monitor the implementation of the EU Aid Volunteers programme. Therefore no reservation is required by the parent DGs.

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<sup>77</sup> Audit of Erasmus+ and Creative Europe grant management – phase I (from the call to the signature of contracts) and phase II (from project monitoring to payment).

## European Court of Auditors (ECA)

The ECA did not mention DG ECHO in its Annual Report and no error rate was presented for this area. For the financial year 2018, the ECA Statement of Assurance ('DAS') exercise is underway. The ECA has selected eleven transactions for review, of which nine were funded from the Humanitarian budget line, one from the EDF and one from the Emergency Support Instrument (within the Union). No findings have been received so far.

In 2018, the ECA finalised four performance audits related to DG ECHO:

- *Special report no 25/2018: Floods Directive: progress in assessing risks, while planning and implementation need to improve*

The focus of the audit was on the implementation of the Floods Directive, mainly by DGs ENV, AGRI and REGIO, and in which the role of DG ECHO is very limited. The draft report does not raise any critical remark on ECHO. ECA initial conclusions showed that the Floods Directive had positive effects overall, but that the implementation of flood-related actions suffers from weaknesses in allocating funding.

- *Special report No 27/2018: The Facility for Refugees in Turkey: helpful support, but improvements needed to deliver more value for money*

The audit focussed on the one hand, on the effectiveness of the Facility as a coordination mechanism, and on the other, on the effectiveness of the humanitarian strand of the Facility. DG ECHO was auditee together with DG NEAR. The final report concluded that, in a challenging context, the Facility for Refugees in Turkey rapidly mobilised EUR 3 billion from the EU budget and the Member States to provide a swift response to the refugee crisis. Nevertheless, it did not fully achieve its objective of coordinating this response effectively. The audited projects provided helpful support to refugees, although half of them have not yet achieved their expected outcomes. ECA also identified some room for increasing the efficiency of cash-assistance projects.

- *Special report no 32/2018: European Union Emergency Trust Fund for Africa: Flexible but lacking focus*

This audit involved DG DEVCO, DG ECHO and DG NEAR. The audit did not raise any critical remark on DG ECHO and it concluded that the EUTF for Africa is a flexible tool, but that it was not designed to address efficiently the unprecedented challenges it faces. While the EUTF for Africa has been fast when it comes to launching projects, weaknesses persist in their implementation.

- *Special report no 35/2018: Transparency of EU funds implemented by NGOs: more effort needed*

This multi-DG (DEVCO, ECHO, NEAR, BUDG, RTD, EAC and ENV) performance audit concluded that the activities and objectives of the sampled projects are in line with the relevant EU strategic documents, although some shortcomings were found in the transparency of selection processes and of the use of implementing partners.

Currently, DG ECHO is in the process of establishing the action plans in collaboration with other relevant DGs. Some mitigating actions have already been undertaken. None of the Special Reports contained observations that would have a negative impact, in both quantitative and qualitative terms, on the assurance provided in this report.

## Validation of Local Systems

DG BUDG has carried out an engagement on the validation of local systems in DG ECHO<sup>78</sup>. One very important recommendation was issued on the streamlining of the process for registration, estimation and establishment of amounts receivable. Actions have been taken to address the identified weaknesses.

To conclude, none of the issues raised by the auditors met the materiality criteria set out in Annex 4 as no critical recommendations were made and no significant repetitive error or material deficiency in the internal control systems of DG ECHO were highlighted. The Special Reports issued by the ECA did not contain any observations that would have a negative impact on the assurance provided in this report.

### **2.1.3 Assessment of the effectiveness of the internal control systems**

The Commission has adopted an Internal Control Framework based on international good practice, aimed to ensure the achievement of policy and operational objectives. In addition, as regards financial management, compliance with the internal control framework is a compulsory requirement.

DG ECHO has put in place the organisational structure and the internal control systems suited to the achievement of the policy and internal control objectives, in accordance with the standards and having due regard to the risks associated with the environment in which it operates.

DG ECHO assesses on a continuous basis the effectiveness of the internal control systems, in order to determine whether they work as intended and ensuring that any control weaknesses in the system are detected, analysed and considered for improvement. In addition, specific assessments are performed to ascertain whether the internal control systems and their components are present and functioning. The purpose of these management assessments is to provide reasonable assurance that the internal control principles adopted by the Commission are implemented and functioning in the DG, that the assessment findings are evaluated and that any deficiencies are communicated and corrected in a timely manner, with serious matters reported as appropriate.

The internal control self-assessment exercise was carried out in January 2019 in compliance with the corporate methodology.<sup>79</sup> The self-assessment was based on three main pillars: 1) the evaluation of DG ECHO's 30 monitoring indicators 2) an analysis of a wide range of information received from various sources and 3) a structured interview comprising a survey and a discussion with three representatives per Directorate from different staff categories.

The information analysed included:

- The AOSD reports submitted by each Directorate;
- The results of audits and follow-up engagements performed by IAS and the ECA during 2018;
- The status of the implementation of recommendations from previous IAS and ECA audit work;
- The results of the 2018 staff survey organised by DG HR;

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<sup>78</sup> Report on the Validation of Local Systems on the Identification, Registration and Recovery of Receivable Amounts.

<sup>79</sup> Implementation guide of the Internal Control Framework of the Commission.

- The results of the risk assessment exercise; and
- The analysis of the register of exceptions and non-compliance events.

The assessment was carried out based on the new Internal Control Framework. All 17 principles were assessed covering the five control components. The result shows that eleven principles were present and functioning well.

Six principles were present and functioning and only minor improvements are needed, as follows:

- Principle 1: DG ECHO did not reach the target of participation in corporate trainings on ethics in the last five years. However, an interactive workshop on "Ethics at work" was delivered by ECHO staff and a representative from DG HR during the All ECHO Days in 2018, which was attended by a substantial number of staff including field staff.
- Principle 6: Some staff were not aware that the specific objectives for monitoring purposes were set in the Management Plan.
- Principle 8: Three out of the targeted four workshops on the anti-fraud strategy were organised internally or externally. However, regular contacts and meetings are held with the desks as soon as a fraud allegation is serious and has an impact on the activities.
- Principle 10: DG ECHO has not consolidated its different control layers into a unique control strategy document.
- Principle 12: Some procedures have not been regularly reviewed and need to be updated.
- Principle 14: The target value of 70% ECHO staff that should be aware of the existence and accessibility of whistleblowing procedures was not reached.

The weaknesses observed with regard to some of the principles in the following components: Risk Assessment and Control Activities, show that some improvements are needed. DG ECHO will monitor that these weaknesses are addressed in 2019. In conclusion, the exercise did not result in the identification of any further weaknesses, errors or actions that could jeopardise the overall effectiveness of DG ECHO's internal control system. Therefore, DG ECHO has assessed its internal control system during the reporting year and has concluded that it is effective and that the components and principles are present and functioning as intended.



## 2.1.4 Conclusions on the impact as regards assurance

This section reviews the assessment of the elements reported above (in Sections 2.1.1, 2.1.2 and 2.1.3), the sub-conclusions above, and draws the overall conclusion supporting the declaration of assurance and whether it should be qualified with reservations.

The information reported in Section 2.1 stems from the results of management and auditor monitoring contained in the reports listed. These reports result from a systematic analysis of the evidence available. This approach provides sufficient guarantees as to the completeness and reliability of the information reported and results in a comprehensive coverage of the budget delegated to the Director-General of DG ECHO.

DG ECHO faces several inherent risks due to the nature of its operations, which can hinder the achievement of its objectives. The control architecture of DG ECHO aims to ensure that risks are mitigated to an acceptable level in a cost-effective manner.

DG ECHO has a stable low residual error rate of 0.49% with a global implementation rate of 98.41%. The overall amount at risk at closure was EUR 5.25 million. In order to address the risks related to the legality and regularity of the transactions, grants with a value of EUR 517.9 million have been audited (implemented under both direct and indirect management). EUR 2.3 million of ineligible expenditure (detected by ex-post audits) were identified. The global cost of control has been estimated at 0.4% of payments, generating an estimated quantifiable benefit of EUR 7.19 million. The analyses of the control efficiency indicators show a positive result. DG ECHO has implemented all appropriate ex-ante and ex-post controls in line with the control strategy, to the extent that they are cost-effective.

There was an increase in the number of monitored projects in the field as compared to 2017. In 2018, 94.5% (94.2% in 2017) of the grant agreement actions' were monitored. DG ECHO has put in place procedures to ensure legality and regularity of underlying expenditure including those incurred in operations implemented under Exceptional Extreme Operational Constraints or Remote Management. These procedures include clear requirements to be respected by our partners before and during the implementation of the operations as well as at reporting stage. All operations are within the scope of DG ECHO's own ex-post controls<sup>80</sup>.

DG ECHO reacted swiftly to allegations of misconduct in order to protect the financial interests of the Commission, transmitting to OLAF all necessary information on received or detected fraud allegations.

There are no open critical or very important IAS recommendations. The IAS concluded that the internal control systems in place for the audited processes are effective. The 2018 Statement of Assurance exercise from the ECA is still underway, it is not expected to have any negative impact on DG ECHO's assurance provided in this report, either in qualitative or in quantitative terms. Four performance audits which related to DG ECHO were published in 2018. None of them contained any observations that would have a negative impact on the assurance.

The implementation of the new Internal Control Framework has been assessed. All the principles are present and functioning, although some improvements are needed to address the minor weaknesses identified. Overall, the internal control system is effective.

Taking into account the information reported in sections 2.1.1-2.1.3, including the various reports from the internal and external control bodies, there is satisfactory

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<sup>80</sup> Exception for controls related to the EUTF and the Aid Volunteers budget implemented by EACEA that are excluded.

evidence that the internal control system in its entirety is implemented effectively in DG ECHO. The procedures put in place ensure the control of the main risks and in doing so provide reasonable assurance that the financial information in this report represents a true and fair view of DG ECHO's operations. Resources are used for their intended purpose and the AOD has managed them on the basis of the principles supporting sound financial management. Furthermore, the materiality criteria set for legality and regularity of the financial operations are respected, no significant information has been omitted, assets and information have been properly safeguarded and measures were put in place to ensure prevention, detection and correction of fraud and irregularities.

DG ECHO's AOD therefore has sufficient assurance to sign the Declaration of Assurance.

### **Overall Conclusion**

**In conclusion, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented. The Director General, in her capacity as Authorising Officer by Delegation has signed the Declaration of Assurance.**

# DECLARATION OF ASSURANCE

*I, the undersigned,*

**Director-General of DG ECHO**

***In my capacity as authorising officer by delegation***

***Declare that the information contained in this report gives a true and fair view<sup>81</sup>.***

***State that I have reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.***

***This reasonable assurance is based on my own judgement and on the information at my disposal, such as the results of the self-assessment, ex-post controls, the work of the Internal Audit Service and the lessons learnt from the reports of the Court of Auditors - for years prior to the year of this declaration.***

***Confirm that I am not aware of anything not reported here which could harm the interests of the institution”.***

***Brussels, date 29 March 2019***

***e-Signed***

***Monique PARIAT***

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<sup>81</sup> True and fair in this context means a reliable, complete and correct view on the state of affairs in the DG.

## 2.2 Other organisational management dimensions

### 2.2.1 Human resource management

Human resources<sup>82</sup> at headquarters at the end of 2018 totalled 518 staff, of which 48% statutory, 25 % external and 27% non-statutory staff. DG ECHO employed 160 field experts and 299 local staff making a total of 459 people working in DG ECHO'S field offices at 31 December 2018.

The main achievements in 2018 related to Human Resources Management are listed below:

In 2018, DG ECHO continued to work on the full implementation of the new HR Modernisation Process. With the creation of the Account Management Centre and the Business Correspondent, administrative procedures for selection and recruitment of staff shifted from the former HR team to the unit management level and the AMC for implementation. It was therefore necessary to further clarify the roles and to assist the Heads of Unit in their new tasks. The HRBC team produced guidelines for the selection and recruitment of staff and in parallel provided hands-on training sessions on job management and recruitment procedures.

In addition, DG ECHO worked on the following 3 deliverables: a) a gender-balanced Talent Management strategy, b) an attractive working environment and c) a close follow-up to the results of the 2016 staff survey.

In 2018, DG ECHO reached its additional target of first female appointments in middle management positions. At the end of 2018, DG ECHO had 10 female middle managers out of 17 (59%) and 3 female senior managers out of 5 (60%). Furthermore, DG ECHO continued to motivate and support the career development of women with a potential and interest for a management role.

DG ECHO operates in challenging working environments and difficult contexts. In order to increase the attractiveness of the working environment, DG ECHO organised different actions:

- Organisation of an ECHO health week with consultation of doctors and psychologists as well as presentations by the medical service on burn-out and stress resistance.
- Putting in place a well-being room, which is frequently used for social gatherings and physical sessions such as Yoga and Self-Defence courses.
- Organisation of an information session on ethics with the participation of senior management and the installation of a dedicated functional mailbox to which staff may address in case of harassment or misconduct.
- Renovation of the building façade in order to improve the office environment.
- Regular information sessions for staff on the different stages of the works and on other important human resource developments.

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<sup>82</sup> These numbers refer to approved posts both filled and vacant.

- Continuation of the security trainings and psychological support for headquarter and field staff.
- Organisation of an All ECHO Day including the field staff from all over the world.
- Organisation of an ECHO party where staff had the possibility to meet in a more relaxed and private context.

Concerning the follow-up of the 2016 staff survey, DG ECHO continued to implement the action plan 2016. In addition, DG ECHO with the help of its senior management, actively promoted the 2018 staff survey in order to encourage staff to participate and express their appreciation. As a result of this 63% of ECHO staff participated in the staff survey which is well above the Commission average of 57%. Results of the survey have shown improvements in the DG in many areas compared to 2016. In particular as regards well-being and staff engagement, there is a net progression in the feeling staff have about the organisation caring for their wellbeing at work (+11 compared to 2016), and staff engagement also progressed (61 % in 2016 and 67 % in 2018). Colleagues increasingly feel that their opinion is valued (+19 compared to 2016) and they consider that their manager cares about them as a person (+12 compared to 2016).

A dedicated internal communication strategy was developed in 2018. Communication activities target DG ECHO staff at all hierarchical levels in Brussels and field offices, in addition ad-hoc online communication through the corporate channels addressing all Commission staff. Through tailored activities, internal communication illustrates how work by DG ECHO staff directly supports the EU's overarching aims and communicates the organisation's values, vision, goals and achievements. Internal communication is carried out in close cooperation with the Directorate-General for Human Resources and Security (DG HR) as the domain leader at the corporate level. Internal communication underlines the EU's added value in this area and shows how it makes the Commission a rapidly acting body in times of disasters and as a lead humanitarian donor worldwide. Periodical video messages and lunchtime information sessions particularly contribute to a better dialogue between DG ECHO Senior Management and staff. EU public service principles as defined by the European Ombudsman and in terms of clear writing were also promoted.

## **2.2.2 Better regulation**

The regulatory acquis of DG ECHO is comparatively small in number (the Humanitarian Aid Regulation, the Union Civil Protection Mechanism, the EU Aid Volunteers Initiative, and the Emergency Support Instrument).

In 2018, DG ECHO completed three evaluations: Evaluation of Humanitarian Logistics within EU Civil Protection and Humanitarian Action, 2013-2017; Evaluation of the EU humanitarian aid intervention in the African Great Lakes region, 2013-2017; and Evaluation of the operation of Regulation (EU) 2016/369 on the provision of emergency support in the Union, 2016-2018. Moreover, a

mid-term evaluation of the EU Aid Volunteers initiative was carried out in 2017<sup>83</sup> and finalised in May 2018<sup>84</sup>.

### 2.2.3 Information management aspects

Data, information and knowledge are strategic assets, and DG ECHO is paying particular attention to improving the way these assets are managed and used. Reporting and analytics have become an increasingly important area in DG ECHO in the past years, with analytics capabilities being further reinforced in 2018. The reporting portfolio has been heavily rationalised with the phasing out/elimination of hundreds of ad hoc/personal reports. These reports have been replaced by the new analytics tool, which provides access to quality controlled data. Awareness sessions (8) have taken place over the year during the Units meeting to inform about the available information and about the new deployed functionalities (to visualise information by funding dimensions and by version of contracts). In addition, ad hoc hands on sessions have been offered to users on demand.

In 2018, additional workflows in the local IT systems were updated to link them with the corresponding ARES registered document. The advantages of this integration are manifold, including a better alignment with Commission rules on document management, the use of a single repository for documents managed in the context of DG ECHO's business processes and the economies linked to the reuse of code.

It is worth noticing that DG ECHO tripled the percentage of files shared with other DG's with 28,3 % in 2018 compared to 2017 and has already largely achieved its 2020 set target of 5-10 % files shared with other DG's. This illustrates DG ECHO's commitment to the European Commission information management strategy.

DG ECHO promotes the on-line administration internally and externally. In addition, DG ECHO is participating in the IMSB action "Inventory of controlled vocabularies" and has proposed some content to be included in the inventory.

DG ECHO has also reviewed its internal organisation as a result of the entry into force of the Regulation 2018/1725 on data protection in the EU institutions and the related adoption of Commission Data Protection Action Plan. A newly appointed DG ECHO Data Protection Coordinator steers an internal working group which aims at delivering DG ECHO's contribution to above-mentioned action plan in particular for what regards its Information Systems (IS), Information websites and any other Communication vehicles. When performing their tasks, the DPC and the internal working group take stocks of the guidelines and guidance progressively made available by the DPO and horizontal services. Relevant staff has started to attend appropriate trainings and further training has been programmed to ensure adequate knowledge of the regulatory context and raise awareness.

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<sup>83</sup> Thematic evaluations: [https://ec.europa.eu/echo/funding-evaluations/evaluations/thematic-evaluations\\_en](https://ec.europa.eu/echo/funding-evaluations/evaluations/thematic-evaluations_en).

<sup>84</sup> Report from the Commission to the European Parliament and the Council on the Interim Evaluation of the EU Aid Volunteers initiative for the period mid-2014 to mid-2017 (COM(2018) 496 final) and Commission Staff Working Document on the Interim Evaluation of the EU Aid Volunteers initiative Accompanying the document Report from the Commission to the European Parliament and the Council on the Interim Evaluation of the EU Aid Volunteers initiative for the period mid-2014 to mid-2017 (SWD/2018/353 final).



The internal working group started working on the following priority aspects:

- Start establish a complete inventory of all data processing operations;
- Check if appropriate information is provided to the data subjects concerned through concise and intelligible privacy statements. Preparatory work for the conversion of its notification into records in line with the priority criteria defined in the Commission action plan.

## **2.2.4 External communication activities**

DG ECHO's external communication took place against the backdrop of a slowly improving general support to the European project, with 43% of citizens having a positive image of the EU, 36% being neutral and 20% negative. The long-term target remains to close the gap between the EU and its citizens and to gain more popular backing for an ever closer Union. The public support of EU funding of humanitarian aid remains high and is seen as important by almost nine in ten respondents, according to the latest Eurobarometer survey. Likewise the awareness is high with over seven in ten of respondents are aware the EU funds humanitarian aid activities. Through its communication activities, DG ECHO also contributes to the public awareness and support for the corporate priorities of the Commission, in particular to the ambition of strengthening Europe as a global actor and to the Commission's agenda on migration.

In terms of traditional press work, in 2018 DG ECHO continued to highlight how EU civil protection and humanitarian aid activities benefit EU citizens and beneficiaries worldwide. Of all 895 press releases and press statements that the Commission spokespersons' service published in 2018, not less than 67 (7.4%) fell within the remits of DG ECHO activities. In addition, DG ECHO co-published a series of local press releases in collaboration with its humanitarian aid partners active in countries where it delivers aid.

Concerning digital media, the DG ECHO website enjoyed high popularity and the number of page views (1.4 million) and engagement has consistently been slightly above expectations. This demonstrated the maturity of this medium, which serves as a good basis for the upcoming transformation of DG ECHO web presence into the overall Commission website. In line with the general trend, social media keeps growing in importance and the publication of audio-visual productions such as photos and videos have proven to be particular effective on our social media channels. Social media also serves as an excellent medium to create durable networks and our followers DG ECHO followers on Twitter increased in 2018 again by 20 % and Facebook likes increased over 30%, and over 100% increase in Instagram followers.

DG ECHO ran several communication campaigns in 2018 to raise the awareness on the EU's role in the field of humanitarian aid and civil protection. The "EU Saves Lives" campaign, a spin-off of the "EU that Protects" corporate campaign, visited six European cities and received around 450,000 visitors, in addition to a reach of about 24 million impressions via social media and out-of-home advertising. The campaign on education in emergencies "EU Education Empowers", launched in 2017, ran until February 2018 and reached 96.5 million contacts. Its main components included cinema advertisement, out-of-home advertisement (posters in public transport) and social media promotion.

In addition, at the end of 2018, DG ECHO produced a multilingual video on a fight

against gender-based violence, developed by the director Ari Folman. The animated video was promoted on social media and got over 2.3 million views. Moreover, DG ECHO prepared a range of communication products for on "rescEU" to strengthen the Union Civil Protection Mechanism, which is to be formally adopted in 2019. DG ECHO also contributed to DG Communication's large-scale "EU Protects" corporate campaign, providing the content of its first campaign stories, e.g. forest fires story and Ebola.

Sponsoring media visits to the field in 2018 have been an effective tool for providing journalists with in-depth information and the possibility to experience the daily reality of EU civil protection and humanitarian aid work first hand. The same holds true for our collaboration with the TV channel Euronews on the "AidZone" magazine whose average reach per broadcast (2.9 million) exceeded initial expectations by far.

### **2.2.5 Example(s) of initiatives to improve economy and efficiency of financial and non-financial activities of the DG.**

In the reporting period, DG ECHO prepared a reorganisation that should take effect in 2019 streamlining tasks and responsibilities, resulting in enhanced economy and efficiency of the services.

In line with the Grand Bargain commitments, a review of the Framework Partnership Agreement (FPA) is ongoing, that regulates DG ECHO's contractual relations with humanitarian NGOs. The review of the FPA is a major administrative and contractual task that will internalize in DG ECHO the Grand Bargain commitments related to efficiency and economy. This should primarily simplify the work of our partner organisations.

Evidence based funding allocation is of strategic importance, requiring detailed and lengthy analysis in DG ECHO and affecting the availability of funding for the different crises. As co-convenor of the Grand Bargain *joint and impartial needs assessment* work-stream, DG ECHO has specific interest in ensuring that needs are appropriately identified and that joint processes exist to maximise coordination and economies of scale. Various initiatives in this direction are ongoing in the context of the Grand Bargain, with a view to presenting the ongoing initiatives at the next Annual Meeting of the Grand Bargain. It is worth noting that in this context several initiatives have had interesting results. Within DG ECHO, the FAST tool has been developed to support decision-making process in allocating funding, objectivising and simplifying the allocation process. On the ground, with DG ECHO support, multi-sectoral needs analyses have been performed in 8 different crisis settings, bringing together the humanitarian community of the countries concerned to perform coordinated assessments (in some cases, one multi-sector needs assessment replaced what would have been otherwise 5 different assessments, resulting in better efficiency and less assessment fatigue by the local populations).