**COMMISSION DECISION**
**of**
**on the financing of emergency humanitarian operations from the general budget of the European Communities in**
**Paraguay**

**THE COMMISSION OF THE EUROPEAN COMMUNITIES,**

Having regard to the Treaty establishing the European Community,
Having regard to Council Regulation (EC) No.1257/96 of 20 June 1996 concerning humanitarian aid[1], and in particular Article 13 thereof,

Whereas:

(1) Fires and drought in Paraguay have destroyed an estimated 1,000,000 hectares of crops, pasture, and forest, directly affecting at least 200,000 people who are as a result dependant on humanitarian assistance.

(2) Dry conditions, high temperatures and strong winds have caused the fires to spread destroying homes and the livelihoods of 23% of the population of the affected region.

(3) On 12 September 2007, the Government of Paraguay declared a national state of emergency and requested international support the following day.

(4) Victims are in urgent need of food supplies, water, seeds, medical assistance and relief assistance in general.

(5) Humanitarian aid operations financed by this Decision should be of a maximum duration of 6 months.

(6) It is estimated that an amount of EUR 1,500,000 from budget line 23 02 01 of the general budget of the European Communities is necessary to provide humanitarian assistance for up to 40,000 people taking into account the available budget, other donors' contributions and other factors.

(7) The present Decision constitutes a financing Decision within the meaning of Article 75 of the Financial Regulation (EC, Euratom) No 1605/2002[2], Article 90 of the detailed rules for the implementation of the Financial Regulation determined by Regulation (EC, Euratom) No 2342/2002[3], and Article 15 of the Internal Rules on the Implementation of the general budget of the European Communities[4].

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[1] OJ L 163, 2.7.1996, p. 1-6
[2] OJ L 248, 16.9.2002, p.1. Regulation as last amended by Regulation (EC, Euratom) No 1995/2006, OJ L 390, 30.12.2006, p.1
[3] OJ L 357, 31.12.2002, p.1 Regulation as last amended by Commission Regulation (EC Euratom) No. 478/2007, OJ L 111 of 28.4.2007, P. 13
[4] Commission Decision of 21.02.2007, C/2007/513

HAS DECIDED AS FOLLOWS:

*Article 1*

1. In accordance with the objectives and general principles of humanitarian aid, the Commission hereby approves a total amount of EUR 1,500,000 for emergency humanitarian assistance and relief for victims of the drought and fires in Paraguay by using line 23 02 01 of the 2007 general budget of the European Communities.

2. In accordance with Article 2 (a) of Council Regulation No.1257/96, the humanitarian operations shall be implemented in the pursuance of the following specific objective:

- To assist the victims of the drought and fires in Paraguay with integrated relief and immediate recovery support

The total amount of this Decision is allocated to this objective.

*Article 2*

1. The implementation of humanitarian aid operations funded by this Decision shall have a maximum duration of 6 months from their starting date.

2. Expenditure under this Decision shall be eligible from 13 September 2007.

3. If the operations envisaged in this Decision are suspended owing to force majeure or comparable circumstances, the period of suspension shall not be taken into account for the calculation of the duration of the humanitarian aid operations.

*Article 3*

1. The Commission shall implement the budget by direct centralised management or by joint management with international organisations.

2. The actions supported by this Decision will be implemented by humanitarian aid organisations that are signatories to the Framework Partnership Agreements (FPA) or the EC/UN Financial Administrative Framework Agreement (FAFA).

3. Taking account the specificities of humanitarian aid, the nature of the activities to be undertaken, the specific location constraints and the level of urgency, the activities covered by this decision may be financed in full in accordance with Article 253 of the Implementing Rules of the Financial Regulation. This means that in case of co-financing, the possible rate of co-financing can go up to 99% if needed.

*Article 4*

1. This Decision shall take effect on the date of its adoption.

Done at Brussels,

For the Commission

Member of the Commission

EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR HUMANITARIAN AID - ECHO

**Emergency Humanitarian Aid Decision**

**23 02 01**

Title: Emergency humanitarian assistance and relief for victims of the drought and fires in Paraguay

Location of operation: Paraguay

Amount of Decision: EUR 1,500,000

Decision reference number: ECHO/PRY/BUD/2007/01000

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## Explanatory Memorandum

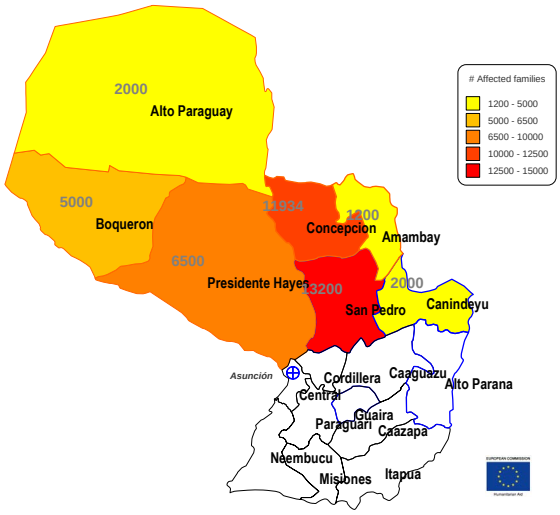
### 1 - Rationale, needs and target population.

1.1. - Rationale:
The Republic of Paraguay is a landlocked country bordered by Bolivia, Brazil, and Argentina. It has a total area of 406,752 square kilometers and a population of 6.2 million. The country is divided into 17 departments, each with its own administrative capital, and one capital district. In 2006, Paraguay was ranked 91 (out of 177 countries) in the UNDP[5]'s Human Development Index (HDI), with a GDP per capita (PPP) of US$4,813, a deterioration of its position compared to 2005 when the country ranked 88. As regards inequality of income distribution, the Gini[6] coefficient increased from 0.447 in 1990 to 0.576 in 2001. This negative trend places Paraguay as the poorest country of South America and amongst the most unequal[7]. According to the World Bank, inequality levels are among the worst in the world. Analysis indicates that it is unlikely that Paraguay will be able to meet most of the Millennium Development Goals by the year 2015[8]. In addition, there are large disparities in human development and access to services between rural and urban areas.

Paraguay is a disaster prone country characterized by regular climatic anomalies, in particular a recurrence of droughts and floods. The National Emergency System (SEN) and the network of Civil Defence regional coordination bodies responsible for responding to emergencies are

[5] United Nations Development Programme
[6] The Gini index measures income inequality within a country
[7] After Brazil
[8] The wealthiest 10% consumes 90 times what the poorest 10% consumes. *Country Assistance Stretegy 2004 to 2007*

still in the very early stages of development. One of the main difficulties in Paraguay is the lack of accurate information about hazards. Since the beginning of 2007, the country has been confronted by a series of disasters which have severely impacted on the capacity of the national system to respond. During the first months of the year, floods struck the department of Pilcomayo (department of Boqueron) followed by an outbreak of dengue fever and the drought in the Chaco region that has contributed to the current forest fires in the central/north east departments. Since April the northern region of the country has also been affected by drought, with levels of rainfall well below seasonal averages.




The Chaco region, which covers 50% of the Paraguayan territory, is affected by droughts on a regular basis, resulting in a permanent situation of vulnerability. This extensive region is sparsely populated, making it difficult to obtain accurate information on the humanitarian situation, and is populated by a high proportion of indigenous people.[9] But the central north-eastern region (oriental region), where the fires are concentrated, is not prepared to face this kind of event. The drought situation in these regions aggravated the forest fires which began in August and on 07 September became uncontrollable.

Every year in Paraguay it is traditional to burn crop fields to clear land for cotton and soybean crop planting. In certain cases the origin of the fires may have been criminal, with the aim of cutting trees in protected areas or increasing the production of charcoal. But the drought conditions over the past five months combined with strong winds caused the fires to intensify and spread uncontrollably to other areas.

These fires have proven difficult to contain because of the lack of rain (the department of Concepción has been without rain for more than 160 days), high winds of 20-25 knots, and lack of means (principally water-carrying aircraft) to fight the fires. Forests and crops have been devastated and it will take years for the soil to recover so it can again be cultivated, according to reports. Homes of indigenous people and farmers have been destroyed, and farm livestock and wild animals have been killed by the uncontrolled fires. When fires have not destroyed crops, it is the exceptionally severe drought in the centre and north-eastern departments which has led to loss of crops.

As of today[10], it is estimated that approximately 200,000 people are directly affected by the disaster and require immediate humanitarian assistance. The fires have destroyed approximately 1,000,000 hectares of forest, indigenous villages, crops and pasture, natural reserve parks and dozens of rural homes have been destroyed leading to the evacuation of several hundred principally indigenous, families. Economic losses estimated by the Ministry of Agriculture and Livestock amount to over US$30,000,000. To date, 25,000 families have been directly affected by the fires, 8 people have died and 60 houses and small ranches destroyed according to a first assessment provided by a UN field team. However, data in

[9] About 95% of the indigenous population in Paraguay is rural, a large percentage (at least 55%) of whom are concentrated in El Chaco. World Bank 2001, *Attacking Poverty*
[10] ECHO situation report of 17 September 2007

remote areas and settlements is still missing[11]. A UN coordination and assessment team is still in the affected departments assessing the situation together with the National Emergency Committee (Secretaria de Emergencia Nacional – SEN) and local emergency committees.

The departments of Concepción, San Pedro, Amambay, Canindeyú and Presidente Hayes are the worst affected. In San Pedro 50% of the population lost their production and food security, according to OCHA data. The IFRC[12] reports the most affected provinces in San Pedro have been Tacuati – where the entire population was evacuated – and Nueva Germania – where reports estimate that 70% was destroyed by the fires[13].

This disaster has had a particularly negative impact on the indigenous communities of the affected regions who live on subsistence crops, forestry and hunting, who have lost their food supply and source of income. Traditional water supply systems are dry or destroyed and these communities have exhausted their food and water reserves. The situation is further complicated as the lack of rain has delayed the planting of new crops. These populations are extremely vulnerable not only because of their exposure to flooding and droughts, their poverty and their position in marginalized ethnic groups, but also because of their physical remoteness, which means that in situations of emergency or disaster, assistance is slow to arrive, if it arrives at all. The rainy season normally begins in November and lasts until April, which means that if rainfalls occur, the first crops will only be available in February 2008. However, rain is not forecast, and certain experts even anticipate a "niña"-type phenomenon which would imply continuation of the drought until April 2008.

The principal victims of the crisis are:

- Indigenous people, (loss of their sources of incomes, destruction of their vegetable gardens and their small livestock production, and loss of the farms which employed them).
- Small farmers with fewer than 10 hectares; farmers in general cultivate only 2 hectares; half for their own consumption and half for revenue generation.
- Communities with a high number of elderly or children.

The affected population has also lost their food reserves and seeds which are needed for planting new crops. Moreover if it does not rain in the next 3 weeks it will no longer be possible to plant crops for the coming season for cash or consumption.

The cumulative effects of several disasters since the beginning of the year has weakened the local response capacity, which has been overwhelmed by the extent of the fires[14]. In response to the fires, the National Emergency Committee (Secretaria de Emergencia Nacional – SEN) is currently concentrating its activities on extinguishing the fires, and in parallel, distributing food aid[15], medical kits and roofing materials. At the time of drafting, the SEN had not yet set

[11] United Nations Office for the Coordination of Humanitarian Affairs (OCHA) report of 19 September 2007.
[12] International Federation of Red Cross and Red Crescent Societies (IFRC)
[13] DREF Bulletin no. MDRPY002. Glide no. WF-2007-000156-PRY 18 Sept 2007
[14] As well as the structures of the national system being overwhelmed, financial resources are also exhausted: 10% of the sale of cigarettes and alcohol are used to respond to emergencies and for disaster prevention, but this fund (FONE, emergency national fund) is already exhausted and cannot support the current crisis.
[15] As of 19 September 2007 130 tons of food aid had been distributed (OCHA situation Report 19 Sept 2007

up a coordination system, and has insufficient logistics for needs assessment which is being carried out at the level of the town halls (districts) and the "prefectures" (departments). Few departmental emergency committees (COEs) are activated.

On 12 September 2007, the Government of Paraguay declared a national state of emergency due to fires in those departments and requested international assistance the following day.

Following this request, DG ECHO[16] deployed an expert on the ground to assess the most acute humanitarian needs.

Neighbouring governments (Argentina, Venezuela, Mexico), have shown interest in supporting fire control. UNDP and the United Nations (UN) currently have an evaluation mission on the ground and their report is not yet available. Their potential support is estimated to amount to US$ 150,000 to support coordination and rapid recovery. There is little response for the moment at the humanitarian level as priority is being given to fire fighting.

1.2. - Identified needs:

An estimated 200,000 people are directly affected by the disaster and in need of humanitarian aid. No official data is yet available and these figures are a compilation of the information received at meetings with donors, Non Governmental Organisations (NGOs), the National Emergency Committee (SEN), International Federation of Red Cross and Red Crescent Societies (IFRC), and information obtained during DG ECHO's field visit. The number of total affected people is likely to increase in the following days once a more extensive assessment is carried out.

*Food and livelihood recovery*

In the affected areas, agriculture is the principal source of income and employment and the fires have endangered the food security of small farmer families (crops destroyed, seeds used to survive). Distribution of food is needed to avoid a further deterioration of the food security situation of affected families who lost their homes and means of subsistence during the disaster. More than 40,000 families need food aid for periods of between one and four months. In parallel, the promotion of short-term emergency agricultural activities (distribution of seeds, agricultural inputs and tools) will help to restore livelihoods following the loss of seeds and working tools where the affected people depend largely on subsistence agriculture. Seeds are needed in order to be able to replant crops as soon as the next rains arrive. Logistical support is needed for distribution.

*Water and sanitation*

There is a lack of access to water mainly in the Chaco region and the department of Concepción, and a lack of water containers, giving rise to a very precarious health environment. Distribution of drinking water and access to safe sanitation is urgently needed to avoid a further deterioration of the humanitarian situation.

*Health*

[16] The European Commission's Directorate-General for Humanitarian aid – DG ECHO.

Information campaigns and epidemiologic monitoring, as well as medicines for the treatment of acute respiratory infections. These needs are partially covered by the Ministry of Health and the Pan American Health Organisation (PAHO).

*Shelter, non-food items*
Provision of emergency shelter materials for displaced and homeless populations and distribution of non-food items.

1.3. - Target population and regions concerned:

This Decision will target up to 40,000 people most seriously affected by the drought/forest fires in the 5 departments of Amambay, Canindeyú, Concepción, Presidente Hayes and San Pedro.
Priority will be given to

- Particularly vulnerable groups, including indigenous groups, children and elderly.
- Small farmers owning less than 10 hectares who have lost their main source of subsistence.
- Populations living in remote areas without access to emergency assistance provided by the government.

Priority will be given to operations which mainstream disaster risk reduction in their relief activities.

1.4. - Risk assessment and possible constraints:
Access to affected populations may be difficult due to damaged infrastructure (roads, bridges, etc.) and remoteness.

The lack of response is creating strong tensions among the affected population, who foresee road blockages in the following days which could hamper a swift distribution of humanitarian aid.

## 2 - Objectives and components of the humanitarian intervention proposed:

2.1. - Objectives:

Principal objective: To save and preserve lives in the aftermath of drought and fires in Paraguay.

Specific objectives:
- To assist the victims of the drought and fires in Paraguay with integrated relief and immediate recovery support

2.2. - Components:

*Food aid and livelihood recovery*
● Provision of emergency food aid
● Provision of agricultural inputs to support the recovery of livelihoods
● Training in production techniques

*Water and sanitation*
● Access to safe drinking water for the affected population
● Emergency rehabilitation of water and sanitation facilities
● Provision of emergency sanitation facilities
● Distribution of hygiene kits

*Health*
● Dissemination of health messages
● Support for the reinforcement of an epidemiological surveillance system
● Emergency health care, including the provision of medical inputs

*Shelter, non-food items*
- Provision of emergency shelter materials for displaced and homeless populations
- Distribution of non-food items.

*Disaster Preparedness*
● Awareness-raising and training for local communities, community-based organisations and authorities
● Small-scale mitigation works

**3 - Duration expected for actions in the proposed Decision:**

The duration of humanitarian aid operations shall be 6 months.
Expenditure under this Decision shall be eligible from 13 September 2007.
If the implementation of the actions envisaged in this Decision is suspended due to *force majeure* or any comparable circumstance, the period of suspension will not be taken into account for the calculation of the duration of the humanitarian aid operations.

Depending on the evolution of the situation in the field, the Commission reserves the right to terminate the agreements signed with the implementing humanitarian organisations where the suspension of activities is for a period of more than one third of the total planned duration of the action. In this respect, the procedure established in the general conditions of the specific agreement will be applied.

## 4 - Previous interventions/Decisions of the Commission within the context of the current crisis

The DIPECHO South America Decision (ECHO/DIP/BUD/2007/03000) finances the following trans-border project in the Gran Chaco region: *"Multi-hazard risk reduction and preparedness for the Gran Chaco region (Argentina, Bolivia and Paraguay) in support to trans-boundary development policies in South America"*, implemented by IFRC.

The last humanitarian intervention by DG ECHO in Paraguay was in 2002, in response to drought (EUR 920,000).

The EU's Civil Protection Mechanism (MIC) was activated. The request for assistance from the Paraguayan authorities to the European Commission Civil Protection System, which had received a positive reply from Italy, was withdrawn by the government of Paraguay.

## 5 - Overview of donors' contributions

The UN Disaster Management Team (UNDMT) is monitoring the situation, in cooperation with national authorities and the Red Cross.

A UN coordination and assessment team is still in the affected departments assessing the situation together with the National Emergency Committee (SEN) and supporting its operations and those of the local emergency committees.

UNDP is supporting the national coordination structures and holding coordination meetings with the donors.

According to official sources, the governments of Argentina, Brazil, Russia and Venezuela have shown their interest in supporting the Paraguayan government by sending relief items.

OCHA allocated USD 50,000 in emergency cash grant. The United States allocated USD 500,000 and Venezuela USD 1 million[17].

CHF 120,000 (USD 99,750 or EUR 72,993) was allocated from the International Federation of Red Cross and Red Crescent Societies' Disaster Relief Emergency Fund (DREF) to respond to the needs of those affected by the fires[18].

[17] OCHA Situation Report 19 September 2007
[18] OCHA Situation Report 19 September 2007

| Donors in Paraguay the last 12 months | | | | | |
|---|---|---|---|---|---|
| 1. EU Members States (*) | | 2. European Commission | | 3. Others | |
| | EUR | | EUR | | EUR |
| | | | | | |
| Austria | | DG ECHO | 650,000 | | |
| Belgium | | Other services | | | |
| Bulgaria | | | | | |
| Cyprus | | | | | |
| Czech republic | | | | | |
| Denmark | | | | | |
| Estonia | | | | | |
| Finland | | | | | |
| France | 33,000 | | | | |
| Germany | 15,000 | | | | |
| Greece | | | | | |
| Hungary | | | | | |
| Ireland | | | | | |
| Italy | | | | | |
| Latvia | | | | | |
| Lithuania | | | | | |
| Luxemburg | | | | | |
| Malta | | | | | |
| Netherlands | | | | | |
| Poland | | | | | |
| Portugal | | | | | |
| Romania | | | | | |
| Slovakia | | | | | |
| Slovenie | | | | | |
| Spain | 75,000 | | | | |
| Sweden | | | | | |
| United kingdom | | | | | |
| Subtotal | 123,000 | Subtotal | 650,000 | Subtotal | 0 |
| | | Grand total | 773,000 | | |

Dated : 19 September 2007
(*) Source : DG ECHO 14 Points reporting for Members States. https://hac.ec.europa.eu
Empty cells means either no information is available or no contribution.

## 6 - Amount of Decision and distribution by specific objectives:

6.1. - Total amount of the decision: EUR 1,500,000

### 6.2. - Budget breakdown by specific objectives

| **Principal objective**: *To save and preserve lives in the aftermath of drought and fires in Paraguay.* | | | |
|---|---|---|---|
| **Specific objectives** | **Allocated amount by specific objective (EUR)** | **Geographical area of operation** | **Potential partners**[19] |
| Specific objective 1:<br>To assist the victims of the drought and forest fires in Paraguay with integrated relief and immediate recovery support | 1,500,000 | Departments affected by drought and fires | - COOPI<br>- CR-E<br>- INTERMON |
| | | TOTAL:1,500,000 | |

[19] COOPERAZIONE INTERNAZIONALE (ITA), CRUZ ROJA ESPAÑOLA, (E), INTERMON OXFAM, (E)

**7 - Evaluation**

Under article 18 of Council Regulation (EC) No.1257/96 of 20 June 1996 concerning humanitarian aid the Commission is required to "regularly assess humanitarian aid operations financed by the Community in order to establish whether they have achieved their objectives and to produce guidelines for improving the effectiveness of subsequent operations." These evaluations are structured and organised in overarching and cross cutting issues forming part of DG ECHO's Annual Strategy such as child-related issues, the security of relief workers, respect for human rights, gender. Each year, an indicative Evaluation Programme is established after a consultative process. This programme is flexible and can be adapted to include evaluations not foreseen in the initial programme, in response to particular events or changing circumstances. More information can be obtained at:

http://ec.europa.eu/echo/evaluation/index_en.htm.

**8 - Budget Impact article 23 02 01**

| - | CE (EUR) |
|---|---|
| Initial Available Appropriations for 2007 | 485,000,000 |
| Supplementary Budgets | |
| Transfers | - |
| **Total Available Credits** | 485, 000,000 |
| Total executed to date (19 September 2007) | 419, 275, 694,95 |
| Available remaining | 65,724,305,05 |
| **Total amount of the Decision** | 1,500,000 |

**9. MANAGEMENT ISSUES**

Humanitarian aid actions funded by the Commission are implemented by NGOs, Specialised Agencies of the Member States, and the Red Cross organisations on the basis of Framework Partnership Agreements (FPA) and by United Nations agencies based on the EC/UN Financial and Administrative Framework Agreement (FAFA) in conformity with Article 163 of the Implementing Rules of the Financial Regulation. These Framework agreements define the criteria for attributing grant agreements and financing agreements in accordance with Article 90 of the Implementing Rules and may be found at http://ec.europa.eu/echo/partners/index_en.htm.

Individual grants are awarded on the basis of the criteria enumerated in Article 7.2 of the Humanitarian Aid Regulation, such as the technical and financial capacity, readiness and experience, and results of previous interventions.