



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels
C(2008) XXX final

COMMISSION DECISION

of

**on the financing of emergency humanitarian Actions from the general budget of the
European Communities in Paraguay**

(ECHO/PRY/BUD/2008/01000)

COMMISSION DECISION

of

on the financing of emergency humanitarian Actions from the general budget of the European Communities in Paraguay

(ECHO/PRY/BUD/2008/01000)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC, Euratom) No.1257/96 of 20 June 1996 concerning humanitarian aid¹, and in particular Article 2(a) and Article 13 thereof,

Whereas:

- (1) The central region of Chaco in Paraguay has been suffering from a severe prolonged drought which has been affecting the area for the last seven months.
- (2) Drought in that area is considered as a cyclical seasonal event lasting between five and six months. However, this year the dry season started in March, one month earlier than usual, and is still ongoing when it should have stopped in early October. An additional two to three months of rain deficit is forecast, up to the end of December. The natural water reservoirs are currently totally dry.
- (3) This year's drought follows on from seven others; since 2002 the Chaco has experienced constant severe rain deficits, and each year the situation has worsened for the highly vulnerable population living in the Paraguayan Chaco. An estimated 100,000 people lack access to basic services.
- (4) On 8 September 2008 President Fernando Lugo declared a state of emergency for 90 days in the Chaco departments of Alto Paraguay, Boqueron and Presidente Hayes. An estimated 70% of the water systems are currently out of order; a large majority of the natural rain water storage facilities are empty; the water being distributed to the indigenous population is insufficient and of poor quality.
- (5) The national coping capacity appeared adequate in the early stages, but the drought is a slow onset event with a cumulative impact, and for this reason the eligibility date for activities supported by this Decision is 1 November.
- (6) Affected populations are in urgent need of water and sanitation in particular and of relief assistance in general.
- (7) To reach populations in need, emergency aid should be channelled through Non-Governmental Organisations (NGOs), or International Organisations including United

¹ OJ L 163, 2.7.1996, p. 1.

Nations (UN) agencies. Therefore the European Commission should implement the budget by direct centralized management or by joint management.

- (8) Humanitarian aid actions financed by this Decision should be of a maximum duration of 6 months.
- (9) It is estimated that an amount of EUR 1,400,000 from budget line 23 02 01 of the general budget of the European Communities is necessary to provide humanitarian assistance to up to 25,000 people taking into account the available budget, other donors' contributions and other factors. Therefore, the activities covered by this Decision may be financed in full in accordance with Article 253 of the Implementing Rules of the Financial Regulation.
- (10) The present Decision constitutes a financing Decision within the meaning of Article 75 of the Financial Regulation (EC, Euratom) No 1605/2002², Article 90 of the detailed rules for the implementation of the Financial Regulation determined by Regulation (EC, Euratom) No 2342/2002³, and Article 15 of the Internal Rules on the Implementation of the general budget of the European Communities⁴.

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 1,400,000 for emergency humanitarian aid Actions for victims of the drought in Paraguay by using line 23 02 01 of the 2008 general budget of the European Communities.
2. In accordance with Article 2(a) of Council Regulation No.1257/96, the humanitarian Actions shall be implemented in the pursuance of the following specific objective:
 - To assist the victims of the drought in Paraguay with integrated relief and immediate recovery support.
3. The total amount of the Decision is allocated to this specific objective.

Article 2

1. The implementation of humanitarian aid Actions 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 1 November 2008.
3. If the Actions 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 Actions.

² OJ L 248, 16.9.2002, p.1.

³ OJ L 357, 31.12.2002, p.1.

⁴ Commission Decision of 5.3.2008, C/2008/773

Article 3

1. The Commission shall implement the budget by direct centralised management or by joint management with international organisations.
2. Actions supported by this Decision will be implemented either by:
 - Non-profit-making organisations which fulfil the eligibility and suitability criteria established in Article 7 of Council Regulation (EC) No. 1257/96;
 - or International organisations.
3. Taking account of 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.

Article 4

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

Done at Brussels,

For the Commission

Member of the Commission



Emergency Humanitarian Aid Decision
23 02 01

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

Location of Action: PARAGUAY

Amount of Decision: EUR 1,400,000

Decision reference number: ECHO/PRY/BUD/2008/01000

Supporting document

1 - Rationale, needs and target population.

1.1. - Rationale:

1.2.

In 2007/2008 Paraguay was ranked 95 out of 177 countries in the UNDP¹'s Human Development Index (HDI,) with a GDP per capita (PPP) of USD\$4,642, a deterioration of its position compared to 2005 when it ranked 88. As regards inequality of income distribution, the Gini² coefficient increased from 0.447 in 1990 to 0.584 in 2007/08. This negative trend places Paraguay as the poorest country of South America and, according to the World Bank, with inequality levels among the worst in the world.

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 still in the very early stages of development. One of the main difficulties in Paraguay is the lack of accurate information about hazards.

The Chaco region, which covers approximately 50% of 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

¹ United Nations Development Programme.

http://hdr.undp.org/en/media/HDR_20072008_EN_Indicator_tables.pdf

² The Gini index measures income inequality within a country

humanitarian situation, and is populated by a high proportion of indigenous people.³ Drought in the Chaco region is considered as a cyclical seasonal event lasting between five and six months. This year however the dry season started one month earlier than usual, in March, and is ongoing, when it should have stopped in early October. The prognostic is grim as a potential two to three months of additional rain deficit is forecast, leading up to the end of December. Temperatures are reported as abnormally high for the season, showing clear climatic irregularities. Thus the natural water reservoir storage methods are currently totally dry.

Although cyclical, this year's drought follows seven others. Since 2002 the Chaco has experienced constant severe rain deficits, and the situation has progressively worsened for the highly vulnerable groups of the population. An estimated 100,000 people lack access to basic services, (health, water, education). According to an evaluation by the Paraguayan Red Cross, 70% of the water systems are currently not functioning in the Boqueron department, and a similar conclusion was reached by an evaluation made by Oxfam Intermon in Presidente Hayes department. The majority of the natural rain water storage facilities are empty, and the water being distributed to the indigenous population is unqualifiedly bad.

Additionally, rapid deforestation, climate change, faster evaporation, fewer ground water reserves, eight consecutive years of drought and high temperatures are worsening the already challenging living conditions of the indigenous population.

Paraguay has a new government coalition which took office in August⁴, and most of the key positions are now occupied by new personnel. In the ministry of the SEN (Secretaria Nacional de Emergencia), the staff are in most cases in positions which they never held before, and the new secretariat needs help in managing the current emergency. This year alone Paraguay has already had to deal with three climatic events (floods, hailstorm, winds) leaving the SEN budget with a negative balance estimated at half a million USD⁵.

The attitude of the SEN is open and collaborative about their need for support in managing the emergency.

1.2. - Identified needs:

Water and sanitation

The secure supply and storage of clean water in the Chaco Region has placed the regions' population at risk during the current drought. Assessments indicate that traditional methods for collecting water revolve principally on the collection of surface water and drilling of wells. These methods have proved inadequate especially during periods of prolonged drought and combined with increasing pressure caused by population growth. A significant proportion of existing infrastructure (wells, pumps and so on) has been found to be in poor working condition, or not working at all. The lack of secure water sources has caused severe pressures on local communities, causing subsistence (and for profit) crops to fail and chronic malnutrition.

³ About 95% of the indigenous population in Paraguay is rural, a large percentage (at least 55%) of whom are concentrated in the Chaco region. World Bank 2001, *Attacking Poverty*

⁴ Presidential and Congressional elections were held in April 2008. Fernando Lugo, (Patriotic Alliance for Change), won the Presidency, and took office on 15 August 2008.

⁵ Financial director SEN

Disaster response and logistics strengthening

Drought in the Chaco region has been a recurrent phenomenon in the last eight years. The assistance given to the population at the early stage of the emergency is essential, but it is also necessary to improve the mechanisms to prepare the population to face the various threats. Immediate needs in this area are the organization of disaster risk reduction activities, to strengthen capacity to respond to this and future emergencies. Activities include disaster response and logistics support, as well as aware-raising activities in disaster risk reduction.

Coordination

Despite the coordination mechanisms established for this emergency there is still a need to boost the on-going cluster approach. Dialogue with UN agencies needs to be strengthened and coordinated. Coordination with the SEN needs to be supported and strengthened.

Protection

There is a need for training and awareness-raising on SPHERE standards and on basic rules on education in emergencies.

Food assistance

Food assistance needs are not the main target of activities supported under this Decision, but may be included if the situation evolves.

Main needs:

- Water in quantity and quality
- Strengthening the logistical mechanics of water distribution
- Basic sanitation
- Hygiene promotion
- Disaster preparedness strengthening (communities and local authorities)
- Coordination
- Protection

1.3. - Target population and regions concerned:

The main areas of concern are those located relatively far from the Mennonite urban areas, from the trans-Chaco road and the Pilcomayo and Paraguay River basins. The most vulnerable populations are those without access to a river, to Mennonite employment⁶ and located far from the trans-Chaco road bringing assistance: south west of the Boqueron department, North West and east of Presidente Hayes department. The Alto Paraguay is not considered a priority area.

The Decision will target a population of up to 25,000 people, who face a situation of severe lack of access to water caused by the drought in the departments of Boqueron, and Presidente Hayes in the central Chaco region.

Priority will be given to two distinct target groups which have been defined based on the field evaluation undertaken by UNDP and data from the Paraguayan Red Cross, the national emergency secretariat, OXFAM and DG ECHO⁷'s own assessment.

⁶ The Mennonite communities in the Chaco are a source of employment in their farming cooperatives.

⁷ Directorate-General for humanitarian aid -ECHO

- **Indigenous communities** consisting of small communities dispersed in a wide area, lacking access to water, whose livelihoods depend almost exclusively on the selling of coal and who are largely without access to basic services.
- **Indigenous children** consisting of the most vulnerable age groups of the affected communities, with minimal access to basic services, lacking water, hygiene and sanitation.

Furthermore, particular attention will be given to including community leaders in vulnerable communities and key staff (SEN, municipalities) linked to the response, in order to maximise effectiveness and sustainability.

1.4. - Risk assessment and possible constraints:

The main constraints of any operation in the Chaco are distance and access restrictions due to poor road conditions and the isolation of communities. In the event of rain, roads become impassable.

2 - Objectives and components of the humanitarian intervention proposed:

2.1. - Objectives:

Principal objective:

To save and preserve lives in the aftermath of drought in Paraguay

Specific objective:

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

2.2. - Components:

Restoring basic access to water, sanitation and hygiene and strengthening resilience to future climatic shocks, through short-term support for provision of key assets for the current drought response and which can be used during future events (e.g. water tanks, pumping systems, maintenance kits for water systems and protection activities), food assistance, improved emergency response and coordination.

Components will include:

- Ensuring access to and availability of clean water, sanitation and hygiene, and other factors of well being. For instance, provision of water tanks, sanitation and hygiene training, technical assistance and tool kits for water system maintenance and repair, focusing on the most vulnerable and poorest indigenous groups in the affected areas.
- Reinforcement of the response capacity of local actors and communities, preparing basic stock of water and sanitation materials, logistics and appropriate training.
- Mainstreaming of protection, gender and disaster preparedness in the response
- Coordination

3 - Duration expected for Actions in the proposed Decision:

The duration of humanitarian aid Actions shall be 6 months.

Expenditure under this Decision shall be eligible from 1 November 2008.

If the implementation of the actions envisaged in this Decision is suspended due to *force majeure* or any comparable circumstance, the period of suspension will not be taken into account for the calculation of the duration of the humanitarian aid actions.

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

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

List of previous DG ECHO operations in PARAGUAY

Decision Number	Decision Type	2006	2007	2008
ECHO/PRY/BUD/2007/01000	Emergency	EUR	EUR 1,500,000	EUR
Subtotal		0	1,500,000	0
Grand Total		1,500,000		

Dated : 29 October 2008
 Source : HOPE

(*) decisions with more than one country

5 - Overview of donors' contributions

Donors in PARAGUAY the last 12 months

1. EU Members States (*)		2. European Commission		3. Others	
	EUR		EUR		EUR
Austria		DG ECHO	0		
Belgium		Other services			
Bulgaria					
Cyprus					
Czech republic					
Denmark					
Estonia					
Finland					
France					
Germany					
Greece					
Hungary					
Ireland					
Italy	150,000				
Latvia					
Lithuania					
Luxemburg					
Malta					
Netherlands					
Poland					
Portugal					
Romania					
Slovakia					
Slovenie					
Spain	75,000				
Sweden	100,452				
United kingdom					
Subtotal	325,452	Subtotal	0	Subtotal	0
		Grand total	325,452		

Dated : 29 October 2008

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

6 - Amount of Decision and distribution by specific objectives:

6.1. - Total amount of the Decision: EUR 1,400,000

6.2. - Budget breakdown by specific objectives

Principal objective: <i>To save and preserve lives in the aftermath of drought in Paraguay</i>			
Specific objectives	Allocated amount by specific objective (EUR)	Geographical area of operation	Potential partners⁸
Specific objective 1: To assist the victims of the drought in Paraguay with integrated relief and immediate recovery support	1,400,000	Department of P. Hayes and Boqueron	- COOPI - STCH - CROIX-ROUGE - FIN - INTERMON - UNDP-PNUD
TOTAL: 1,400,000			

⁸ COOPERAZIONE INTERNAZIONALE (ITA), FUNDACION SAVE THE CHILDREN, SUOMEN PUNAINEN RISTI (CROIX ROUGE FINLANDAISE), INTERMON OXFAM, (E), UNITED NATIONS DEVELOPMENT PROGRAMME

7 - Evaluation

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

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

8. 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.

For International Organisations identified as potential partners for implementing the Decision, actions will be managed under joint management.

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