



EUROPEAN COMMISSION

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COMMISSION DECISION

of

**on the financing of humanitarian Actions in Guatemala from the general budget of the
European Union**

(ECHO/GTM/BUD/2009/01000)

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on the financing of humanitarian Actions in Guatemala from the general budget of the European Union

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THE EUROPEAN COMMISSION,

Having regard to the Treaty on Functioning of the European Union,

Having regard to Council Regulation (EC) No.1257/96 of 20 June 1996 concerning humanitarian aid¹, and in particular Article 2 and Article 15(2) thereof;

Whereas:

- (1) The El Niño phenomenon has led to a serious lack of rainfall and, hence, drought in Guatemala, particularly in the eastern part of the country. As a result, major harvest losses have been registered, which has a direct negative impact on the food security situation of the most vulnerable population;
- (2) The Government of Guatemala declared a state of emergency on 3 September 2009 and requested international assistance on 17 September 2009;
- (3) While drought is a recurrent phenomenon in eastern Guatemala, in 2009, the food insecurity situation of the concerned population has been clearly exacerbated by the El Niño phenomenon, continuously high food prices and the global financial crisis;
- (4) As a result of the drought, global acute malnutrition rates have increased in children between 6 and 59 months and exceed the emergency threshold in several communities, with several pockets of acute malnutrition having been identified;
- (5) To reach populations in need, humanitarian aid should be channelled through Non-Governmental Organisations (NGOs) and International Organisations including United Nations (UN) agencies. Therefore, the European Commission should implement the budget by direct centralized management or by joint management;
- (6) An assessment of the humanitarian situation leads to the conclusion that humanitarian aid Actions should be financed by the European Union for a period of 12 months;
- (7) It is estimated that an amount of EUR 1,325,000 (EUR 800,000 from budget article 23 02 01 and EUR 525,000 from budget article 23 02 02) is necessary to provide humanitarian assistance to over 20,000 vulnerable people, taking into account the available budget, other donors' contributions and other factors. The activities covered by this Decision may be financed in full in accordance with Article 253 of the Implementing Rules of the Financial Regulation;

¹ OJ L 163, 2.7.1996, p. 1.

- (8) 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 Union⁴;

HAS ADOPTED THIS DECISION:

Article 1

1. In accordance with the objectives and general principles of humanitarian aid, the Commission hereby approves a total amount of EUR 1,325,000 for the financing of humanitarian Actions in Guatemala (EUR 800,000 from budget article 23 02 01 and EUR 525,000 from budget article 23 02 02 of the 2009 general budget of the European Union).
2. In accordance with Article 2 of Council Regulation No.1257/96, the principal objective of this Decision is to provide humanitarian aid to vulnerable people affected by the drought in Guatemala. The humanitarian Actions shall be implemented in the pursuance of the following specific objectives:
 - To contribute to improving the humanitarian situation of people affected by drought in Guatemala by providing multi-sectoral assistance
A total of EUR 800,000 from budget article 23 02 01 is allocated to this specific objective.
 - To contribute to reducing malnutrition and mortality of people affected by drought in Guatemala by providing food assistance
A total of EUR 525,000 from budget article 23 02 02 is allocated to this specific objective.

Article 2

1. The period for the implementation of the Actions financed under this Decision shall start on 1 January 2010 and shall run for 12 months. Eligible expenditure shall be committed during the implementing period of the Decision.
2. If the implementation of individual actions is suspended owing to force majeure or other exceptional circumstances, the period of suspension shall not be taken into account in the implementing period of the Decision in respect of the Action suspended.
3. In accordance with the contractual provisions ruling the Agreements financed under this Decision, the Commission may consider eligible those costs arising and incurred after the end of the implementing period of the Action which are necessary for its winding-up.

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

4. The Authorising Officer may, where this is justified by the humanitarian situation, extend the duration of the Decision for a maximum of 6 months provided that the total duration of the Decision does not exceed 18 months, in accordance with Article 90.4 of the Implementing Rules of the Financial Regulation.

Article 3

1. In accordance with Article 253 of the Implementing Rules and having regard to the urgency of the Action, the availability of other donors and other relevant operational circumstances, funds under this Decision may finance humanitarian Actions in full.
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. The Commission shall implement the budget:
 - * either by direct centralised management, with Non-governmental Organisations;
 - * or by joint management with international organisations that are signatories to the Framework Partnership Agreements (FPA) or the EC/UN Financial Administrative Framework Agreement (FAFA) and which were subject to the four pillar assessment in line with Article 53d of the Financial Regulation.

Article 4

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

Article 5

This Decision is addressed to the delegated authorising officer.

Done at Brussels,

For the Commission
Peter Zangl, Director-General



**Humanitarian Aid Decision
23 02 01 and 23 02 02**

Title: Commission Decision on the financing of humanitarian Actions in Guatemala from the general budget of the European Union

Description: Commission Decision on the financing of humanitarian actions in Guatemala

Location of Action: Guatemala

Amount of Decision: EUR 1,325,000

Decision reference number: ECHO/GTM/BUD/2009/01000

Supporting Document

1 - Rationale, needs and target population.

1.1. - Rationale:

The second half of the year is the rainy season in Central America. It is also the time when most land is sown and harvested. 2009 has been characterised by a strong El Niño phenomenon¹, resulting in significantly reduced rainfall and resultant drought. Generally, there are two harvests, whose timing varies depending on location (altitude, geology and other physical parameters). The drought has led to reduced rates of sowing/seeding of basic staples and - subsequently - significantly reduced harvests. The principal crops grown by subsistence farmers in Guatemala are maize and black beans, both of which have been seriously affected by the lack of rainfall.

Frequently, the dry corridor of Guatemala experiences food insecurity at household level and a temporary localized increase in acute malnutrition. However, in 2009, this pattern has been clearly exacerbated by the El Niño phenomenon and the global economic crisis. The latter has entailed higher food prices, lower remittances, and reduced opportunities for earning opportunities outside the agricultural sector. Subsequently, already vulnerable families have slipped or are at risk of slipping into conditions of acute malnutrition and emergency need.

¹ Higher-than-average equatorial surface temperatures in the Pacific Ocean

The Government of Guatemala declared a state of emergency on 3 September 2009, due to the deteriorating food insecurity situation and increased reports of acute malnutrition. On 8 September 2009, this was upgraded to a "National State of Public Calamity", initially for 30 days but subsequently extended². On 17 September 2009, the Guatemalan government appealed for international assistance. In October and November 2009, nutritional assessments were carried out by the "Humanitarian Network"³, the Guatemalan Red Cross and an NGO⁴, confirming high rates of acute malnutrition in several communities in the so-called "Dry Corridor", i.e. the border area with El Salvador in Eastern Guatemala. DG ECHO assessment missions took place in October and November 2009.

Guatemala is one of the poorest countries in Latin America. 56.2% of the population live below the poverty line, of whom 24.3% on less than USD 2 per day⁵. At national level, Guatemala has an under-5 chronic malnutrition rate of over 49%, ranking it the fourth-worst in the world, and the worst in Latin America and Caribbean⁶. The country is heavily dependent on remittances, which account for 12.5% of GDP⁷ and which tend to decrease because of the global financial crisis. Guatemala is also rather disaster-prone, with an annual average of over 136,000 people affected by natural disasters over the past five years⁸.

1.2. - Identified needs:

Due to the drought, significant crop losses have been registered. Some 56% of the first harvest and approximately 64% of the second harvest have been lost according to the non-governmental organization Action Against Hunger. The Dry Corridor is particularly affected, comprising seven departments, i.e. Jalapa, Jutiapa, Chiquimula, El Progreso, Santa Rosa, Zacapa and Baja Verapaz; also affected are the departments of Izabal and El Quiche. According to WFP, 51,000 families are considered to be severely food-insecure.

According to the assessment made by Action Against Hunger Spain in early October 2009 (representative at community level), average global acute malnutrition (GAM) is 7.7% in children between 6 and 59 months in the 80 communities covered by the assessment. In some communities, however, GAM is well above the emergency threshold. For instance, in the municipality of Jalapa, a GAM rate of 13.7% has been registered. Severe acute malnutrition is at 2.7%, i.e. above the emergency threshold. Families are expected to run out of food stocks at the beginning of January 2010, while the next harvest will only take place in May/June 2010. Affected families also suffer from a lack of access to drinking water and alternative income-generation opportunities.

² This measure covered the food insecurity, a dengue outbreak, and a series of small-scale natural disasters. The Directorate General for Humanitarian Aid of the European Commission (DG ECHO) rapidly responded to the dengue outbreak via an allocation of EUR 270,000 under the 2008 Epidemics Decision for Latin America and the Caribbean.

³ Group of different aid agencies (United Nations, Red Cross movement, international non-governmental organizations) and the Salvadorian National Disaster Reduction Commission - "Red Humanitaria" in Spanish

⁴ Non-governmental Organization Action Against Hunger (Spain)

⁵ United Nations Development Programme, "Human Development Report 2009"

⁶ World Food Programme Country Office, Guatemala

⁷ Development Centre of the Organization for Cooperation and Development in Europe, "Latin America Economic Outlook 2010"

⁸ Centre for Research on the Epidemiology of Disasters

In the report published by the Humanitarian Network, the average GAM rate for children from 6 to 59 months was found to be 11%, including 5% of acute severe malnutrition. The study also came to the conclusion that malnutrition was particularly high in children under the age of three. An average 12.4% of the families included in the survey are facing severe food insecurity and another 21.2% moderate food insecurity; these figures mask localised and identified "hot-spots". Over 75% of the population are reported to have no food reserves in their homes, while the food reserves of the others are only one third of what they usually are. The source and quality of households' drinking water was also found to be associated with high levels of acute malnutrition among children.

In coherence with DG ECHO's food assistance policy, a clear and well-defined intervention is proposed to meet the emergency humanitarian needs of pockets of extreme vulnerability and prevent a deterioration of the food security/nutritional situation which is likely because of the gap between the end of the food reserve and the next harvest.

Food assistance:

In order to help the most vulnerable who are at the end of their food stocks until the next harvest, food distribution and food-for-work activities would be appropriate. Through distribution of agricultural inputs and facilitation of income-generation activities, household food security and early recovery can be fostered.

Nutrition

Nutritional surveillance, screening and recovery, including therapeutic and supplementary feeding for the most vulnerable groups (in particular children under five) is required. Capacities to treat acute malnutrition at local level have to be improved.

Water and Sanitation:

Better access to drinking water will improve the overall health – including nutritional - situation of the most affected population. This can be done for instance through the rehabilitation of water supply systems and the provision of wells. The mentioned activities have to be accompanied by improved sanitation, and hygiene education, including awareness as to proper water storage.

Disaster risk reduction:

Since Guatemala is highly disaster prone, disaster risk reduction measures should be integrated as far as possible into all activities, enhancing local communities' preparedness so as to better face future natural disasters.

1.3. - Target population and regions concerned:

Through this Decision, humanitarian aid will be provided to up to 20,000 drought-affected people living primarily in the Dry Corridor of Guatemala.

Priority will be given to the departments of Jalapa, Jutiapa, Chiquimula, El Progreso, Santa Rosa, Zacapa and Baja Verapaz as well as to the departments of El Quiche and Izabal.

Special focus will be put on providing assistance to isolated rural populations and to the affected population which is already particularly vulnerable, for instance women and children.

1.4. - Risk assessment and possible constraints:

There may be problems of access, depending on the location of the intervention and existing communications. New natural disasters might occur in the intervention area. Furthermore, the security situation might deteriorate. For the reasons mentioned, implementation of the Actions funded under this Decision might be delayed or impeded.

2 - Objectives and components of the humanitarian intervention proposed:

2.1. - Objectives:

Principal objective:

To provide humanitarian aid to vulnerable people affected by the drought in Guatemala

Specific objectives:

- To contribute to improving the humanitarian situation of people affected by drought in Guatemala by providing multi-sectoral assistance

- To contribute to reducing malnutrition and mortality of people affected by drought in Guatemala by providing food assistance

2.2. - Components :

Food Assistance: food aid distribution, food-for-work/cash-for-work activities, short-term emergency agricultural activities (seeds and other agricultural inputs, small cattle and livestock), promotion of income-generation activities

Nutrition: nutritional surveillance, screening and recovery, including therapeutic and supplementary feeding, training and equipment of nutritional services, nutritional surveillance

Water and Sanitation: water supply, basic rehabilitation of water and sanitation systems, water treatment, improvement of household water storage, hygiene promotion

Disaster Risk Reduction: strengthening of local capacities in risk management and disaster preparedness, revision of contingency plans, strengthening local emergency committees' equipment for disaster response, small-scale mitigation works.

3 - Duration expected for Actions in the proposed Decision:

The duration for the implementation of this Decision shall be 12 months.

Humanitarian Actions funded by this Decision must be implemented within this period.

Expenditure under this Decision shall be eligible from 1 January 2010.

Start Date: 1 January 2010

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.

5 - Overview of donors' contributions

Donors in GUATEMALA the last 12 months					
1. EU Members States (*)		2. European Commission		3. Others	
	EUR		EUR		EUR
Austria	200,000	DG ECHO	285,865		
Belgium		Other services			
Bulgaria					
Cyprus					
Czech Republic					
Denmark					
Estonia					
Finland					
France					
Germany	121,894				
Greece	50,000				
Hungary					
Ireland					
Italy	1,400,000				
Latvia					
Lithuania					
Luxemburg	175,000				
Malta					
Netherlands					
Poland					
Portugal					
Romania					
Slovakia					
Slovenia					
Spain					
Sweden					
United Kingdom					
Subtotal	1,946,894	Subtotal	285,865	Subtotal	0
		Grand total	2,232,759		

Dated : 4 December 2009

(*) 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.

On 2 October 2009, a CERF⁹ allocation of USD 5 million was granted with the aim of providing short-term (three-months) emergency assistance in the sectors of food and nutrition, water and sanitation, and health care to 65,000 affected families.

Under the Food Facility, the European Commission provides a total of EUR 6.3 million to the World Food Programme for the production and distribution of Vitacereal¹⁰ and for food-for-work activities in activities in several departments of Guatemala (El Quiche, Alta Verapaz, Baja Verapaz, El Progreso, Jalapa); part of this allocation is being used to cover Vitacereal and other household-level food needs of 8,000 families until the end of 2009 in some of the

⁹ United Nations Central Emergency Relief Fund

¹⁰ a corn-based fortified cereal blend produced in Guatemala, usually distributed by the World Food Programme under its ongoing country programme to vulnerable populations (children under three years, pregnant/lactating women)

affected eastern departments. Food Facility funds have also been allocated to the Food and Agricultural Organization (EUR 4.5 million) and NGOs (EUR 4 million) but very little of this is directed to drought-affected populations. There is close coordination between DG ECHO and the EU Delegation in Guatemala and Commission services in Brussels to explore synergies between DG ECHO's short-term humanitarian intervention and the mid-term, more development-oriented intervention under the Food Facility.

6 - Amount of Decision and distribution by specific objectives:

6.1. - Total amount of the Decision: EUR 1,325,000

6.2. - Budget breakdown by specific objectives

Principal objective: <i>To provide humanitarian aid to vulnerable people affected by the drought in Guatemala</i>				
Specific objectives	Allocated amount by specific objective (EUR)	Geographical area of operation	Activities	Potential partners¹¹
Specific objective 1: To contribute to improving the humanitarian situation of people affected by drought in Guatemala by providing multi-sectoral assistance	800,000	Guatemala (with priority to the eastern departments of Jalapa, Jutiapa, Chiquimula, El Progreso, Santa Rosa, Zacapa and Baja Verapaz as well as to the departments of El Quiche and Izabal)	- food assistance - nutrition - water and sanitation -disaster risk reduction	<u>Direct centralised management</u> - ACH- ESP - CROIX-ROUGE - ESP - CROIX-ROUGE - NOR <u>Joint management</u> - FAO - IFRC-FICR - PAHO - WFP-PAM

¹¹ ACCION CONTRA EL HAMBRE, (ESP), CRUZ ROJA ESPAÑOLA, (E), FEDERATION INTERNATIONALE DES SOCIETES DE LA CROIX-ROUGE ET DU CROISSANT ROUGE, NORGES RODE KORS (NORWEGIAN RED CROSS), UNITED NATIONS - FOOD AND AGRICULTURE ORGANIZATION, UNITED NATIONS - PAN AMERICAN HEALTH ORGANIZATION, WORLD FOOD PROGRAM

Specific objective 2: To contribute to reducing malnutrition and mortality of people affected by drought in Guatemala by providing food assistance	525,000	Guatemala (with priority to the eastern departments of Jalapa, Jutiapa, Chiquimula, El Progreso, Santa Rosa, Zacapa and Baja Verapaz as well as to the departments of El Quiche and Izabal)	- food assistance - nutrition	<u>Direct centralised management</u> - ACH- ESP <u>Joint management</u> - WFP-PAM
TOTAL:	1,325,000			

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 Union 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/policies/evaluation/introduction_en.htm.

8. Management Issues

Humanitarian aid Actions funded by the Commission are implemented by NGOs and the Red Cross National Societies on the basis of Framework Partnership Agreements (FPA), by Specialised Agencies of the Member States 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/about/actors/partners_en.htm.

For NGOs, Specialised Agencies of the Member States, Red Cross National Societies and International Organisations not complying with the requirements set up in the Financial Regulation applicable to the general budget of the European Union for joint management, actions will be managed by direct centralised management.

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.