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COMMISSION IMPLEMENTING DECISION

of 16.2.2015

**financing emergency humanitarian actions in Central America from the general budget
of the European Union**

(ECHO/-CM/BUD/2015/01000)

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THE EUROPEAN COMMISSION,

Having regard to the Treaty on the 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(a), Article 4 and Article 13 thereof,

Having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002², and in particular Article 84(2) thereof;

Whereas:

- (1) The cumulative effect of several successive climatic and other shocks over the past three years (such as erratic rainfall, floods and coffee rust plague) has exacerbated the humanitarian impact of the 2014 prolonged dry spell in several parts of Central America. As a result of exhausted coping capacities, the food insecurity of the most vulnerable populations in El Salvador, Guatemala, Honduras and Nicaragua has been increasing. The number of people considered to be in need of assistance is reaching levels not seen since hurricane Mitch in 1998.
- (2) More than 2 500 000 people have been identified as moderately or severely food insecure in the last emergency food security assessment published in October 2014, including at least 331 000 severely food insecure people in El Salvador, Guatemala, Honduras and Nicaragua. Families of subsistence farmers and day labourers living at subsistence level who have been affected by the impact of this year's serious dry spell have significantly reduced levels of food consumption, diminished stocks, significantly reduced incomes and livelihood opportunities. This situation renders them dependent on external food assistance. Guatemala and Honduras are the most affected countries in terms of severity of the food insecurity level and number of population affected.
- (3) Resources at national level are insufficient to enable an adequate response to this situation, and results from the second harvest season have not been sufficient to improve the food security situation of severely food insecure families. This situation

¹ OJ L 163, 2.7.1996, p. 1

² OJ L 298/1, 26.10.2012

will result in further deterioration in the food and nutrition security situation of already affected populations if external assistance both in the short and medium/long-term is not urgently provided.

- (4) 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 management or by indirect management.
- (5) Humanitarian aid actions financed by this Decision should be of a maximum duration of 6 months.
- (6) Pursuant to Article 130 of Regulation (EU, Euratom) No 966/2012, and in view of the specific nature of humanitarian aid, expenditure incurred before the date of submission of a proposal may be eligible for Union funding.
- (7) For the purpose of this Decision, the focus will be on Guatemala and Honduras.
- (8) It is estimated that an amount of EUR 4 000 000 from budget article 23 02 01 of the general budget of the European Union is necessary to provide humanitarian assistance to some 45 000 vulnerable people over a 6 months implementation period, 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 277 of the Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (hereinafter referred to as 'the Rules of Application'³).
- (9) This Decision complies with the conditions laid down in Article 94 of the Rules of Application'⁴.
- (10) Pursuant to Article 13 of Council Regulation (EC) No 1257/96, the opinion of the Humanitarian Aid Committee is not required,

HAS DECIDED AS FOLLOWS:

Article 1

1. A maximum amount of EUR 4 000 000 for the financing of emergency humanitarian actions in Central America from budget article 23 02 01 of the 2015 general budget of the European Union is approved.
2. The humanitarian actions shall be implemented in order to provide timely, appropriate and adequate food and nutrition assistance to the most affected vulnerable populations, and contribute to building the resilience of the targeted population.

The full amount of this Decision is allocated to this specific objective.

³ OJ L 362, 31.12.2012, p. 1.

⁴ OJ L 362, 31.12.2012, p. 1.

Article 2

1. The period for the implementation of the actions financed under this Decision shall start on 01 February 2015. Expenditure under this Decision shall be eligible from the same date. The duration of individual humanitarian aid actions financed under this Decision shall be limited to a maximum of six months.
2. Pursuant to Article 130 of the Financial Regulation, and in view of the specific nature of humanitarian aid, expenditure incurred before the date of submission of a proposal may be eligible for Union funding.
3. 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.
4. 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.

Article 3

1. In accordance with Article 277 of the Rules of Application 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-governmental 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 management, with non-governmental organisations;
 - * or by indirect management with international organisations that are signatories to the FPA or the Financial Administrative Framework Agreement with the UN (FAFA) and which were subject to the institutional compliance assessment ('six pillar assessment') in line with Article 61 of Regulation (EU, Euratom) No 966/2012.

Done at Brussels, 16.2.2015

For the Commission
Claus H. Sørensen, Director-General



Emergency Humanitarian Aid Decision 23 02 01

Title: Commission implementing decision on the financing of emergency humanitarian actions in Central America from the general budget of the European Union

Description: To provide urgent humanitarian aid to vulnerable people affected by food insecurity in Central America

Location of action: Guatemala and Honduras

Amount of Decision: EUR 4 000 000

Decision reference number: ECHO/-CM/BUD/2015/01000

Supporting document

1 Humanitarian context, needs and risks

1.1 Situation and context

The cumulative effect of several successive climatic and other shocks over the past three years (such as erratic rainfall, floods and coffee rust plague) has exacerbated the humanitarian impact of the 2014 prolonged dry spell in several parts of Central America. As a result of exhausted coping capacities, the food insecurity of the most vulnerable populations in El Salvador, Guatemala, Honduras and Nicaragua has been increasing. The number of people considered to be in need of assistance is reaching levels not seen since hurricane Mitch in 1998.

Due to the negative climatic conditions, the staple food production of families who live at subsistence level has been dramatically reduced. Results from the "primera" (i.e. first) harvest show critically high levels of production losses¹:

- 80% of maize and 63% of red bean production of families living at subsistence and below- subsistence level lost in Guatemala

¹ Source: Partners' Food Security Assessment in Guatemala and Honduras and FEWSNET report – September 2014

- 43% of maize production and 48% of national red bean production lost in Honduras (losses range from 80 to 100% for subsistence farmers in the Dry Corridor part of the country)
- 70 to 75% of national maize and red bean production estimated lost in Nicaragua
- 25% of national maize production lost in El Salvador.

As a result, some 2.5 million people are estimated to be food insecure. The most exposed and vulnerable populations are day labourers and subsistence farmers and their families who depend on the production of staple food and coffee for their subsistence and do not have access to appropriate alternative sources of income in the short term. They have adopted negative coping mechanisms, reducing the quantity and quality of food intake. Poor households have already depleted their food reserves, just one month after the main staple food harvest.

Despite the provision of emergency food assistance, crisis levels of acute food insecurity (Integrated Food Security Phase Classification - IPC - Phase 3) are forecast from February onwards in western Guatemala (until the harvest in November 2015) and south-western Honduras (until August 2015). The north-western Nicaragua and the coffee-producing region of El Salvador will continue to be at least in stressed level (IPC Phase 2) until the first harvest in September 2015.

In July, Honduras declared a state of emergency due to the impact of drought. In August the Guatemalan government declared a state of calamity in 16 of the country's 22 departments due to the on-going drought and launched a request for international assistance in September 2014. Emergency food assistance response plans have been elaborated and implementation has started in Honduras and Guatemala. However, there are constraints for their full implementation and these response plans do not cover, at this stage, the most critical period expected to be between March and August 2015.

Despite results within average range in terms of levels of production for the second harvest, the harvest failed to improve the food security situation of subsistence farmers' households. December food prices for the main staple foods - beans and corn - remained high in El Salvador, Honduras and Nicaragua but started to somewhat decrease in Guatemala. However, the lack of income of families living at subsistence level has a serious negative impact on their ability to access food.

While the coffee harvest started in November 2014 and is expected to provide temporary relief for the initial months of 2015, below normal harvests combined with high demand for job opportunities are leading to levels of incomes that continue to be below average. The persistence of the coffee plague means that the food security of day labourers and small producers' families who depend on coffee production for their incomes continues to be extremely vulnerable to external shocks. Recovery in the coffee production sector is expected to take at least three years. It also requires significant investment to introduce a new variety of coffee, which smallholders cannot afford.

1.2 Identified humanitarian needs

At present, approximately 2 500 000 people are already reported to be facing severe or moderate food insecurity as a direct consequence of the last prolonged dry spell:

- Guatemala: 1 240 000 people (data: WFP), of whom 150 000 are severely food insecure

- Honduras: 681 500 people (estimate based on field surveys by humanitarian actors), of whom 166 500 are severely food insecure)
- El Salvador: 85 000 people (data: WFP), of whom 15 000 are severely food insecure
- Nicaragua: 500 000 people (estimate based on field surveys by humanitarian actors)

Before the onset of the prolonged 2014 dry spell, 1 385 000 people were already reported to be facing food insecurity, with 642 500 people in need of external emergency food assistance

In a context where income opportunities are reduced, the results of the different Emergency Food Security Assessments carried out just after the first harvest period show that food stocks are now depleted in the affected households of subsistence farmers and day labourers. The current food security situation exceeds local coping capacities and does not allow the affected families to fully compensate low levels of food stocks, significantly reduced incomes and livelihood opportunities. Without adequate and timely external assistance, the food insecurity situation of these families will continue unabated until the next "primera" harvest, expected in August 2015 while the next coffee harvest would start in November 2015.

Solutions are required to allow these families to access sufficient food for consumption at least until the next staple food harvest, targeting the most severely affected populations based on levels of food insecurity.

In parallel, the extension of the coffee rust plague to small producers' plantations renders livelihood recovery and long-term food security unrealistic without external support. While support measures are envisaged at national level for large producers, they do not fully address the livelihood situation of day labourers and affected small producers.

Furthermore, the deterioration of the food security situation has already had a negative impact on nutrition security and led to an increase in the number of children under five suffering from Global Acute Malnutrition during the lean season. Of particular concern are areas with high chronic malnutrition in **Guatemala**. Active support to nutritional case finding and to management of acute malnutrition is required.

The analysis of the severity of the food insecurity situation using Integrated Food Security Phase Classification, combined with the number of population affected by the successive shocks indicate that Guatemala and Honduras are the two countries most affected by the food insecurity crisis.

In order to mitigate the impact of drought on local staple food production, progressive response plans are needed at all levels, from national to local, to mitigate the socio-economic impact of the prolonged dry spell and foster quick recovery. In this regard, good practices in terms of rainwater harvesting and conservation for agriculture should for example be promoted. These measures should complement emergency support in order to allow access to enough food at family level for consumption at least until the next harvest of staple food, and help build the resilience of the most vulnerable. In view of disaster risks and vulnerabilities, disaster risk reduction should be mainstreamed in both humanitarian and development actions to the largest extent possible to help strengthen the resilience of the most vulnerable populations.

1.3 Risk assessment and possible constraints

The security situation in Central America is of concern as the countries of the region, and especially El Salvador, Guatemala and Honduras, face high rates of homicides due to the presence of common and organized crime. There may be problems of access, depending on

the location of the intervention and existing communication means. New disasters could occur in the intervention area. For these reasons, implementation of actions funded under this decision could be delayed or hampered.

2 Proposed EU humanitarian aid response

2.1 Rationale

The impact of several consecutive climatic shocks over the last three years, combined with the effects of the coffee rust plague, had already seriously strained local coping capacities. Against this background, the 2014 prolonged dry spell in the "Dry Corridor" (a drought-prone region spanning parts of El Salvador, Guatemala, Honduras and Nicaragua) has led to severe and moderate food insecurity of more than 2.5 million people in the four countries, requiring external assistance. Food insecure populations in Guatemala and Honduras account for more than 75% of the population moderately and severely food insecure in the Central America region. The combination of these cumulative events means that the most vulnerable have exhausted their coping mechanisms and are dependent on external food assistance.

The following actions need to be implemented:

- Emergency food assistance for approximately 45 000 people² targeting the most affected populations. Food assistance should be provided through the most efficient and effective modality.
- Mitigation of the impact of the drought, combining food assistance and livelihood protection
- Continued monitoring for updated information to assess the evolution of food insecurity and under-nutrition
- Detection and support to the management of acute malnutrition in children under five
- Advocacy to humanitarian and development donors to provide additional response.

Priority will be given to assist the most severely food insecure population, whose food security needs are only partially covered or remain uncovered. In this regard, a particular attention will also be given to the population affected by high levels of violence.

2.2 Objectives

- Principal objective: Save and preserve the lives of the most vulnerable people affected by food insecurity in Central America
- Specific objective: To provide timely, appropriate and adequate food and nutrition assistance to the most affected vulnerable populations, and contribute to building the resilience of the targeted population.

2.3 Components

Food Assistance and livelihood support: Provision of food assistance through the most appropriate transfer modality (cash, vouchers, in kind), short-term emergency agricultural activities (seeds, tools, fertilizers), training in soil preservation, seed banks and best practices in farming and conservation of water to strengthen the capacities to cope with future droughts; strengthening of surveillance systems for food and nutrition.

²Figure corresponding to 15% of the severely food insecure families in Guatemala and Honduras

Nutrition: In case of significant increase in severe acute malnutrition: nutritional surveillance with active screening of nutritional status of children under five years, support to treatment of acutely malnourished children³, including therapeutic and supplementary feeding, training and equipment of community-based services, promotion of nutritional education including breast-feeding and hygiene practices might be envisaged.

Disaster Risk Reduction and protection will be mainstreamed, the latter one in view of the high levels of violence.

Specific activities related to other operational components, such as water, sanitation and hygiene and NFIs can be foreseen as a contribution to the specific objective to provide timely, appropriate and adequate food assistance and support to management of acute malnutrition in children under five to address food insecurity and under-nutrition in children under five.

2.4 Complementarity and coordination with other EU services, donors and institutions

Governments and development actors could effectively complement and build on humanitarian actions and promote resilience. This can be done by support to medium to long-term livelihood and food security recovery for the day labourers and small producers whose livelihoods depend mainly on staple food production and the coffee sector; support to safety net measures for this population to facilitate the rehabilitation of their livelihoods.

ECHO⁴ supported until December 2014 three small-scale response projects in the region to address the acute food insecurity of some 3 230 families as well as a drought resilience programme (EUR 1 500 000). Disaster preparedness activities are currently being implemented through DIPECHO – Disaster Preparedness ECHO - (EUR 11 040 377 – focusing on a variety of risks). Actions funded under the present Decision should be in line with these activities.

Emergency actions elaborated by the national Governments in El Salvador, Guatemala, Honduras and Nicaragua have started to be implemented. However, resources available at national level are insufficient to match the food assistance needs of the population affected by the successive shocks.

• Regional allocations:

USAID/Food For Peace has allocated USD 10 million for food assistance in the region. This funding allocation complements the USAID/OFDA support to the region, amounting to USD 3.6 million. USAID also plans support for research on coffee rust resistant plants (USD 5 million).

Germany has allocated USD 375 000 to WFP to support its response in Guatemala, Honduras and El Salvador, Switzerland provided USD 260 000 for Guatemala and Honduras.

DEVCO⁵ has addressed food insecurity with several instruments. Planning is ongoing for the 2014-2020 cooperation cycle in which food security is among the priorities in Guatemala and in Honduras. A regional longer-term programme to support integrated management of the

³ Priority in this regards will go to a support within the framework of existing health service structures.

⁴ Directorate-General Humanitarian Aid And Civil Protection

⁵ Directorate-General International Cooperation and Development

coffee rust plague in Central America is also being elaborated. It is expected to start in the second half of 2015.

- **In Guatemala:**

The Central Relief Emergency Fund (CERF) has allocated USD 3 million to provide emergency assistance. It complements a previous CERF allocation, activated to respond to the impact of the coffee rust in the country with USD 2.5 million to cover food security needs of 11 000 families in three departments. Brazil proposed an in-kind donation (4 500 MT of rice and 4 800 MT of red beans).

Spain has allocated EUR 340 000 in response to food insecurity, in addition to the earlier contribution made by Italy (EUR 200 000). In addition to a EUR 750 000 allocation to emergency food assistance Sweden made a recent contribution to the UN response plan in Guatemala of USD 2.5 million for the recovery/recuperation component.

USD 200 000 has been received from India, USD 300 000 from China Taiwan, USD 250 000 from the Central American Bank for Economic Integration and USD 100 000 from the Republic of Korea.

- **In Honduras:**

The CERF allocated a total of USD 2.6 million to respond to the emergency, targeting nineteen municipalities in four departments (56 400 people), with an integrated approach including food assistance, emergency livelihood support, nutrition, health, and water, sanitation and hygiene.

The emergency appeal launched by the Red Cross Movement in Honduras to respond to the drought in the country (CHF 1.2 million) was only funded up to 15%, by the end of 2014.

The government of Japan provided USD 500 000 for food assistance, and Brazil offered 1 000 MT of rice.

2.5 Duration

The duration of humanitarian aid actions shall be 6 months.

The period for the implementation of the actions financed under this Decision shall start on 01 February 2015. Expenditure under this Decision shall be eligible from the same date.

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.

3 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 ECHO's General Guidelines for Operational Priorities on Humanitarian Aid 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/introduction_en.htm.

4 Management Issues

Humanitarian aid actions funded by the European Union 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 Financial Administrative Framework Agreement with the UN (FAFA) in conformity with Article 178 of the Rules of Application of the Financial Regulation. These Framework agreements define the criteria for attributing grant agreements and financing agreements in accordance with Article 94 of the Rules of Application and may be found at http://ec.europa.eu/echo/partners/humanitarian_aid/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 indirect management, actions will be managed by direct management.

For international organisations identified as potential partners for implementing the Decision, actions will be managed under indirect 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.

5 Annexes

Annex 1 - Summary decision matrix (table)

Principal objective: Save and preserve lives of the most vulnerable people affected by food insecurity in Central America				
Specific objectives	Allocated amount by specific objective (EUR)	Geographical area of operation	Activities	Potential partners
To provide timely, appropriate and adequate food and nutrition assistance to the most affected vulnerable populations, and contribute to building the resilience of the targeted population.	4 000 000	Guatemala, Honduras	<ul style="list-style-type: none"> - Food Assistance - Nutrition - Water, sanitation and hygiene promotion - Non Food Items - Protection - Disaster Risk Reduction 	<u>Direct management</u> <ul style="list-style-type: none"> - ACH-ES - AYUDA EN ACCION-ES - CARE-FR - COOPI-IT - CROIX-ROUGE-ES - CROIX-ROUGE-FIN - CROIX-ROUGE-NOR - DANCHURCHAID-DK - GVC-IT - GOAL-IR - OXFAM INTERMON-ES - MCS-UK - MSF - CH - OXFAM-UK - PLAN INTERNATIONAL-UK - SAVE THE CHILDREN-UK - STC-NOR - STC-ES - TROCAIRE-IR - WORLD VISION-UK - WORLD VISION-DE

Specific objectives	Allocated amount by specific objective (EUR)	Geographical area of operation	Activities	Potential partners ⁶
				<u>Indirect management</u> - FAO-IT - IFRC-FICR-CH - UNICEF-US - WFP-PAM-IT - PAHO-US
Contingency reserve	0			
TOTAL	4 000 000			

⁶ ACCION CONTRA EL HAMBRE (ESP), AYUDA EN ACCIÓN (ES), CARE (FR), COOPERAZIONE INTERNAZIONALE (IT), CRUZ ROJA ESPAÑOLA (ES), SUOMEN PUNAINEN RISTI (CROIX ROUGE FINLANDAISE), NORGES RODE KORS (NORWEGIAN RED CROSS), FOLKEKIRKENS NODHJAELP (DANCHURCHAID) (DK), GRUPPO DI VOLONTARIATO CIVILE (IT), GOAL (IRL), FUNDACION OXFAM INTERMON (ES), MERCY CORPS SCOTLAND (UK), ASSOCIATION MÉDECINS SANS FRONTIÈRES (CH), OXFAM (UK), PLAN INTERNATIONAL (UK), THE SAVE THE CHILDREN FUND (UK), REDD BARNA (NOR), FUNDACIÓN SAVE THE CHILDREN (ES), TROCAIRE (IR), WORLD VISION (UK), WORLD VISION (DE), UNITED NATIONS - FOOD AND AGRICULTURE ORGANIZATION (IT), FEDERATION INTERNATIONALE DES SOCIETES DE LA CROIX-ROUGE ET DU CROISSANT ROUGE (CH), UNICEF (US), WORLD FOOD PROGRAM (IT), UNITED NATIONS - PAN AMERICAN HEALTH ORGANIZATION (US)

Annex 3 - Overview table of the humanitarian donor contributions

Donors in GUATEMALA, HONDURAS, EL SALVADOR, NICARAGUA over the last 12 months			
1. EU Member States (*)		2. European Commission	
	EUR		EUR
Germany	300 290	DG ECHO	10 890 377
Sweden	2 980 607		
Spain	369 683		
Subtotal	3 650 580	Subtotal	10 890 377
TOTAL	14 540 957		

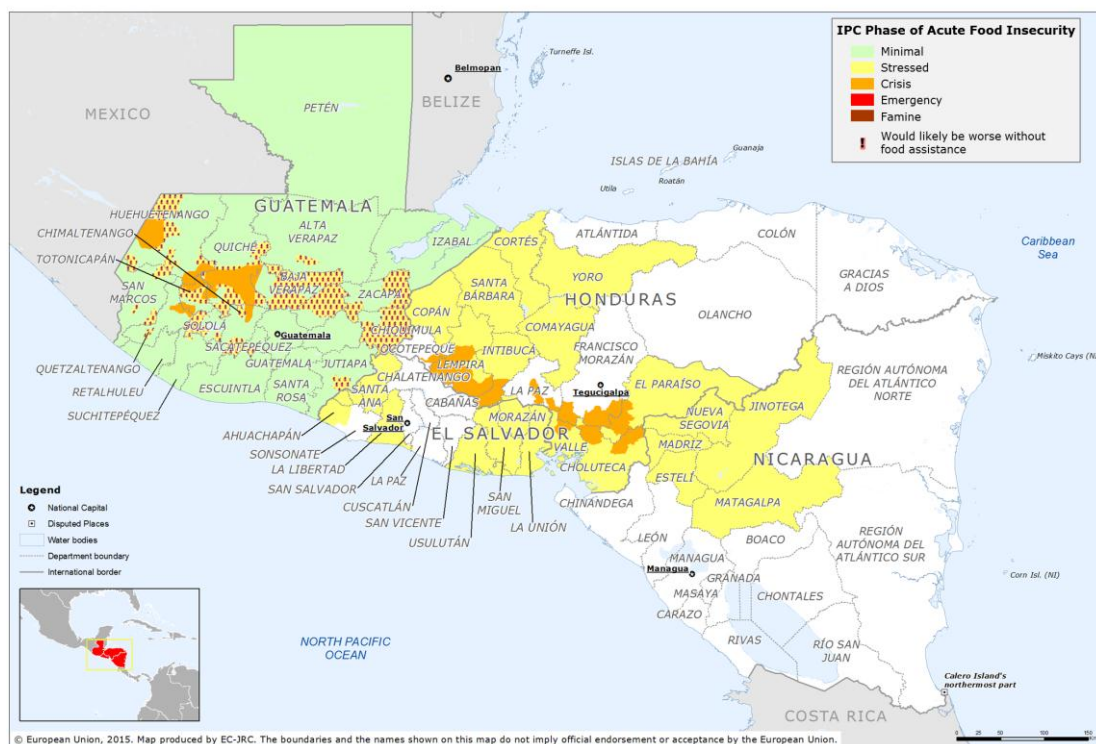
Date : 28/01/2015

(*) Source : EDRIS. <https://webgate.ec.europa.eu/hac>

Empty cells: no information or no contribution.

Annex 4 – Maps

El Salvador, Guatemala, Honduras, Nicaragua: Food Insecurity, January – Food Insecurity Forecast through March 2015



Annex 5 - Statistics on humanitarian situations

Countries	Vulnerability Index	Crisis Index
El Salvador	2	2
Guatemala	2	2
Honduras	2	2
Nicaragua	2	1

(source: GVCA 2014)