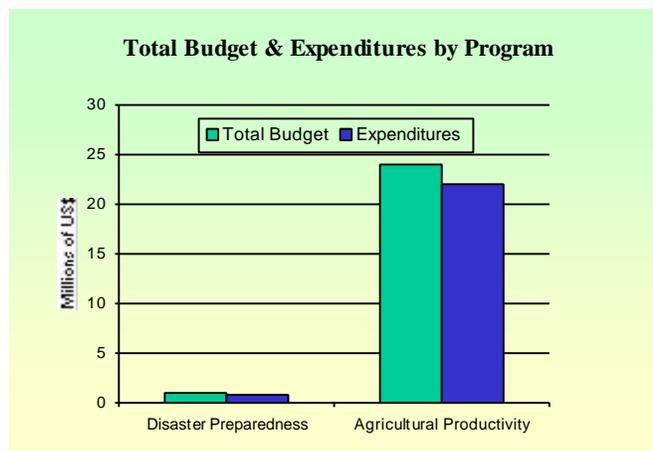
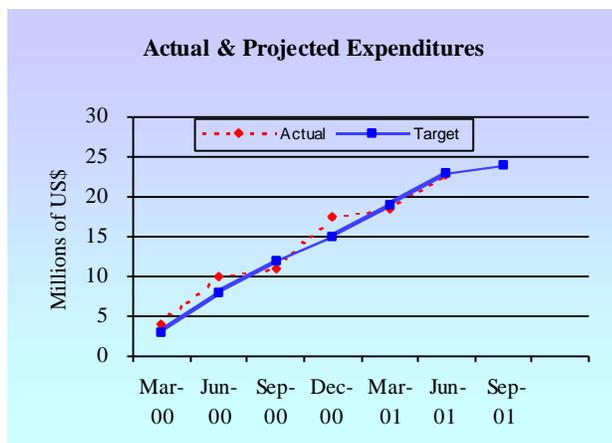


USAID Guatemala Supplemental Reconstruction Programs: Response to Hurricane Mitch, October 1998 Status as of June 30, 2001

MAY 1999 SUPPLEMENTAL RECONSTRUCTION FUNDS (CACEDRF)	TOTAL BUDGET	OBLIGATIONS	COMMITMENTS	EXPENDITURES
	\$25,000,000	\$25,000,000	\$24,714,000	\$22,860,000



Impact of Hurricane Mitch

Hurricane Mitch hit Guatemala hardest on the south coast, in the central and northwest river valleys of Polochic and Motagua near Lake Izabal and on the Caribbean coast – damaging an area the size of Massachusetts. While loss of life was minimal due to preventive evacuation of populations most at risk, direct damages to infrastructure, crops, housing, schools and health clinics was estimated at \$550 million plus \$280 million in foregone revenues from exports and reduced economic growth.

The estimates of damage included 268 dead, 106,000 evacuees and a total of 750,000 people affected out of a population of 11 million. The damage to infrastructure was great, with 53 bridges damaged and 68 destroyed; 90 stretches of road affected and 19,332 houses damaged and another 2,293 destroyed.

On the productive side, agriculture was hardest hit, with 225,000 acres of losses in basic grains, coffee, vegetables and bananas. Fifty major and over 2000 minor irrigation systems were also damaged.

Initial USAID Response

Immediately after Hurricane Mitch struck, USAID provided \$1 million in disaster assistance and \$3.6 million in emergency food assistance. Prior to the passage of the Supplemental Reconstruction appropriation, USAID reprogrammed an additional \$4.3 million for public health to fight the reemergence of malaria, dengue, cholera and other infectious diseases.

Local epidemiological surveillance systems were strengthened, community-based malaria prevention programs expanded, household water and sanitation programs established, and preparedness for epidemic outbreaks was enhanced.

With reprogrammed funds CARE and CRS have to date completed 30 water systems, 106 water wells, and 3,340 latrines. Malaria

monitoring and the distribution of 11,275 insecticide-treated bed nets to households in selected malaria-ridden villages are underway.



Cojilá, Alta Verapaz. CARE complemented the water system it built in Cojilá with the construction of 110 dry pit latrines. To date, CARE has constructed 1,398 latrines in all the communities receiving water systems.

Reconstruction Program Progress

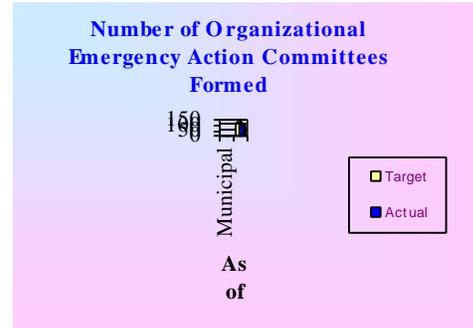
USAID Supplemental Funds support reconstruction activities in the following areas:

Disaster Preparedness

A major focus of USAID's support for disaster preparedness has been the formation of municipal and local community emergency action committees in the disaster prone Motagua and Polochic valleys. CARE has formed six municipal committees. CARE and CRS have also formed 94 local committees and are now expected to exceed their original target of 120 by at least 19 committees.

During the quarter USAID and CONRED readied a training program designed to complement the equipment and technical assistance already provided. A contractor will be hired to carry out training of CONRED departmental and municipal coordinating units in emergency management principals as well as in the new systems put in place in recent

months through USAID, FEMA, and OFDA assistance.



On May 23, 2001, CRS and FEMA inaugurated the first of two Project Impact activities underway in Guatemala. Project Impact promotes public/private sector partnerships that work closely with selected at-risk communities to identify and implement disaster mitigation activities.



Providencia, Santa Rosa. A FEMA/Washington representative acknowledges the participation of the local community, municipal authorities and CRS in achieving the first Project Impact activity in Guatemala.

In Guatemala, FEMA is adapting the approach by working with CRS in two at-risk communities. The first project, a flood protection dyke in Providencia, Santa Rosa, was designed and implemented with the active participation of the community, and the on-the-ground assistance of CRS and municipal officials.



Providencia, Santa Rosa is a community of twenty-five homes in a high-risk flood plain. FEMA's Project Impact helped this poor community undertake flood mitigation.

- NOAA's \$1,440,000 investment of automatic and manual weather stations, automatic and manual rain gages, radio and radio repeater equipment, flood warning equipment, computers and software, telephone and satellite transmission and receiving equipment, tide gages, specialized training and spare parts delivery continues to be implemented on schedule.



Retalhuleu. Final touches go on one of ten NOAA/National Weather Service meteorological stations being installed in Guatemala. These automatic weather stations are replacing units that were damaged or destroyed by Mitch.

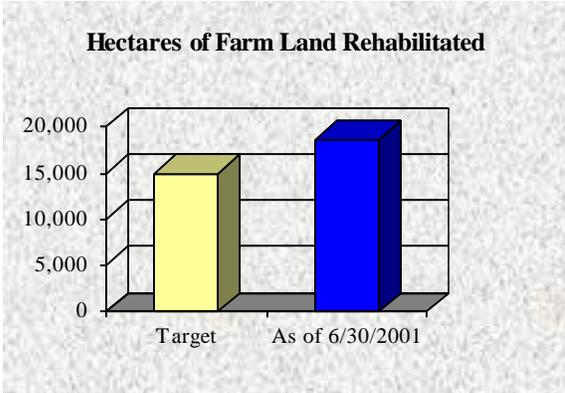
- The USGS investment of \$1,299,500 in stream gages, data receiving stations, computers and data processing software, landslide and volcano hazard mapping, geographic information system equipment and products, aerial

photography and digitized imagery, and a clearing house for geospatial data management and internet access, along with equipment and training is also on track for completion by December 2001.

Agricultural Productivity

Efforts to restore agricultural productivity are focused in the valleys of the Polochic and Motagua rivers, and include channel training, irrigation dike and levee repairs, gabion construction, and some direct interventions to restore production. USAID is helping small farmers reestablish their productive capability by rehabilitating 15,000 hectares of farm land, restoring 1,600 hectares of hillside coffee land, providing credit to 13,000 affected microentrepreneurs, and repairing 230 kilometers of road and 30 bridges. As a result, small farmers are recovering their productivity.

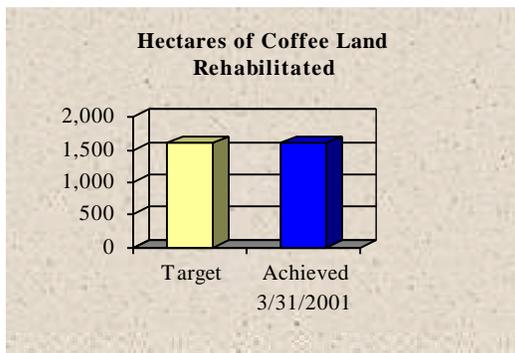
Over 20,000 small crops producers are back in business following the rehabilitation of seven of nine irrigation and flood control infrastructure sites that serve 18,590 hectares. The original target was 15,000 hectares.



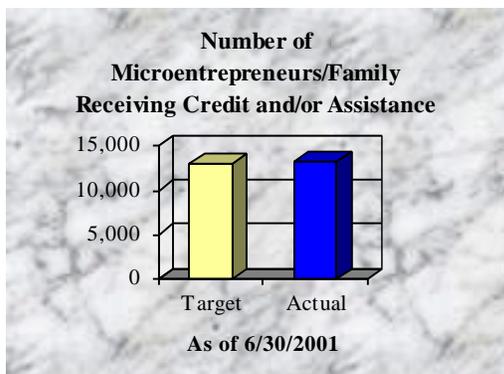
- MAGA-ICTA's seed recovery program to bring improved corn, bean, rice, potato and sesame seed to 17,000 producers who lost seed stocks during Mitch continued on schedule. ICTA produces an initial base seed, and then

trains farmers to multiply the process producing certified seed. Over 1000 farmers have been trained, and with their help the program is nearing production targets for certified seed. Targets call for the production of 430,000 lbs. of corn; 50,000 lbs. of bean; 200,000 lbs. of rice; 200,000 lbs. of potato and 15,000 lbs. of sesame.

- Over 3,000 small coffee growers have achieved the target of rehabilitating 1,600 hectares of hillside coffee land.

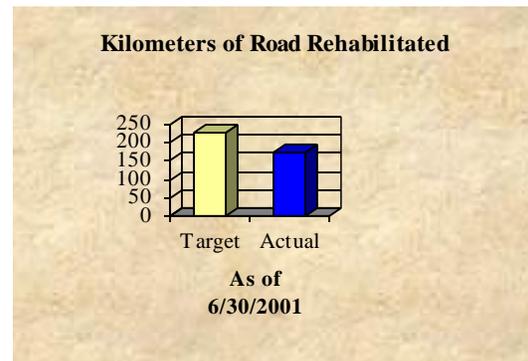
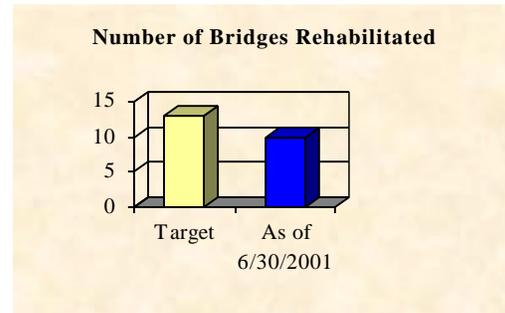


- The target of rehabilitating and rebuilding 14 coffee mills has been achieved, enabling thousands of growers to enjoy value added as a result of lowered transactions costs.
- The recently completed microenterprise credit program surpassed its original target of 13,000 by 200 borrowers, and extended a total of \$2.0 million in credit.

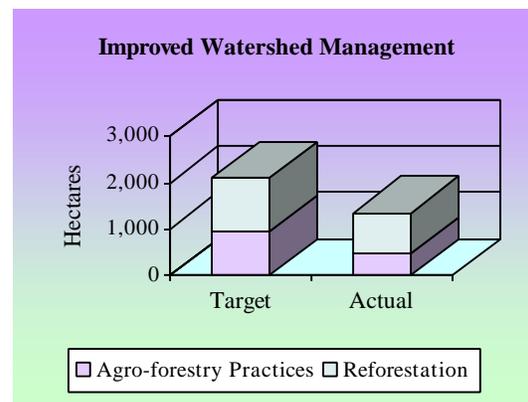


- Progress continues on vital roads and bridges with 172 of 230 kilometers

rehabilitated and 10 of 13 bridges completed.



- Of 2,104 hectares USAID is targeting for improved watershed management (952 hectares of reforestation and 1,112 hectares under agro-forestry practices), 453 hectares of agro-forestry and 893 hectares of reforestation have been achieved to date.





Ixcán. CHF is rehabilitating and upgrading 100 kilometers of the Northern Transversal Highway. From their operations base at Playa Grande, CHF directs the roadwork and the reconstruction of six bridges along the highway. When completed, the road will connect Barrillas at the western end of the Ixcán municipality, opening access for 170 communities to markets throughout Ixcán as well as the department of Quiché.

installed by the USDA Forest Service with the network of automatic weather stations being installed by NOAA for the national meteorological service, INSIVUMEH.

Commentary: USAID/Guatemala's cumulative expenditure target for 6/30/2001 was \$23.0 million, or 92% of the \$25 million of supplemental funds. Actual expenditure was 91.4 % or \$22.9 million. As the program enters its final stage, the expenditure rate continues to be on target. The program should comfortably meet the December 2001 end date target.



Ixcán. CHF repaired the 25-ton limit Xalbal Bailey Bridge that traverses the river of the same name, along the Northern Transversal Highway. The bridge was damaged in Mitch and was back in service in late 2000. While out of service, over 30,000 people on the western side of the Xalbal River were isolated.

The USDA Forest Service continues its work in the Sierra de las Minas biosphere reserve directed at reducing vulnerability through fire prevention seminars and promotions, the rehabilitation and stabilization of critical landslide areas, and establishment of a baseline data collection system for fire and hydrological information. Upgrade equipment procured during the quarter will telemetrically connect three high-altitude weather stations