

## EN

### ANNEX

## **Neighbourhood, Development and International Cooperation Instrument (NDICI) – Global Europe**

### **Exceptional Assistance Measure regarding Belize and Guatemala**

#### **1. IDENTIFICATION**

|                   |  |
|-------------------|--|
| Action:           | Support to confidence building and mediation in the Adjacency Zone of Belize and Guatemala   |
| Action Reference: | NDICI CR 2022 / 37   |
| Cost:             | EUR 1 500 000 (European Union (EU) contribution).  |
| Budget Line:      | 14 02 03 10  |
| Duration:         | Maximum 18 months. The authorising officer responsible may decide to extend this period twice by a further period of up to six months, up to a total maximum duration of 30 months, under the conditions laid down in Article 23(6) of Regulation (EU) 2021/947. |
| Lead service:     | FPI  |

#### **2. ACTION SUMMARY**

A window of opportunity has emerged in the protracted territorial dispute between Belize and Guatemala, with the International Court of Justice set to conclude the first step of the legal procedure by mid 2023. This is a critical moment in a dispute which dates back to the 19<sup>th</sup> century, and which has witnessed several incidents of violence that have exacerbated tensions between the communities settled along the border area, affecting the parties' diplomatic relations. The establishment of an office of the Organization of American States (OAS) in 2003 was and continues to be instrumental in mitigating tensions, preventing violent incidents and creating conditions for continued dialogue and political engagement in support of confidence building measures established between the parties. Both parties have confirmed the crucial importance of continuing the work of the OAS in the Adjacency Zone (AZ) with the objective of preserving stability and promoting a culture of peace between the parties. The European Union has supported the OAS since 2012. Continued support at this juncture is essential to ensure the process is not derailed and that the OAS can continue its conflict prevention and preventive diplomacy activities.

The action seeks to support the political-diplomatic process and the OAS/AZ Office in the implementation of conflict prevention and preventive diplomacy activities to mitigate and address drivers of fragility, conflict and violence in the AZ.

### **3. BACKGROUND AND RATIONALE**

#### **3.1 BACKGROUND**

The territorial dispute between Belize and Guatemala dates back to the 19<sup>th</sup> century with opposing interpretations of an 1859 treaty signed by the Guatemalan administration and the UK. Tensions flared many times in the ensuing decades and the ongoing negotiations continue to affect the politics and economics of both countries. In 2000, the two countries sought the good offices of the OAS to resolve the dispute, resulting in the establishment of the “Adjacency Line (AL) and the Adjacency Zone (AZ)”.

The AZ has been the scene of several incidents, sometimes violent, that have generated and exacerbated tensions between the communities settled there, affecting the parties’ diplomatic relations. Most of the destabilising, and often, violent incidents occurring in the AZ are driven by competition and conflict over access to natural resources, mainly land access and tenure, access to water, and illegal poaching and logging. Additionally, the area is under increasing pressure from transnational criminal networks operating in the Petén department of Guatemala.

Until the establishment of the OAS/AZ Office in 2003, incidents could easily escalate, as it was impossible to obtain factual accounts of the events and circumstances. The role of the OAS/AZ Office has and continues to be vital in verifying those incidents, aiming at mitigating tensions and creating the conditions for constructive dialogue and political engagement in support of the confidence building measures established between the parties.

Since 2005, through the Agreement on a Framework for Negotiations and Confidence Building Measures between Belize and Guatemala, the General Secretariat of the OAS and its Office in the AZ serve as the only international organisation with a mandate to provide technical and political support in the dispute, as requested by both parties. In 2008, the governments of Belize and Guatemala, acting on the recommendation of the OAS Secretary General, signed the “Special Agreement to submit Guatemala's Territorial, Insular and Maritime Claim to the International Court of Justice (ICJ).” To this end, Belize and Guatemala held binding referendums in 2018 and 2019, respectively. The referendum process in both countries resulted in a “yes” vote, marking a critical step in the process. As a result, a new window of opportunity to put a peaceful end to this protracted conflict opened. The ICJ has set the time-limits for both countries to submit their replies and rejoinders, the 8 December 2022 for the reply of the Republic of Guatemala and the 8 June 2023 for Belize’s rejoinder, after which the ICJ will outline the subsequent procedure in the process. The window of opportunity that has emerged in the protracted territorial dispute between Belize and Guatemala requires regional attention and support, since the ICJ is already advancing in the study of Guatemala's claim and in the defence of Belize, which should conclude the first step of the legal procedure, with the issuance of a preliminary written report by mid-2023, aiming to initiate the oral hearings ahead of the final ruling.

This is a critical moment, as the gains made so far need to be maintained, at this moment of high sensitivity for both parties, while avoiding any threats to the current peace and stability. The OAS is strongly committed to maintaining peace and works to ensure the successful, peaceful and permanent resolution to the territorial dispute.

While the legal procedures take place at the ICJ, the OAS/AZ Office continues to monitor the implementation of the confidence building measures. Violent incidents have been prevented,

although, the possibility of recurrence is not excluded, making the OAS/AZ Office continued engagement, field presence and mediation efforts necessary to ensure that the process remains on track, until the ICJ reaches a final decision.

**3.2 RATIONALE FOR CRISIS RESPONSE ACTIONS UNDER THE RAPID RESPONSE PILLAR OF THE NEIGHBOURHOOD, DEVELOPMENT AND INTERNATIONAL COOPERATION INSTRUMENT**

The longstanding territorial dispute between Belize and Guatemala, the continued risk of instability and violence in the Adjacency Zone, and the need to ensure that the political-diplomatic process remains on track at a highly sensitive juncture in the process are all factors constituting an exceptional and unforeseen situation in the sense of Article 4(4) (a) of the NDICI Regulation. An adequate response cannot be provided under any other European Union Instrument due to the urgency with which the funds are required and due to available resources already being firmly committed.

Annex IV, paragraph 1, second paragraph, point (a) of Regulation (EU) 2021/947 specifically provides for the use of the NDICI rapid response pillar to support (a) through the provision of technical and logistical assistance, the efforts undertaken by international, regional and local organisations and by State and civil society actors in promoting confidence-building, mediation, dialogue and reconciliation, transitional justice, women’s and youth empowerment, in particular with regards to community tensions and protracted conflicts.

**3.3 RISKS AND ASSUMPTIONS**

| <b>RISKS</b>  | <b>LIKELIHOOD</b><br>(High/Medium/<br>Low) | <b>MITIGATION STRATEGY</b>   |
|---|--|--|
| <b>Political risks</b>  |  |  |
| Despite efforts from the OAS, there is a breakdown of negotiations and confidence-building measures between Belize and Guatemala, with political will on either or both sides waning. | Low  | The action focuses on ensuring that the political-diplomatic process remains on track. The OAS will continue to maintain close relations with both Parties which have confirmed its crucial role in preserving regional stability. Activities will ensure that continuous lines of communication between the two governments are fostered. |
| <b>Operational risks</b>  |  |  |
| Delays in the ICJ process and ruling that would require additional funding beyond the 18 months rapid response FPI support to continue stabilising the area.                          | High                                       | Should further support be needed after the implementation period, additional resources may be mobilised through programmable funds.  |
| The deterioration of the economic situation of villagers living along the AZ increases  | Medium                                     | The project will ensure that incidents do not escalate into more serious conflict through continued verifications. Technical and   |

| <b>RISKS</b>   | <b>LIKELIHOOD</b><br>(High/Medium/<br>Low) | <b>MITIGATION STRATEGY</b>   |
|--|--|--|
| the likelihood of tensions and violent incidents, including conflicts over scarce natural resources. |  | vocational training activities are also built into the project to increase income-generating prospects for communities.    |
| Renewed health restrictions due COVID-19 (social distancing, limits on social gatherings, etc.)      | Medium                                     | Flexible and adaptable working arrangements will be built into the project and bio-sanitary measures ensured, as required. |

#### **4. OBJECTIVES**

##### **4.1 OVERALL OBJECTIVE**

The overall objective of the action is to enhance peace and stability conditions in the Adjacency Zone (AZ) between Belize and Guatemala.

##### **4.2 SPECIFIC OBJECTIVES**

- 4.2.1 To sustain peace in the AZ between Belize and Guatemala through conflict prevention and preventive diplomacy; and
- 4.2.2 To contribute to improved prospects and conditions for an effective legal resolution through the implementation of confidence building measures, the facilitation of continuous interaction, and the promotion of dialogue and harmonious coexistence between all relevant stakeholders in the AZ of Belize and Guatemala.

#### **5. ACTION COMPONENTS AND EXPECTED RESULTS**

**The main expected results/outcomes include:**

**Expected Result (1):** Drivers of fragility, conflict and violence in the AZ and other areas of tension are mitigated and addressed.

Activities (indicative):

- 5.1.1 Identify and monitor conflict drivers, conflict dynamics and main sensitive hotspots;
- 5.1.2 Investigate and verify incidents and propose mediation options for their resolution and the de-escalation of tensions;
- 5.1.3 Draft and present reports on incidents to both countries;
- 5.1.4 Strengthen dialogue and relations between the Governments of Belize and Guatemala;
- 5.1.5 Provide project staff with specialised conflict resolution and peacebuilding training to enhance their mediation skills.

**Expected Result (2):** The prospects and conditions for an effective legal resolution of the territorial dispute between Belize and Guatemala are enhanced.

Activities (indicative):

- 5.2.1 Provide communities with information about the territorial dispute and the confidence building measures;
- 5.2.2 Raise awareness and the level of understanding of the role of local authorities and key constituencies working in the AZ on their responsibilities and role in strengthening the confidence-building measures;
- 5.2.3 Provide communities with technical and vocational training as well as humanitarian assistance, as needed;
- 5.2.4 Increase community-to-community contacts across the Adjacency Line, foster cross-cultural communication, and improve livelihoods.

## **6. IMPLEMENTATION**

### **6.1 IMPLEMENTATION MODALITIES**

The Commission will ensure that the appropriate EU rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures<sup>1</sup>.

#### **6.1.1 Grant: direct award (direct management)**

##### (a) Purpose of the grant

The grant will be used to achieve specific objectives 4.2.1 and 4.2.2 through expected results 1 and 2.

##### (b) Type of applicants targeted

The type of applicants targeted for this direct award are non pillar assessed international organisations.

##### (c) Justification of a direct grant

Under the responsibility of the Commission's authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified because **the action entails crisis management aid as referred to in Article 195(a) and as defined in Article 2(21) of the Financial Regulation** at the date of the Financing Decision. The grant may be awarded without a call for proposals to the Organization of American States.

### **6.2 INDICATIVE BUDGET**

The total European Union contribution under this Financing Decision **will not exceed EUR 1 500 000**. A breakdown among components is provided hereunder, and is indicative.

---

<sup>1</sup> [www.sanctionsmap.eu](http://www.sanctionsmap.eu) Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website, it is the OJ version that prevails.

### **Indicative budget breakdown**

| <b>Components</b>   | <b>EU contribution<br/>(amount in<br/>EUR)</b> | <b>Indicative third<br/>party<br/>contribution, in<br/>currency<br/>identified</b> |
|---|--|--|
| Component 1: Support to confidence building and mediation in the Adjacency Zone of Belize and Guatemala composed of<br>6.1.1 – Direct grant (direct management) | 1 500 000                                      | N.A.   |
| Total   | 1 500 000                                      | N.A.   |

### **6.3 ORGANISATIONAL SET-UP AND RESPONSIBILITIES**

The action shall be implemented under direct management. It will be managed by the Commission, with the support of the European Union Delegations in Belize and Guatemala for the monitoring of the action.

### **6.4 PERFORMANCE AND RESULTS MONITORING AND REPORTING**

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final report. Each report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and outcomes) as measured by corresponding indicators, using as reference the Logframe matrix. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

### **6.5 EVALUATION**

Having regard to the nature of the action, an evaluation will not be carried out for this action or its components.

The Commission may, during implementation, decide to undertake such an evaluation for duly justified reasons either on its own decision or on the initiative of the partner.

The financing of the evaluation shall be covered by another measure constituting a financing decision.

### **6.6 AUDIT**

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

The financing of the audit shall be covered by another measure constituting a financing decision.

## **6.7 COMMUNICATION AND VISIBILITY**

The 2021-2027 programming cycle has adopted a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

It will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

The 2022 "Communicating and Raising EU Visibility: Guidance for external actions" reference document shall be used to establish the appropriate contractual obligations.

## **7. COMPLEMENTARITY, COORDINATION AND FOLLOW-UP**

The sustainability of the action and the longer-term needs of the OAS/AZ office to be able to continue its operations and the implementation of confidence building measures will be met through, inter alia, programmable funds, as needed. Under the 2021-2027 multiannual programme of the EU Delegation to Jamaica, Belize, the Bahamas, Turks and Caicos Islands and Cayman Islands, priority 2 addresses regional integration and border management and provides for support to concrete actions that would focus on promoting cross border trade, designing efficient border management and contributing to migration control, producing concrete progresses for the inhabitants of both Belize and Guatemala, particularly in the border regions as well as support in the preparation of the technical aspects for future demarcation of the Adjacency Zone.