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**U.S. Agency for International Development  
Guatemala-Central American Programs Mission  
(USAID/G-CAP)**

**Results Review and Resources Request  
Guatemala Bilateral Program  
FY 1997 - 1998**

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# Guatemala Bilateral Program

## RESULTS REVIEW AND RESOURCES REQUEST

### FY 1997 - 1998

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## **OVERVIEW**

### **INTRODUCTION**

U.S. interests in Guatemala are focussed on supporting a durable peace, strengthening the country's nascent democracy, and addressing the grave disparities in income distribution and access to basic services that serve to perpetuate, in many senses, two Guatemalans. Guatemala is also a significant trading partner with the U.S., with two-way trade totalling over \$3 billion in 1995. By encouraging sustainable economic growth with equity, USAID programs help to create viable livelihood options for Guatemala's poor majority and thus help to reduce the flow of economic refugees to the U.S. as well.

The rural poor, largely indigenous population living in the remote northern highland and tropical forest regions of Guatemala are the primary focus of USAID/G-CAP's development program. Living conditions for these groups are among the worst in the hemisphere and comparable to regions of Africa. Land ownership is highly concentrated with 2.5% of farms controlling 65% of arable land; 88% of farms control only 16% of land suitable for agricultural.

While poverty is extensive in Guatemala (with 66% of all households below the poverty line<sup>1</sup>), indigenous people are disproportionately poor, with 87% of all indigenous households below the poverty line; 61% are in extreme poverty. More than half of indigenous households have no sanitary services, and three-fourths have no electricity. The average number of years of schooling for indigenous males is 1.8 years, and for indigenous females 0.9 years.

### **SUMMARY OF USAID STRATEGY**

USAID/G-CAP continues to sharpen its development focus, through a collaborative process involving development partners and the rural populations who are the principal clients of USAID assistance. In preparation for presentation of our new Strategic Plan 1997-2002, USAID has refined the existing results frameworks and improved indicators. Our current results framework, based on the Strategy approved in FY 93, includes five Strategic Objectives, and a sixth Special Objective in support of the peace accords.

Our strategy is designed to support Guatemalan efforts to attain:

**More effective and participatory democracy**, through strengthened key democratic institutions (such as the judiciary, the Office of the Human Rights Ombudsman, and the legislature) and more diversified and meaningful citizen involvement in the democratic process.

**Healthier women and children in rural areas**, through improved service delivery, better household practices and policy reforms supportive of women's access to birthspacing.

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<sup>1</sup>World Bank, Indigenous People and Poverty in Latin America, 1995, pps. 100-105.

**Reduced loss of Guatemala's rich biodiversity**, through improved, more sustainable land use practices, and a strengthened national and local level institutional capacity to manage the environment.

**Increased Guatemalan participation in global markets**, through improved trade policies, improved labor relations, and increased capacity to expand non-traditional exports;

**Better educated children in rural areas**, through improved efficiency in the allocation and use of resources and increased equity of educational services; and

**Effective implementation of key provisions of the Peace Accords**, through the successful reintegration of displaced populations in targeted geographic areas, and the improved protection of human rights.

USAID's bilateral assistance program supports the Action Plan for the Summit of the Americas in many ways:

- Action items 1, 2, 3, and 5, related to Preserving and Strengthening the Community of Democracies, through our Democracy SO1.
- Action item 9, related to prosperity through Economic Integration and Free Trade through activities under our Trade SO4.
- Action items 16, 17, 18, and 19, related to Eradicating Poverty and Discrimination, through activities under our Health, Education and Democracy SOs, our PL-480 Title II program, and our Special Peace Objective.
- Action items 22 and 23, related to Sustainable Development and Conservation of our Natural Environment for Future Generations, through our Environment SO3 and Special Peace Objective.

Finally, as will be demonstrated throughout the detailed Performance Section, all of our SOs envision substantial roles for civil society and local government, and efforts at the national level to ensure a supportive policy environment -- both integral aspects of the Agency's New Partnership Initiative.

## **OVERVIEW OF PROGRAM PERFORMANCE**

USAID's development assistance program has contributed to some noteworthy inroads in the health status of the rural poor, for example, contributing to a 50% reduction of infant mortality rates from 1975 levels. USAID has also provided technical assistance and financial support critical to the credibility of the past three democratic elections. And, our pioneering work in the Maya Biosphere Reserve appears to have slowed the pace of deforestation, by introducing more profitable and sustainable off- and on-farm income generating activities for rural Guatemalans. Finally, our most impressive success story may lie in the increased incomes of an estimated 50,000 small farmers on the Altiplano who now successfully produce and export non-traditional crops like snow peas, broccoli, asparagus, fruits and berries, etc.

The development challenges of Guatemala remain nevertheless formidable, due to a host of historical, cultural and socio-economic factors, including: the continuing armed conflict, influence of the military, continuing high population growth rates (2.9%), weak governmental institutions, the lowest level of tax collections in Latin America outside of Haiti, and a floundering criminal justice system. Despite considerable levels of external financing, little progress has been made in reducing widespread poverty. The lack of healthy, educated human resources affects all sectors, but especially growth in labor-intensive export sectors needed to stimulate higher paying jobs for Guatemalans.

In evaluating development performance during 1995, there were a number of additional factors which precluded greater progress, chief among them the continuation of a severe fiscal crisis and a "lame duck" administration incapable of adequately addressing fundamental issues of fiscal reform and social sector policy. The De Leon Administration became a lame duck, impeding progress in the peace negotiations as well as forward movement on a social sector policy agenda.

Calendar year 1995 was an election year, with the Presidency, all 80 Congressional seats and 300 mayoralities at contest. The Presidential race was contested by 19 candidates, representing a broad political spectrum, and for the first time ever, the URNG formally and openly supported popular electoral participation. Participation rates exceeded most projections, reaching nearly 47% in the first round, and the newest political force, the left-of-center Frente Democratica de la Nueva Guatemala, surprisingly captured six Congressional seats. This, in itself, is a landmark event in Guatemala's political history. The elections were certified by all international observer organizations as free, fair, open and efficiently run. The PAN party candidate, Alvaro Arzu, running on an anti-corruption and responsive government campaign, narrowly defeated the populist, "law and order" candidate of the FRG party of former President Retired General Efraim Rios Montt. At the Congressional and mayoral levels, the PAN electoral victory was more decisive, with the party winning an absolute majority in the congress and one-third of all municipalities (although here again, most won by narrow margins, particularly in rural areas).

Pursuant to the Global Human Rights Accord signed as part of the peace process, the U.N. Human Rights Verification Mission (MINUGUA) has expanded its presence to all of Guatemala, with its 400 person team monitoring the human rights situation and supporting the institutional strengthening of key GOG institutions. Increased kidnappings, robberies and other criminal acts overwhelmed the newly created Prosecutor's office and the weak judicial system, and a heated public debate ensued over responsibility for "impunity." This, coupled with the initiation of oral trial proceedings under the new Criminal Procedures Code, has made the justice system front page news. But, despite appointment of a new Supreme Court more focused on anti-corruption, important opposition still remains within the judicial branch to implementation of the new Code which continues to slow progress. The resignation of the Attorney General, in the wake of widespread accusations of ineffectiveness and in response to legal reforms enacted by the Congress reducing the Attorney General's autonomy/independence, presents an opportunity for appointment of a more effective leader. The legal reform process is also increasingly threatened by efforts of organized criminal elements who fear the possible emergence of a more effective public security force and Arzu's commitment to reducing corruption.

The GOG was unable to negotiate a Shadow Program with the IMF in 1995, although the IMF did agree to monitor compliance with the GOG's own economic program. Performance by the De Leon government against these targets was good. GDP grew by 4.9% in 1995, as compared to 3.7% in 1994, and inflation was less than 9% (as compared with 12% in 1994). Improved tax collection and passage of a law making tax evasion a criminal offense led to slight increases in the tax collections, which rose to approximately just under 8% of GDP. While the Arzu administration's efforts to pass and collect a one-time extraordinary tax may alleviate the GOG's immediate liquidity problem (although even this tax measure faces a serious constitutional challenge), first quarter 1996 tax collections, although up 18%, are nearly 20% less than targeted. Strong administrative reform measures, more serious collection efforts and legal sanctions are required in a long-term strategy to address what the new Minister of Finance himself recently described as "fiscal chaos."

The new Arzu administration has initiated talks with the IMF, World Bank and IDB on support for their macroeconomic program. An IMF team visited Guatemala in April to open discussions on a new Stand-by Arrangement, supporting Guatemala's macroeconomic policies. The World Bank is following up its recently completed Economic Modernization Loan with activities supporting improved integrated financial management, including tax reform and is considering a major "modernization of the state" loan. With the completion of the IDB Financial Modernization program, the IDB is reinitiating discussions on the long-stalled Investment Sector Loan and a new modernization of the state program. These institutions are expected to play the major donor role in financing implementation of a final peace agreement.

Financing for the social sectors, particularly health and education, remain woefully inadequate. Budgeted levels for health and education, while nominally increased over 1995 levels, are only 1.5% and 2% of GDP respectively. Moreover, the cash management and antiquated procurement and disbursement procedures limit the ability of line ministries to execute their budget, reducing the amount of funding available for these priority investments further. Disbursements through December 1995 against the investment budget for health and education were 52% and 70% respectively of budgeted levels. The slow pace of execution also serves as a brake on donor financed programs dependent on GOG resources for counterpart. And some major donor efforts remain problematic, e.g., net resource flows from the IDB to Guatemala have been negative four of the past five years, with 1995 disbursements totalling only \$43.9 million out of an undisbursed project pipeline of \$278.6 million.

Nevertheless, as we prepare for the task of presenting a new Strategic Plan for US assistance, 1997-2002, the donor community in general is more optimistic about the future than was the case a year ago. First, newly elected President Arzu, through his personal intervention with the armed URNG opposition and appointment of three highly-respected individuals to the Peace Commission (COPAZ), has breathed new life into a stalemated peace process. Surprisingly, rapid agreement by the Arzu administration and URNG on a socio-economic/agrarian accord, scheduled for signature May 6 in Mexico City, opens the way for a final peace agreement during 1996, perhaps by September. The U.N. moderator has expressed his optimism that this might indeed be possible. Just recently (March) both parties announced unilateral cessations of

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hostilities, and the URNG has further indicated that it will desist in its collection of "war taxes" once the socio-economic accord is signed.

President Arzu, from the very outset of his administration in January, 1996, has also taken an aggressive stance on issues related to civilian control over the military, naming a well-regarded new Minister of Defense and military high command, while retiring nine generals and approximately twenty colonels, many suspected of corruption, criminal involvement or human rights violations. A serious "modernization" effort within the armed forces is underway. Police reform, particularly important to most Guatemalans who rank citizen security as their top concern, is also a priority for the Arzu administration, which is seeking U.S. and other donor support for a wholesale retooling of this critical security institution. As a first step, 110 police officials (87 in command positions) were fired.

President Arzu has appointed a well-respected cadre of ministers to key positions in the Cabinet, who are undertaking a series of immediate actions. In its first 100 days, in addition to its impressive moves against corruption, the Arzu administration has: (a) negotiated an agreement with the conservative industrialist business association, CACIF, on an "extraordinary" tax which would enable the new Government to cope with the immediate liquidity problem and finance some critical investments; (b) revitalized the Government-labor-private sector tri-partite commission to address key worker rights issues; (c) announced it will increase allocations to the education sector to 2.5% of GDP over the next two years; and (d) presented a draft government Action Plan for 1996-2000, which evidences at least a strong rhetorical commitment to the objectives described in this document.

As will be described in the following sections, USAID is proposing a focused, ambitious program of support for the new Arzu Administration in its present efforts to conclude the Peace process this year, restructure the national police, work toward a functioning justice system, increase tax revenues, invest in and decentralize basic social services and generate a free and more open climate for investment and trade.

## Strategic Objective One: More Effective and Participatory Democracy

Previously named "Strengthening Democratic Institutions, Civil Society and The Rule of Law" the title of this SO has been modified to sharpen the focus on the two pronged approach that continues to guide our program interventions: on the supply side, strengthening the ability of key democratic institutions to deliver services to clients, and on the demand side, improving the effectiveness of citizens in voicing their interests and holding their institutions accountable. Our development hypothesis is based on the notion that a mature and sustainable democracy depends



on a) support of the system, which is based on performance, and b) tolerance for democratic liberties that allows for broad participation and the right to dissent. Activities support achievement of the Agency's objectives of strengthened rule of law and respect for human rights (2.1), increased development of politically active civil society (2.3), and more transparent and accountable government institutions (2.4).

### A. PERFORMANCE

The Democratic Indicators Monitoring Survey (DIMS) was designed to capture changes in those values and attitudes upon which a sustainable democracy depends. Information is collected on a biannual basis and provides us with a unique look at the degree to which the system is performing, in the eyes of its "clients", and the degree to which a democratic culture is taking root, as measured by growing tolerance for democratic liberties. The 1993 survey established the baseline for the Mission's key indicators<sup>1</sup> and a follow-on survey in 1995 reveals some encouraging news:

✓ **Public Confidence in key democratic institutions and processes -- DIMS System Support Index:** This index measures support of a subset of key institutions that play a critical role in a democratic system, namely: the courts, public offices, political parties, the legislature, the electoral tribunal and the Office of the Human Rights Ombudsman. In light of a series of political upheavals the country had experienced (e.g., executive coup in 1993 and purging of Congress and Supreme Court in 1994), maintaining stability in this indicator was considered a success. The 1995 DIMS data indicates that this target was indeed achieved. We attribute this primarily to the highly transparent way in which the "purging" of the court and legislative

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<sup>1</sup>At the SO level, the Mission has reduced the number of indicators tracked to two, as shown herein. The sub-index on Due Process under the Law shown as a Strategic Objective performance level indicator in last year's Action Plan, is now being tracked at the Intermediate Result level as reported here.

branches was carried out, along with the transparent and broadened participation in the 1995-96 elections.

✓ **Individual free expression and participation -- DIMS Democratic Liberties Index:** This index is a composite of two sub indices: a) support for extensive participation and b) support for political tolerance.<sup>2</sup> As with the system support index, stability in this area was what was hoped for, given Guatemala's long history of repression of democratic liberties and the fear that the opening up of civil society could trigger a backlash reaction that would result in repression of dissenters, as has happened so often in the past. Holding the line against a potential negative backlash was as much as we expected to see in a two year interval. The results of the 1995 survey are particularly encouraging on this score. It is even more encouraging when one delves into the sub-score for political tolerance, including the right to dissent, which is the most stringent measure of democratic commitment. Here there was significant improvement from a baseline measure of 44% in 1993 to 49% in 1995. This is a very positive development and bodes well for a deepening of Guatemala's democratic culture.

Progress at the Intermediate Result level has thus been generally positive, but not without cause for concern: clear, significant advances took place in political participation, but performance on the difficult issues of impunity and human rights was mixed, and judicial reform slower and more problematic than hoped for.

### ● **Intermediate Result 1.1: More Responsive Criminal Justice System<sup>3</sup>**

- **Greater due process under the law:** The Guatemalan criminal justice system is in the infant stages of a major structural transition to an oral, adversarial process adopted in the new Criminal Procedures Code. Data collected from the DIMS interviews on the five question set related to criminal justice and human rights presents a mixed picture. Most troubling is the drop in numbers of those at a NATIONAL level who believe judges defend human rights, from 61.3% to 50.1%. However, this drop is entirely attributed to the "Ladino" population, as the indigenous majority registered a 10% rise in this key indicator. We interpret the national level statistics as a statement that fundamental due process was harder to come by between 1993 and 1995 for far too many Guatemalans. Surprisingly, the indigenous felt better served by the justice system than the Ladino respondents. That being said, we expect to see a more positive trend in the next

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<sup>2</sup>See comments section of indicator tables for explanation of this index and a recalculation of baseline required to obtain comparable data sets.

<sup>3</sup>As stated in last year's Action Plan, we are completing an effort to develop more meaningful measures of performance in the justice sector; these new indicators are described in Section C of this document. In this section we focus on the DIMS Due Process Index, which was included at the SO level last year. Data on the other indicators shown in last year's Action Plan at the Intermediate Level can be found in the tables, although they are significantly flawed.

report, as the new criminal procedures have a chance to take root, and as our program interventions spur a further entrenchment of this sweeping transformation of the Guatemalan criminal justice system.

Also disturbing, but to a lesser degree, is the slight decrease in numbers of those who express satisfaction with their treatment at the hands of judges and judicial employees, from 30.3% to 28.7%, and of those who consider that the judicial institution helps to resolve the country's problems - from 9.8% to 8.4%. Here again, however, in both instances we find increased confidence in the justice system by Guatemala's indigenous majority not shared by the Ladino minority. And, while the latter two figures may not be statistically significant, the first of these we believe is indicative of the upheaval that has been visited upon the judicial system as a result of the radical change in criminal procedures implemented in 1994, as well as the intense press coverage (for the most part, unfavorable) this transition has received.

Barely a year ago we reported on the FIRST oral trial ever held in Guatemala's history. This year, after some 200 oral trials have been conducted nationwide, a process not yet 2 years old is showing signs of maturing.

Guatemala's most closely watched oral trial to date was that of a young Ladino man prosecuted for the murder of a woman in the prime of her life, barely graduated from high school, a murder that occurred on the streets of one of Guatemala's more exclusive neighborhoods.

The case caught fire in the press and in public opinion for several reasons: it is one of the first trials of an accused who is from a part of society which has historically regarded impunity as a birthright - as evidenced by the threats and intimidations suffered by judges, prosecutors and witnesses throughout the case. Indeed, one of the investigating prosecutors died early in the case under mysterious circumstances. Yet, far from being cowed by the threats, Guatemalan citizens and civil society organizations, especially those founded or directed by dynamic Guatemalan women, were galvanized by their conviction that "Enough is Enough!" And now they have modern criminal procedure as fresh ammunition in their fight against impunity.

USAID stands hand-in-hand with the Guatemalans who have joined this struggle. Two of the three judges on the panel (the presiding judge and another who is from Guatemala's indigenous majority) received training in the United States through USAID's international training in oral adversarial procedure, as was the lead prosecutor. Others on the prosecuting team were trained through in-country criminal procedure training programs that receive USAID support. In an editorial entitled "A Light at the End of the Tunnel," the press noted that it is obvious that "Guatemala has judges who are qualified, well-trained, honest and independent."

This process is increasingly part of the Guatemalan landscape, and is playing itself out in an open, transparent, dignified, and orderly fashion, under heavy press scrutiny. In the final analysis, few doubt that had the case been decided under the written, inquisitorial closed-door system of days past, it would have produced yet another brick in the edifice of impunity. Instead, the guilty verdict and the 30-year sentence imposed, reflect an edifice that is slowly crumbling. Indeed, the press noted that "With this verdict, the Guatemalan justice system has taken a step forward in the fight against impunity."

This dichotomy of results does not exist throughout the data. And, there are positive signs, in that those who consider that the courts work rapidly jumped from 7.2% to 10.3%. Both Ladino and Indigenous respondents shared these beliefs.

### ● **Intermediate Result 1.2: Fewer Human Rights Violations<sup>4</sup>**

Activities supporting this result, which was focused on more effective investigation of human rights violations by the Human Rights Ombudsman, remained in suspension over this past year. However, through policy dialogue and targeted technical assistance, the Ombudsman's Office has reaffirmed its commitment to the goals of the USAID support and assistance is being reinitiated. New targets have been established in keeping with the redesign of this agreement.

### ● **Intermediate Result 1.3: Broader Citizen Participation in the Political Process<sup>5</sup>**

- **Target groups show stronger systems support and tolerance for democratic liberties:** The DIMS survey revealed significant increases for both the system support and democratic liberties for those emerging leaders who participated in USAID financed training programs. Not only did these target groups score much higher than the national sample in the 1993 survey, but their rates of improvement as measured by the 1995 survey is also much higher than the national average, indicating a lasting difference made by the leadership development initiatives financed through our Guatemalan Peace Scholarship and Centro ESTNA projects.
- **Increased voter registration and higher than expected voter participation in the 95/96 elections.** Efforts at increasing citizen participation in national elections through support to the Supreme Electoral Tribunal and local NGOs in a series of targeted education and get-out-the-vote campaigns contributed to the inscription of 300,000 new voters and a 46.8% voter participation rate for the first round of national elections in November, 1995. This is a significant increase in participation over the last two national elections (national referendum and congressional elections in 1994).
- **More diversified representation:** Broadened participation in the 1995 elections led to more diversified representation at both the municipal and national level, as

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<sup>4</sup>See performance tables for new indicators.

<sup>5</sup>Performance data shown here is based on indicators presented in last year's Action Plan. Additional indicators are being developed with partners as we redesign our strategy for strengthening civil society.

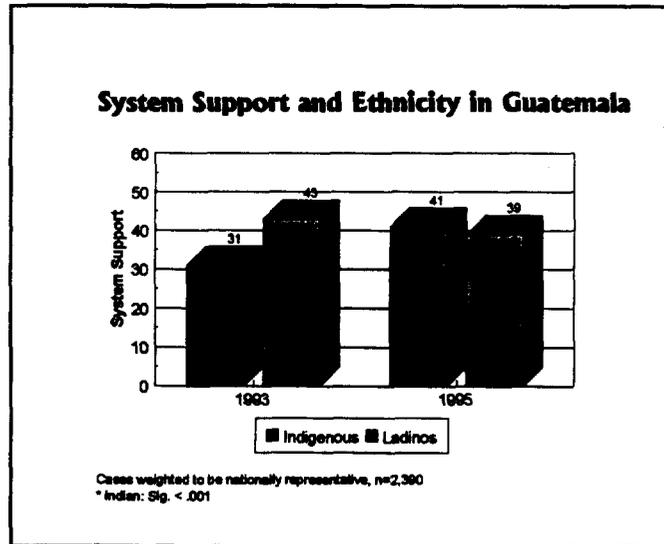
evidenced by the election of 119 indigenous mayors, 25 mayors elected by locally based civic committees, 6 congressional seats gained by the new left-of-center party FDNG (three of whom are women), an overall total of 12 women in congress, and 8 representatives who label themselves as indigenous. In total, 23 political parties participated (19 at the Presidential level) in the 95/96 elections, ranging across the full political spectrum.

■ **Intermediate Result 1.4: More Transparent and Responsive Governance**

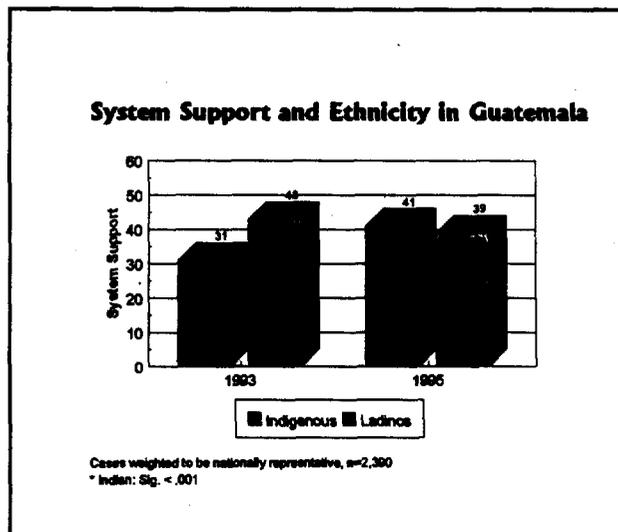
- **Improved legislative capacity:** The percentage of laws presented to the plenary with professional assistance provided by the project-financed technical assistance unit surpassed the original target of 20% and came in at 28%. Given the greater diversity of political views now represented in the legislature, we hope to expand assistance to increase citizen access and enhance the representational function.

Our in-depth analysis of the foregoing data supports our intuitive sense based on personal observation and project experience that the legitimacy of the democratic system in Guatemala is building, albeit slowly, and that the public attitudes and values necessary to sustain this system in times of crisis are deepening. Going back to our development hypothesis, stability of government, as measured by system support, is one important measure for democracy. But stable systems are not necessarily democratic ones. Stable democracies therefore must rely on system support as well as support for democratic norms, such as civil liberties and political tolerance.

Two indicators are worth special mention here. First is the positive shift in the political tolerance levels of Ladinos. Historically, Guatemala's Ladinos prevented access by the indigenous majority to effective political participation. While the majority of Ladinos still do not show high levels of support for extensive civil liberties, we see more than a 15% increase in the level of tolerance among Ladinos between 1993 and 1995 (from 42 to 49 on a scale of 100).



On the system support index, we discover another positive sign when disaggregated along ethnic lines. Although when viewed in terms of the total population there was no significant change in the level of system support, when broken out by Ladino and indigenous groups, we see the mirror image of that of tolerance of political dissent. That is, there was almost a 40% increase in the level of system support among the indigenous population (from 31 to 43 points on a 100 point scale). This is all the more impressive when one considers that the Mayan speaking population has been the most disenfranchised segment of the population and therefore, not surprisingly, the group least likely to support a system that historically as it has met regarded addressing its needs.



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While Guatemala still lags behind the rest of Central America in terms of its overall commitment to democratic norms, the important point here is that over the two years between the 1993 and 1995 surveys, the two major segments of Guatemala society appear to have moved toward one another in ways that bode well for sustainable democracy.

## **B. ROLE OF USAID IN PROMOTING CHANGE**

There is no denying the leadership role USAID has played as a pioneer in promoting democratic development in Guatemala. Once the only donor in this field, we now are one of many actors, each of whom is making a positive contribution in this regard. The United Nations Human Rights Verification Mission to Guatemala (MINUGUA) has benefitted greatly from USAID's experience in this area and has been able to launch a complementary set of institutional strengthening activities around a set of common objectives. The UNDP, the European Union, the Canadian Government, the Norwegians have also benefitted greatly from the groundwork provided by USAID programs in the democracy sector and are contributing to the advancement of our common agenda. Donor coordination has become increasingly important as a consequence of the peace process and the common desire to support democratic institutions and processes upon which full implementation of the accords will depend.

USAID was also the first donor to respond to the opening up of civil society in the wake of the 1993 attempted coup with direct support to key NGOs working in the area of legal reform, citizen advocacy and civic education. This has contributed to a broadening of the political space in which nascent civil society organizations have been able to organize and push for reforms with decreasing levels of intimidation and fear or reprisal. Other donors have followed this lead and are providing critical support to advance citizen involvement in matters of national interest and giving voice to those whose interests have traditionally been ignored or suppressed. Increasing tolerance for differing political views and the broad participation of minorities, be they along ethnic, gender, or political lines, is beginning to be seen, as evidenced by our national survey data, and will make a significant contribution to the consolidation of Guatemalan democracy.

## **C. EXPECTED RESULTS IN 1997 AND 1998**

As reflected in our reengineered results framework, we are focusing our ongoing efforts and new initiatives around four principal intermediate results: 1) a more responsive criminal justice system, 2) decrease in human rights violations, 3) broader citizen participation in the political process and 4) more transparent and responsive local governance.

There is a direct link between result packages one and two, as the improved ability of the criminal justice system to effectively investigate and prosecute human rights violations will have a direct impact on the these violations decreasing over time, as too will the ability of the OHRO to educate citizens about their rights and legal recourse, and to investigate alleged abuses of state authority. It is our expectation that by 1998, these two results packages will merge, as our support for the OHRO will phase out over the next two years.

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There is also a direct connection between result packages three and four which focus on enhancing the ability of government, particularly at the local level, to respond to the interests of their constituents, and at the same time strengthening the mechanisms for increased citizen participation in political decision making. As we continue the redesign of our strategy for strengthening civil society, we see our efforts focusing more discretely at the interplay between citizens and local government, thus, tying even more directly together the result package aimed at decentralization and municipal strengthening with that of citizen participation.

Also contemplated under the fourth result package is an expanded effort aimed at legislative modernization. Given the fact that Guatemala has a newly elected Congress of a much higher quality than its predecessors, coupled with the enormous legislative requirements that the peace accords will bring to bear on this body, the time is right for a more concerted effort to strengthen this key democratic institution.

Obviously, a framework as ambitious as the one presented here will require sufficient resources to implement successfully. Results packages three and four are the most dependent on new resources. While we are proceeding with the design work in anticipation of new project starts in 1997, we will adjust or eliminate these initiatives depending on our 1997/98 budget realities.

## Strategic Objective Two: Better Health for Rural Women and Children

The reengineering of this Strategic Objective through our Country Experimental Lab has been a highly participatory process, involving over 30 different partner agencies, enabling USAID/G-CAP and our partner agencies to integrate a stronger customer focus. As reflected herein, the Mission's Strategic Framework incorporates all but one of the indicators used to track performance, but adds new indicators related to two new intermediate results.<sup>6</sup> Activities under this Strategic Objective support achievement of the Agency



objectives of sustainable reduction in unintended pregnancies (3.1), sustainable reduction in child mortality (3.2), and sustainable reduction in maternal mortality (3.3), in support of the Agency's goal for the health sector.

### A. PERFORMANCE

The results of the 1995 Demographic and Health Survey (DHS) show significant improvements in key health indicators over the 1987 baseline; however, there are still urban/rural and ladino/indigenous disparities in health statistics. USAID/G-CAP uses four key performance indicators to monitor progress toward our bilateral health Strategic Objective:

✓ **Total Fertility Rate (TFR):** The 1995 target for the TFR was set in 1991 when the Mission developed a twenty year strategy for reducing fertility in Guatemala from 5.6 in 1987 to 4.2 in 2010. The DHS data confirms a significant decline in the total fertility rate, to 5.1 in 1995, exactly the figure established as the target for 1995. Moreover, data indicates that the rate of decline in rural areas is comparable with those of urban areas -- roughly 10%. In urban areas the TFR dropped from 4.1 to 3.8 children, and in rural areas, the rate has decreased from 6.5 to 6.2 children.

✓ **Infant Mortality Rate (IMR):** The IMR in Guatemala for the period 1990-95 (51/1000 live births) is half the level it was in 1970-75 (103/1000 live births). Compared to the 1987 baseline of 73.4, the IMR has dropped by more than 30% to 51/1000 live births in 1995. This reduction significantly exceeds our target of 67/1000. To achieve further declines, our program

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<sup>6</sup>The new intermediate results are shown here, together with the indicators the Mission will track. Baseline data and targets are being established for these indicators as part of negotiation of the new Strategic Objective Agreement.

will have to focus particularly on neonatal mortality (death within the first 28 days of life), which the DHS indicates account for over 50% of all infant deaths.

✓ **Child Mortality Rate (CMR):**<sup>7</sup> The child mortality rate declined by about 38% from 109.8 in 1987 to 68 in 1995. While the IMR is only slightly higher among indigenous groups than among ladinos, the CMR among indigenous children is almost double that of ladino.

✓ **Maternal Mortality Ratio (MMR):** In 1989, PAHO and the MOH conducted a retrospective study on maternal mortality, which consisted of civil registry reviews of maternal deaths and estimations of under reported deaths. According to this study, the national MMR was estimated at 248/100,000 live births. Interestingly, the preliminary 1995 DHS estimate for MMR for Guatemala is 220/100,000 births, similar to the estimated MMR from the registry review study in 1989. Field work suggests, however, that the rate among indigenous women is significantly higher than national averages.

Progress at the Strategic Objective level is a result of significant strides at our intermediate result level, where activities have focussed on increasing contraceptive prevalence and key child survival interventions (immunizations and ORT). Specifically, the DHS data confirms the following progress against our intermediate results:

■ **Intermediate Result 2.1: More Rural Families Use Quality Maternal-Child Health Services**

- **National Contraceptive Prevalence Rate:** The 31% target for national contraceptive prevalence rate was reached. USAID/G-CAP considers this a real success given the constraints surrounding the national family planning program in the past few years (including significant public sector opposition to modern family planning and lack of adequate other donor support for expansion of services).
- **Contraceptive Prevalence Rate Among Mayan Couples:** The large discrepancy between indigenous and ladino users identified in the 1987 DHS continues, despite significant gains in both populations. The rate among the indigenous almost doubled from 5.5% to 9.6% versus an increase from 34% to 43.0% for ladinos. These gains can be wholly attributed to the USAID interventions.
- **Couple years of protection (CYP):** CYP data collected from our four main service providing partners (Ministry of Health, IGSS Social Security, the

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<sup>7</sup>The Child Mortality Rate and Maternal Mortality Rate were added as indicators in last year's Action Plan, although no targets were then established; the data reported here is being used to establish targets for out years.

Guatemala non-profit Family Planning Agency, APROFAM, and the for-profit condom retail sales distribution/marketing agency, IPROFASA) reflects an increase of approximately 5% from 1994.

- Percentage of births with intervals of two years or greater: A comparison of the data from the 1995 and 1987 DHS surveys shows that there was no change in birthspacing (70%). This lack of improvements in birthspacing reflects the fact that many couples are using permanent methods to terminate fertility rather than space their children. Given the important health benefits of birthspacing to both mothers and children, USAID/G-CAP will address this situation by expanding access and availability of methods, improving counseling and information, education and communication (IEC), as well as other quality of care issues.
- Vaccination Coverage of Children under 12 months (DPT, Polio and Measles): Although the target (200% increase) for immunization coverage was not met, the rate has increased significantly from 24% to 42%. What is noteworthy is the continued difference in coverage between indigenous and ladino children (38.5% and 45.4%) and between urban and rural populations (46.3% and 35%).
- ORT Coverage of children under five years: Similarly, the target for ORT was not met; coverage was reported in the DHS as 21.5% -- significantly lower than our target of 50%. The principle reason for low utilization of ORT is the low level of donor support for promotional activities. USAID/G-CAP has focused its efforts for the past four years on the establishment of a sustainable local ORS production facility. Neither USAID nor any other major donor has provided assistance to the MOH in the promotion of this life-saving product or in the establishment of an effective distribution system to ensure continuous availability of the product at all levels of care (community promoters, health centers and posts and hospitals).
- Prevalence of diarrheal disease in PAYSA communities: This indicator has been eliminated. The cost of data collection cannot be justified since water and sanitation is no longer a strategic focus of the Mission.
- Pneumonia cases treated at health facilities, and children exclusively breastfed: These are two new indicators which will be tracked. The baseline data for these indicators have been established. According to the 1995 DHS, 40.5% of the pneumonia cases were treated at a health care facility. This indicator reflects not only utilization of services, but also the recognition of the symptoms of pneumonia by the child's caretaker. In terms of breastfeeding practices, the 1995 DHS data show that only 32.5% of infants between 4-6 months of age are exclusively breastfed.

## ■ Intermediate Result 2.2: Maternal-Child Health Programs are Well Managed

- Indicators for this intermediate result are being discussed, and may include facilities with adequate stock of key items (contraceptives, ORS, vaccines, etc.), facilities complying with management standards, and continuation rates for family planning and vaccinations.

### Maternity Centers Can Save Lives

Ana Maria Mendez was in labor for over 18 hours. Dona Leticia, the traditional birth attendant (TBA) of the community had been monitoring Ana Maria's progress for many hours when she decided that the delivery was complicated and that she needed to refer her patient. Thus, Dona Leticia spoke with Ana Maria's husband Julio and her mother-in-law Dona Rosa.

"Don Julio, your wife is having difficulties with the delivery and must go the doctor who will be able to attend to her complication, especially since Ana Maria lost her first baby due to a very difficult and complicated birth" explained Dona Leticia.

Julio stated, "I cannot take Ana Maria to the hospital in the capital. It is too far and way and would be too expensive. Besides it would take too long. We are more than four hours away from the capital and it would be impossible to find transportation take us there".

"Don't worry", Dona Leticia answered with confidence. "The health center in Momostenango now has a maternity center, with resident doctor and he is there 24 hours a day. Furthermore, we can be with Ana Maria and the doctor during the delivery."

At first Julio had his doubts. He thought that Dona Leticia was confused. In the past the health center was only open for a few hours in the morning and in the afternoon. Dona Leticia assured him that this had changed. Then, Julio remembered that he had heard a message on the radio in his native language Quiche that the community maternity center was now open and functioning 24 hours a day.

Dona Leticia, Julio and Ana Maria went to the health center where Dr. Hernandez immediately attended the birth. The delivery was complicated not only by the prolonged labor, but the umbilical cord was wrapped around the baby's neck; however, Ana Maria delivered a healthy baby boy a couple hours after arriving to the health center. Both mother and son were fine and they left the health center that afternoon.

### ● **Intermediate Result 2.3: Stronger Guatemalan Commitment to Maternal Child Health**

- Indicators for this new intermediate result are also being negotiated, and may include: % of GDP allocated to the health sector, % MOH budget allocated to MCH, adoption of a national strategy for integrated management of the child, and reduction of unwarranted restrictions on family planning.

The health statistics presented above are characteristic of a weak enabling environment for the delivery of maternal-child health (MCH) services. The World Bank has estimated that up to 50% of all Guatemalans have very limited or no access to services. One of the critical assumptions conditioning the redesign of USAID/G-CAP's child survival project in 1991 was that the Inter-American Development Bank and the World Bank would aggressively enter the health sector and focus on decentralization, increased investment in the health sector, expanded coverage of primary, preventive programs and enhanced efficiency. However, the World Bank decided in 1993 to not enter the sector, and the large IDB program expected in 1993 was approved two years late in December, 1995. Rather than promise a national strategy for improving access and coverage of primary health care, the IDB loan will finance pilot activities in three areas.

Much has been written about cultural, social, linguistic and class differences in Guatemala. When applied to health care these differences are seen from two broad but distinct perspectives - the providers and those seeking care. Generally, providers feel that certain cultural beliefs and poor understanding of the benefits of western medicines prevent rural Mayans from seeking modern medical care. Furthermore, most providers feel that the attitudes of the population, especially in indigenous areas must change and that the providers are doing a good job under difficult circumstances. On the other hand, rural Mayans have been reported to feel that modern providers do not meet their expectations or needs. Research shows that the most common problems expressed are the long and time consuming distances to reach services, language barriers, limited and inconvenient service hours, services focused on medical problems not the person, no consideration of family, lack of supplies, inhuman treatment and the general inability of provider to adequately treat the client's condition or resolve problems. These distinct perspectives are reflected in the under-utilization of public health services and the disparity of health statistics between Mayan and ladino populations.

	Mayan	Ladino
Total Fertility Rate	6.8	4.3
Contraceptive Prevalence	9.6%	43.3%
Child Mortality	94	69

Given the disparity in contraceptive prevalence and other health indicators between ladinos and Mayans, it is critical to develop culturally and linguistically relevant programs. However, most public and private sector programs have been developed according to western cultural norms. As a CEL during 1995, USAID/G-CAP anticipated the DHS results for various of the

intermediate results - such as immunization and ORT coverage. USAID/G-CAP's new health sector strategy sets out to aggressively address many of the constraints that cause continuing poor access to services - especially among key disadvantaged groups such as the rural poor and the indigenous (see section C below).

## **B. USAID'S ROLE IN PROMOTING CHANGE**

USAID's principal contributions to improved health can be seen in the increased emphasis on client-focussed services and improved donor coordination.

As the lead donor in the health sector in most MCH interventions, and the only donor in the field of family planning, USAID deserves recognition for most of the progress in the past ten years. The contraceptive prevalence rate achieved among the ladino population places this population subgroup in similar standing with the rest of Central America, a major program achievement for USAID. Although USAID is the only donor supporting services, we have developed an interagency group (including UNFPA and representatives of the public sector, the national medical/nursing schools and NGOs) that is designing a standard set of service delivery guidelines. The application of these guidelines in the field will help ensure that Guatemalan women have access to better quality family planning counseling and services.

Another very significant USAID contribution to the national family planning program relates to greater cost-sharing for service delivery in both the public and private sectors. As recently as 1992, the GOG's only contribution to reproductive services was salaries. By 1995, the GOG spent approximately \$182,000 (in addition to salaries) to support services. USAID's contraceptive social marketing program (IPROFASA) is making concrete progress toward sustainability and is expected to meet very tough cost-recovery standards by August of 1996, after which date, USAID will only provide this organization with contraceptives. Along these lines, APROFAM has also initiated an aggressive approach to make its urban clinics self sustaining by the end of 1997; this will allow USAID resources to support the expansion of services to reach the disadvantaged populations in rural areas.

With respect to the reduction of maternal and neonatal mortality, USAID's pilot "MotherCare" project links traditional birth attendants (TBAs) and pregnant women to the formal health system for the management of obstetric, perinatal and neonatal complications. This program has been judged so successful that it is being replicated by the EU in an additional four departments. And UNICEF, whose program focus has been almost entirely on the training of TBAs, is considering a new approach based on the success of MotherCare.

In the area of child health, the key donors (USAID, PAHO and UNICEF) utilize the interagency MCH committee to coordinate activities. While donor coordination makes the question of attribution more difficult, in the case of child survival in Guatemala it is absolutely essential that limited donor resources be presented to the GOG as a consistent approach. During the past two years, considerable progress has been made. For example, USAID has succeeded in facilitating broad donor pressure on the GOG to assume the recurrent costs of the immunization and ORS

activities. Hence in 1994 and 1995, the MOH covered nearly all costs for these programs (ORS packets, vaccines, syringes, etc.).

### **C. EXPECTED RESULTS IN FY 1997 AND FY 1998**

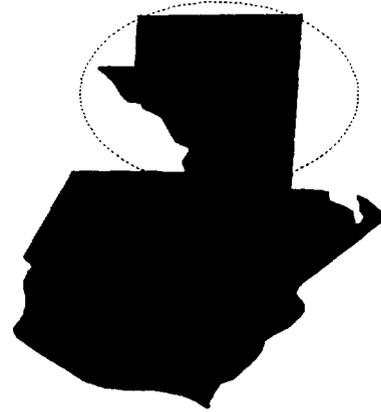
During 1996, USAID/G-CAP will be transitioning toward full implementation of its reengineered health strategy. Negotiations are underway with the GOG to develop a new bilateral agreement around the new Results Framework and an RFP for technical assistance will be developed and issued (May 1996). The new contractor is expected to be in-country by the beginning of 1997.

1997 and 1998 will be the first two years of full implementation of the new strategy. The major partners will be the Ministry of Health, the new contractor, MotherCare, APROFAM and the Population Council. Through the implementation of the strategy, USAID will continue to support some national level interventions; however, we will concentrate our efforts in four geographic areas in which the Mission has a comparative advantage. These include San Marcos, Quetzaltenango, Totonicapan, and Solola. These four areas have been selected because we can build upon achievements in key areas over the past four years (e.g., MotherCare, strengthening public sector family planning, acute respiratory infections (ARI) communications, and other training programs); other donors are not active; the need is great (based on DHS data); and the areas are contiguous. USAID plans to assign an FSN project officer to the area and to have the contractor establish its office in this region. As innovative approaches are validated over time, USAID and its partners will expand program activities into the other health areas of the altiplano. By the end of 1998, USAID will have a "altiplano-wide" health program. (It should be noted that, in addition to the four demonstration health areas, the new contractor will also initiate project activities in the formerly conflictive zones comprising the municipalities of Ixcán and Barrillas, beginning with an assessment/definition of USAID's role vis-a-vis the multiple donor efforts in the health sector).

The principle focus of the activities in San Marcos, Quetzaltenango, Totonicapan, and Solola will be in the following areas: improving quality of care at all levels through training and supervision, especially in the public sector; improving the quality and availability of data for decision-making at all levels of the public health system; creating a responsive logistics system for all key MCH supplies; and, assisting the IPPF affiliate to implement its reengineered community-based distribution (CBD) strategy (in the four areas plus Huehuetenango). At the national level, the Mission will also support the IPPF affiliate in achieving financial sustainability for its network of urban clinics; will work in tandem with PAHO to design and implement a new strategy for "integrated management of the child"; support for more effective NGO advocacy; and with other donors, support to strengthen the viability of the national Maternal-Child Health program, including the Reproductive Health Unit. Through this more focussed approach, USAID expects to significantly reduce the disparity in health statistics between Mayan and Ladino women and children.

## Strategic Objective Three: Sustainable Natural Resource Management and Conservation of Biodiversity

Initiatives under this Strategic Objective promote the conservation of habitat in important ecosystems of Guatemala (primarily the wetlands, savana and tropical forests of the Maya Biosphere, Sierra de las Minas Biosphere, and selected watersheds and small farmer coffee production areas of the central highlands) and in so doing, contribute to alleviating poverty through the creation of sustainable income producing activities. Activities support the Agency's goal of **Environment managed for long-term sustainability**, and the Agency's objectives of **Biological diversity conserved (4.1)** and **Sustainable natural resource management (4.5)**. As highlighted in the 1995 CDIE study of the Agency's biological diversity programs, Guatemala is the only Mission where performance has met or exceeded targets for the strategic objective. Over 15 partner organizations participated in reengineering activities for this SO and a new SOAG-like agreement was negotiated and signed with the Government of Guatemala.



### A. PERFORMANCE<sup>8</sup>

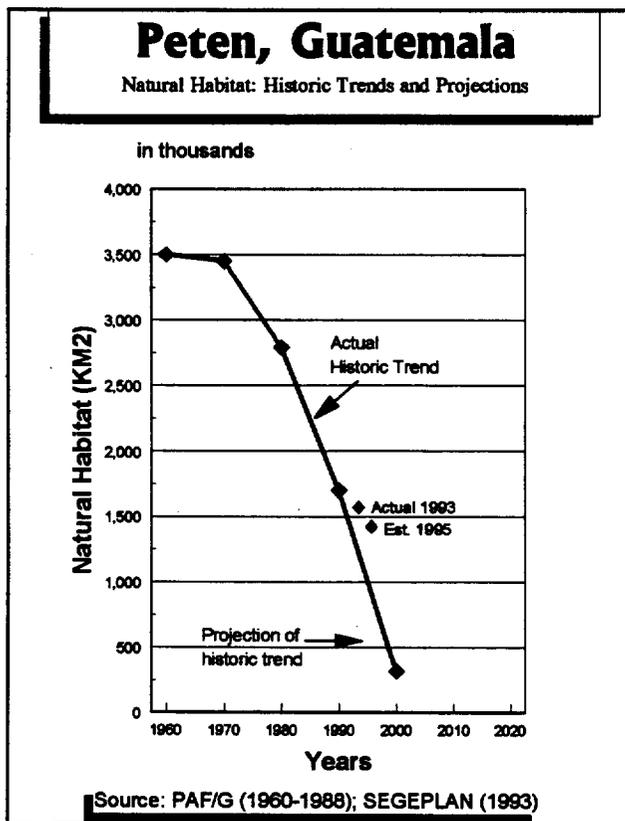
As noted above, performance at the strategic objective level has exceeded USAID projections:

- ✓ **Deforestation trends in selected areas (Peten/Maya Biosphere Reserve):** Graph 3.1 presents the historic rate of conversion of habitat to agriculture in the Peten (a single department which contains one third of Guatemala's national territory), and demonstrates how USAID contributions have begun to "bend the curve" and counteract historic trends of deforestation and conversion of habitat. We have significantly exceeded our target for conservation of forests, saving an estimated 410,000 hectares of natural habitat from conversion.

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<sup>8</sup> The performance data, baseline and targets presented herein reflect our efforts in the Maya Biosphere Reserve (MBR), although very significant contributions to this SO have been made in other bilateral activities as well and are discussed in Section B. To integrate data from other projects into the existing performance tables would require significant investments and a complete revision of the baseline and targets. Since, under present funding scenarios, the other projects will come to a close in the next 12-18 months, we plan to continue to report on them through narratives and maximize consistency of our pre-established targets in the MBR. Additionally, when cost data on monitoring deforestation trends in target areas of the Community Natural Resources Management project were obtained, the Mission decided it would be too costly to develop the baseline and track this data in view of the Project's PACD of 1997.

GRAPH 3.1



We believe the impressive gains made in slowing the historic trends of deforestation and conversion of habitat have been possible in large part due to four factors: an increased field presence, which helps to bring attention to problems such as illicit logging and colonization as they arise; the establishment and strengthening of new public and private conservation institutions; the creation of multisectorial coordination committees to identify and implement solutions; and greater local community responsibility for sustainable forest management through long-term concession agreements. A USAID-supported Guatemalan NGO, ProPeten, for example, has established a presence in Laguna del Tigre National Park which prompted the abandonment of a recent colonization along the park's San Juan River.

Data on habitat conserved for 1995 are preliminary and, although they demonstrate outstanding achievements, are considered conservative. However, the area of habitat

conserved would have been greater if not for the fact that 1995 was an unusually dry year in the Peten. The drought fueled unprecedented forest fires and several of these affected the MBR. Another trend pressuring MBR habitat is the increasing lack of alternatives for land. In earlier years, the southern Peten still offered large, unsettled areas which relieved pressure on the MBR. These areas are now claimed or under official protection.

✓ **People adopting more sustainable income generating practices (percentage of total population in target areas).**<sup>9</sup> Since field work began in 1993, 64% of the original MBR target population of 25,000 has adopted one or more income generating practice promoted for being more sustainable than traditional slash and burn subsistence agriculture. Examples include: ecotourism and related services, value-added processing of forest products (potpourri, essential oils/extracts, handicrafts), use of agro-forestry and green manures and forest management. The 64% adoption rate represents 16,020 beneficiaries in 56 communities--a 100% increase since last March and a 60% increase over our 1995 target. The six primary program partners have begun to collect disaggregated data by gender and ethnicity, although the data are incomplete due to

<sup>9</sup>This indicator was included in the 1995/1996 Action Plan at the intermediate result/program outcome level.

blending among some ethnic groups in the poor, rural agricultural frontier of Petén. Of the 16,020 beneficiaries, 50% are male, 50% female and approximately 10% are K'ekchi Mayan. Project partners are still working on standards for disaggregation by ethnicity.

✓ **Area with official protected status (core and multiple use zones, excludes buffer zones**<sup>10</sup>: Since 1990, with USAID assistance Guatemala has increased the area under official protected status by more than 600%, from 287,000 hectares to 1,923,000 hectares in 1995. At 18%, Guatemala now has one of the highest percentages of area in legally protected status in this hemisphere, excluding an additional 8% of national territory in legally declared "buffer zones" around parks.

Our Intermediate Results are designed to track changes in the three key factors affecting the ecological integrity of the natural resource base which we believe to be a *sine qua non* for sustainable development: **people** (adoption of more sustainable practices); sustainability and effectiveness of **institutions** (non-project income and delegation of management to local communities); and the **policy** environment. An analysis of data related to each of these dimensions is presented below:

● **Intermediate Result 3.1: People Adopt More Sustainable Land Use Practices**

- **Number of families whose principal source of income is derived from more environmentally sound practices than in the past:** People targets in the MBR were significantly surpassed due to the creative and diverse approaches of NGOs helping communities identify solutions to their problems. Activities were also better coordinated and integrated with other sectors (e.g. Ministry of Agriculture), as recommended by the 1994 project evaluation. Campaigns to promote practices such as "frijol abono" (a nitrogen fixing, weed controlling, green manure and ground cover) involved nearly every segment of local society--schools, churches, community groups, local authorities, park guards, extension agents--and were complemented by multi-media campaigns, including radio, loud-speaker in markets, and the local press. In 1995, sixty-six rural leaders were trained as farmer-to-farmer extensionists and 1,600 women participated in project activities, for a total to date of 4,280 women trained, focussing on environmental awareness and diversified, more sustainable incomes. This is important since women are key to making income-strategy decisions for basic family sustenance.

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<sup>10</sup>This is a new indicator, as suggested in the Agency's Strategic Framework and Indicators, 1995-1996.

Ramon Garcia came to El Peten in 1989 seeking a way to provide for his family of five. He ended up in the hamlet of San Miguel in what is now the Maya Biosphere Reserve's Multiple Use Zone and with great difficulty and hardship his family survived on subsistence, slash and burn agriculture and about \$70/month from collecting xate, a forest, understory palm. It was a very tenuous existence with no land security whatsoever.

With the support of various organizations (CONAP, CATIE, USAID), San Miguel received technical assistance, and became the first community in the MBR to sign a forest concession contract. The concession provides the community members with land security and forest management rights in return for assuming responsibility for maintaining the present forest estate of 5,000 hectares (12,000 acres). Ramon learned to make fine furniture using a rattan-like vine (bayal) which he harvests with care to assure sustainable production. Rather than burning an additional 10 acres of forest each year to plant corn (the average for traditional milpa in Peten), Ramon now earns over \$250/month from furniture sales. He states proudly, *"This is my own business and I'm happy because it's growing and I no longer have to suffer the long, hard, hot labor required to cut and burn the forest for milpa"*.

Ramon is one of over 16,000 beneficiaries of the Maya Biosphere Project to date.

Root obstacles to adoption of more sustainable practices--including security over resource tenure--were identified and are being addressed through innovative mechanisms: community concessions in the multiple use zone and direct legal assistance from Mayan-speaking professionals for land titling in the buffer zones bordering the MBR<sup>11</sup>. The project assisted 207 families to complete land title applications, and another 100 applications are in progress; all land title beneficiaries are local indigenous people (Mayan k'ekchi).

USAID's small farmer coffee project has demonstrated that more environmentally sound practices can also result in higher incomes. Shaded coffee is a more sustainable and compatible land use in many steep highland areas than traditional corn/bean production. An economic impact study of USAID support to small coffee growers assessed income/manzana, production/manzana due to people adopting technology packages, and value added from people selling coffee in parchment versus cherry stage. Results indicate that actual income was Q4,500/manzana, as compared to our target of Q2,500/manzana; production varied from 6 cwt/manzana to over 40cwt, although the average was 17 (as compared to our target of 30); and, 26 new, more environmentally sound, processing plants produced a 13% reduction in the number of farmers selling their product in cherry versus parchment stage (price differential of 25%). The

<sup>11</sup> Support for land titling was initiated discreetly, and carefully coordinated with the GOG and other donors to simultaneously start a similar program in southern Peten, in order to minimize unique attractions which could augment migration to the northern MBR area.

national coffee growers association (ANACAFE) has signed a formal agreement with Guatemala's environmental protection agency (CONAMA) to reduce water and soil contamination from the wet processing of coffee. In addition it is expanding assistance (promotion of techpacks, credit, marketing) to small-producer coffee associations, including Kekchí and Pocomchí mayan indigenous groups in the Sierra de las Minas-Polochic watershed and Ixil Mayan around Chajul, a former conflictive zone.

■ **Intermediate Result 3.2: Policies Affecting the Environment are Improved and Applied**

- Positive movement toward policy change objectives for environmental protection reflected by changes in people's behavior: Improving the enabling policy environment is critical in order to influence people's behavior and achieve sustainable land use management. We attribute our positive progress on the policy front in 18 of the 25 **policy change objectives** to increased civil sector participation through NGOs, the press, and fora such as the coordination committees mentioned earlier, realignment of military activities with civil sector priorities, and increasing appreciation of the importance to conserve and manage natural resources.

■ **Intermediate Result 3.3: More Responsive Institutions and Increased Local Participation in Decision Making**

- Selected organizations have increased annual support from non-USAID sources: For change to continue after USAID programs are complete, it must be institutionalized. Appropriate indicators for institutional strengthening are often complex or costly. We have used non-USAID program income because it is essential for an institution to be sustainable and effective. Our primary counterpart (CONAP) was created in 1990 along with this project, so it was important to promote increasingly diversified income from other sources<sup>12</sup>. As a result of an ambitious fundraising strategy, CONAP has been able to increase its non-USAID support from \$80,000 in 1990 to \$885,000 in 1995, exceeding its target of \$800,000.

Several legislative initiatives could have significant impact on the institutional indicators. For example, one proposal would completely restructure CONAP and combine it with other entities. Another would transfer much of CONAP's present income for reserve management to a decentralized organization in Peten.

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<sup>12</sup> We chose not to use the percent of CONAP income from non-AID sources, because, by definition, this will become 100% at the end of the project, whether the entity really increases income from other sources or not.

Although these initiatives could effect our indicator as now defined in a negative way, if properly structured, they could have a positive impacts in terms of overall project objectives. Through many channels, including the policy component committee, we are tracking these initiatives and promoting broader participation and review by stakeholders.

- Contracts and agreements signed which increase local participation and improve the sustainability of natural resource management<sup>13</sup>: From project start to 1995, two concessions for local management of 11,000 hectares were authorized. Client feedback and evaluation prompted a refocusing of field activities to the Sierra Lacandon and Laguna del Tigre areas and the negotiation of a new, results oriented, SOAG-like Project amendment with the GOG. Under this amendment, the Ministry of Agriculture became a formal project collaborator and a more active supporter of MBR objectives, conducting audits of timber origin in Peten sawmills for the first time in history. Increased communication and collaboration between environmentalists and the military was also achieved; this is especially noteworthy given a strong tradition of conflict between these groups.

## B. ROLE OF USAID IN PROMOTING CHANGE

The results described above are a direct product of USAID-supported activities. Indeed, USAID has served as the lead environmental donor in Guatemala for several years and, up to 1995, was the only donor making significant contributions to the achievement of the established performance measures in the Peten and MBR. A very high level of attribution to USAID exists for these results.

However, USAID has encouraged other donors to participate more actively in this sector and interest is growing. The IDB recently began two significant environmental projects and a third, for Petén, is in the feasibility study stage. These, and other projects (UNDP, World Bank, GTZ) have benefited from USAID input on design issues. And the ProSelva project, just beginning in southern Peten with German financing, is modeled in great part on the MBR experience.

## C. EXPECTED RESULTS IN FY 1997 AND FY 1998

Given migration rates, political issues, and other challenges described below, a great deal of effort is required to meet the targets established for the next period. The target population for the "people" indicator has not only been increased by 40%, but has been purposefully designed to involve as clients, the more difficult, conflictive and inaccessible communities, which were not considered approachable previously. The significant achievements during past years are expected to be sustained in communities which are "graduating" from the project. Thus, the

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<sup>13</sup>This is a new indicator, suggested in the Agency's Strategic Framework and Indicators, 1995-1996.

new 1996 performance target of 9,310 additional people benefitting from improved practices (although in percentage terms equal to only 20% of the new total target population) represents nearly a **100% increase** over the 1995 target of 10,000 because it is **in addition to** the "graduating" client groups who will not be routinely measured because the project will not have a direct presence in their communities.

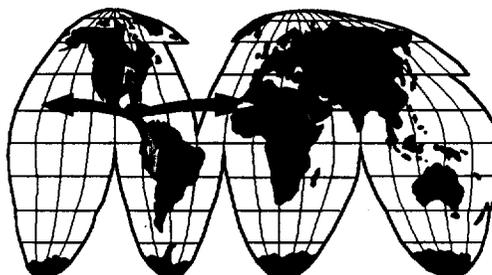
We expect to achieve positive changes on the remaining seven policy areas, although these will depend on counteracting powerful political and economic interests, along with addressing complex legal and technical issues surrounding land ownership, tenure and the planned transfer of administrative responsibilities of ownerless core and multiple use zone property, from INTA (the land colonization institute) to CONAP and other conservation organizations. Due to the political sensitivities surrounding this issue, we expect them to be addressed through the national policy steering committee which was recently formed with project support. This committee recently reviewed and ranked issues, granting highest priority to improving community and industrial forest concession systems, EIA application and mitigation monitoring, security of resource ownership and of land tenure, and control/management of petrol, mining and tourism industries.

Another challenge is that additional donor support for protection and management of southern Peten will increase pressure for land on the MBR. Given the weaknesses inherent in GOG entities legally responsible for MBR management, the delegation of authority and responsibility to local organizations (NGOs, municipalities, other private groups) through concessions in both multiple use and core zones, is a key area targeted for progress in the coming years. **Our target is to nearly double achievements to date (2 concessions; 10,000 has) each year, achieving a total of 100,000 hectares under 10 decentralized management concessions by 1999.**

During the past year, CONAP continued to suffer from weak leadership, lack of political support and poor administration. The Mission has taken many steps to address these issues, including the promotion and organization of high-profile events, technical assistance and training for CONAP staff, and biweekly meetings with the CONAP director. But perhaps most important for improving achievement of results, was recognition that CONAP will always suffer ups and downs and periods of low support. The SOAG-like project amendment signed in September 1995 reduces dependency upon CONAP for the achievement of results by: formalizing the role and participation of other important governmental sectors (MAGA, SEGEPLAN, CONAMA); opening up USAID support to additional actors in the MBR; linking funding to performance; and specifying that future funds will be channelled through private mechanisms (NGOs and contractors). These fundamental changes are already bringing about improvements, as MAGA SEGEPLAN and CONAMA have become stronger, more active supporters of MBR management and conservation, and the new GOG administration has expressed keen interest and support for more private sector participation in management and protection through community concessions and contractors.

## Strategic Objective Four: Increased Guatemalan Participation in Global Markets

Activities supported hereunder, combined with those under Strategic Objective Five, Better Educated Children in Rural Areas, support attainment of the Agency goal of **Broad-based economic growth**. This Strategic Objective contributes directly to Agency objective 1.1, **Strengthened Markets**.



### A. PERFORMANCE

Despite systemic weaknesses that inhibit Guatemala's participation in global markets, trade performance improved significantly during 1995 exceeding USAID's targets in all indicators at the Strategic Objective level:

- ✓ **Trade as a Percentage of GDP:**<sup>14</sup> Reflecting major gains in exports (see below), and higher imports, due in part to Guatemala's more rationale import tariff regime in recent years, Guatemala's total merchandise trade as a percent of GDP rose to 37% for 1994. Preliminary estimates for 1995 indicate that this ratio increased to 38% for 1995.
- ✓ **Export earnings:** Guatemala's overall export performance in 1995 has been positive, resulting from greatly improved terms of trade for Guatemala's traditional exports, continued strong demand in the U.S., and the maintenance of appropriate trade policies. Revenue earnings from total merchandise exports (including maquila) surged almost 30% to \$1,936 million in 1995 compared to 1994. Better international prices for coffee, bananas and sugar contributed to a 48% jump in traditional exports. Improved economic performance among Guatemala's Central American neighbors, along with further reductions in intra-regional trade barriers, were major factors in the 19% growth of Guatemala's (mostly non-traditional) exports to the rest of Central America.
- ✓ **Merchandise trade with the U.S.:** Guatemala's total merchandise trade with the United States increased 6% in 1994, and then, based on preliminary estimates, surged 18% in 1995 to \$3.15 billion. Contributing factors include continued strong economic expansion in the U.S., higher prices for coffee, and a 22% increase in Guatemalan imports from the U.S. which rose to an estimated \$1.65 billion in 1995.

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<sup>14</sup>This is a new indicator developed as a result of reengineering to measure the openness of Guatemala's economy. The indicator is defined as trade, merchandise exports (f.o.b.) plus imports (c.i.f.), as a percent of GDP.

Positive steps to improving labor relations and trade policies, complemented by improved private sector capacity in accessing export markets, were major contributing factors:

#### ■ Intermediate Result 4.1: Improved Labor Relations

- Continued GSP Eligibility: Guatemala remains eligible for GSP benefits. Its review of intellectual property rights violations was terminated in 1994, but new allegations of IPR infringement could be forthcoming. Regarding worker rights, notwithstanding recent progress, Guatemala remains under GSP review. The new GOG is currently discussing with the USG a set of additional measures to be taken in 1996, which could lead to the termination of Guatemala's GSP review for alleged workers rights violations.
- Resolution of labor disputes prior to entering the court system<sup>15</sup>: Earlier in this reporting period, it became evident that the baseline data on labor disputes provided by the Ministry of Labor and used in previous reports for this intermediate result was faulty. A new series on labor disputes resolved by Ministry labor inspectors was obtained which showed steady increases over the 1992 through 1994 period. Based on this series, planned targets for the 1995 through 1998 period were developed as presented in the indicator tables. Then, 1995 figures, which just became available, showed a sharp reversal as disputes resolved by Ministry inspectors dropped 28%. However, further analysis suggests that this decline has been due to a number of factors which would indicate improvements in Guatemala's labor relations rather than deterioration. First, Ministry officials report that increased numbers of labor disputes reported to the Ministry are being successfully resolved by the parties in dispute prior to intervention by Ministry officials. Initial indications are that a good part of these cases are resolved due to better communication by the parties involved. Also an important factor appears to be increased willingness on the part of employers to meet legitimate employee demands, such as payment of the minimum wage, prior to Ministry intervention when faced with a formal claim. Based on these developments, this indicator is being reviewed.

#### ■ Intermediate Result 4.2: Improved Trade Policies

- Composite Readiness Score<sup>16</sup>: Guatemala's composite score on readiness for hemispheric integration was calculated at 2.6 (maximum possible score of 5) for

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<sup>15</sup>For purposes of the R4, this data is presented here. However, this indicator is now tracked as a lower level result by the SOT and will not be reported in future R4s.

<sup>16</sup>This indicator has been added to USAID/G-CAP's performance monitoring plan at the Intermediate Result level and will replace the other two indicators, which were more process oriented.

1992. As a point of reference, this compared to 2.7 for Central America as a whole (3.7 and 2.6 for neighboring El Salvador and Honduras, respectively, the other two members with Guatemala as the "Northern Tier Trade Group"), 3.9 for Mexico, and 4.7 for the U.S. Primarily reflecting improved macroeconomic performance, Guatemala's score jumped to 3.1 in 1993. However, fiscal deterioration caused the score to fall to 2.9 percent for 1994 and 1995. Further progress in improving Guatemala's readiness is conditioned on fiscal improvements, specifically reduced dependency on trade taxes, and an improved investment climate. It remains difficult for Guatemala to attract many potential investors, both foreign and domestic, for a number of reasons including political uncertainties, personal security concerns related to high crime rates and kidnappings of business leaders, labor relations problems, high profile human rights violations, inadequate infrastructure, persistent problems with customs clearance, and fiscal difficulties. The Commerce Department reports that the stock of U.S. foreign direct investment in Guatemala dropped 2.9 percent to \$133 million in 1994 compared to that of the previous year, although accurate numbers are virtually impossible to obtain. Confidence in the GOG's ability and willingness to maintain an appropriate macroeconomic policy framework has improved somewhat with the new Arzu GOG economic team.

- GATT/WTO Accession Agreement Compliance: On July 21, 1995, the Guatemalan Congress ratified the World Trade Organization (WTO, successor organization to the GATT) Accession Agreement. Guatemala has indicated publicly its support for FTAA objectives of accelerating compliance with WTO requirements, and continues to strengthen its capacity to monitor and implement WTO requirements. As required under its WTO accession agreement, Guatemala established its TRIPS (trade-related aspects of intellectual property) mailbox (registration mechanism for patents and trademarks) in September 1995. Again, in 1995, there were no WTO panel findings against Guatemala.
- Trade Policy Improvements: Guatemala, along with the rest of the Central America concurred in a program to reduce the region's common external tariff. The Arzu Administration announced recently that Guatemala's external tariffs will be lowered from the current 5-20% percent range to 0-15% by the end of 1996. Regarding IPR protection, in the last year, Guatemala's Congress ratified the Berne Convention on copyrights and modified the penal code to include heavy fines and jail sentences for IPR violations. The Paris Convention on industrial property was submitted by the executive to the Congress where it remains under review. The Congress also passed changes to the commercial code enabling the full functioning of the one-stop investment window.

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● **Intermediate Result 4.3: Increased Capacity to Expand Non-Traditional Exports**

- Light manufacturing exports: Exports of manufactured products, excluding maquila, grew by 62% during the period exceeding the projected 10% annual growth targets projected by USAID. In spite of Mexico's improved access to the U.S. market with NAFTA, Guatemala's maquila exports showed a 22% increase by value in 1995.
- Non-traditional agriculture exports: Nontraditional agricultural exports to extra-regional markets rose 31% during 1995, as compared to our 15% growth target. The value of Guatemala's exports of coffee rose 69.5% in 1995 compared to the same period in 1994 due to sharp increases in the world price for coffee. In volume terms coffee exports rose only 7%. Organic coffee exports reached 45,000 quintals (about \$6 million) in 1995 (total coffee exports were almost five million quintals or \$550 million). The biggest organic coffee exporter was the "Asociación Chajulense", one of USAID/G-CAP clients, with 30,000 quintals exported.

**People-level impact:** The Mission's development hypothesis stresses the need for substantially higher rates of real economic growth to effectively combat poverty in Guatemala. Increased trade raises the demand for the productive use of labor, and higher employment provides greater income to workers. As indicated above, Guatemala has registered noted progress in expanding and diversifying exports over the last several years, and this has contributed importantly to improved overall GDP growth, albeit still at rates insufficient to show meaningful progress in reducing overall poverty. Nonetheless, the Mission calculates that Guatemala's nontraditional exports maintain the equivalent of over 225,000 full time jobs. This is up from 98,000 jobs in 1989.

A recent CDIE series of seven country case studies (including Guatemala) concluded that small farmers were major beneficiaries of USAID-supported agribusiness programs. These same studies showed that NTE industries often provided substantial amounts of seasonal employment, particularly for women. For some jobs, such as packing flowers, women have shown to be more adept than men. Studies have also shown that involvement in NTE activities increases the total time that women spend working because they still have their normal household duties. Their income, however, is generally well spent and improves their relative standing in their families and communities. In another study entitled "Commercialization of Agriculture, Economic Development, and Nutrition", Joachim von Braun and Eileen Kennedy of the International Food Policy Research Institute demonstrated that non-traditional crops for export have numerous advantages in combatting poverty. One is that they can often be produced by small farmers on gradually increasing portions of their land allowing them to supplement their income while maintaining production of their traditional crops. Also, production of most export crops is relatively labor intensive resulting in greater rural employment and higher incomes for working families. We anticipate the results of the recently initiated study by the Guild of Non Traditional

Product Exporters and Purdue University on the socioeconomic impact of non-traditional agricultural exports in the Chimaltenango-Sacatepequez region will confirm anecdotal evidence obtained in Guatemala on employment and income of small farmers, and women specifically. Our site visits to rural indigenous areas reveal that the introduction of new and more profitable crops into rural indigenous communities has resulted in technology transfer and new cultivating techniques, a more intensive use of labor, higher productivity, better wages, and improved health conditions. In some areas of Guatemala, greater demand for workers resulted in tight labor markets where farms and firms were forced to bid up wages to levels several times the minimum wage to attract sufficient workers. Site visits also show that increasing numbers of rural families now live in better, larger and more secure homes, many now with access to electricity and sanitary facilities. Some are investing portions of their income gains in capital equipment such as vehicles to transport produce to market.

The Mission has also observed that increased non-traditional export growth has had a positive impact on the delivery of health and educational services in many rural communities. Several industrial and agricultural enterprises now provide medical facilities in order to attract more and better quality workers in a more competitive labor market. On the education front, the availability of more better-paying jobs for the better-educated has convinced parents to leave their children in schools and to pressure the government for improved education services.

## **B. USAID'S ROLE IN PROMOTING CHANGE**

USAID is the lead international donor working with the Ministry of Labor to strengthen the protection of workers rights through an expanded presence throughout the country. Activities to reach Mayan and rural populations includes dissemination of the Labor Code and educational efforts in the four principal Mayan languages, training for labor inspectors and workers on the rights and responsibilities stated in the Code, and the training of labor court judges to enhance application of the code. With \$1 million in HCOLC generated through a cash transfer, the Mission is providing continuing support for the Ministry's Modernization and Decentralization Program designed to strengthen and expand its services to seven regional offices, four of which will be established during the next two years. An important aspect of this program is expanded tripartite training in the areas of employment, productivity, and interest-based negotiations. We are hopeful that our efforts to encourage complementary support for additional labor relations activities from the UNDP and the IDB will finance expanded efforts.

On the fiscal/trade policy front, USAID works closely with the World Bank, the IMF and the IDB to ensure complementarity of our focus on trade policy with macroeconomic program goals. Over the last year USAID has also provided well-focussed support to assist the GOG and local think tanks develop policy options in areas related to fiscal reform, telecommunications, combatting poverty and modernization of the state. These activities were particularly useful both before and after Guatemala's recent elections and contributed toward a more enlightened policy discussions during the transition to the new GOG. As a result, the Mission has established a close working rapport with several key members of the new GOG and is positioned to engage

in a more fruitful policy dialogue, while supporting the new GOG's social and economic program and the consolidation of peace.

### C. EXPECTED RESULTS IN FY 1997 AND FY 1998

Further consolidation and deepening of the economic and trade policy reforms is expected under the new Arzu Administration. Reductions in Guatemala's effective rate of tariff protection should be achieved which will enhance Guatemala's global competitiveness and stimulate additional nontraditional exports. Guatemala is expected to take an active role in the formulation of the FTAA, and in the acceleration of Central America's outward-oriented economic integration. Legislation ratifying the Paris Convention on Industrial Property and the Central American Convention on Patents will be approved by the Congress. Through USAID-financed technical assistance and training, the Ministry of Economy's capacity to implement WTO requirements and enforce legislation protecting IPR will be strengthened. Measures to expand the tax base and reduce tax evasion will improve fiscal performance and reduce Guatemala's dependence on trade taxes for fiscal revenue and thereby facilitate further trade liberalization measures. Increased tax revenues will also finance expanded and more focussed social investment expenditures needed to consolidate the peace process and accelerate human resource development enabling Guatemala to better compete in world markets.

Barring major setbacks in the political and security situation, and unforeseen international economic shocks, Guatemala's traditional and nontraditional exports should show continued expansion over the 1997-98 period. Export performance in 1996 is expected to be dampened somewhat because of the return of coffee prices to historical levels and a huge drop in snow pea exports due to quality control and phytosanitary problems.

Increased awareness of basic worker rights will be achieved, especially in rural indigenous areas as the Ministry of Labor, with USAID support, launches a major publicity campaign in the four major Mayan languages through numerous radio spots and local speakers. A more effective tripartite dialogue on labor-management issues and decisions affecting the labor market will be achieved. Improved labor relations and better trained labor inspectors will lead to improved compliance with the Labor Code. Expanded use of arbitration and mediation is expected to reduced the high backlog of labor cases in the courts.

The Mission will also continue our work with the GOG and NGOs to improve the socio-economic database for Guatemala which will enable us to more closely monitor trends in employment, real wages, and social conditions of Guatemala's rural population.

## Strategic Objective Five: Better Educated Children in Rural Areas

The huge gap between educational coverage for the indigenous Mayan and the Spanish-speaking populations, and the low levels of educational opportunity for girls relative to boys, are matters of particular concern. The poor quality of Guatemala's human resource base, the poorest in the CA region, makes Guatemala a weak competitor for foreign investment and thus limits the country's economic growth potential. Until very recently, little was done in Guatemala to provide educational opportunity for girls or for the majority Mayan indigenous population. In the absence of specific programmatic and systemic remedies, more than half of enrolled girls and Mayan children drop out by the end of third grade, and of those a majority drop out after first grade. The basic education of citizens is another important mechanism, over the long term, for enhancing democracy. A 1995 study found that people with little or no education are less likely to vote. In Guatemala, non-voters are far more likely to be female, rural, indigenous and poorly educated. USAID activities are helping to extend educational opportunities to the rural, predominantly Mayan population, and especially to girls, albeit on a very limited geographic scale. Our program supports achievement of the Agency goal of Broad Based Economic Growth, and specifically Objective 1.3, **Basic education expanded and improved to increase human productive capacity.**



Unfortunately, as will be explained below, the broader national level impact envisioned on basic education has not been attained, due to the lack of strong GOG commitment to education (which has also impacted on the initiation of the World Bank and IDB education sector projects). USAID's flagship project was intended to leverage an increase in education sector funding to 3% of GDP; it now stands at 2%, but only a quarter of this is devoted to primary education in the largely indigenous, rural areas. As a result, we are now reevaluating our strategy in light of the persistent need to leverage educational reforms with limited resources. Future investment in the sector will, however, depend on the Arzu administration meeting its commitment to increase funding of the sector to 2.6% in two years.

### A. PERFORMANCE

Performance at the Strategic Objective level was mixed. During 1995, completion rates for both third and sixth grade continued to increase, surpassing program targets. Enrollment of Mayan students also grew, averaging an annual increase of 8.75%, surpassing both our target and the population growth rate, and representing a real increase in Mayan enrollment. However, the indicators for both repetition rates and girls' enrollment show poor performance. During the past five years, repetition rates have increased slightly and girls' enrollment rates have remained static. The lack of improvement in repetition rates is probably related to higher

retention rates. In the very limited geographic area covered by USAID's interventions, retention of girls in grades three through six has increased from 36.1% in 1991 to 40% in 1995. These data demonstrate that the girls' education pilot intervention is successful, but the GOG has not been able to expand the intervention sufficiently to have national level impact.

Progress against key intermediate results measuring impact of USAID's pilot interventions confirm that these initiatives offer potential for improving educational equity, if expanded nationally and accompanied by increased GOG expenditures and support for basic education.

### ● **Intermediate Result 5.1: Improved Classroom Environment**

- The results of the USAID activities at the classroom level are measured by indicators of improved teaching methodologies and student achievement for both mathematics and language (total of three indicators per modality). For the One Room School (Nueva Escuela Unitaria - NEU) program, all three indicators improved. In the girls' education program, which is implemented in tandem with the bilingual education program, teaching methodologies and mathematics scores improved, but language achievement scores did not. Surprisingly, the only indicator for the Bilingual Education Program showing positive improvement was for mathematics achievement. The problems with language achievement scores may be explained in part by the fact that students are tested in Spanish in third grade, before they have completed the full transition to Spanish (fourth grade) in the bilingual schools. Based on these findings, during 1996, USAID will provide support for developing achievement tests in indigenous languages.

### ● **Intermediate Result 5.2: Improved Efficiency in the Allocation and Use of Resources**

- In 1995, the Guatemalan Congress passed a law permitting the Ministry of Education to delegate authority to hire teachers to parents' committees at the local level. This, combined with the use of data collected through the management information system, has enabled the Ministry to reduce the time taken to appoint teachers from eight months to three and to improve the assignment of bilingual teachers to indigenous language areas.

### Girls' Education and the Mayor of Jolomijix

Every schoolday, Carlos Hun Caal walks several miles of highland trail from the municipality of Panzos to Jolomijix village, in the rugged Alta Verapaz region of north-central Guatemala. *Profesor Hun* has been the Jolomijix schoolmaster for ten years, teaching grades one through six to Q'eqchi'-speaking Mayan children in a venerable little pine-board one-room school perched at the edge of the village. Last year he began using a pilot Spanish-Q'eqchi' bilingual curriculum, developed under the USAID-funded BEST project. The curriculum relies heavily on democratic community involvement in managing the school and an "active learning" instructional approach in which children study together in small groups.

A recent USAID visitor to Jolomijix school found a Project developed community outreach flip-chart, called *La Vida de Marta y Rosa*, displayed prominently. She asked *Profesor Hun* about his use of the chart, which is designed to help teachers encourage parents to keep their girls in school through sixth grade.

"In early April, just after the start of the school year, I presented the flip-chart at a meeting of the parents' Committee," *Profesor Hun* told his guest.

"Did it seem to have any effect?"

"At least one very big effect," the *Profesor* answered with a grin. "The mayor didn't attend the meeting, but his wife did."

"Do they have girls in school?"

"They have a boy and a girl. Their boy finished fifth grade last year and their girl finished third grade. This year the boy came to school but they kept the girl at home."

"That's common, isn't it?" the visitor asked.

"Unfortunately, yes," answered *Profesor Hun*. "But this worried me a lot, because the mayor sets an example."

"And what happened?"

"Well, about two weeks ago the mayor's wife came to me and told me that she was talking to her husband about *La Vida de Marta y Rosa*. So I went to see him at his house. He wasn't hard to persuade. The next day his daughter was back in class. And yesterday at the Parents' Committee meeting he made a little speech about how proud he is of his girl for staying in school."

## ● Intermediate Result 5.3: Increased Equity of Educational Policies and Practices

- Available research data on classroom interaction in Guatemala show that biases continue to exist against girls and Mayan students, reinforcing social and cultural

inequities. The participation of Mayan students increased from 90% to 95% during 1995, attributable we believe to the expansion of the bilingual education program. However, girls' participation rates dropped from 68% to 64% in pilot areas. Further analysis of the classroom environment is required to explain this unanticipated decline in girls' access to an equitable classroom environment.

The lack of results on a national level, given USAID's long and large investment in primary education, is indeed disappointing. The much heralded multi-donor collaborative approach to educational sector reform in Guatemala simply has not materialized. USAID's investment was intended to develop effective, tested innovations to improving educational equity, quality and efficiency. In this we have succeeded, as shown by the achievement scores for the NEU and girls' education programs, and the fact that the impact of Project interventions has prompted local authorities, NGOs, and other donor agencies to incorporate the Project models into their education programs. However, sustained improvements in primary education nationally, and specifically in rural primary education, will require much greater levels of resources than are now available. The \$60 million in multilateral funding from the World Bank and IDB will soon become available, and will finance critical inputs such as teacher training and materials development. However, the GOG commitment to basic education and the new pilot interventions, as evidenced by increasing resources allocated to the sector and the specific USAID interventions, has not been forthcoming. In the face of annual allocations of only 2% of GDP, with population growth rates nearly 3%, we have begun to reassess our strategy for this sector.

In reassessing our strategy, client feedback on the USAID pilot interventions will weigh heavily. In an extensive 1995 community study carried out by the Academy for Educational Development in the four linguistic areas of the project, fully 90% of parents and teachers confirmed that the bilingual education model offers Mayan children better educational opportunity, encourages attendance, and promotes cultural identity and positive self-image both in the classroom and the community. At a recent gathering of indigenous parents' committees, parents from 10 departments (mainly indigenous) requested replication in their communities of the Project's education services package (which combines the NEU active-learning approach, bilingual education and girls' education). An increase in the enrollment of indigenous children in the pilot integrated curriculum schools has required the opening of additional first-grade sections in many schools to accommodate demand. In response to the Peace Accords, the Project is also providing training in Project methodologies, as well as educational materials, to returnee community-action education promoters in resettlement areas. These promoters will receive teacher certification after three years of follow-up "professionalization" training to be provided by the Ministry of Education.

## **B. USAID'S ROLE IN PROMOTING CHANGE**

As noted above, USAID's primary role in educational sector reform has been the introduction of new teaching methodologies to increase enrollment and student achievement among the Mayan and female population. However, we have also supported efforts to improve efficiency in the

Ministry of Education, through the deconcentration of decision-making to regional and departmental levels, the use of the MIS system and achievement testing to improve personnel assignments and teacher training, and the provision of management training to regional and departmental Ministry personnel.

In a country where race and gender discrimination have been endemic for centuries, promoting equity in education for Mayans and girls is an ambitious objective, requiring the coordinated efforts of a multitude of donors and a much stronger GOG commitment than is currently evident. USAID has worked extensively with the donor community, including the World Bank, the Japan Cooperating Agency (JICA), GTZ, and UNICEF, to enhance coordination of ongoing activities and pursue a unified policy reform agenda focussed on increased GOG resources for education. As a result of this dialogue, a number of donors -- UNICEF, the GTZ and the World Bank supported Social Investment Fund -- are financing the expansion of USAID pilot interventions to additional geographic areas. The Arzu administration has committed to increasing the education sector's funding allocation to 2.6% of GDP in 1998, but the allocation of these resources among programs and geographic regions remains unclear and is the subject of ongoing donor meetings.

### **C. EXPECTED RESULTS IN FY 1997 AND FY 1998**

USAID's ongoing project, Basic Education Strengthening (BEST), will end in early 1997. Based on the new Arzu administration's commitment to improving education equity, the Mission is evaluating options for further support to this sector. As now envisioned, we hope to combine our education and health resources in a limited geographic region, with USAID's investment focused on the policy environment for education and ensuring replication and sustainability of proven pilot interventions such as those supported by the BEST project and other donor pilots now under evaluation. Synergy will be achieved with the planned World Bank/IDB loan, now scheduled to begin in mid CY 1997.

**Special Objective: Support the Implementation of the Peace Accords**

Last year, the USG provided its first direct support for the peace process in Guatemala -- the \$4.6 million Peace Fund. This Special Objective presents the framework for USAID support provided to date to facilitate implementation of key provisions of the accords signed during 1994-1995 concerning the uprooted populations, human rights, and indigenous identity and rights. Rapid agreement by the Arzu administration and URNG on a socio-economic/agrarian accord, scheduled for signature May 6 in Mexico City, opens the way for a final peace agreement during 1996, perhaps by September. With the signing of the final Accord, anticipated before the end of CY 1996, activities under this Special Objective will be merged with social sector interventions into the Mission's full Strategic Objective addressing poverty and national reconciliation in the post-war period.



This Special Objective contributes to the achievement of the Agency's Humanitarian Assistance Goal and to the specific Agency Objective 5.3 to support countries in *transition* from crisis to development by ensuring that security is established and basic institutions are functioning to meet the critical needs and basic rights of the affected populations. That objective is consistent with the intent of the peace accords signed to date. Our hypothesis is that USAID's greatest contribution to these accords is to apply its unmatched experience as a donor in Guatemala and proven models to impel Guatemalan public and private sectors, international and national NGOs, and other donors, towards more rapid and complete implementation of the provisions of the signed accords.

Though USG resources to support the final Accord will be extremely limited, it is critical that we maintain a place at the table where the direction of the implementation of the peace process is decided. A negotiated peace and a prosperous, democratic Guatemala is in our own foreign policy interests. And so, USAID seeks to leverage its modest Guatemala Peace Fund financing by dedicating an enormous amount of staff time to coordinating with (and leading) other donors both through the "Friends Group" and on separate tracks. Thus far, many other donors have freely relied on the technical leadership of USAID in developing assistance packages.

Given the dearth of public services available to meet the needs of population in the resettlement areas, USAID is focusing efforts geographically on the areas most affected by the long years of armed conflict. These areas coincide with the poverty belt sweeping along the northern part of the Western Highlands and the border with Mexico, which are home to the poorest and most abandoned communities of Guatemala. Specifically, the Mission will concentrate its assistance program in a limited number of departments to be selected from San Marcos, Solola, Quetzaltenango, Totonicapan, Huehuetenango, Quiche, and Alta and Baja Verapaz. Currently, two of our intermediate results under this Special Objective are limited to the municipalities of Ixcán (Quiche) and Barillas (Huehuetenango), and a third is focussed on the under-served areas of the Highlands.

While obligation of funds for specific activities in support of peace is recent (September 1995) and restricted to limited areas, implementation is off to a good start and reporting against the newly established indicators and targets will be possible before the end of 1996.

#### A. SUMMARY OF PERFORMANCE DATA AND ANALYSIS

At the Special Objective level, USAID is tracking one indicator.

✓ USAID experience and models incorporated into GOG and other donor peace activities. Analysis will be based on a review of project design documentation for major initiatives of the GOG and other donors in support of the existing and future peace accords. Primarily the review will look for evidence of sustainability of impact, culturally acceptable methods of implementation, environmental factors, and levels of participation -- all areas where USAID has derived valuable lessons from its vast experience as the lead international donor in Guatemala for decades. The IDB has already called on USAID for advice on its \$50 million Project for Consolidation of Peace in Guatemala. FAO/IFAD and the Japanese have requested and received strong Mission support for their assistance efforts. A recent program to strengthen civil society funded by another bilateral donor mirrors a USAID design for strengthening democracy which we were unable to fully fund. MINUGUA's institutional strengthening mandate builds heavily on USAID experience in human rights and justice, and coordinates logistics and programming closely with our ongoing portfolio.

The first three Intermediate Results are related to the Accord on Uprooted Populations and the last deals with the Global Accord on Human Rights and the human rights aspects of the Accord on Indigenous Identity and Rights. At the Intermediate Result level, USAID will track the following performance indicators:

#### ■ **Intermediate Result 1: Strengthened and More Representative Community Organizations in Ixcán and Barillas**

- Community Committees formally established: Local organizations exist everywhere in Guatemala even in the most remote rural, indigenous areas. However, these are generally special purpose, short-lived, informal, unmanaged, atomized, and often non-inclusive groupings. To increase participation and community empowerment, these groupings need to be encouraged to forge linkages and organize as more permanent, multi-function, community development base organizations. During the first six months of our Communities in Transition Project, NGO grantees have identified groups in the Ixcán and Barillas with potential for growth.
- Community-based conflict resolution mechanisms available: Land issues are the most frequent cause of conflicts among returned populations, refugees, displaced,

and those who remained in their communities during the war. Communities need to interact in good faith to make it possible to reach agreement in this highly sensitive area. A major result expected from the activities of the NGOs under the Communities in Transition Project is to encourage community-based conflict resolution mechanisms and at the same time, foment reconciliatory attitudes in the communities of Ixcan and Barillas.

In the Ixcan, the more conflictive of the two areas, our grantee is working with local expertise to define steps which can be taken at the local level to resolve land based disputes. Though mindful that great care must be taken to observe cultural and political sensitivities, the land issue cannot be ignored since it will affect the success of the productive activities implemented in the same zone. In Barillas, conflict resolution is integral to the formation of community groups around activities designed to exploit the productive potential of the area.

### ■ **Intermediate Result 2: Income Generation Models Developed in Ixcan and Barillas**

- **Technologies for sustainable on- and off-farm activities defined:** This indicator will measure the number of technologies developed to assist small producers of Ixcan and Barillas to achieve sustainable livelihoods either through agricultural or microenterprise income-generating activities. USAID-funded NGOs including ANACAFE, CHF, and CECI, are working on technologies to improve the quality of coffee and cardamon production in order to move towards greater commercialization. Off-farm technologies will be closely related to new credit mechanisms being developed or adapted, with particular application to women.
- **Innovative credit mechanisms tested:** New and effective credit mechanisms for small scale loans will be tested to support the productive activities in the municipalities of Ixcan and Barillas. Two local NGOs from the Ixcan have traveled to observe successful credit providers in Totonicapan. USAID-funded NGO grantees are defining common methodologies for increasing access to credit for the inhabitants of the two municipalities of Ixcan and Barillas, especially targetting women in some cases. The Mission is negotiating a trust fund arrangement with the Ministry of Public Works for possible loans for small-scale infrastructure projects required to support production and marketing in the area.

### ■ **Intermediate Result 3: Increased Resources for Social and Physical Infrastructure in Under-Served Areas**

- **USAID NGO "partners" implementing activities:** This indicator measures the gradual movement of USAID-funded NGOs to focus on the peace zone, as

defined by the Mission, thus bringing more resources to under-served areas of the northwestern highlands and border areas. The target includes refocussing of our food aid program to these areas as well.

- GOG counterpart to USAID projects executed: The GOG is notorious for budgeting counterpart required by USAID-funded bilateral projects, then failing to execute the budgets. This indicator will measure increasing levels of GOG execution of counterpart for projects being implemented in the Mission's geographic focus areas. The projects to be tracked are Highlands Water and Sanitation, Farm to Market Access Roads, Family Health, Basic Education Strengthening, and PL 480 Title II.

#### ■ **Intermediate Result 4: National Entities Strengthened to Improve Protection of Human Rights**

- Cases brought to conclusion by Public Ministry: MINUGUA, with partial funding from USAID, provides in-service training to the Public Ministry in an effort to strengthen the capability of the Public Ministry to reduce the backlog of cases, including human rights cases. In 1995, the Public Ministry brought to conclusion nearly 100 cases either by closing the file for lack of evidence or bringing the case to trial. MINUGUA projects that the Public Ministry will be able to bring an additional 300 cases to conclusion in 1996. Given the uncertainty of the future level of MINUGUA funding, a target for 1997 has not been set.
- Key police reform benchmarks met: With funding from USAID's Guatemala Peace Fund and additional ESF funding in FY 1997, ICITAP will assist the Government of Guatemala to restructure and professionalize the national police force. USAID has identified four key benchmarks devised with ICITAP to measure progress in police reform over the 1996-1997 period.

#### **B. EXPECTED RESULTS IN FY 1997 AND FY 1998**

With the pipeline for the Communities in Transition Project, the Mission can expect to achieve visible impact in promoting the creation/strengthening of at least four community-based development organizations in Ixcan and Barillas which will also serve as vehicles for conflict resolution, including dealing with land disputes on a local level. At the levels proposed for economic growth and microenterprise, during FY 1996-1998, USAID will also expand successful income generation models of the Communities in Transition project to additional geographic areas, providing employment and income generation opportunities for approximately 100,000 persons in 1997. In collaboration with the GOG and World Bank planning for implementing the provisions of the forthcoming Socioeconomic/Agrarian Accord, we will consider initiation of modest design and pilot activities in cadaster methodologies, land titling, and land purchase guarantees mechanisms. Access to land is an issue particularly impacting on female heads of

households, thus, gender considerations will be at the forefront of these pilot activities.

Through the Special Development Fund, USAID provides financial assistance to rural poor to purchase construction materials to carry out small self-help community development projects mainly in the Highland areas dominated by Indigenous populations. Annual funding allocated for this purpose amounts to approximately US\$300,000, and each year approximately 45-50 small community improvement projects (i.e. school buildings, community centers, health posts, laundry facilities, drainage systems, water systems, etc.) are completed, benefitting between 100,000 to 120,000 rural poor. As much as 60%-70% of the project cost is contributed by the communities and other donors including municipal governments and PVOs. SDF contribution per project cannot exceed 50% of the total cost nor can SDF contribute more than \$10,000. Over the next three years, SDF will respond exclusively to requests from groups living in formerly conflictive areas with emphasis in the municipalities of Ixcán and Barillas.

The substantive peace accords still under negotiation by the URNG and the Arzu administration includes the role of the military in civil, democratic, society. Once agreements are reached on this subject and on Constitutional and legal changes, a final ceasefire and operational accord will be negotiated. The \$8 million supplemental ESF in FY 1997 would be obligated only after signature of the final ceasefire and operational accord, and would support justice sector/police reform, and implementation of the socio-economic and ceasefire accords. MINUGUA efforts in institutional strengthening advisory assistance to the courts and prosecutors office would also be considered for support. MINUGUA's activities will dovetail with assistance planned under SO1 to extend full implementation of the new criminal procedures codes in areas of resettlement and improve administrative procedures to eliminate justice sector corruption. ICITAP assistance to achieve the professionalization of the national civilian police force would be another priority, contributing to reduced impunity nationwide and improved protection of human rights.

The UNDP has estimated that the long-term costs of implementing the Peace Accords, not including the socio-economic accord, stands at \$953 million. Current estimates indicate that only \$300 million is more or less certain to be available in the near term, thus leaving an enormous funding gap. Planned U.S. contributions to meet this gap, including the ESF supplemental resources, would make a relatively small but important contribution, complementing ongoing USAID DA-funded investments, and providing the "seat at the table" to assure USAID a voice in focusing larger multilateral resources, based on our extensive rural development experience in Guatemala. While U.S. budget realities make it difficult to anticipate a major funding role for the United States in the recovery and reconciliation process here, the Guatemalans remember well the hundreds of millions of dollars provided by the USG to such efforts in Panama and Nicaragua in 1990-91, in El Salvador in 1992-93 and in Haiti in 1994-95.

After 35 years of civil war and repression, it would be at best a missed opportunity to advance our own national policy interests if we were to fail to bring substantial resource support to implementation of the peace process in this country.

## PL 480 TITLE II FOOD AID PROGRAM

Poverty and uneven distribution of food leave a significant portion of the Guatemalans hungry and malnourished. The food aid program in Guatemala is an important development resource, supporting achievement of healthier women and children, improved food security, and strengthened community organizations. The Guatemala PL 480 Title II Food Aid program supports the achievement of the Agency's objectives of **sustainable reduction in child mortality (3.2)** and **sustainable reduction in maternal mortality (3.3)**.



### A. PERFORMANCE

Data obtained from the Cooperating Sponsors Annual Progress Report for FY 1995 reflect the following results:

#### *Healthier Women and Children*

- The CARE and SHARE Maternal Child Health (MCH) projects focus on reducing the mortality and morbidity rates of mothers and children, through an integrated strategy of health education and food distribution. CARE's MCH program provides food rations to a total of 210,000 mothers and children. SHARE's program supports a total of 74,310 mothers and children. The MCH program of Catholic Relief Services (CRS) reaches 54,300 mothers and children through the strengthening of the counterparts and the training of community health promoters.

During 1995, a complete **immunization campaign** among the participating children in the CARE program increased coverage from 60% to 80%. Almost 90% of pregnant women received at least two doses of tetanus toxoid in one year, as compared to only 50% prior to project initiation. Of those children participating in the SHARE program, 83.5% had full immunization coverage.

CARE's MCH and the MOH have established Community Oral Rehydration Units (CORU) to **improve knowledge and practices of diarrheal disease** among remote communities. Through these CORUs, health promoters provide treatment to diarrhea cases and teach mothers how to use ORT at home with local resources and ORS. Approximately 15 CORUs are functioning in communities where cholera has been a major problem. The MCH project has also facilitated and supported the training of 600 community health promoters who implement ORT educational activities at the community level.

The reduction in prevalence of diarrhea among participating children of SHARE supported programs is an impressive achievement. The prevalence of diarrhea among participating children dropped from 53% at the end of FY 1994 to 37.6% at the end of FY 1995.

***Improved Food Security:***

Access, availability, and utilization, the variables by which food security is measured, are positively influenced by the activities that are carried out by CARE, SHARE, Catholic Relief Services (CRS), and Feed The Children (FTC) for the 358,610 participant mothers and children.

Twenty six percent of participating children in the CARE MCH program improved their **nutritional status** from acute to moderate malnutrition. Ninety four percent of the SHARE participating mothers understood the nutritional grade of their children.

Short term food security was improved for the SHARE, CARE, and CRS participants by providing monthly rations in exchange for FFW activities. A total of 20,890 metric tons of food were distributed among the participants.

***Strengthened Community Organizations:***

The CARE project supports the training of counterpart staff, community health promoters, and traditional birth attendants through the joint implementation of training workshops. The project assisted 400 health posts with primary health care interventions through training of approximately 900 community health promoters.

Under CARE's Rural Water and Health II activity, comprehensive environmental health education was completed by 927 women from six communities. A total of 61% of the target population adopted some of the appropriate personal and environmental hygiene practices promoted by the project.

The SHARE Food For Work (FFW) project supported the development of rural communities through the implementation of basic infrastructure projects and technical assistance and training to address basic community needs, especially primary education, community health and access to markets. The community and cooperating institution were requested to provide 50% of the cost of the infrastructure projects.

***Natural Resource Conservation (NRC):***

SHARE's NRC program supported grassroot promotion of soil conservation and enhancement, integrated pest management, and agroforestry techniques by providing funding, technical assistance and training to cooperating institutions' promoters. The promoters organized and motivated community-based groups to undertake NRC activities, which resulted in a total of 1,893 family gardens established, use of green fertilizers on 116 hectares of agricultural land, and construction of 1,168 cubic meters of compost piles.

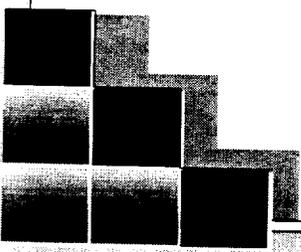
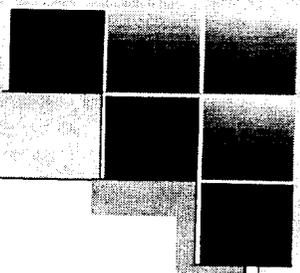
Under CARE's Family Food Production and Nutrition Intervention (PANUFAM), 72 model parcels were established in 24 communities in order to train program participants in improved agricultural techniques for corn and bean production. Of the 893 agricultural workers that are applying these techniques, 20% have reported increase in production to date.

## **B. PLANNED RESULTS FOR FY 1997**

In early September of 1995, both SHARE and CARE received approval for their Development Project Proposals (DPPs) for FY 1996-2000. Both proposals re-oriented the Title II program towards improving food security of the participants. During FY 1996, the Food Aid program will be focusing its activities almost entirely towards the Altiplano region, particularly in the municipalities of Ixcán and Barillas. In addition to geographic focus, a major emphasis of both, the SHARE and CARE DPPs is the focusing of activities within a food security framework and attention to achieving sustainable results at both the household and community level.

In FY 1997, among the major activities that CARE is proposing are: processing and analysis of baseline results; participatory health, food, and hygiene education methodologies to promote behavioral change at the beneficiary level; and development of community based reproductive health services. SHARE will assure: that 80% of the participating children will have full immunization coverage; that 50% of families with family gardens consume the foods obtained from their harvest; and that vitamin A supplements are provided to 90% of the participating children.

The CRS FY 1997 - 2001 Development Activity Proposal (DAP) will be reviewed and approved this year. The Mission proposed that the DAP be reviewed as part of the R4. At this time, a final decision has yet to be made by FFP. Major results for CRS in FY 97 will be: 175 committees trained in growth monitoring; 14,000 mothers receiving monthly health education; 175 agriculture promoters trained; 3,625 compost systems established; and 3,625 farmer utilizing integrated pest management control.



# *Status of Reengineering*

## A. Status of Reengineering: PRACTICING THE CORE VALUES

Early into the Country Experimental Lab (CEL) process, USAID/G-CAP established its Reengineering Coordination Group (RCG) which continues to lead the reengineering of USAID/G-CAP. The RCG's three primary responsibilities are to:

- √ insure that the CEL experience under the integrated family health strategic objective guide the review and refinement of all strategic objectives;
- √ integrate the reengineering work already completed on our results frameworks into the New Management Systems (NMS). This effort was to ensure that the strategic planning and achieving process and the NMS are treated as one integrated system that supports higher levels of achieving. In this context, the Mission volunteered last year to serve as a pilot Mission for the A&A module, the new AEF process, and the USG credit card program, each in its own way, fostering the core values; and
- √ develop training plans that would guarantee a successful transition year (FY 96), building on and reinforcing the Mission's extensive team experience to date.

The RCG prioritized activities based on their relevance to the four core values and stressed at all times their interrelationship and complementarity. The following summary offers a status report on Mission progress under reengineering as it relates to the "practice" of the core values.

### CUSTOMER FOCUS

Guatemala's peace accords (human rights, indigenous identity and rights and uprooted populations) focus donor attention on the ultimate customer of development efforts: the country's disenfranchised and historically excluded populations. Direct involvement by customers from remote Mayan communities was an important part of the CEL, enriching the extensive baseline research the Mission already had in place on customer needs, opinions, and values.

In the same way, under the remaining SOs the Mission used a combination of grassroots research and existing literature to focus on key unmet customer demands. Once identified (in the case of the CEL it was simply stated as "healthy moms and babies"), these demands guided the subsequent development of each SO framework, making sure that all indicators and the results packages reflect this "bottom line". In addition a cross-office team visited resettlement areas of northern Guatemala where USAID suspended assistance in 1981 because of the insurgency, to develop a customer needs assessment as the baseline for focusing Mission peace support.

The Mission struggled with the cost-effectiveness of a variety of customer survey options. We concluded that the appropriate method was cross-checking data already available with current information on client opinions and needs from a variety of sources. This information grounds the monitoring and evaluation processes for each SO in the customers' support for the results set out in the strategic framework. Two Mission-wide brainstorming sessions focussed on issues

related to development of the Mission's customer service plans, resulting in the development of Mission-wide principles of customer service, that are being adapted to the specific context of each SO. These principles include:

- a promise to pursue integrated service delivery
- equitable (i.e., gender and ethnic) and humane treatment of USAID-supported services
- commitment to making services responsive to client felt needs, affordable, and provided in indigenous language and by providers who have the confidence of clients
- program results must be sustainable by the community;
- wherever possible, USAID resources will be programmed to support creation of trust funds and/or other options whereby benefits can be extended to other populations.

At these sessions, it was also agreed that a cross-sectoral team(s) would make at least one annual visit to priority geographic target areas to obtain direct customer feedback through observation and personal interviews, to supplement quarterly progress reports presented by our partners. In addition, all Mission SOs include public advocacy or awareness activities which enhance the enabling environment for customer support for specific results.

Our support offices have been equally involved in the reengineering of their service provision. Both the Regional Contracting and the Executive Offices have completed customer service plans, which have been paced on the LAN under a Customer Service Plan icon. In the future, all offices will post their plans on the LAN, to ensure that they are widely available, constantly reviewed and improved.

## **RESULTS MANAGEMENT**

Prior to reengineering, the Mission used two principal team mechanisms for program management: the Strategic Objective Teams (SOTs) and the Sector Implementation Committees (SICs). The SOTs met when there was a need to review program results and reorient them based on evaluation findings, changes in funding levels, or modifications in critical program assumptions. SICs met on a monthly basis to review and decide on specific program implementation actions.

With the advent of the CEL and Mission reengineering, training was organized around the SOTs, seeking maximum participation of program development, financial management and procurement staff. Previously support staff had a key role in the SICs on specific actions, but did not participate in the "bigger picture" design of each SO results framework and indicators. As an outcome of the comprehensive reengineering training (post-TOT), the Mission expanded SOT participation and renamed the SICs as "A Teams" (for Achieving Teams), with responsibility for coordinating activities that contribute to each intermediate result. The function of the A-teams (each SO may have several, depending on the number of intermediate results)

is similar to that of the SICs, but the focus is clearly on monitoring achievement of results rather than the status of implementation actions, which we hope will be addressed through team use of the NMS sub-systems. Following the excellent experience under the CEL, all SOTs developed expanded participation whereby partners and customers could be called upon to participate in discussions on progress, changes to the framework, or to evaluate results. To facilitate partner participation in the reengineering process, special workshops were organized for the food aid cooperating sponsors on reengineering and USAID's overall strategic framework, and for the U.S. PVOs and local NGOs working on our biological diversity SO; this latter workshop was held in situ in the Peten.

The SOT leader's role demands excellent managerial, leadership, and analytical skills. He/She must build and maintain team momentum around the relative abstraction of the SO framework. Training for management and supervision of the SOTs has been identified as a key requirement for the next phase of reengineering. Most A teams are led by FSNs who have a superb handle on the status of the results packages. Once again, training of FSNs for team leadership is an immediate priority so that the A teams not get bogged down in implementation details but focus on the upward relationships from activities to intermediate results. The appropriate Mission staff require training to lead their teams in this level of analysis.

Despite the lack of USAID/W guidance on performance based contracting, the Mission has begun to apply this concept to new procurement actions. As noted earlier, the amendment to our Bilateral Agreement for the Mayarema Biosphere Reserve incorporates specific results for the remainder of this initiative, and performance targets are being negotiated with our PVO cooperating sponsors in each of their sub-agreements. The RFP for the technical assistance contract for our regional environment initiative, PROARCA, also incorporates performance standards, measures and targets. Approximately 75% of Mission staff members have had specific training regarding this mode of contracting.

We have also applied the concept of results management to our performance evaluation process, ensuring all USDH AEFs focus on results. Additionally, we have totally revamped our local employees evaluation form, and each of our FSN and PSCs now have results-based performance contracts for the rating period.

## **TEAMWORK**

There is no doubt that reengineering has strengthened the practice of teamwork in USAID/G-CAP. The principal challenge for team leaders and members is to develop team techniques which truly enhance program management and to expand team participation, when appropriate, to actively include external members.

During Mission-wide reengineering training, every effort was made to break down all sense of "territoriality" between SOs and emphasize how impact could be enhanced by cross-referencing SOs for performance constraints and critical assumptions. As a result, SOTs include cross-office membership based on key intermediate results (for example, success under environmental law

enforcement has a direct relationship to criminal justice reform). While opening up the SOTs to interrelated disciplines (and running the risk of even more meetings for more people), participants insisted that meetings be task- and product-focused. Team leaders were encouraged to hold meetings when there is a clear agenda, and to discipline team members to rigorously follow the agenda.

The Mission also took a new look at old teams for revival and refocusing under reengineering. As a case in point, the Management Control Review Committee (MCRC), now chaired by the Controller and composed principally of FSNs, has assumed responsibility for review of fifty-three procedures identified as inefficient and cumbersome during FSN empowerment workshops, ranging from reducing unnecessary paperwork associated with vouchers for US PSC services to follow up to the Mission Internal Control Assessment. For this exercise, the MCRC divided into sub-committees with broad FSN and US participation to propose specific solutions to these problems and has energized a process that promised to be exceedingly dull.

### **EMPOWERMENT**

Special emphasis has been given to empowering our talented FSN staff to successfully fulfill the responsibilities detailed in each position description. Mission management explained that in a time of staffing reductions, each staff member must perform to potential.

Following a Mission-wide refresher on the Core Values, four groups of FSNs (grades 2-4, grades 5-7, grades 8-9, grades 10-12) held workshops to respond to the the following questions:

- What procedures should be streamlined to improve your efficiency and effectiveness?
- What are the constraints to your fulfilling the representational functions detailed in your job description?
- What are the constraints to your participation in the appropriate levels of decision making?
- Do you have access to all information required to perform your job?

These workshops produced excellent results and immediate follow-up was channeled through the following mechanisms:

- the MCRC to address all procedural recommendations.
- the Mission Appraisal Committee, with FSN representatives, to redesign the FSN/PSC PER process to bring it in line with the USDH EEP and reengineering.
- Mission management to improve overall supervisory and management capability at all levels.

Work is also being completed on a revised Mission Delegation of Authority, which will increase SO Team leader authority to approve activities and commit funding to \$500,000. We have also sought the support of USAID/W in extending the authority to FSNs to reserve funding for activities when funds have been already obligated under bilateral agreements and committed under PILs. One constraint to empowerment of some of our U.S. staff, however, is the recent announcement that TAACS employed by PVOs will not be allowed access to the NMS. This is a matter of considerable concern for USAID/G-CAP which relies on these highly-qualified individuals for project management.

On the issue of access to information, G-CAP has initiated a series of "Tuesday Group" meetings, designed to encourage widespread participation in brainstorming meetings to address issues from gender concerns, a strategy for poverty alleviation, decentralization, and integrating food aid into our Mission strategy. FSN participation in these fora has been impressive.

### **STATUS OF THE NMS**

Over the past year, the Mission focused intensely on preparing for the introduction of the NMS. Almost every employee who will be working on a strategic objective team and appropriate support staff received a PC capable of and configured for accessing the NMS. Nine Mission staff attended the NMS training of trainers in El Salvador, and have, to date, fully trained 53 employees in the Mission on the Operations, Budget, AWACS, and A&A Modules. Training is being done by SO teams, to fostering the core value of teamwork. Follow on training is being provided to the graduates by allowing access to a separate training database that can be used in their office. This will continue to improve competencies with the NMS until it is live and on line.

This Mission was also the first in the world to install the VSAT satellite dish which gives direct two-way access to the worldwide net of NMS. The procedures used here provided a model for the other 42 MACS site installations around the world. The IBM Risc Server, that will be the workhorse of the NMS, is installed and fully operational.

### **FOR THE FUTURE: CONSOLIDATION OF THE CORE VALUES**

As a result of this intensely interactive process, the Mission has clear marching orders for the next phase of reengineering. We know that, to truly "practice what we preach" under the core values, we must respond to the next generation of challenges.

**Lesson Learned:** Reengineering is only as strong as the organizational unit's ability to manage its teams effectively, in a focused and flexible manner.

**Follow-on:** We will improve our team management skills.

**Lesson Learned:** The new AEF process should be used to articulate clear expectations for each employee under reengineering. Priority must be given to the work objectives and performance measures for each staff member in the context of the Mission strategy.

**Follow-on:** We will prioritize correct application of the EEP for all staff in the context of results management.

**Lesson Learned:** While we are encouraging management for results, which includes making the tough decisions on areas of deficient customer-level impact and performance, earmarks and directives continue to distort this process.

**Follow-on:** We will enhance our results management skills and maintain open communication with USAID/W on the impact of performance deficiencies on resource allocation.

**Lesson Learned:** Successful integration of the NMS into Mission reengineering depends on clear delegations of authority and effective use of the different software packages to enhance team productivity.

**Follow-on:** The NMS training team must work with the coordinators for each of the software packages to insure that these systems become an integral part of program management and are used to enhance team productivity.

## **B. Status of the Management Contract**

The performance narratives address the issues raised in last year's Action Plan. For ease of reference, a matrix is also included on the following pages.

## **C. Development of New Mission Strategic Plan for FY 1997**

Preparation of this R4 and the reengineering of our results frameworks is the first step in the Mission's development of a new strategy for FY 1997 - 2002. The following sections present our new vision and development hypothesis supporting each of the existing SOs. We believe the result is both a clearer (and simpler) statement of results and a greater client focus. As noted elsewhere in this document, however, the Mission plans on further reducing the number of SOs in the new Strategic Plan to only three: a continuation of our democracy strengthening and environmental SOs, and a new third SO focussed on social sector reform and poverty reduction. This new SO will incorporate elements of our existing health and education SOs, as well as activities in the area of income generation which will build upon the experience of the Communities in Transition program. We also plan on focussing geographically in a limited number of departments in the Altiplano, where government services are the poorest; our approach would involve an equal emphasis on the policy reforms needed to improve service delivery, such as privatization and decentralization, as well as increased GOG investment.

Further discussion of this new initiative would be premature at this point, given the early stages of design. We do, hope, however, to be able to present a more detailed description later this FY, based on a clear sense of whether the Arzu administration will be able to transform its discourse into concrete actions.

# STATUS OF THE MANAGEMENT CONTRACT

The matrix below lists actions for the Mission indicated by 95 State 155399 dated June 28, 1995 on the LAC review of the FY 1996-1997 Action Plan for USAID G-CAP.

ACTIONS		STATUS
1.	The Mission should try to find ways to measure progress toward reducing social and economic inequity between Ladino and Indigenous populations in Guatemala.	In this R4, results data for USAID social sector interventions are disaggregated (Ladino/Maya) when possible to demonstrate progress in reducing inequities in the areas where USAID programs operate. Progress in the economic sphere can best be measured by national income and employment surveys and land tenure studies which are beyond the funding capabilities of USAID.
2.	In the next Action Plan, data should be presented on GOG expenditures in the health and education sectors with disaggregation by geographic region and by type of expenditures.	GOG expenditures in the health and education sectors disaggregated by geographic region is a proxy measure for Ladino/Maya access to services since those regions that are predominantly Indigenous are readily identified.  Expenditures by type, specifically, expenditures for primary health care vs. curative health (hospitals), and for primary education vs. higher education, were requested.  Mission-prepared tables containing financial information from the 1995 national budget as executed showing distribution of expenditures by region and by type of expenditure have been developed, incorporated in the performance narrative, and provided to the Guatemala Desk.
3.	Summaries of program accomplishments should be presented by SOs	Updated summaries of program accomplishments by SOs were provided to LAC in Sept. 1995 and have again been updated to March 31, 1996, and provided to the Guatemala Desk.
4.	Realistic annual targets will be established for SOs and POs to better facilitate tracking progress.	R4 guidance required that each new Results Frameworks have at least one annual measurement to track progress. Where there are exceptions to this (the DIMS is bi-annual and the DHS is every five years), methodologies have been defined for interim measurements. All Results Frameworks have annual measures at the PO (now the Intermediate Result) level.

<b>ACTIONS</b>		<b>STATUS</b>
5.	The Mission was asked to develop a strategy for increasing GOG revenues in which the USG sends a clear message of the need for progress in this area with hard targets.	The Mission contracted an international tax expert to evaluate tax policy and administration in Guatemala. The expert worked with local research institutes and developed a detailed plan to increase tax revenues, mainly by eliminating unjustified exemptions and by tightening tax administration. The plan was presented to and discussed extensively with the Minister of Planning, and was shared with other donors.
6.	The AA/LAC expects to see measurement in the next Action Plan of what constitutes reduced impunity, i.e. quantifiable evidence that there is sufficient political will by the GOG to justify continued institutional support in this sector.	The overview and Democracy SO performance narrative address this issue, summarizing actions taken by the Arzu administration, such as the quick and decisive purging of 118 officials of the National Police, an equally impressive shake-up of the military high command, and the appointment of two strong reformers in the top jobs at the Ministry of Government.
7.	Measures of increased effectiveness of the criminal justice system and a system for tracking cases that actually come to trial are needed in the next Action Plan.	We consider the tracking and successful resolution of "high impact cases" a bellweather of the responsiveness of the criminal justice system generally, and will include this indicator at the intermediate result level in future reports. We propose to introduce the notion of "effectiveness" in terms of access to, and quality of, justice sector services into our lower level results. At this level, we will try to measure increase in public defense, use of judicial interpreters, decentralization of services, heightened public awareness of due process and individual rights, professional capacity of practitioners in the new procedures, modernized law school curricula, rapid case resolution, and improved management of justice sector institutions.
8.	The Mission could better demonstrate impact on women and Indigenous groups in narratives especially when SO and PO tables do not provide a full picture. (Sectors cited were democracy, the environment, and trade within economic growth.)	The Democracy narrative demonstrates impact on Indigenous groups through the shift in political tolerance levels and an increase in system support. In the environmental area, impacts are measured at the family level rather than in terms of individuals. Family units include households headed by women. The Trade SO narrative describes the impact on women of seasonal employment provided by NTE industries and studies underway to measure impact of NTAE activities on women in four communities. The narrative on our Special Objective related to Peace points to areas where gender factors will be given special consideration.

**D. Environmental Issues: 22 CFR 216**

Site inspection and assessment of proposed on-farm activities in the Ixchan under the Communities in Transition Project were conducted by the Mission Environmental Officer. The Programmatic Environmental Assessment (PEA) will be updated to reflect the new findings as the PEA drafting team had not been able to visit the area earlier.

Future G-CAP activities requiring environmental review will include new initiatives in civil society and social sector reform/poverty reduction. The civil society work entails technical assistance and strengthening of local decision making capacity. The social sector reform program will include: policy reform, preventive health care and possibly, income generation activities in rural, indigenous areas. Most of these activities will come under a categorical exclusion; however, the income generation work will require a more detailed environmental review. IEEs have not been prepared for any of the new activities as they are in incipient stages of design and need further clarification.

**E. Mission Issues:**

**Close out countries:** The regional HIV project contemplates an RFA open to both U.S. and Central American organizations, for an activity which is expected to involve social marketing of contraceptives and related products in all, repeat all, Central American countries, including Panama. One of the most successful social marketers in the region is a Costa Rican NGO, which USAID hopes will bid on the RFA. HIV is easily transmitted across borders, through truck drivers, commercial sex workers and the seasonal migrant workers. The project, thus, is premised on common brand recognition throughout the region and on the economies of scale which can only come through coverage of the entire region. It would severely hamper both results and implementation to limit activities to countries other than Belize, Costa Rica, and eventually Panama. To what extent will the Agency's "out means out" policy conflict with this?

**IDI Funding:** Based on a commitment from the LAC Bureau, USAID is willing to accept an IDI placement this summer. However, as noted in the budget tables, we can only bring on this individual if the Bureau will cover the estimated \$35,000 - \$40,000 in annual OE costs during FYs 1996-1998 from its OE resources. Is this level of funding realistic?

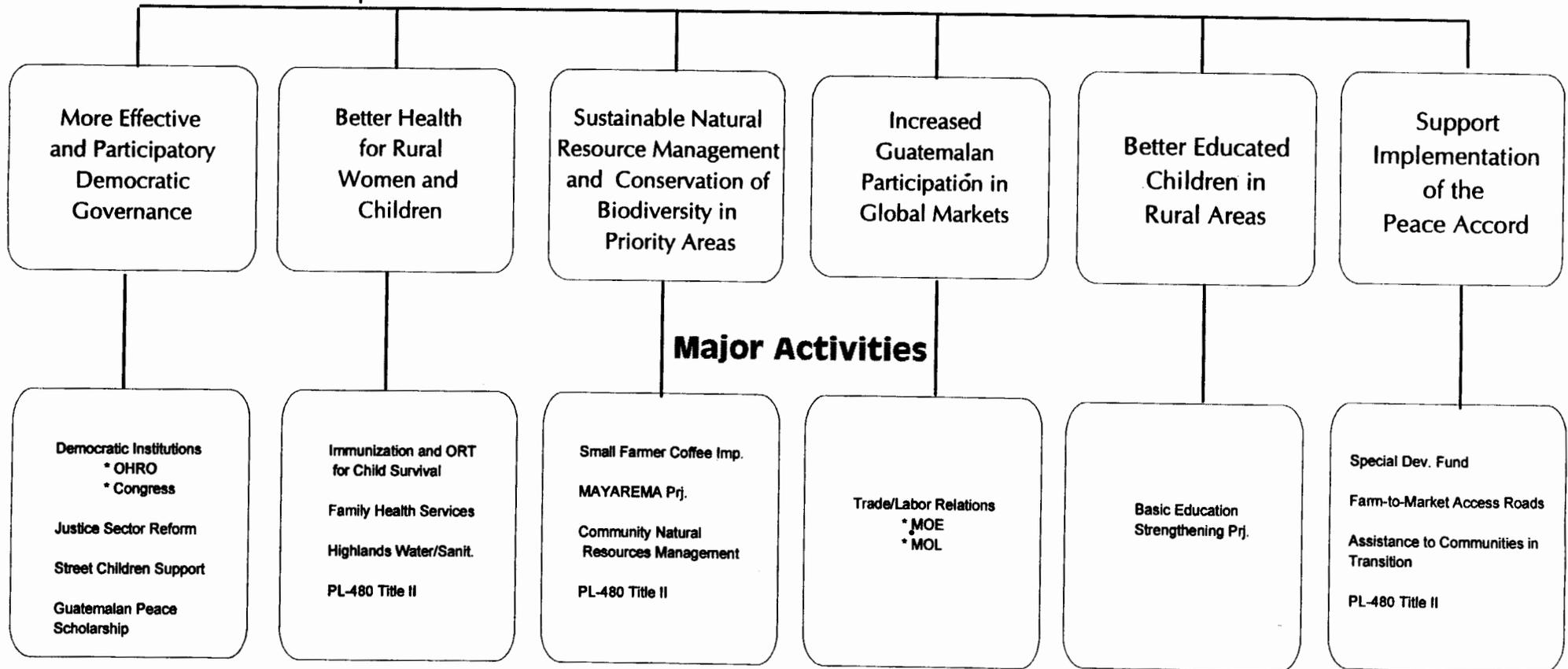
**F. Reengineered Strategic Framework and Development Hypothesis**

Graphic and narrative descriptions of our reengineered strategic framework are provided in the following section.

**Agency Goals:**

- 1) Sustainable Democracies Built
- 2) Broad-Based Economic Growth Built
- 3) Environment Managed for Long Term Sustainability
- 4) Human Health Protected & World Population Stabilized
- 5) Lives Saved, Suffering Reduced and Development Potential Reinforced

**Bilateral Strategy Objective Program Areas**



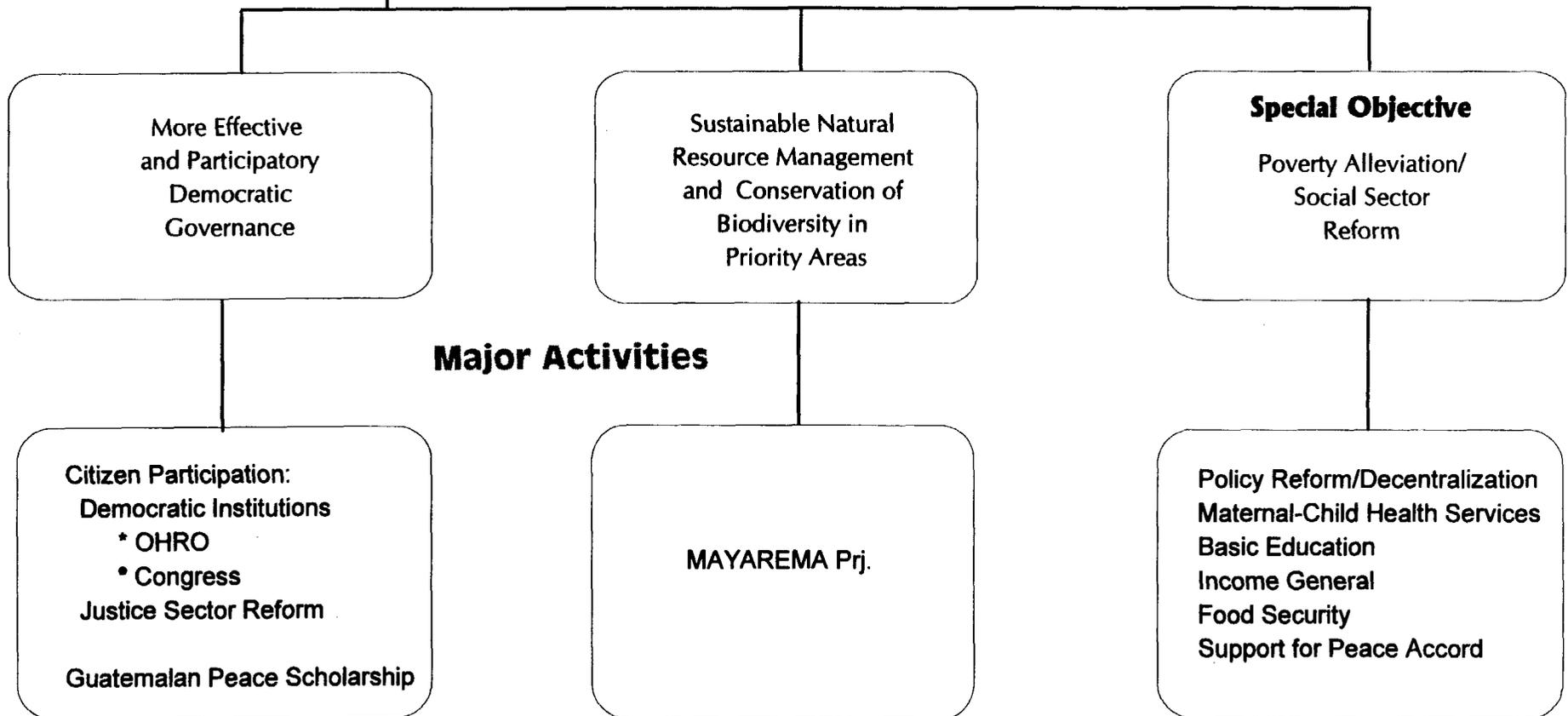
# USAID/G-CAP BILATERAL PROGRAM

## *Vision for 1997 - 2002*

### Agency Goals:

- 1) Sustainable Democracies Built
- 2) Broad-Based Economic Growth Built
- 3) Environment Managed for Long Term Sustainability
- 4) Human Health Protected & World Population Stabilized
- 5) Lives Saved, Suffering Reduced and Development Potential Reinforced

### Bilateral Strategy Objective Program Areas



# Results Framework

**USAID/G-CAP  
Strategic Objective 1**  
More Effective and Participatory  
Democracy

**Intermediate Result 1**  
More responsive  
criminal justice  
system

**Intermediate Result 2**  
Fewer human rights  
violations

**Intermediate Result 3**  
Broader citizen participation  
in the political process

**Intermediate Result 4**  
More transparent and  
accountable government  
institutions

**1.1**  
Greater access to  
justice sector  
services

**2.1**  
Better understanding  
of human rights and  
of legal recourse to  
denounce violations

**3.1**  
Improved capacity of key  
CSOs to advocate citizen  
interests

**3.3**  
Better informed public  
debate of policy issues

**4.1**  
Strengthened  
legislative capacity

**4.3**  
Strengthened GOG  
financial management  
capability

**1.2**  
Improved quality of  
justice sector  
services

**2.2**  
More thorough investigation  
and follow-up by OHRO of  
human rights violations

**3.2**  
Increased capacity of  
disadvantaged groups to  
make effective demands  
on government

**4.2**  
More effective local  
governance and  
decentralization of  
key GOG services

**1.3 and 2.3**  
More Professional  
Civilian Police

## **SO 1: More Effective and Participatory Democratic Governance**

### **Development Hypothesis - Summary of Results Framework**

Previously named "Strengthening Democratic Institutions, Civil Society and The Rule of Law", the title of the Strategic Objective (SO) has been modified to sharpen the focus on the two pronged approach that guides our program interventions: on the supply side, strengthening the ability of key democratic institutions to deliver goods and services to clients, and on the demand side, improving the effectiveness of citizens in voicing those demands and holding their institutions accountable. Our development hypothesis is based on the notion that a mature and sustainable democracy depends on a) support of the system, which is based on performance of same, and b) tolerance for democratic liberties that allows for broad participation and the right to dissent. As shown in the graphic below, in 1993 Guatemala had an extremely high percentage of its population demonstrating low tolerance (cells C & D), which when combined with low system support present conditions ripe for democratic breakdown (cell D). Our objective is to move the Guatemalans from the left side of this chart to the right and then upward.

<b>Tolerance</b>		
<b>System Support</b>	<b>High</b>	<b>Low</b>
<b>High</b>	<b>A. Stable (deepening) Democracy</b>	<b>C. Oligarchy</b>
1993	19.2%	20.3%
1995	18.0%	17.1%
<b>Low</b>	<b>B. Unstable Democracy</b>	<b>D. Democratic Breakdown</b>
1993:	30.7%	29.8%
1995:	37.2%	27.7%

Overall, there was an increase in the percentage of citizens within the two democracy cells (High Tolerance vertical column) between 1993 and 1995. Although the sum of these cells is still dangerously low, the trend is encouraging and provides a hopeful sign that Guatemala is indeed moving in the right direction.

Our results framework identifies four intermediate results (IRs) that will lead to more effective and participatory democratic governance: a more responsive criminal justice system, fewer human rights violations, broader citizen participation in the political process, and more transparent and accountable government institutions. The lower level results (LLRs) displayed in the graphic can be interpreted as the approach that USAID and its partners have identified as the most effective way of achieving the IRs. This approach is described below:

#### More Responsive Criminal Justice System and Fewer Human Rights Violations

One of the greatest threats to Guatemala's democracy is the corrosive influence of impunity in an environment of continued violations of human rights. A dysfunctional criminal justice system coupled with a rampant rise in criminal activity threatens to undermine the very tenuous support citizens have in their democratic system of governance. Intermediate results 1 and 2 of our framework illustrate the critical importance we've attached to strengthening key justice sector institutions. The focus of our assistance is on implementing the new Criminal Procedures Code, which provides for an oral, adversarial system with greater transparency. Once fully implemented, the code will result in **greater access to justice sector services (LLR1.1)** through application of its provisions concerning public defense and translation services for non-Spanish speaking populations, and criminal defense provided by members of the bar at large. The greater transparency, combined with **increased effectiveness of the court and prosecutors office (LLR1.2)** and **enhanced investigative capacity of the police (LLR1.3)** should provide a much needed deterrent to human rights abuses.

Human rights violations will be reduced through the combination of a more responsive criminal justice system and **better understanding of basic human rights (LLR2.1)** and **investigation of abuses of these rights (LLR2.2)**. Our work with the OHRO, as well as the Bar Association and Human Rights NGOs, to increase their advocacy for reform, supports both of these intermediate results. Additionally, our strategy includes special emphasis on the rights of street children.

#### Broader Citizen Participation and More Transparent and Accountable Government Institutions:

The other great challenge for this democracy to deepen and survive is the degree to which it will open itself up to the traditionally disenfranchised through meaningful participation and genuine representation. Intermediate result 3 focusses on citizen participation, particularly at a local level, to give voice to those disadvantaged groups that have been historically underrepresented, such as the rural indigenous, and to help them make effective demands on their government. Our approach emphasizes **strengthening of civil society organizations to better advocate citizen interests (LLR 3.1)**, **increased capacity of disadvantaged groups to make effective demands on their government (LLR3.2)**, and **more informed public debate of policy issues (LLR3.3)**.

Result 4 is the response to greater citizen demand. Without more responsive governance, system support will decline as will citizen allegiance to a democratic form of governance. USAID's role in this results package is limited to **strengthened legislative capacity (LLR4.1)**, and specifically on improving the quality of law-making through professional analysis and citizen

input. LLR's 4.2 and 4.3, **strengthened GOG financial management capability and more effective local governance and decentralization of key services**, depend on other donor input, particularly the World Bank and IDB programs aimed at creating more efficient, transparent financial management systems, with better controls to guard against corruption.

The arrows on the framework between results packages 1 and 2 and between packages 3 and 4 provide a graphic depiction of the interrelationship between these sets of activities, each of which we view as having an equal and direct impact on the achievement of our Strategic Objective.

### **Responsibilities**

Key partners for the achievement of our human rights/justice sector intermediate results include the principle actors in the system (the Supreme Court, including lower level justices and public defenders, the prosecutor's office, and the Office of the Human Rights Ombudsman) and private sector groups, such as the University of San Carlos Law School, the bar association, and NGOs active on the topic, i.e. the Myrna Mack foundation, Institute for the Comparative Study in Criminal Science, the Association of Women Judges, to name a few. A strong teamwork approach is utilized with key justice sector counterparts, especially in the identification and execution of technical assistance to the Judicial Branch and the Public Ministry. The fruits of the technical assistance initiatives that are developed through this teamwork approach is then tested at the local level through a pilot "Focus Center" strategy of multi-institutional cooperation to criminal justice administration. Guatemala's National Bar Association is joining forces with USAID to an increasing degree in support of the criminal justice reform agenda and could, should resource levels permit it, become a full partner via an eventual agreement with that key institution.

In achieving intermediate result 3, USAID anticipates working with a broad array of local NGOs, building on the successful efforts with the Supreme Electoral Tribunal and some 8 local NGOs around the 1995 elections.

The Congress and the private sector think-tank, ASIES, are our principal partners for IR 4.

### **Critical Assumptions**

Adequate financing. This is, admittedly, a very ambitious framework that depends not only on USAID resources, but to a growing degree, those of other donors that are becoming more directly engaged in this field. Also, increasing GOG resources will be required to sustain and expand upon donor financed initiatives, particularly in the justice sector. The shaded boxes in our framework illustrate the critical contributions we expect of other donors that, taken together with USAID resources, will lead to the achievement of our stated results. Results 1.3 and 2.3, "More Professional Civilian Police", for example, assumes a continued ICITAP presence and an expanded budget for police reform and training.

**Political will:** As important as adequate resources will be to the achievement of these results, far more important is the political will of Guatemalan actors in pushing this reform agenda forward in the face of entrenched opposition by recalcitrants who try to undermine any efforts to change the status quo. As mentioned elsewhere in this report, the Arzú administration has made some bold and impressive steps in its first few months in office and meaningful change is already being felt. Also, Guatemalan citizens have put human rights and justice reform on the top of the national agenda and are providing the necessary popular support to those change agents within and outside the government who are taking the lead in fighting against impunity, corruption and other threats to civilian control of society and its institutions. The degree to which these positive trends continue will have a critical affect on the achievement of our strategic objective for sustainable democracy.

**Continued MINUGUA presence:** The political importance of the international verification of human rights, provided through the UN mission to Guatemala, cannot be underestimated. Also, the institutional strengthening efforts financed through the MINUGUA trust fund that the USG and other friends of the peace process are contributing to is making a critical difference to this results package. Indeed, USAID and MINUGUA objectives in this area are one in the same and our interventions are designed to assure that they complement rather than duplicate our respective efforts. Our having joined forces with our colleagues in MINUGUA through a common policy agenda that has made our dialogue with GOG partner institutions all the more effective. The continued presence of MINUGUA and our ability to continue our complementary activities over the next year are of critical importance to the achievement of this strategic objective.

### **Tools and Tactics**

An important tool for achieving our policy objectives and to ensure that the USG speaks with one voice in our multiple interactions with key GOG counterparts is the InterAgency Working Group on Democracy, which under the leadership of the Ambassador ensures coordination among the variety of USG agencies working to strengthen democracy in Guatemala. Joint programming and a unified policy dialogue in justice reform, congressional strengthening, narcotics control and military-civilian dialogue have resulted from the efforts of this key InterAgency working group which will continue to guide a coordinated USG approach in this sector.

USAID assistance is provided through a series of bilateral agreements, to the Judicial Branch, the Public Ministry, the OHRO and the Congress, which are in turn sub-obligated to an institutional contractor (DPK Consulting) responsible for technical assistance to the justice sector, the Rafael Landívar University (who won the OHRO competition) responsible for technical assistance to the OHRO, and the local NGO, ASIÉS, providing technical assistance to the committee structure of Guatemala's National Congress. Finally, a cooperative agreement with a U.S. NGO (Americas Development Foundation) was the centerpiece of our earlier sub-grant support to local NGOs engaged in civil society strengthening and electoral system

promotion, but that cooperative agreement has been terminated and a new strategy is under development.

### **Customer Focus**

The basis for strategic and programming decisions in this SO is the data on clients gathered through the biannual DIMS survey. We also plan on supplementing this information in the justice sector through annual surveys conducted around the Focus Centers, to get a more accurate assessment of the impact of USAID interventions. In the area of citizen participation, we have initiated a series of research studies, the first on civil society, that uses public opinion data and the DIMS survey to target future USAID planning. (Anything else to say here)

**Total Estimated Life-of-SO Cost** for FYs 1996 - 1998 is 10.4 million. Life of SO costs, through our Strategic Plan period of 2002, will be developed based on assessments underway related to design of our expanded citizen participation activity.

# Results Framework

**USAID/G-CAP**  
**Strategic Objective 2**  
**Better Health for Rural Women and Children**

**Intermediate Result 1**  
**More rural families use quality Maternal Child Health services**

**Intermediate Result 2**  
**Maternal-Child health programs are well managed**

**Intermediate Result 3**  
**Stronger Guatemalan commitment to maternal-child health**

**1.1**  
**Better household health practices**

**1.3**  
**Health facilities provide quality services**

**2.1**  
**Supplies and equipment are continuously available**

**2.3**  
**Communities actively participate in decision-making**

**2.5**  
**Local NGOs are more sustainable**

**3.1**  
**Greater investment in MCH programs (IDB Loan)**

**3.3**  
**Guatemalan leaders and policy makers are better informed**

**1.2**  
**Community Health agents provide quality care**

**1.4**  
**Innovative approaches to improve quality, coverage and access are adopted**

**2.2**  
**High quality financial and administrative data support decision-making**

**2.4**  
**Program planning, monitoring and evaluation based on quality data**

**3.2**  
**Local organizations engage in advocacy**

**3.4**  
**Effective decentralization in Public Sector (WB & IDB)**

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## **SO 2: Better Health for Rural Women and Children**

### **Development Hypothesis - Summary of Results Framework**

The Results Framework illustrates a hierarchy of causal relationships that link lower level results (LLRs) to intermediate results (IRs). In turn, the IRs are linked to the strategic objective (SO). The framework identifies three IRs that will lead to sustainable improvements in the health status of Guatemalan women and children living in rural areas: use of quality health services; good program management; and, a positive policy environment. The LLRs displayed in the graphic can be interpreted as the approach that USAID and its partners have identified as the most effective way of achieving the IRs. This approach is outlined below:

#### **More Rural Families Use Quality MCH Services**

Since almost half of all Guatemalan families are not using health services, USAID/G-CAP and its partners have developed an approach that will lead to enhanced access, quality and coverage of services. It is hypothesized that improvements in the quality and accessibility of culturally relevant health services will lead to greater service utilization. Greater use of key preventive and curative services is the foundation of improved health at the S.O. level.

The Mission approach consists of working simultaneously at three levels of care to develop innovative approaches to improving the quality, coverage and access of services (LLR 1.4). Activities at the **household level** (LLR 1.1) centers on improving women's abilities to provide appropriate preventive and curative care for themselves and their children (such as the proper use of oral rehydration salts or birth control pills). This includes seeking care outside the home when required (attending a high risk birth or treating childhood pneumonia). At the **community level** (LLR 1.2), USAID and its partners will increase the coverage of effective community health services through activities that improve the knowledge and skills of community health workers, supervisory and support systems, and referral systems. In the Guatemalan context, the key community health workers include traditional birth attendants (*comadronas*), community-based family planning distributors (CBD workers), and health promoters. And finally, at the **facility level** (LLR 1.3), the USAID program will work with physicians, nurses and other formal health care workers to upgrade their technical and counseling skills as well as to introduce more effective norms and service delivery guidelines for both reproductive health and the integrated management of the child.

#### **Maternal-Child Health Programs are Well-Managed**

Improved institutional capacity to manage MCH programs is key to the achievement and sustainability of the strategic objective. This holds true for both the public sector and for local NGOs. The USAID approach is to strengthen logistics systems (LLR 2.1) so that supplies are continuously available to community health workers and health facilities. Lack of supplies is frequently reported as one of the major reasons for low utilization of health services. Another key element of the approach is to improve the **quality and utilization of data for administrative and programmatic decision-making** (LLRs 2.2 and 2.4). USAID and its partners will identify effective ways of **engaging communities in all aspects of MCH programs**

(LLR 2.3). And finally, the approach will provide assistance to strengthen both the financial and **programmatic sustainability of local NGOs (LLR 2.5)**. One important aspects of NGO sustainability is their ability to form effective partnerships with local health districts.

#### Stronger Guatemala Commitment to Maternal-Child Health

"Policy" in its broadest sense reflects the principles upon which decisions are made and actions are taken. The policy environment includes not only the official policies that are created and enforced by governments, but also private sector standards and socio-cultural norms which prescribe the actions of people at large. The health sector in Guatemala is in desperate need of reform. The multilateral development banks (MDBs) are the lead donors for this area, with the Health Sector Reform Program (IDB) and the Modernization of the Ministry of Finance (WB). USAID will complement the efforts of the MDBs by working at the level of **formal policy development (LLR 3.3)** by improving policy makers' knowledge of key health and demographic issues. USAID will also enhance the **role of social sector NGOs (LLR 3.2)** within its efforts to strengthening civil society.

#### **Responsibilities**

The key partners for the achievement of IR-1 fall into two groups. First, the principle service providers include the MOH (especially at the health district level), APROFAM (the local IPPF affiliate), and other local NGOs. Second, a number of USAID partners providing technical assistance through Global/field funding as follows: The Population Council provides leadership to a sizeable operations research program that is developing new public and private sector strategies for rural MCH services, especially in the area of family planning. Mother Care's technical assistance to the MOH and selected local NGOs is focussed on improving maternity care at the household, community and facility levels. BASICS technical assistance, especially to the Ministry of Health, supports launching a new initiative for integrated management of the child (IMC); INITIATIVES is also providing technical assistance to GuateSalud for improved quality of care. And finally, AVSC provides technical assistance to the MOH and IGSS in the area of surgical contraception; JHPIEGO works with the MOH, IGSS, local NGOs and the Medical School at the University of San Carlos on the development of service delivery guidelines as another input for improving quality of care. During FY97, two new key partners will come on board: an institutional contractor focussed on the public sector's role and a USPVO umbrella group to support local NGO in improving the quality, coverage and access of their services.

USAID/G-CAP will work with a number of partners to achieve IR-2. The new contractor and USPVO umbrella will provide technical assistance to the MOH and NGOs, respectively. Management Science for Health (MSH) will continue to provide assistance to APROFAM in the area of sustainability, with a focus on urban MCH-family planning clinics. Both BASICS will provide technical assistance to strengthen the MOH's ability to manage the new IMC initiative, especially at the local level.

The success of the IDB and WB projects are critical to achievement of IR-3. While continuing to coordinate with the banks on the "macro-level" sectoral reforms, USAID will work closely with the POLICY Project on both leadership development and local NGO advocacy.

### **Critical Assumptions**

One of the key assumptions underlying the results framework is that the IDB health sector reform program will be successful. Guatemala currently invests less than one percent of GDP in the health sector, as compared to 3-5% throughout the rest of Central America. The health sector reform proposes both an increased investment in the sector as well as a redistribution of the budget away from hospital-based care to the primary/preventive levels of care. Another critical assumption is that the Arzu administration will endorse USAID's two-pronged approach in the health sector: integrated management of the child and reproductive health services (especially family planning and management of obstetric complications). We anticipate that public debate around the subject of family planning and maternal mortality will continue, but we assume that other key donors (such as PAHO and UNICEF) will join USAID in disseminating information on the positive health effects of birthspacing on women and children. And finally, another critical assumption is that the well-established mechanisms for donor coordination are supported by the new government.

### **Tools and Tactics**

USAID/G-CAP is supporting its partners to achieve results through several instruments. In the area of child survival, we have a bilateral agreement with the GOG and a contract for technical assistance to the MOH; these are scheduled to end on June 30, 1996. To avoid a hiatus in support to the MOH while a new Agreement is being negotiated, we will assign field support funds to BASICS and INITIATIVES to continue providing technical assistance to the MOH and local NGOs. In the area of maternal health, we currently have a bilateral agreement with the GOG as well as cooperative agreements with APROFAM, IPROFASA, The Population Council and MSH. With the exception of IPROFASA (which should be sustainable by August, 1996 except for commodities), we will augment the funding for each of these instruments in FY96 to ensure that there is no gap in USAID assistance in this critical area while we negotiate the new Agreement for integrated MCH activities. We will continue to assign field support funds to MotherCare, the POLICY Project, the Family Planning Logistics Management, the Family Planning Management Development, and the Operations Research (INOPAL) Projects. Field support is also used for contraceptive procurement. Estimated levels of field support for these activities in FY 1996 are shown in budget tables.

### **Customer Focus**

USAID/G-CAP began a concerted effort to improve the customer focus of its health sector program three years ago with the initiation of the Population Council's operations research program. This program is developing and testing new strategies designed to meet client expectations and felt needs for services. In FY97 and FY98, USAID and its partners will also

launch a new initiative to improve the quality of care based on customer needs. In terms of child health, the WHO/PAHO IMC initiative will be adapted to Guatemala based on specific qualitative and quantitative data available on client needs. MotherCare has also completed extensive client-based research to improve the content and quality of its educational component. During 1995, APROFAM conducted client-based (marketing) research to improve its urban service delivery model. These are just a few examples of the kinds of concrete measures that USAID and its partners are developing to enhance the customer focus of the program. Without a strong customer focus, USAID/G-CAP and its partners cannot achieve their strategic objective.

**Total estimated Life-of-SO cost for health/population activities from FY 1996-2002 is \$30 million.**

# Results Framework

**USAID/G-CAP  
Strategic Objective 3**

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Sustainable Natural  
Resource Management and  
Conservation of Biodiversity  
in Priority Areas

**Intermediate Result 1**

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People adopt more  
sustainable  
land use practices

**Intermediate Result 2**

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Policies affecting the  
environment are improved  
and applied

**Intermediate Result 3**

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More responsive institutions  
and increased local  
participation in decision  
making

**1.1**  
Households derive income  
from agro-forestry systems,  
forestry and other more  
environmentally sound  
enterprises

**2.1**  
Increased public and  
political support

**2.3**  
Park boundaries and land  
use zoning established  
and land ownership clarified

**3.1**  
More sustainable  
financing

**3.3**  
Delegation of authority  
and responsibility to  
community-based  
organizations

**2.2**  
Increased incentives for  
sound land use

**2.4**  
Roles and authority of  
public institutions are  
clarified

**3.2**  
Increased technical and  
management capacity

### **SO 3: Protection and Sustainable Use of Guatemala's Natural Resources**

#### **Development Hypothesis - Summary of Results Framework**

The development hypothesis for this SO states that ecological integrity is essential to the maintenance of the productivity of the natural resource base and hence, sustainable development. The key factors affecting ecological integrity are the four dimensions of our program: people, policy, institutions and the natural resource base itself. ENR suggests that **people will adopt sustainable income-generating practices if supported by the policy environment, and institutions (both governmental and non-governmental), leading to the maintenance or improvement of the ecological integrity of the natural resource base.** Initiatives under this Strategic Objective are meant to alleviate poverty through sustainable income producing activities which also promote conservation of habitat in important ecosystems of Guatemala (primarily the wetlands, savana and tropical forests of the Maya Biosphere, Sierra de las Minas Biosphere, selected watersheds and small farmer coffee production areas). The program is testing and demonstrating the sustainability of approaches, extending best management practices into new areas, and has reduced historic deforestation trends in priority areas.

A fundamental assumption is that people, especially poor and marginalized groups, are the critical factor affecting sustainable land use and conservation of biodiversity. By identifying who key groups are, conducting participatory needs appraisals, and responding to identified needs, more sustainable land use management and employment alternatives can be developed which improve people's welfare, maintain the productive capacity of the natural resource base, and conserve biological diversity. The result desired is to increase the number of **families within the target population whose principal source of income (50% or more) is derived from more environmentally sound practices than in the past and who show measurable improvement in welfare(LLR1.1).** Improving the enabling policy environment is critical in order to influence people's behavior and achieve the strategic objective. USAID's approach emphasizes building increased public and political support (LLR2.1), increased incentives for sound land use (LLR2.2), land use zoning established and land ownership clarified (LLR2.3), and clarified national level institutional roles (LLR2.4) This issue is addressed through a policy reform agenda developed with counterparts.

For change to continue after USAID programs are complete, this hypothesis must become institutionalized. This will require **more responsive, sustainable national level institutions (LLR 3.1 and 3.3), as well as increased local participation in decision making (LLR3.2).** Appropriate indicators for institutional strengthening are often complex or costly. We have used non-USAID program income because it is essential for an institution to be sustainable and effective. In Guatemala, given the geographic terrain and weak GOG enforcement, the delegation of management authority over protected areas may be the only way to provide more effective and permanent institutional support for sustainable management. This is important to provide incentives for people to use resources more rationally. Although delegation through forest management concessions has been controversial (it is seen by some critics as the privatization or sale of public domain), so far it appears to be one of the most effective

mechanisms to avoid wholesale loss of forest to colonization and subsistence agriculture in multiple use zones.

### **Responsibilities**

Our key partners in this SO are CONAP, CONAMA and the Ministry of Agriculture in the public sector, and U.S. PVOs, including The Nature Conservancy, Conservation International, CARE, Rodale International, the Peregrine Fund, and the local NGO counterparts of these U.S. PVOs. In each case, roles are divided according to the expertise of each organization, with CARE emphasis on sustainable agriculture, Conservation International developing non-timber products, The Nature Conservancy involved in institutional strengthening, and park administration, and the Peregrine Fund in biological monitoring.

### **Critical Assumptions**

We have three critical assumptions: that GOG law enforcement authorities in the Peten continue to improve their collaboration with CONAP to control illicit activity in protected areas; that the GOG refrains from using protected areas as a relief valve for growing demand for land generally and to address needs of returnees; and that the new GOG administration provides the necessary political support required to achieve the results framework we have developed with the technical agencies.

### **Tools and Tactics**

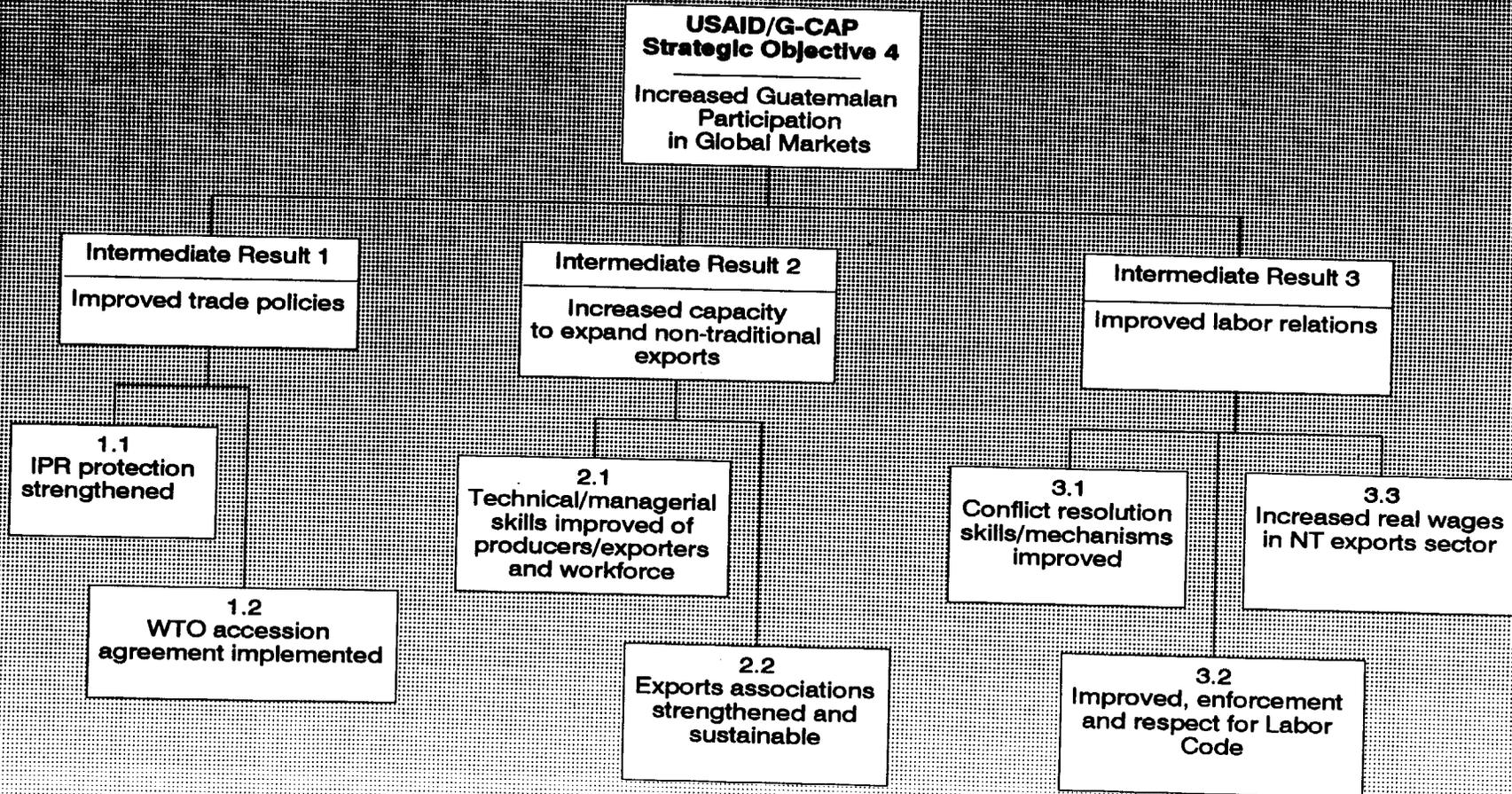
Funds are obligated under two bilateral agreements, with CONAP and CONAMA, with funds subsequently sub-obligated to cooperative agreements with our principal NGO partners as noted above. To improve results in the policy arena, the project is supporting the creation of a Policy Steering Committee, composed of key Ministries and agencies and stakeholders, which will be responsible for analyzing and recommending on key policy conflicts and opportunities.

### **Customer Focus**

Client feedback and evaluation have prompted a refocussing of field activities (to the Sierra Lacandon and Laguna del Tigre areas of the Maya Biosphere Reserve) and the negotiation of a new, results-oriented Project amendment with the GOG, pioneering the SO Agreement concept. An additional, annual indicator has been added at the SO level to demonstrate the impact of our programs on our client population.

**Total Life of SO Cost** is estimated at \$27 million, from FY 90 through FY 1999.

# Results Framework



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## **SO 4: Increased Guatemalan Participation in Global Markets**

### **Development Hypothesis - Summary of Results Framework**

An estimated 75% of Guatemala's population lives in poverty, and over 50% live in extreme poverty. In order to effectively combat poverty in Guatemala, it is absolutely essential to achieve sustained higher rates of economic growth. In the "lost decade of the 1980s", Guatemala's real per capita GDP plummeted 20 percent and by 1986, per capita GDP stood about equal to that registered back in 1971. Through marked improvements in its macroeconomic and trade policy regimes in recent years, Guatemala has achieved economic growth rates averaging nearly 4% since 1992. Had this growth not occurred, Guatemala's poverty rates would be even higher. However, Guatemala's rapid population growth has kept per capita GDP increases to an annual average of only 1% over the last four years, far below the 3-4% required to make a significant dent in poverty. For example, even with these recent gains, per capita GDP in 1995 had been restored only to the level achieved back in 1975, or twenty years ago! Moreover, USAID calculations indicate that annual increases in per capita GDP of three percent over the rest of the century will be required just to reach the level of per capita income achieved in 1978, Guatemala's peak year for per capita GDP. This will require real economic growth rates of 6-7% annually.

To achieve such growth, Guatemala must consolidate and deepen its economic policy reforms. In particular, macroeconomic stability must be maintained and further structural adjustment measures are needed -- primarily deregulation, privatization, demonopolization, trade liberalization, modernization of the state, and integrated financial management -- to improve economic efficiency and permit the achievement of sustained economic growth over the medium term.

USAID's niche in this equation, defined largely through projects designed in the early 90s that will continue through FY 98 when this SO will be phased out, focusses on export growth, as a principal contributor to the country's overall economic growth. To achieve Increased Guatemalan Participation in Global Markets, three factors are needed: **improved labor relations (IR4.1), improved trade policies (IR4.2) and increased capacity to expand non-traditional exports (IR4.3)**. In order to take advantage of increased trading opportunities resulting from economic globalization and recent hemispheric integration initiatives such as NAFTA and the Free Trade Area of the Americas (FTAA), Guatemala must improve its trade policies both to achieve greater access to new markets and to enhance its competitiveness once expanded access is attained. Moreover, strengthened protection of workers rights and improved labor relations will also help Guatemala maintain access to hemispheric markets while contributing toward the development of stronger workforce required to compete in the global market place. While a faster growing economy that raises the demand for the productive use of labor will result in the greatest benefits for workers, improved labor policies will also help enhance workers' participation in the benefits of economic growth. To help small farmers take advantage of greater export opportunities made available by better trade policies and increased access to world markets, efforts are needed to accelerate technology transfer, upgrade

agricultural practices, advance research on potential new exports, improve product standards, and facilitate links with external markets.

### **Responsibilities**

Our key partners in achieving this SO are the Ministries of Labor, Economy and Finance, the Guild of Non-traditional Exporters (GEXPRONT), the Guatemalan Business Chamber, the Bank of Guatemala (Central Bank) and local social economic research organizations.

### **Critical Assumptions:**

Guatemala will maintain sound macroeconomic policies, and address its grave fiscal crisis through increased domestic taxing, thereby permitting improvements in the trade policy framework. Given the volume of trade with the U.S., declines in the U.S. economy would also negatively affect Guatemala's trade growth, as would any change in the U.S.' openness to international trade (i.e., excessive domination by protectionists or isolationists). The willingness of labor organizations to cooperate with the new government is also a critical factor, affecting economic performance directly.

### **Tools and Tactics**

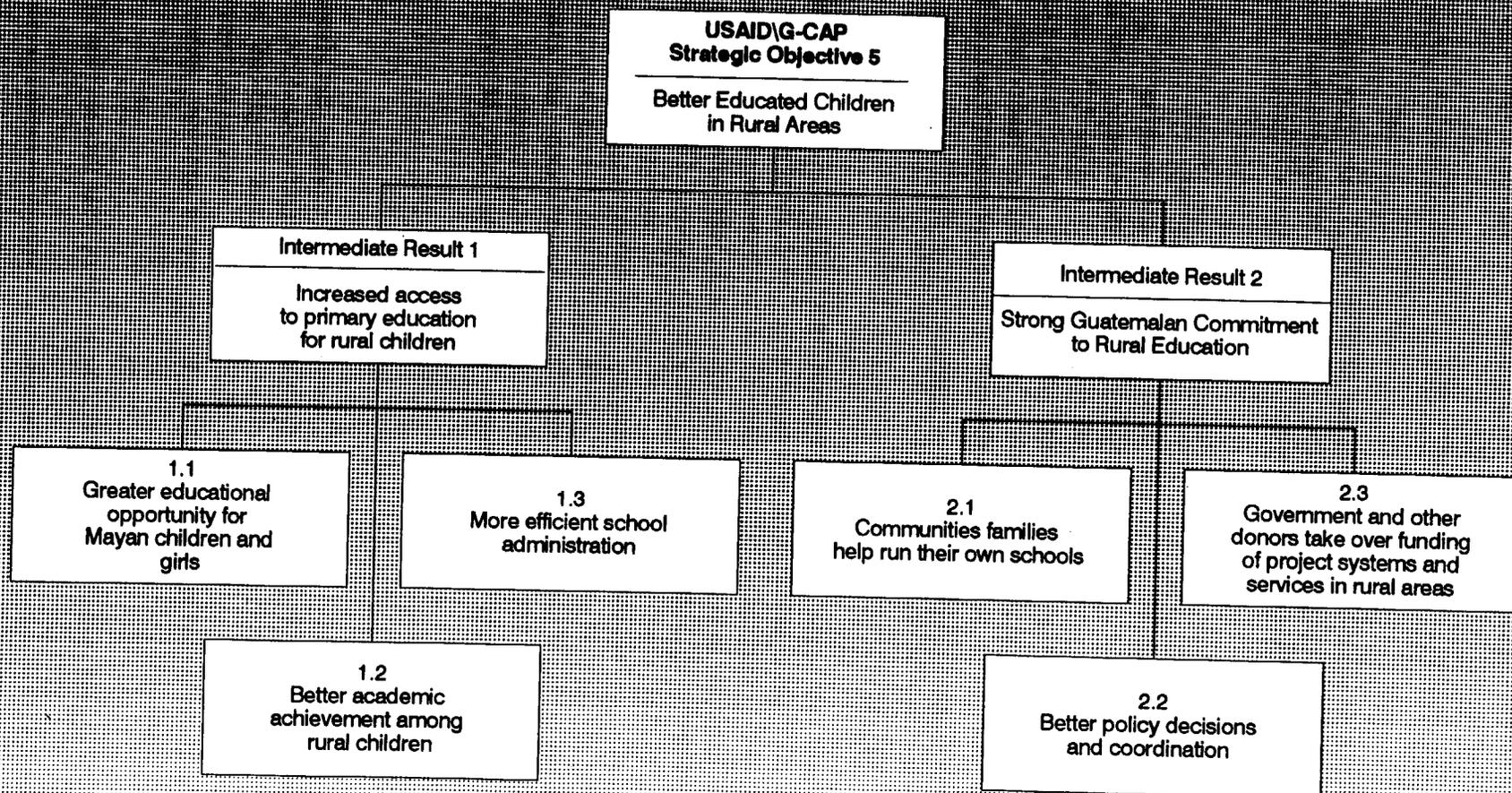
USAID's Trade and Labor Relations Development (TLRD) Project, authorized in FY 1993, provided for \$6 million in technical assistance and a \$3 million cash transfer based on policy reform. Following compliance with the conditions for disbursement, the equivalent of \$2 million in HCOLC was placed in a separate account, and is being used to support modernization efforts of both the Ministry of Labor and the Ministry of Economy. (The balance of \$1 million in HCOLC was placed in USAID's program trust fund.) Under the dollar portion of the TLRD project, we are using a variety of implementing instruments, including contracts for technical assistance and training. These contracts will: strengthen intellectual property rights protection and dismantling of tariff and non-tariff trade barriers to both intra- and extra-regional trade, through support to the Ministry of Economy; and strengthen the protection of workers rights and improve labor management relations, through support for the Labor Ministry's modernization and decentralization.

### **Customer Focus**

As part of the development of GEXPRONT's self-sufficiency strategy, the Mission has supported a customer survey of GEXPRONT's 900 members to determine which services they would like to receive, the cost recovery potential of these services and in general how effective the Association has been in meeting the needs of its members. Based on the results of the survey, GEXPRONT is restructuring and reorienting the services it provides, especially to new and smaller exporters.

**Total Estimated Life-of SO Cost** is \$9 million -- all prior year funds. This SO ends in FY 98.

# Results Framework



## **SO 5: Better Educated Children in Rural Areas**

### **Development Hypothesis - Summary of Results Framework**

The results framework graphically illustrates the causal relationship leading from the two intermediate results to the strategic objective, Better Educated Children in Rural Areas. The table also shows lower level results (LLRs) which demonstrate our approach to achieving the SO.

Increased Access to Primary Education for Rural Children will be achieved through a combination of our three pilot classroom interventions (girls education, bilingual education and the one room school), designed to **expand educational opportunities for Mayan children and girls specifically (LLR1.1) and improved student achievement (LLR1.2)**. The proper assignment of teachers (to improve student/teacher balance and expand bilingual education) and greater use of the management information system in decision making are intended to **improve efficiency in the sector**.

To achieve the second intermediate result, Strong Guatemalan Commitment to Rural Education, USAID/G-CAP has worked closely with other donors in the sector to achieve a common policy dialogue agenda, focused on **increasing GOG resources for the sector and decentralization (LLRs2.2 and 2.3) and greater community empowerment in the education of their children (LLR2.1)**

### **Responsibilities**

Our key partners in this SO are the Ministry of Education, including both teachers and regional and departmental personnel; communities, who as a result of policy reforms are engaged in personnel decisions; FUNDAZUCAR, a local NGO providing matching funds for community schools; the Social Investment Fund (FIS), the Salesian Society and other NGOs replicating USAID pilot interventions in close coordination with USAID; and the Academy for Educational Development, which provides technical assistance in support of all of these activities. Our policy dialogue efforts are involving an increased number of public and private institutions, including local think tanks, such as CIEN which is advocating privatization of educational services along the lines of Chile's reform.

### **Assumptions**

An improvement in the fiscal situation of the GOG, combined with strong commitment of the administration to rural primary education, are fundamental to achieving sustainable national level impact in basic education.

### **Tools and Tactics**

Funds are obligated under this SO through a bilateral agreement with the Ministry of Education.

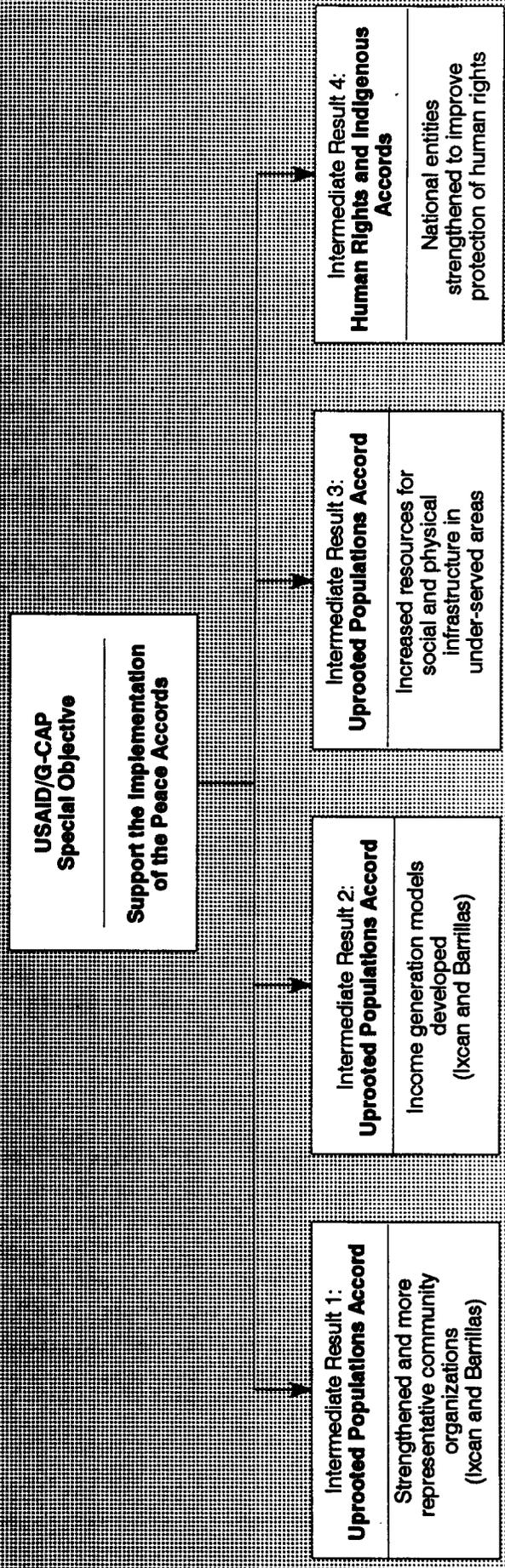
A Cooperative Agreement signed with FUNDAZUCAR supports the girls education program.

An Executive Committee, chaired by the Viceminister of Education, and consisting of the Project Coordination Official, the Regional Education Directors, the Implementing Units' Directors, and USAID/AED meets monthly to discuss problems and their resolution.

#### **Customer Focus**

**Total estimated Life-of-SO cost is \$23 million all in prior year obligated funds (FY 1989 - 1995). An estimate of total funding required for the education component of our new Poverty Alleviation/Social Sector program is being developed based on discussions with partner agencies and customer survey data.**

# Results Framework



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**SPECIAL OBJECTIVE:        SUPPORT THE IMPLEMENTATION OF THE PEACE ACCORDS**

**Development Hypothesis - Summary of Results Framework**

Given the limited amount of resources USAID can bring to bear on the implementation of the Peace Accords, and until we develop a full Strategic Objective to address poverty and national reconciliation in the post-war period, our greatest contribution to implementing the accords to offer our vast experience and proven development models to those who will provide the major resources to finance the peace accords. However, this is a transition strategy leading into the development of a more concrete results-oriented strategic framework which will merge social sector interventions, support to the peace accords, and food assistance into one Strategic Objective to reduce poverty especially in the areas most affected by the armed conflict.

The accords signed on human rights, uprooted populations, and indigenous identity and rights, carry with them an estimated price tag of \$138 million, \$617 million and \$88 million, respectively, to which is added the cost of the demobilization of combatants estimated at \$110 million. Not included in these estimates, and likely to be the most costly, is the socio-economic accord which includes the pernicious land issue.

USAID with its \$4.6 million Guatemala Peace Fund limits its geographic scope and directs its strategy to supporting specific provisions of the signed accords based on the hypothesis that our technical leadership in community-based organizations (IR 1), credit and income generation models (IR 2) and leveraging resources for more social and physical infrastructure investments (IR 3) will provide a starting point for other donors and the GOG to replicate this work as demanded by the commitments made under the accord on uprooted populations. Further to the hypothesis, we hold that the strengthening of national entities related to the human rights area--the courts, the Public Ministry, the OHRO, and the police-- is critical for the full implementation of the human rights accord and the human rights aspects of the accord on indigenous identity and rights.

**Responsibilities**

Our key partners in the activities related to productive sectors and community-based conflict resolution, are the NGO grantees under our Communities in Transition Project --Cooperative Housing Foundation (CHF) and the Canadian Center for Economic Investigation (CECI), local NGOs counterparts of the grantees and ANACAFE. CHF established an office in the frontier town of Cantabal, Ixcán and has surveyed the needs and potential counterparts for productive credit programs and possible ways to get at land issues. CECI likewise established itself in the remote town of Barillas, Huehuetenango and will sign agreements with local NGOs to implement similar type activities in the surrounding Barillas areas.

In building the capacity of national entities to improve the protection of human rights, USAID relies upon the complementary work of MINUGUA institutional strengthening of the Public Ministry and ICITAP in reform and professionalization of the national civilian police force.

### **Critical Assumptions**

USAID makes two critical assumptions: There will be effective donor coordination between the major contributors to assure a consistent direction in international support to the peace process and greater leveraging of GOG and other donor resources. Important to this coordination is the need for all donors to impress on the GOG that Guatemala must assume responsibility for financing its own social investment and national reconciliation program. Our second assumption is that MINUGUA will remain in Guatemala at least through 1997. Without MINUGUA's presence, we would not be able to achieve the fourth Intermediate Result on the strengthening of national entities to improve the protection of human rights.

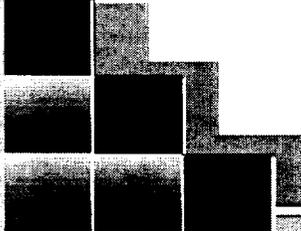
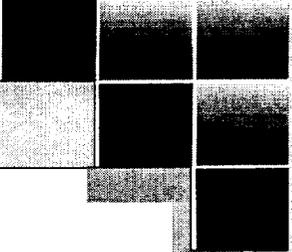
### **Tools and Tactics**

Resources available from the \$4.6 Peace Fund were obligated under two cooperative agreements with CHF and CECI (\$2.85 million) and through agreements with MINUGUA (\$1 million) and ICITAP (\$125,000). A balance of \$625,00 remains available for obligation with ICITAP. Linkages with the Missions other SOs are strong and many of the results expected under these other SOs will contribute to the achievement of our Special Objective. In the next stage, peace activities, social sector interventions and food aid will be merged to form one SO.

### **Customer Focus**

Multi-disciplinary Mission teams completed field assessments in Ixcan and Barillas before designing initiatives in productive sectors and conflict resolution. The Mission had available more than 20 recent studies, evaluations, and surveys from which to draw prior to setting our strategy. Consultations were held with government officials, including the military present in Ixcan and Barillas, local NGOs, private sector representatives, religious leaders and the people living in the communities finally selected. USAID surveyed other donors to assure that we would not duplicate or overlap with others working in our focus areas.

**Total Life of Special Objective Cost** is estimated at \$15.2 million from FY 1995 through FY 1997, only from the Peace Fund.



# *Resource Request*

**RESOURCE REQUEST**

**A. Program Funding Request by Strategic Objective**

The Mission is presenting three separate scenarios with respect to resource availability, the two requested by USAID/W in the R4 guidance message, and one additional scenario developed by the Mission to better illustrate the trade offs between SOs at different funding levels. Our funding scenarios assume the following:

- a. The FY 97 ESF level of \$8 million will support implementation of the final peace accord.
- b. The PL 480 Title II level will remain constant at FY 96 levels of 10.1 million.

(In US \$000s)

Scenario	FY 1996 DA	FY 1997 DA	FY 1997 ESF	FY 1998 DA
1	18,708	OMB = 25,965	8,000	OMB = 25,965
2	18,708	OMB = 25,965	8,000	OMB-10% = 23,370
3	18,708	OMB-30% = 18,700	6,400	OMB-30% = 18,700

The implications of each scenario on the results and implementation of the Mission's SOs follow, with supporting detail provided in Annex 2:

**Scenario 1 (\$25,965 in DA in FY 97 and 98, and \$8,000 in ESF in FY 97)**

In this scenario, our democracy SO1 would receive a total of \$10.438 million in FY 96-98, which would enable us to complete funding for the ongoing judicial reform project in 1997 and initiate follow on activities in 1998, and launch the second phase of our citizen participation initiation, including activities to support citizen participation in local government, political advocacy through CSOs, and legislative modernization.

Our new poverty reduction/social sector SO2 would receive a total of \$50 million, including \$32.805 million in population/health funds, \$7.5 million in basic education, and \$9.695 million in growth/microenterprise. This would enable the Mission to negotiate a social sector SOAG with the Arzu government that would support health, basic education and income generation activities among indigenous communities in formerly conflictive zones, building upon the work of the Communities in Transition Project.

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Our environment SO3 would receive a total of \$10 million, towards a mortgage of \$13 million for the MayaBiosphere project. Assuming that these funds would be available in FY 99, we would scale back the pace of implementation to the lower rate of funding planned in FY 97, but protect all the existing activities in anticipation of a resumption of the normal pace in FY 98. If, on the other hand, out year funding cannot be projected, the reduction of \$3 million in funding for this SO would mean the elimination of at least one more area of concentration in the Reserve and would reduce the level of NGO activities in the other two regions, reducing the people level impact in these areas. The national level policy initiatives would be given priority.

The \$8 million in ESF would be allocated among our democracy and poverty reduction SOs, providing support for justice sector/police reform (\$4 million), for the socio-economic reforms (\$2 million), and for MINUGUA institutional support (\$1 million) and ceasefire/operational accord (\$1 million).

## **Scenario 2**

In this scenario, the bilateral program would be cut 10% in FY 98, reducing support for SO2 in the area of health/population by \$2.595 million. Program activities could be sustained at this level.

## **Scenario 3 (OMB-30% or straightlining of program at FY 96 DA levels):**

Our democracy SO would receive a total of \$8.838 million, including only \$1.4 million in FY 96. While the ESF funding would enable us to fully fund judicial reform, we would be unable to proceed with our expansion of the citizen participation activities in FY 97, postponing their initiation until FY 98 and then limiting them to support for CSOs and a small, scaled back initiative with the Congress.

Our poverty reduction/social sectorSO2 would be reduced to \$39.17 million, requiring us to scale back efforts either geographically or sectorially.

Our environment SO would be reduced to \$6.85 million, jeopardizing our efforts to leave a sustainable institutional structure in the Peten to continue reserve management and sustainable development activities at the conclusion of the ongoing USAID initiative. At this level, we would be forced to virtually eliminate the people level, on-the-ground activities, to ensure attainment of the policy and institutional results, putting at risk our past and present significant accomplishments.

ESF would be reduced to \$6.4 million, reducing the level of support we would provide to MINUGUA, police reform, and the socio-economic accords. Given the limited resources available for police reform from other donors, this reduction could significantly jeopardize the success of an initiative, undermining the peace process and USAID's extensive investment in improved human rights and criminal justice.

**Annex 1**

**ALL RESOURCES TABLE  
USAID/Bilateral Program (520)  
(\$000)**

Funding Category	FY 1996	FY 1997	FY 1998	
		Base	Base	Base - 10%
<b>Development Assist./ ESF/Food Aid</b>				
<b>Economic Growth</b>	<b>5,100</b>	<b>6,100</b>	<b>5,995</b>	<b>5,995</b>
Basic Education	2,500	2,500	2,500	2,500
Microenterprise *	600	1,000	800	800
Other Growth *	2,000	2,600	2,695	2,695
<b>Population/Health</b>	<b>8,570</b>	<b>14,365</b>	<b>9,870</b>	<b>7,275</b>
Population	4,590	7,600	3,870	
Child Survival	3,980	4,365	4,000	
Other Health	0	2,400	2,000	
<b>Environment</b>	<b>1,400</b>	<b>3,500</b>	<b>5,100</b>	<b>5,100</b>
Biodiversity	1,400	0	0	0
Other	0	3,500	5,100	5,100
<b>Democracy *</b>	<b>3,438</b>	<b>2,000</b>	<b>5,000</b>	<b>5,000</b>
<b>ESF</b>		<b>8,000</b>	<b>0</b>	<b>0</b>
<b>PL480:</b>				
<b>Title II</b>	<b>10,100</b>	<b>10,100</b>	<b>10,100</b>	<b>10,100</b>
<b>GRAND TOTAL - DA+ESF</b>	<b>18,508</b>	<b>33,965</b>	<b>25,965</b>	<b>23,370</b>
<b>GRAND TOTAL - Food Aid</b>	<b>10,100</b>	<b>10,100</b>	<b>10,100</b>	<b>10,100</b>

\* FY 96 funds in these accounts may be substituted by ESF, per LAC Bureau Guidance

**Annex 1**

**ALL RESOURCES TABLE - Scenario 3  
USAID/Bilateral Program (520)  
(\$000)**

Funding Category	FY 1996	FY 1997		FY 1998	
		Base	Base - 30%	Base	Base - 30%
<b>Development Assist./ ESF/Food Aid</b>					
<b>Economic Growth</b>	<b>5,100</b>	<b>6,100</b>	<b>4,270</b>	<b>5,995</b>	<b>4,100</b>
Basic Education	2,500	2,500		2,500	2,000
Microenterprise *	600	1,000		800	500
Other Growth *	2,000	2,600		2,695	1,600
<b>Population/Health</b>	<b>8,570</b>	<b>14,365</b>	<b>10,055</b>	<b>9,870</b>	<b>7,075</b>
Population	4,590	7,600		3,870	3,075
Child Survival	3,980	4,365		4,000	3,000
Other Health	0	2,400		2,000	1,000
<b>Environment</b>	<b>1,400</b>	<b>3,500</b>	<b>2,450</b>	<b>5,100</b>	<b>3,000</b>
Biodiversity	1,400	0		0	0
Other	0	3,500		5,100	3,000
<b>Democracy *</b>	<b>3,438</b>	<b>2,000</b>	<b>1,400</b>	<b>5,000</b>	<b>4,000</b>
<b>ESF</b>		<b>8,000</b>	<b>6,400</b>	<b>0</b>	<b>0</b>
<b>PL480:</b>					
<b>Title II</b>	<b>10,100</b>	<b>10,100</b>	<b>10,100</b>	<b>10,100</b>	<b>10,100</b>
<b>GRAND TOTAL - DA + ESF</b>	<b>18,508</b>	<b>33,965</b>	<b>24,575</b>	<b>25,965</b>	<b>18,175</b>
<b>GRAND TOTAL - Food Aid</b>	<b>10,100</b>	<b>10,100</b>	<b>10,100</b>	<b>10,100</b>	<b>10,100</b>

\* FY 96 funds in these accounts may be substituted by ESF, per LAC Bureau Guidance

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**Annex 2**

**FUNDING BY S.O. - Bureau Scenario  
USAID/Bilateral Program (520)  
(\$000)**

Funding Category	FY 1996*	FY 1997	FY 1998		Total (Base)
			Base	Base - 10%	
<b>Development Assist./ ESF/Food Aid</b>					
<b>Democracy</b>	3,438	2,000	5,000	5,000	10,438
<b>Environment</b>	1,400	3,500	5,100	5,100	10,000
<b>New S.O. Social Sector/     Poverty Reduction</b>					
DA	13,670	20,465	15,865	13,270	50,000
Food Aid - PL 480	10,100	10,100	10,100	10,100	30,300
<b>Peace</b>	0	8,000	0	0	8,000
<b>GRAND TOTAL - DA</b>	18,508	25,965	25,965	23,370	70,438
<b>GRAND TOTAL - ESF</b>	0	8,000	0	0	8,000
<b>GRAND TOTAL - Food A</b>	10,100	10,100	10,100	10,100	30,300

\* FY 96 funds in these accounts may be substituted by ESF, per LAC Bureau Guidance

**Annex 2**

**FUNDING BY S.O. - USAID Scenario 3  
USAID/Bilateral Program (520)  
(\$000)**

Funding Category	FY 1996*	FY 1997	FY 1998	Total
		Base - 30%	Base - 30%	
<b>Development Assist/ ESF/Food Aid</b>				
Democracy	3,438	1,400	4,000	8,838
Environment	1,400	2,450	3,000	6,850
<b>New S.O. Social Sector/     Poverty Reduction</b>				
DA	13,670	14,325	11,175	39,170
Food Aid - PL 480	10,100	10,100	10,100	30,300
Peace	0	6,400	0	6,400
<b>GRAND TOTAL - DA</b>	18,508	18,175	18,175	54,858
<b>GRAND TOTAL - ESF</b>	0	6,400	0	6,400
<b>GRAND TOTAL - Food</b>	10,100	10,100	10,100	30,300

\* FY 96 funds in these accounts may be substituted by ESF, per LAC Bureau Guidance

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## B. Operating Expenses and Staffing

**Summary:** The Mission will "make do" with the 2% reduction planning figure for FY 1997, despite inflation and maintenance of operations at the same basic current level. The FY 1998 budget is at a level less than that of FY 1997, but not yet within the 2% reduction planning figure for FY 1998. However, the Mission will continue to look for ways to operate less expensively.

**Cost Saving Measures:** The Mission continues to take measures which allow it to operate within the planning figure of \$3,828,000 for FY 1997. Among these is the reduction of both USDH and FSN personnel. In 1990, total mission staffing was 347; by 1998, we expect it to be 137 -- a reduction of 210 positions. Managing this massive downsizing continues to challenge us. For operating expense funded staffing, the reader will note the continuing reductions in levels planned for the near future:

Fiscal Year	OE Funded USDH	OE Funded FSN
1994	22	157
1995	21	120
1996	17	113
1997	16	97
1998	14	96

The Mission makes these cuts by working more efficiently and empowering its employees. The various program scenarios for the future described in the preceding section require us to maintain operations at the same basic current level. But, over the last several months, cognizant of the looming operating expense crisis, we have carefully reviewed every position and taken measures to cut our staff to the greatest extent without increasing vulnerability.

The Mission has taken other important actions to reduce costs, including the deleasing of office space brought about by reduced staffing levels described above, consolidation of work areas, and establishment of the policy to move program-funded USPSCs into the offices of our partners. Note the virtually unchanged cost for office rent for 1998 compared to 1996, despite a 6% escalation clause in our rental agreement. We have also reduced rental costs by renegotiating our warehouse lease just this month, dropping the escalation clause from 15% to 5%, resulting in a significant cost savings.

Travel is an important part of our Guatemala local and regional program. Staff must carefully justify every trip and consolidated travel when possible, yielding a cut in site visit costs budgeted for 1997 and 1998 compared to 1996.

Holding costs to an absolute minimum has forced us to suspend our orderly and prudent NXP procurement plans which would have gradually replaced worn out property and equipment. We have budgeted only NXP required on an urgent basis. FY 1998 NXP is budgeted at a very low \$25,000. We hope to take advantage of excess property available arising from mission closings worldwide.

**Trust Funds:** The Mission expects that ESF will be programmed in the future. However, since these funds will be projectized, they will not generate local currency and deposits to the Mission's administrative costs Trust Fund, as in the past. Based on planned Trust Fund expenditure rates and interest earned, we expect the Trust Fund to be depleted in mid-1999.

**Significant Changes In Line Items:**

- 11.1 Base Pay FNDH: decrease in 1997 due to position eliminations.
- 11.8 USPSC Salaries: decrease in 1998 due to elimination of the only USPSC position which is OE funded.
- 12.1 Educational Allowances: increase in 1998 due to large turnover in USDH staff and expected changes in family makeup.
- 12.1 Other Misc. USDH Benefits: increase in 1998 due to large turnover in USDH staff.
- 13.0 Severance Payments FNDH/FNPSCs: decrease in 1997/98 due to fewer expected position eliminations.
- 21.0 Post Assignment Travel and 22.0 Post Assignment/Home Leave Freight: increase in 1998 due to large turnover in USDH staff.
- 21.0 Site Visits-Mission Personnel: decrease in 1997/98, see above.
- 23.2 Rental Payments-Office Space/Warehouse: see above.
- 23.3 Office Utilities: increase in 1997 due to expectation of large rate increase.
- 25.4 Office Building Maintenance: decrease in 1997 due to high relocation of office costs in 1996 in order to delease two floors (see above).
- 31. Equipment: decrease in 1997/98, see above.

**Assumptions and Special Notes:** Under O.C. 25.3, ICASS/FAAS, nothing is budgeted since, unlike in past years' presentations, there is no capability to subtract this cost. We estimate that FAAS for 1997 will approximate \$60,000. There are no funds budgeted for Agency-wide USDH RIFs. Nor are funds budgeted for the possible relocation of support offices such as the RLA or Contract Offices. No funds are budgeted for IDIs. If an IDI is assigned, we assume that the related costs will be provided to the Mission for FYs 1996, 1997 and 1998.

Org. Title USAID/G-CAP  
 Org. No. 520  
 OC

	Overseas Mission Budgets								
	FY 96			FY 97			FY 98		
	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
11.1 Personnel compensation, full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.1 Base Pay & pymt. for annual leave balances - FNDH		215.4	215.4		151.5	151.5		158.1	158.1
Subtotal OC 11.1	0.0	215.4	215.4	0.0	151.5	151.5	0.0	158.1	158.1
11.3 Personnel comp. - other than full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.3 Base Pay & pymt. for annual leave balances - FNDH		0.0	0.0		0.0	0.0		0.0	0.0
Subtotal OC 11.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11.5 Other personnel compensation	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.5 USDH			0.0			0.0			0.0
11.5 FNDH		4.6	4.6		5.0	5.0		5.4	5.4
Subtotal OC 11.5	0.0	4.6	4.6	0.0	5.0	5.0	0.0	5.4	5.4
11.8 Special personal services payments	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.8 USpsc Salaries	47.4		47.4	50.0		50.0	0.0		0.0
11.8 FN PSC Salaries		1,095.8	1,095.8		1,108.8	1,108.8		1,121.3	1,121.3
11.8 IPA/Details-In/PASAs/RSSAs Salaries			0.0			0.0			0.0
Subtotal OC 11.8	47.4	1,095.8	1,143.2	50.0	1,108.8	1,158.8	0.0	1,121.3	1,121.3
12.1 Personnel benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1 USDH benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1 Educational Allowances	135.5		135.5	156.5		156.5	178.0		178.0
12.1 Cost of Living Allowances	0.0		0.0	0.0		0.0	0.0		0.0
12.1 Home Service Transfer Allowances	0.0		0.0	0.0		0.0	0.0		0.0
12.1 Quarters Allowances	313.7		313.7	329.9		329.9	296.0		296.0
12.1 Other Misc. USDH Benefits	12.5		12.5	9.4		9.4	18.8		18.8
12.1 FNDH Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1 Payments to the FSN Separation Fund - FNDH		7.9	7.9		4.8	4.8		7.7	7.7
12.1 Other FNDH Benefits	27.1	61.7	88.8	20.7	49.3	70.0	8.8	46.4	55.2
12.1 US PSC Benefits			0.0			0.0			0.0
12.1 FN PSC Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1 Payments to the FSN Separation Fund - FN PSC		30.8	30.8		35.2	35.2		46.7	46.7
12.1 Other FN PSC Benefits		485.2	485.2		491.7	491.7		508.2	508.2
12.1 IPA/Detail-In/PASA/RSSA Benefits			0.0			0.0			0.0
Subtotal OC 12.1	488.8	585.6	1,074.4	516.5	581.0	1,097.5	501.6	609.0	1,110.6

OPERATING EXPENSE BUDGET REQUEST

Org. Title USAID/G-CAP  
 Org. No. 520  
 OC

	Overseas Mission Budgets								
	FY 96			FY 97			FY 98		
	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
13.0 Benefits for former personnel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0 FNDH	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0 Severance Payments for FNDH		15.3	15.3			0.0			0.0
13.0 Other Benefits for Former Personnel - FNDH			0.0			0.0			0.0
13.0 FN PSCs	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0 Severance Payments for FN PSCs		59.9	59.9		0.0	0.0		0.0	0.0
13.0 Other Benefits for Former Personnel - FN PSCs									
<b>Subtotal OC 13.0</b>	0.0	75.2	75.2	0.0	0.0	0.0	0.0	0.0	0.0
21.0 Travel and transportation of persons	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0 Training Travel	10.0		10.0	20.0		20.0	10.0		10.0
21.0 Mandatory/Statutory Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0 Post Assignment Travel - to field	3.0		3.0	6.0		6.0	12.0		12.0
21.0 Assignment to Washington Travel	0.0		0.0	0.0		0.0	0.0		0.0
21.0 Home Leave Travel	9.8		9.8	35.8		35.8	19.4		19.4
21.0 R & R Travel	17.4		17.4	12.6		12.6	15.5		15.5
21.0 Education Travel	5.9		5.9	4.5		4.5	2.7		2.7
21.0 Evacuation Travel	14.1		14.1	5.0		5.0	5.0		5.0
21.0 Retirement Travel	15.0		15.0	0.0		0.0	0.0		0.0
21.0 Pre-Employment Invitational Travel	0.0		0.0	0.0		0.0	0.0		0.0
21.0 Other Mandatory/Statutory Travel	0.0		0.0	0.0		0.0	0.0		0.0
21.0 Operational Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0 Site Visits - Headquarters Personnel	0.0		0.0	5.0		5.0	0.0		0.0
21.0 Site Visits - Mission Personnel	44.1	25.9	70.0	40.2	19.8	60.0	40.2	19.8	60.0
21.0 Conferences/Seminars/Meetings/Retreats	10.8		10.8	23.7		23.7	23.8		23.8
21.0 Assessment Travel	0.0		0.0	0.0		0.0	0.0		0.0
21.0 Impact Evaluation Travel	0.0		0.0	0.0		0.0	0.0		0.0
21.0 Disaster Travel (to respond to specific disasters)	0.0		0.0	0.0		0.0	0.0		0.0
21.0 Recruitment Travel	0.0		0.0	0.0		0.0	0.0		0.0
21.0 Other Operational Travel	0.0		0.0	0.0		0.0	0.0		0.0
<b>Subtotal OC 21.0</b>	130.1	25.9	156.0	152.8	19.8	172.6	128.6	19.8	148.4
22.0 Transportation of things	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
22.0 Post assignment freight	18.0		18.0	36.0		36.0	72.0		72.0
22.0 Home Leave Freight	19.0		19.0	75.6		75.6	105.5		105.5
22.0 Retirement Freight	18.0		18.0	0.0		0.0	0.0		0.0
22.0 Transportation/Freight for Office Furniture/Equip.	15.0		15.0	7.0		7.0	6.6		6.6

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22.0 Transportation/Freight for Res. Furniture/Equip.

**Subtotal OC 22.0**

23.2 Rental payments to others

23.2 Rental Payments to Others - Office Space

23.2 Rental Payments to Others - Warehouse Space

23.2 Rental Payments to Others - Residences

**Subtotal OC 23.2**

23.3 Communications, utilities, and miscellaneous charges

23.3 Office Utilities

23.3 Residential Utilities

23.3 Telephone Costs

23.3 ADP Software Leases

23.3 ADP Hardware Lease

23.3 Commercial Time Sharing

23.3 Postal Fees (Other than APO Mail)

23.3 Other Mail Service Costs

23.3 Courier Services

**Subtotal OC 23.3**

24.0 Printing and Reproduction

**Subtotal OC 24.0**

25.1 Advisory and assistance services

25.1 Studies, Analyses, & Evaluations

25.1 Management & Professional Support Services

25.1 Engineering & Technical Services

**Subtotal OC 25.1**

25.2 Other services

25.2 Office Security Guards

25.2 Residential Security Guard Services

25.2 Official Residential Expenses

25.2 Representation Allowances

25.2 Non-Federal Audits

25.2 Grievances/Investigations

			Overseas Mission Budgets								
			FY 96			FY 97			FY 98		
			Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
22.0	Transportation/Freight for Res. Furniture/Equip.		0.0		0.0	0.0		0.0	0.0		0.0
	<b>Subtotal OC 22.0</b>		70.0	0.0	70.0	118.6	0.0	118.6	184.1	0.0	184.1
23.2	Rental payments to others		Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.2	Rental Payments to Others - Office Space		362.7	26.0	388.7	414.2		414.2	389.4		389.4
23.2	Rental Payments to Others - Warehouse Space		43.0	0.0	43.0	46.3		46.3	48.6		48.6
23.2	Rental Payments to Others - Residences		23.5	0.0	23.5	24.0		24.0	24.0		24.0
	<b>Subtotal OC 23.2</b>		429.2	26.0	455.2	484.5	0.0	484.5	462.0	0.0	462.0
23.3	Communications, utilities, and miscellaneous charges		Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.3	Office Utilities			124.1	124.1	0.0	159.1	159.1	0.0	168.8	168.8
23.3	Residential Utilities		19.7		19.7	0.0	19.3	19.3	17.9		17.9
23.3	Telephone Costs		36.0	63.3	99.3	41.4	73.4	114.8	40.3	72.2	112.5
23.3	ADP Software Leases		8.9		8.9	8.9		8.9	9.6		9.6
23.3	ADP Hardware Lease		2.4		2.4	2.4		2.4	2.5		2.5
23.3	Commercial Time Sharing		0.0		0.0	0.0		0.0	0.0		0.0
23.3	Postal Fees (Other than APO Mail)		0.0		0.0	0.0		0.0	0.0		0.0
23.3	Other Mail Service Costs		0.0		0.0	0.0		0.0	0.0		0.0
23.3	Courier Services		7.5		7.5	8.6		8.6	9.3		9.3
	<b>Subtotal OC 23.3</b>		74.5	187.4	261.9	61.3	251.8	313.1	79.6	241.0	320.6
24.0	Printing and Reproduction		0.4		0.4	0.4		0.4	0.4		0.4
	<b>Subtotal OC 24.0</b>		0.4	0.0	0.4	0.4	0.0	0.4	0.4	0.0	0.4
25.1	Advisory and assistance services		Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.1	Studies, Analyses, & Evaluations		1.0		1.0	1.0		1.0	1.1		1.1
25.1	Management & Professional Support Services		0.0		0.0	0.0		0.0	0.0		0.0
25.1	Engineering & Technical Services		0.0		0.0	0.0		0.0	0.0		0.0
	<b>Subtotal OC 25.1</b>		1.0	0.0	1.0	1.0	0.0	1.0	1.1	0.0	1.1
25.2	Other services		Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.2	Office Security Guards		6.1	50.7	56.8	0.0	44.8	44.8	0.0	48.6	48.6
25.2	Residential Security Guard Services		30.0		30.0	30.0		30.0	30.0		30.0
25.2	Official Residential Expenses		0.0		0.0	0.0		0.0	0.0		0.0
25.2	Representation Allowances		1.4		1.4	0.8		0.8	0.8		0.8
25.2	Non-Federal Audits		0.0		0.0	0.0		0.0	0.0		0.0
25.2	Grievances/Investigations		0.0		0.0	0.0		0.0	0.0		0.0

OPERATING EXPENSE BUDGET REQUEST

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 OC

31.0 Purchase of Residential Furniture/Equip.  
 31.0 Purchase of Office Furniture/Equip.  
 31.0 Purchase of Vehicles  
 31.0 Purchase of Printing/Graphics Equipment  
 31.0 ADP Hardware purchases  
     **Subtotal OC 31.0**  
 32.0 **Lands and structures**  
 32.0 Purchase of Land & Buildings (& construction of bldgs.)  
 32.0 Purchase of fixed equipment for buildings  
 32.0 Building Renovations/Alterations - Office  
 32.0 Building Renovations/Alterations - Residential  
     **Subtotal OC 32.0**  
 42.0 **Claims and indemnities**  
     **Subtotal OC 42.0**  
     **TOTAL BUDGET**

Overseas Mission Budgets								
FY 96			FY 97			FY 98		
Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
16.5		16.5	7.5	9.0	16.5	5.0		5.0
13.4		13.4	0.0	13.4	13.4	5.0		5.0
90.0		90.0	0.0		0.0	0.0		0.0
		0.0	0.0		0.0	0.0		0.0
32.1		32.1	0.0	46.6	46.6	15.0		15.0
152.0	0.0	152.0	7.5	69.0	76.5	25.0	0.0	25.0
Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
0.0		0.0	0.0		0.0	0.0		0.0
0.0		0.0	0.0		0.0	0.0		0.0
0.0		0.0	0.0		0.0	0.0		0.0
0.0		0.0	0.0		0.0	0.0		0.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0		0.0	0.0		0.0	0.0		0.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1,550.6	2,355.5	3,906.1	1,519.6	2,308.4	3,828.0	1,530.8	2,263.0	3,793.8

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- 25.2 Insurance and Vehicle Registration Fees
- 25.2 Vehicle Rental
- 25.2 Manpower Contracts
- 25.2 Records Declassification & Other Records Services
- 25.2 Recruiting activities
- 25.2 Penalty Interest Payments
- 25.2 Other Miscellaneous Services
- 25.2 Staff training contracts
- 25.2 ADP related contracts

**Subtotal OC 25.2**

- 25.3 Purchase of goods and services from Government accounts
- 25.3 FAAS/ICASS
- 25.3 All Other Services from Other Gov't. accounts

**Subtotal OC 25.3**

- 25.4 Operation and maintenance of facilities
- 25.4 Office building Maintenance
- 25.4 Residential Building Maintenance

**Subtotal OC 25.4**

- 25.7 Operation/maintenance of equipment & storage of goods
- 25.7 ADP and telephone operation and maintenance costs
- 25.7 Storage Services
- 25.7 Office Furniture/Equip. Repair and Maintenance
- 25.7 Vehicle Repair and Maintenance
- 25.7 Residential Furniture/Equip. Repair and Maintenance

**Subtotal OC 25.7**

- 25.8 Subsistence and support of persons (by contract or Gov't.)

**Subtotal OC 25.8**

- 26.0 Supplies and materials

**Subtotal OC 26.0**

- 31.0 Equipment

	Overseas Mission Budgets								
	FY 96			FY 97			FY 98		
	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
25.2 Insurance and Vehicle Registration Fees	0.0		0.0	0.0		0.0	0.0		0.0
25.2 Vehicle Rental	0.0		0.0	0.0		0.0	0.0		0.0
25.2 Manpower Contracts	0.0		0.0	0.0		0.0	0.0		0.0
25.2 Records Declassification & Other Records Services	0.0		0.0	0.0		0.0	0.0		0.0
25.2 Recruiting activities	0.0		0.0	0.0		0.0	0.0		0.0
25.2 Penalty Interest Payments	0.0		0.0	0.0		0.0	0.0		0.0
25.2 Other Miscellaneous Services	4.9	9.8	14.7	1.9	20.3	22.2	8.9	13.9	22.8
25.2 Staff training contracts	0.0	20.1	20.1	0.0	5.1	5.1	0.0	5.5	5.5
25.2 ADP related contracts	0.0		0.0	0.0		0.0	0.0		0.0
<b>Subtotal OC 25.2</b>	<b>42.4</b>	<b>80.6</b>	<b>123.0</b>	<b>32.7</b>	<b>70.2</b>	<b>102.9</b>	<b>39.7</b>	<b>68.0</b>	<b>107.7</b>
25.3 Purchase of goods and services from Government accounts	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.3 FAAS/ICASS			0.0			0.0			0.0
25.3 All Other Services from Other Gov't. accounts			0.0			0.0			0.0
<b>Subtotal OC 25.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
25.4 Operation and maintenance of facilities	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.4 Office building Maintenance	2.8	31.4	34.2	7.0	8.9	15.9	7.6	9.6	17.2
25.4 Residential Building Maintenance	1.0	0.2	1.2	0.5	0.0	0.5	0.6	0.0	0.6
<b>Subtotal OC 25.4</b>	<b>3.8</b>	<b>31.6</b>	<b>35.4</b>	<b>7.5</b>	<b>8.9</b>	<b>16.4</b>	<b>8.2</b>	<b>9.6</b>	<b>17.8</b>
25.7 Operation/maintenance of equipment & storage of goods	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.7 ADP and telephone operation and maintenance costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25.7 Storage Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
25.7 Office Furniture/Equip. Repair and Maintenance	32.6	21.3	53.9	18.7	28.7	47.4	26.3	24.8	51.1
25.7 Vehicle Repair and Maintenance	2.5	2.5	5.0	0.0	4.3	4.3	0.0	4.6	4.6
25.7 Residential Furniture/Equip. Repair and Maintenance	8.1	0.0	8.1	0.0	8.1	8.1	8.1	0.0	8.1
<b>Subtotal OC 25.7</b>	<b>43.2</b>	<b>23.8</b>	<b>67.0</b>	<b>18.7</b>	<b>41.1</b>	<b>59.8</b>	<b>34.4</b>	<b>29.4</b>	<b>63.8</b>
25.8 Subsistence and support of persons (by contract or Gov't.)			0.0			0.0			0.0
<b>Subtotal OC 25.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
26.0 Supplies and materials	67.8	3.6	71.4	68.1	1.3	69.4	66.1	1.4	67.5
<b>Subtotal OC 26.0</b>	<b>67.8</b>	<b>3.6</b>	<b>71.4</b>	<b>68.1</b>	<b>1.3</b>	<b>69.4</b>	<b>66.1</b>	<b>1.4</b>	<b>67.5</b>
31.0 Equipment	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		

**Trust Funds & FSN Separation Fund**

Orgno.                    520  
 Org. Title                USAID/G-CAP

**Foreign National Voluntary Separation Account**

Action	FY 96			FY 97			FY 98		
	OE	Program	Total	OE	Program	Total	OE	Program	Total
Deposits	38.7	3.2	41.9	40.0	9.2	49.2	48.3	10.3	58.6
Withdrawals	82.1	11.6	93.7	0.0	0.0	0.0	6.8		6.8

**Local Currency Trust Funds - Regular**

	FY 96	FY 97	FY 98
Balance Start of Year	6,473.1	4,857.6	2,969.2
Obligations	2,355.5	2,308.4	2,263.0
Deposits	740.0	420.0	95.0
Balance End of Year	4,857.6	2,969.2	801.2

**Local Currency Trust Funds - Real Property**

	FY 96	FY 97	FY 98
Balance Start of Year		0.0	0.0
Obligations			
Deposits			
Balance End of Year	0.0	0.0	0.0

FY 96/97 Workforce Ceilings

Orgno.  
Org. Title

520  
USAID/G-CAP

WORKFORCE SCHEDULE

Funding Source	FY 96					FY 97					FY 98				
	USDH	US PSC	FNDH	FN PSC	Total	USDH	US PSC	FNDH	FN PSC	Total	USDH	US PSC	FNDH	FN PSC	Total
Operating Expenses	17	0			17	16	1			17	14	0			14
Trust Funds			12	102	114			8	89	97			8	88	96
<b>Subtotal</b>	<b>17</b>	<b>0</b>	<b>12</b>	<b>102</b>	<b>131</b>	<b>16</b>	<b>1</b>	<b>8</b>	<b>89</b>	<b>114</b>	<b>14</b>	<b>0</b>	<b>8</b>	<b>88</b>	<b>110</b>
Program Funds	0	2	0	23	25	0	2	0	25	27	0	2	0	25	27
<b>Total</b>	<b>17</b>	<b>2</b>	<b>12</b>	<b>125</b>	<b>156</b>	<b>16</b>	<b>3</b>	<b>8</b>	<b>114</b>	<b>141</b>	<b>14</b>	<b>2</b>	<b>8</b>	<b>113</b>	<b>137</b>

Funding Source	FY 99					FY 00					FY 01				
	USDH	US PSC	FNDH	FN PSC	Total	USDH	US PSC	FNDH	FN PSC	Total	USDH	US PSC	FNDH	FN PSC	Total
Operating Expenses	14	0			14	14	0			14	14	0			14
Trust Funds			8	88	96			8	88	96			8	88	96
<b>Subtotal</b>	<b>14</b>	<b>0</b>	<b>8</b>	<b>88</b>	<b>110</b>	<b>14</b>	<b>0</b>	<b>8</b>	<b>88</b>	<b>110</b>	<b>14</b>	<b>0</b>	<b>8</b>	<b>88</b>	<b>110</b>
Program Funds	0	2	0	25	27	0	2	0	25	27	0	2	0	25	27
<b>Total</b>	<b>14</b>	<b>2</b>	<b>8</b>	<b>113</b>	<b>137</b>	<b>14</b>	<b>2</b>	<b>8</b>	<b>113</b>	<b>137</b>	<b>14</b>	<b>2</b>	<b>8</b>	<b>113</b>	<b>137</b>

FNDH and FN PSC includes both host country and third country nationals.

**TABLE 4**

<b>CENTRALLY AND REGIONALLY FUNDED PROJECTS IN G/CAP BY STRATEGIC OBJECTIVE</b>					
<b>PROJECT NUMBER</b>	<b>PROJECT NAME</b>	<b>CATE-GORY*</b>	<b>1996 FUNDING</b>	<b>PART OF MISSION RESULTS PACKAGE</b>	<b>COMMENTS/STATUS</b>
			<b>MISSION MECHANISMS**</b>		
936-3038	Central Contraceptive Procurement	A	OYB Transfer	Yes	Ongoing
936-3030	INOPAL III	A	Buy-in/OYB	Yes	Ongoing
936-3055	Family Planning Management Development	A	OYB Transfer	Yes	Ongoing
936-3051	Contraceptive Social Marketing	C	Buy-in	No	Ongoing
936-3038	Family Planning Logistics Management	A	OYB Transfer	Yes	Ongoing
036-3069	JHPIEGO	A	Buy-in (FY93)	Yes	Ongoing
936-3068	AVSC	A	Buy-in (FY93)	Yes	Ongoing
936-3023	DHS	A	Buy-in (FY94)	Yes	Ongoing

**TABLE 4**

<b>CENTRALLY AND REGIONALLY FUNDED PROJECTS IN G/CAP BY STRATEGIC OBJECTIVE</b>					
<b>PROJECT NUMBER</b>	<b>PROJECT NAME</b>	<b>CATE-GORY*</b>	<b>1996 FUNDING</b>	<b>PART OF MISSION RESULTS PACKAGE</b>	<b>COMMENTS/STATUS</b>
			<b>MISSION MECHANISMS**</b>		
936-3078	Policy Project	A	OYB Transfer	Yes	Ongoing
936-3024	Pop Tech.	A	OYB Transfer	Yes	Ongoing
936-5966.07	Mother Care II	A	Buy-in/OYB	Yes	Ongoing
936-6006.01	BASICS	A	OYB Transfer	Yes	Ongoing
936-5994.01	Environmental Health Project	C	Buy-in/OYB	No	Ongoing
936-5974.07	Initiatives	A	Buy-in/OYB	Yes	Ongoing
598-0791	RTAC.II	C	Other	No	PACD will be August 22, 1996
936-0583	IEQ	B	Buy-in	No	
<b>Regional Programs</b>					
940-1008	Mayors Conference and Solid Waste Workshop	A	OYB transfer from G/ENV/UP	Yes	Yes
	WRI	A	Buy-in	Yes	Intermediate Result No. 1

- \* A. Supports Mission SO and is within Mission capacity to manage.  
 B. Supports Mission SO but is beyond Mission capacity to manage.  
 C. Does not support Mission SO.

\*\* Buy-in, OYB Transfer, None, Other.

\*\*\* Project Number, EX-G, G Research, Other. This column identifies source for 1996.

**TABLE 2.1: STRATEGIC OBJECTIVE PERFORMANCE**

Guatemala				
<b>USAID STRATEGIC OBJECTIVE NO. 1 More Effective and Participatory Democracy</b>				
Indicator: Public confidence in key democratic institutions and processes				
Unit: Percentage of positive responses in DIMS on the System Support Index, composed of Courts, Elections Tribunal, Public Offices, Congress, Human Rights, and Political Parties		Year	Planned	Actual
Source: Democratic Indicators Monitoring Survey (DIMS) <sup>1</sup>	Baseline	1993	-----	40%
Comments: Given the number of political upheavals experienced in the two years between the first and second surveys (i.e. an attempted auto coup of ex President Serrano in 1993, a national referendum to purge a corrupt and discredited Congress and Supreme Court, off cycle elections to replace the Congress after a public vote of no-confidence, the creation of a new Public Ministry and a rapidly rising crime rate) stability was as much as we had hoped to see on this score. The target was met and only a modest (i.e. 2%) change is predicted for 1997.		1995	40-42%	40%
	Target	1997	42-44%	
Indicator: Individual free expression and participation				
Unit: Percentage of positive ratings in DIMS on the following items: 1. Democratic liberties Index Component Indices: A. Extensive Participation B. Tolerance		Year	Planned	Actual
Source: (DIMS) <sup>1</sup>	Baseline	1993	-----	1. 55% A. 66% B. 44%
Comments: The 1993 baseline and targets were recalculated for comparison purposes with 1995 due to the inadvertant omission of three questions in the 1995 survey that related to "opposition to the Supression of Democratic Liberties" and are therefore different than those reported in last year's M&E table.  The reported increase in tolerance levels (B) is considered significant and a very positive sign for a deepening of a democratic culture. See R4 narrative for ethnic dissaggregation which provides even more encouraging news.		1995	1. 53-57% A. 64-68% B. 42-46%	57% 65% 49%
	Target	1997	1. 59% A. 67% B. 51%	

<sup>1</sup> The Democratic Indicator Monitoring Survey (DIMS) is conducted on a bi-annual basis. The baseline was established through the first survey in 1993. No targets are planned for interim years.

INTERMEDIATE RESULT NO. 1.1 More Responsive Criminal Justice System				
Indicator: Due process under the law				
Unit: Percentage of favorable ratings in DIMS on the following: 1. Defense of human rights by judges 2. Treatment of public by judges and judicial employees 3. Judicial institutions helps resolve the country's problems 4. Courts favor rich & powerful (favorable rating is a "no" response) 5. Courts work rapidly		Year	Planned	Actual
Source: DIMS	Baseline	1993		1. 61.3% 2. 30.3% 3. 9.8% 4. 7.5% 5. 7.2%
Comments: Baseline figures have been adjusted to correct error discovered in the reporting of 1993 data. 1995 targets were recalculated accordingly. This indicator has been dropped from the SO level and is now reported at the intermediate result level. We will also collect data from those geographic areas that serves as project "focus centers" to compare against the national sample. 1997 target recalculated base on 1997 target 1995 actual.		1995	1. 64% 2. 35% 3. 15% 4. 12% 5. 12%	1. 50.1% 2. 28.7% 3. 8.4% 4. 8.8% 5. 10.3%
	Target	1997	1. 52% 2. 31% 3. 11% 4. 12% 5. 12%	
Indicator: Coverage oral trial proceedings				
Unit: Percentage departments holding oral trials		Year	Planned	Actual
Source: Public Ministry	Baseline	1993	-----	0
Comments: - The project's original target was 50% coverage of oral trial proceedings nationwide by 1997. The 1995 target of 10% coverage was greatly surpassed, as in all but 2 of Guatemala's 20 Departments oral trials had been conducted by the end of 1995. By this measure, actual coverage comes to 78%. However, this "geographic" measure is not considered a reliable one, since it only counts whether oral trial procedures have been introduced, and thus presents an incomplete picture of the full breadth of the Code's effect. Indeed, calculating percentages on the basis of Departments, in which the number of trials held varied between 1 and 17, leads to the conclusion that the vague coverage indicator should be replaced by others which gauge access to and quality of criminal justice. It is precisely this approach we are adopting as we reengineer our framework and corresponding monitoring and evaluation plan.		1994	0	0
		1995	10%	78%
	Target	1996	25%	
	Target	1997	50%	

<b>Indicator: Prosecutors/investigators using improved techniques</b>				
<b>Unit: Percentage of Guatemala's Departments where new procedures are being applied by project-trained personnel.</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: Public Ministry</b>	<b>Baseline</b>	1993	---	0
<b>Comments: This indicator is directly linked to that of oral trial coverage. The 1995 target of 10% was surpassed as prosecutors in 18 Departments overall, i.e. 78% of the total, had applied their newly developed skills in oral trials.</b>		1994	0	0
		1995	10%	78%
	<b>Target</b>	1996	25%	
	<b>Target</b>	1997	50%	
<b><sup>2</sup>Indicator: Coverage legal defenders program nationwide</b>				
<b>Unit: Percentage of Departments with Public Defenders</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: Judicial Branch</b>	<b>Baseline</b>	1993	---	0
<b>Comments: The target of 50% coverage of Public Defense program nationwide by 1997 was easily surpassed at 86%. Public Defense is a new program which is sorely lacking the necessary human resources to make it function effectively. While this figure exceeds our targets, it is provided by the Chief Public Defender who reports that only 3 Departments currently lack Public Defenders. The figure, although impressive at face value, masks the serious weaknesses of this institution that is unable to provide public defense for the majority of those who require it.</b>		1994	0	
		1995	10%	86%
	<b>Target</b>	1996	NA	
	<b>Target</b>	1997	NA	

<sup>2</sup> **Note:** These three indicators will be replaced with a revised M&E plan tailored to our reengineered framework. Baseline data is being collected now and we will submit a fully revised set of indicators for intermediate and lower level results for this results package as part of the Mission's Strategic Plan due in September 1996. Measures in public confidence levels, confidence levels of system operators and users, resolution of high profile cases and delay reductions measures will be used to replace the above indicators which we recognize are flawed measures of improvement.

<b>INTERMEDIATE RESULT NO. 1.2 Fewer Human Rights Violations</b>				
<b>Indicator: Reduction in the number of violations of political and individual human rights reported in a given year</b>				
<b>Unit: Number of complaints filled with and verified by OHRO as fitting their definition of violations in these two categories.</b>	<b>Year</b>	<b>Planned</b>	<b>Actual</b>	
<b>Source: Annual human rights report of the OHRO</b>	<b>Baseline</b>	<b>1995</b>	<b>n/a</b>	<b>1,123</b>
<p><b>Comments:</b>  Our assistance to the OHRO has been in suspension for over a year due to a series of programmatic issues and policy concerns. We have used this past year to redesign/renegotiate this agreement to bring it in line with its heightened role of the OHRO in the implementation of the peace accords. Indicators for lower level results tied to the role of the OHRO in the areas of education, investigation and oversight are being developed and will be shared with Washington later this year as part of the Mission's new strategic plan. The indicator included here will track results at the intermediate level. Data obtained from the OHRO will be compared against other primary sources of data, such as annual human rights reports prepared by the Department of State, MINUGUA and the Archbishop's Office of Human Rights.</p> <p>As shown, an increase in reported violations is expected in the short term due to increased educational activities by the OHRO, the presence of MINUGUA and general opening up of civil society. Our agreement with the OHRO extends only through FY 97, which is why no targets have been set for 98.</p>		<b>1996</b>	<b>1,235</b>	
	<b>Target</b>	<b>1997</b>	<b>988</b>	
<b>INTERMEDIATE RESULT NO. 1.3 Broader citizen participation in the political process</b>				
<b>Indicator: Changes in knowledge and attitudes of selected civic education target groups.</b>				
<b>Unit: Percentage of participants in NGO activities showing improved score</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: Monitoring and evaluation system of PVO grantee/DIMS.</b>	<b>Baseline</b>	<b>1995</b>		
<p><b>Comments:</b>  Last year we initiated a new project designed to strengthen civil society through support to local NGOs engaged in education and advocacy through a cooperative agreement with a US PVO. The first round of grants supported voter education/registration, contributing at least in part to the surprising increase in electoral participation -- nearly 50% in the first round.</p> <p>We are currently redesigning our citizen participation strategy in light of lessons learned and new and emerging opportunities. New indicators for this results package will be presented in September as part of the Mission's new strategic plan.</p>		<b>1996</b>		
	<b>Target</b>	<b>1997</b>		

Indicator: Knowledge/attitudes of selected target groups (GPS, ESTNA).

Unit: Yes/No, indicating stability or improvement in percentage of positive ratings in DIMS on:  
 1. Democratic liberties Index  
 2. System Support Index

Source: DIMS.

Comments:

- The DIMS was carried out in 1994 for both GPS and ESTNA, to obtain the "pre-training" or "pre-course" scores. These interviews were held before participants were exposed to the GPS and ESTNA programs. The "1994 post-training" scores for both GPS and ESTNA are based on interviews held immediately after both the programs had been completed.

The target for 1996 was to see the same or improved support for democratic liberties and systems support, two full years after the training. As shown, this target was met.

Given the already high levels of support for both indices, our target for 1997 is to maintain these levels of support (indicated by YES). We also hope to be able to compare data on these groups with the general population, given that the surveys will for the first time be conducted at the same time.

Baseline

Year

Planned

Actual

1994

**GPS**  
 1. 74%  
 2. 42%  
**ESTNA**  
 1. 83%  
 2. 38%

1994 Post-  
 Training  
 Scores

**GPS**  
 1. 84%  
 2. 44%  
**ESTNA**  
 1. 85%  
 2. 42%

1996

**GPS**  
 1. YES  
 2. YES  
**ESTNA**  
 1. YES  
 2. YES

Target

1997

**GPS**  
 1. YES  
 2. YES  
**ESTNA**  
 1. YES  
 2. YES

**INTERMEDIATE RESULT NO. 1.4 More transparent and accountable government institutions**

**Indicator: Laws presented to plenary of Congress with professional technical assistance in key areas through the technical assistance unit.**

**Unit: Percentage of laws presented**

**Source: Technical Assistance Unit**

The agreement with the Congress was renewed in late 1994 after a new Congress was elected. Subsequently, (February 1995) an agreement with a local social science research firm was negotiated to establish a technical assistance unit and implement the project activities that would support the Congress in legislative development.

Due to a suspension of this agreement and serious political problems at the Guatemalan Congress, the 1993 and 1994 targets were not met.

\* The 1996 and 1997 targets will depend on a continuing technical assistance project at the Congress. At this point, the agreement is only through August 1996. However, we are in the process of designing a full agreement with local partners that would extend this activity for another year.

	Year	Planned	Actual
<b>Baseline</b>	1992	0	---
	1993	10	---
	1994	15	---
	1995	20	28
<b>Target</b>	1996	30*	
<b>Target</b>	1997	35*	

**TABLE 2.2: STRATEGIC OBJECTIVE PERFORMANCE**

Guatemala					
STRATEGIC OBJECTIVE NO. 2 Better Health for Rural Women and Children					
Indicator: Total Fertility Rate (TFR)					
Unit: Average Number of Births/Woman/Lifetime		Year	Planned	Actual	
Source: Demographic and Health Survey	Baseline	1987	-----	5.6	
Comments: DHS will be carried out and again in 2000.		1995	National	5.1	5.1
			Ladino/ Mayan		4.3 6.8
			Urban/ Rural		3.8 6.2
		2000	4.8		
	Target	2010	4.2		
Indicator: Infant Mortality Rate (IMR)					
Unit: Deaths <1 Year Old/1,000 Live Births		Year	Planned	Actual	
Source: Demographic and Health Survey	Baseline	1987	-----	73.4	
Comments: Is important to note that according to the 1995 DHS data over 50% of all infant deaths occur within the first 28 days of life.		1995	67	51	
		2000	43		
	Target	2010	TBD		
Indicator: Child Mortality Rate (CMR)					
Unit: Deaths of children < 5 year old/1000 live births		Year	Planned	Actual	
Source: Demographic and Health Survey	Baseline	1987	-----	109.8	
Comments: This is a new performance indicator.		1995	-----	68	
		2000	60		
	Target	2010	TBD		

Indicator: Maternal Mortality Rate (MMR)				
Unit: Deaths of women 15-49 years/100,000 live births		Year	Planned	Actual
Source: Demographic and Health Survey	Baseline	1995	-----	220
Comments:		2000		205
	Target	2010		FBD
INTERMEDIATE RESULT No. 2.1 More Rural Families use Quality Maternal Child Services				
Indicator: National Contraceptive Prevalence Rate (CPR)				
Unit: Percentage		Year	Planned	Actual
Source: Demographic Health Survey, special studies	Baseline	1987	-----	27
Comments:		1995	31	31
		2000	35	
	Target	2010	42.8	
Indicator: Contraceptive Prevalence Rate Among Mayan Couples (Mayan CPR)				
Unit: Percentage		Year	Planned	Actual
Source: Demographic and Health Survey, special studies	Baseline	1987	-----	5.5
Comments:		1995	-----	9.6
		2000	14.0	
	Target	2010	TBD	

Indicator: Percentage of births with intervals of two years or greater				
Unit: Percentage		Year	Planned	Actual
Source: Demographic and Health Survey	Baseline	1995	-----	70
Comments: This new indicator will be measured in the DHS. The Mission will report on this indicator every 5 years.	Target	2000	75	

Indicator: Vaccination Coverage of Children under 12 months (DPT, Polio and Measles)				
Unit: Percentage		Year	Planned	Actual
Source: Demographic and Health Survey	Baseline	1985	----	5%
Comments: Between DHS measurements, the Mission will estimate coverage through small-scale, special studies. Last year's in project areas action plan erroneously showed 1987 actual at 50%. This was the official MOH figure for vaccination coverage; however, due to problems with the administrative reporting system the DHS data are more accurate. Eventually, the Mission intends to use administrative reporting as an annual indicator (with additional assistance to improve data quality.)		1987	----	24%
		1995	70%	42%
		Ladino/ Maya	45.4% 38.5%	
		Urban/ Rural	46.3% 35.0%	
	Target	2000	80%	

Indicator: Couple Year Protection (CYP)				
Unit: CYP		Year	Planned	Actual
Source: Service based data	Baseline	1992	----	385,115
Comments: New indicator. Couple years protection (CYP) is a contraceptive commodity based measure of family planning services, and as such the CYP data that USAID/G-CAP monitors is collected from our four main services providing partners: Ministry of Health, IGSS (Social Security), APROFAM and IPROFASA. Targets assume 5% year increase.		1995	----	459,872
		1996	482,865	----
		1997	507,008	----
		1998	532,358	----
		1999	558,976	----
		2000	586,925	----

Indicator: ORT Coverage of children under five years					
Unit: Percentage of diarrheal episodes treated w/ORT		Year	Planned	Actual	
Source: Demographic and Health Survey	Baseline	1987	---	17%	
		1992	35%	N/A	
Comments: Between DHS measurements, the Mission will estimate coverage through small-scale, special studies. The 1992 figure was expected to be lower than that of 1989 due largely to the previous suspension of the Mission's ORT/Immunization project.		1995	National	55%	21.5%
			Mayan		17.4%
			Ladino		24.6%
	Target	2000		40%	
Indicator: Prevalence of diarrheal disease in PAYSA communities					
Unit: Percentage of 14-day recall		Year	Planned	Actual	
Source: Community Surveys	Baseline	1993	---	13.0%	
Comments: This indicator has been eliminated; too costly to obtain given phase-out of project PAYSA.		1994	12.0%	N/A	
		1995	10.75%	***	
		1996	9.5%	***	
	Target	1997	7.8%	***	
Indicator: Pneumonia cases treated at a health facility					
Unit: Number of cases		Year	Planned	Actual	
Source: Demographic and Health Survey	Baseline	1995		40.5%	
Comments: This is a new indicator. Between DHS measurements, the Mission will estimate progress through small-scale special studies. Due to the fact that this is a new indicator, the Mission is waiting for further data analysis to determine target for year 2000.	Target	2000	TBD		

Indicator: Children exclusively breastfed				
Unit: % of infants between 4 - 6 months		Year	Planned	Actual
<b>Source: Demographic and Health Survey</b>  <b>Comments: This is a new indicator. Between DHS measurements, the Mission will estimate improvement through small-scale special studies.</b> <b>Due to the fact that this is a new indicator. The Mission is waiting for further data analysis to determine target for year 2000.</b>	Baseline	1995		32.5%
	Target	2000	TBD	

TABLE 2.3: STRATEGIC OBJECTIVE PERFORMANCE

Guatemala				
USAID STRATEGIC OBJECTIVE NO. 3 Sustainable Land Use Management and Conservation of Biodiversity in Priority Areas				
Indicator: People adopting more sustainable income generating practices				
Unit: Percent of total population in target areas		Year	% Planned	% Actual
<p>Source: Annual inventories by implementers with USAID verification</p> <p>Comments: Original target population was the estimated 25,000 people MBR and buffer zone area.</p> <p>Given that original 1995 and 1996 targets were substantially exceeded, and given better population data and a new target area for the project, a new target population of 35,000 people was identified for 1996-1999.</p>	Baseline	1991	0	0
		1992	2	2
		1993	15	20
		1994	28	30
		1995	40	64
		1996	58	
	New Target	1996	20	
	New Target	1997	35	
	New Target	1998	48	
	New target	1999	55	
Indicator: Area of natural habitat (primarily forest) saved from conversion to other uses (primarily agriculture) in comparison to historic trends				
Unit: Hectares conserved compared to baseline trend		Year	Planned	Actual
<p>Source: Historic trend and 1993 data are derived from GOG-SEGEPLAN- kfw analysis of satellite image. 1995 data conservatively estimated based on NASA-CI-CATIE image and analyses. The 1995 data will be processed by SEGEPLAN (using the standard methodology of 1993) and the final 1995 figure may vary somewhat from this one.</p>	Baseline	1991	0	0
		1993	170,000	340,000
		1995	310,000	410,000
		1997	520,000	---
	Target	1999	670,000	---

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<b>Indicator: Total area officially protected in Guatemala</b>				
<b>Unit: Hectares</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
	<b>Baseline</b>	<b>1990</b>		<b>287,000</b>
<b>Source: CONAP (official GOG legislation)</b>		<b>1995</b>	<b>0</b>	<b>1,922,000</b>
<b>Comments: USAID in coordination with other donors supported the establishment of all new areas declared since 1990. 1996 target is to make adjustments between core and multiple use zoning, to facilitate improved management of approx. 200,000 hectares without any net loss in the total area officially protected area.</b>		<b>1996</b>	<b>1,922,000</b>	
		<b>1997</b>	<b>1,946,000</b>	
		<b>1998</b>	<b>1,981,000</b>	
	<b>Target</b>	<b>1999</b>	<b>2,001,000</b>	

**INTERMEDIATE RESULT NO. 3.1 People Adopt more Sustainable Land Use Practices**

**Indicator: Number of families adopting more sustainable, environmentally sound practices**

**Unit: Number of households whose primary sources of income (50% or more) have shifted to more sustainable practices**

**Source: Household surveys by CI**

**Comments: This indicator is designed to validate and complement the "% adoption" indicator at the SO level. A detailed, baseline household survey of 655 households was conducted in 1992-1993 (project initiation) in several communities both within the MBR target areas and outside (as a control). The survey will be repeated later this year and near project completion (2000), to assess the degree of adoption of project-promoted practices, the share in total household income and impact on household welfare, and probable reasons for any variations among communities and other variables.**

	Year	Planned	Actual
Baseline	1993	---	0
	1996	1,500	
Target	1999	5,000	

**Indicator: Number of families that improve their welfar/income from environmentally sound practices**

**Unit: Number of households that show physical evidence of improved welfare**

**Source: Household surveys contracted by CI**

**Comments: This indicator is designed to validate and complement the "% adoption" indicator at the SO level. A detailed, baseline household survey of 655 households was conducted in 1992-1993 (project initiation) in several communities both within the MBR target areas and outside (as a control). The survey will be repeated later this year and near project completion (2000), to assess the degree of adoption of project-promoted practices, the share in total household income and impact on household welfare, and probable reasons for any variations among communities and other variables.**

	Year	Planned	Actual
Baseline	1993	---	0
	1996	1,000	
Target	1999	3,200	

**INTERMEDIATE RESULT No. 3.2 Policies affecting the environment are improved and applied**

**Indicator: Positive movement toward policy change objectives**

**Unit: "Yes" or "No" based on annual review of progress towards agenda.**

**Source: Yearly inventory independent M&E contractor**

**Comments:**

A policy agenda was established under the Policy component of the Maya Biosphere Project and monitored by an independent contractor in 1994-1995. In the future, the project policy advisor will continue to monitor changes toward agenda objectives.

	Year	Planned	Actual
Baseline	1993	See attached agenda	
	1994	Yes	Yes
	1995	Yes	Yes
	1996	Yes	
	1997	Yes	
	1998	Yes	
Target	1999	Yes	

**INTERMEDIATE RESULT No.3.3 More responsive institutions and increased local participation in decision making**

**Indicator: Selected institutions have increased annual support from non-AID sources**

**Unit: Absolute non-AID income (US\$)**

**Source: Yearly inventory of CONAP**

**Comments:** An institution's ability to attract funds from other sources indicates not only financial sustainability, but also may be an indirect measure of effectiveness. Ability to raise funds, especially fee-for-service, is evidence that the institution is valued by clients and donors other than AID.

	Year	Planned	Actual
Baseline	1990	--	79,800
	1991	--	460,300
	1992	500,000	638,600
	1993	600,000	721,900
	1994	700,000	735,500
	1995	800,000	855,000
	1996	900,000	
Target	1997	1,000,000	

<b>Indicator: Merchandise trade with U.S.</b>				
<b>Unit: Millions of U.S. dollars</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: U.S. Department of Commerce</b>	<b>Baseline</b>	1991	----	1,842
<b>Comments: Assumes 15% annual growth through 1993 and 10% annual growth thereafter. The 1995 figure is estimated based on November 1995 figures.</b>		1992	2,194	2,277
		1993	2,413	2,488
		1994	2,654	2,638
		1995	2,920	3,150
		1996	3,212	
		1997	3,533	
		<b>Target</b>	1998	3,886

**INTERMEDIATE RESULT NO. 4.1 Improved Labor Relations**

<b>Indicator: Adherence to internationally-recognized labor relations standards, evidenced by continued eligibility of Guatemala for GSP benefits.</b>				
<b>Unit: Yes-No</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: U.S.T.R.</b>	<b>Baseline</b>	1991	Yes	Yes
<b>Comments: Guatemala is currently under review for alleged violations of workers rights.</b>		1992	Yes	Yes
		1993	Yes	Yes
		1994	Yes	Yes
		1995	Yes	Yes
		1996	Yes	
		1997	Yes	
		<b>Target</b>	1998	Yes

Indicator: Resolution of labor disputes prior to entering into the court system				
Unit: Number of labor disputes attended per year		Year	Planned	Actual
Source: Ministry of Labor	Baseline	1991	--	2,884
Comments: The number of labor disputes is based on the number of cases reported to the labor inspectors and the number of violations the labor inspectors find in proactive inspections. Due to the inefficiency of the court system and the lack of punitive powers in the Ministry of Labor, the inspectors are focusing on finding ways to administratively resolve labor disputes or on using mediation to find a solution so that a lesser percentage of labor cases are referred to the court system.		1992		2,992
		1993		3,326
		1994		3,495
		1995	3,600	2,525
		1996	3,700	
		1997	3,800	
		Target	1998	3,900
INTERMEDIATE RESULT NO. 4.2 Improved trade policies				
Indicator: WTO agreement compliance				
Unit: Number of WTO panel findings against Guatemala		Year	Planned	Actual
Source: United States Trade Representative	Baseline	1991	-----	0
Comments: The assumption is that an open trade policy is maintained unless WTO panel rulings are against Guatemala. Negative WTO findings will be reflected in a change from zero to the number of actual findings in any given year.		1992	0	0
		1993	0	0
		1994	0	0
		1995	0	0
		1996	0	
		1997	0	
		Target	1998	0

<b>Indicator: Contracts and agreements signed which increase local participation and improve sustainability of natural resource management</b>				
<b>Unit: Number of agreements</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: Official CONAP contracts</b>	<b>Baseline</b>	1993	0	0
<b>Comments:</b>		1994	1	1
		1995	2	2
		1996	4	
		1997	6	
		1998	8	
		1999	10	
		<b>Target</b>		
<b>Indicator: Area under sustainable concession contracts with local organizations</b>				
<b>Unit: Hectares</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: Official CONAP contracts</b>	<b>Baseline</b>	1993	0	0
<b>Comments:</b>		1994	7,000 has	7,000 has
		1995	10,000 has	11,000 has
		1996	17,000 has	
		1997	30,000 has	
		1998	60,000 has	
		1999	100,000 has	
		<b>Target</b>		

**TABLE 2.4: STRATEGIC OBJECTIVE PERFORMANCE**

Guatemala				
USAID STRATEGIC OBJECTIVE NO. 4 Increased Guatemalan Participation in Global Markets				
Indicator: Trade as a percentage of GDP				
Unit: Percentage		Year	Planned	Actual
Source: Central Bank	Baseline	1994	---	34.3
<p>Comments: The indicator is defined as trade, merchandise exports (fob) plus imports (cif), as a percent of GDP. The "actual" figures for 1994 and 1995 have been adjusted downward to remove the impact of higher coffee prices. The figures including the exceptional gains from coffee were 34.3 and 37.8 percent for 1994 and 1995, respectively.</p>		1995	---	36.0
		1996	36.5	
		1997	37.0	
		1998	37.5	
	Target	1999	38.0	
Indicator: Increase in export earnings				
Unit: Millions of U.S. dollars		Year	Planned	Actual
Source: Central Bank	Baseline	1991	---	1,298
<p>Comments: Assumes -3% annual growth rate for traditional products and a growth rate for non-traditional products of 15% annually until 1994 and 10% annually thereafter. The "actual" figures for 1994 and 1995 have been adjusted downward to remove the impact of higher coffee prices. The figures including the exceptional gains from coffee were \$1,644 million and \$1,935 million for 1994 and 1995, respectively. Based on performance, targets for 1996-1998 will be adjusted.</p>		1992	1,118	1,380
		1993	1,177	1,462
		1994	1,248	1,546
		1995	1,299	1,677
		1996	1,357	
		1997	1,423	
	Target	1998	1,498	

Indicator: Readiness composite for NAFTA accession				
Unit: Composite		Year	Planned	Actual
Source: Gary Hufbauer & Jeffrey Schott indicators and FEDEPRICAP	Baseline	1992	-----	2.6
<p>Comments: This index shows a country relatively level of preparedness to enter into Free Trade Agreements such as NAFTA or FTAA. It measures performance in the following areas: price stability, budget discipline, external debt, currency stability, market oriented policies reliance on trade, taxes and democracy.</p> <p>The maximum possible score is 5. The Central American region's average score is 2.7 with individual country scores from El Salvador 3.7, Guatemala 2.9. These scores compare to 3.9 for Mexico to Nicaragua 1.6 and 4.7 for the United States.</p>	Baseline	1993	-----	3.1
		1994		2.9
		1995		2.9
		1996	2.95	
		1997	3.00	
		1998	3.10	

**INTERMEDIATE RESULT NO. 4.3 Increased capacity to expand non-traditional exports**

Indicator: Light manufacturing exports				
Unit: Millions of U.S. dollars		Year	Planned	Actual
Source: Central Bank	Baseline	1991	---	67.6
<p>Comments: Includes processed food, glass, metal and chemical products, and wood and wood manufactures. Growth is projected at 15% annually through 1994, and 10% annually thereafter. n.b. Excludes maquila.</p>		1992	65.4	73.0
		1993	75.3	98.2
		1994	86.5	140.5
		1995	95.1	227.8
		1996	104.6	
		1997	115.1	
		Target	1998	126.6

Indicator: Non-traditional agriculture exports				
Unit: Millions of U.S. dollars		Year	Planned	Actual
Source: Central Bank	Baseline	1991	---	97.2
Comments: Includes vegetables, fruits and preservatives, flowers and ornamental plants, and shrimp and related seafood. Growth is projected at 15% annually through 1994, and 10% thereafter. To measure the impact of the growth of non-traditional agricultural exports on the standard of living of the poor, the Mission is currently conducting case studies covering berries, snow peas and seafood in targeted geographic areas.		1992	102.0	105.0
		1993	117.0	134.5
		1994	135.0	235.9
		1995	148.0	308.7
		1996	163.0	
		1997	179.5	
	Target	1998	197.4	

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TABLE 2.5: STRATEGIC OBJECTIVE PERFORMANCE

Guatemala				
USAID STRATEGIC OBJECTIVE NO. 5 Better Educated Children in Rural Areas				
Indicator: Repetition rates in first through third grades				
Unit: Percentage		Year	Planned	Actual
Source: Ministry of Education	Baseline	1991	---	20.5
Comments: Pilot interventions are small in scope and their impact at national level is also limited. Additionally, BEST project interventions focus on enrollment, retention and completion rates and it was expected that other projects (World Bank/IDB) would be complementing BEST project interventions to decrease repetition rates at national level. This indicator as with completion rates, should not be measured on an annual basis given that real change can only be measured over a 3 year period. Previous chart included showing annual targets were, additionally, not statically significant.		1992	20.2	21.8
		1993	19.8	22.4
		1994	19.6	21.6
		1995	19.3	22.0
	Target	1998	18.0	
Indicator: Completion rates in third grade				
Unit: Percentage		Year	Planned	Actual
Source: Ministry of Education	Baseline	1991	---	47.4
Comments: This indicator has increased significantly during the life of the project and has had impact at the national level. It must be noted that the completion of third grade increases the possibility that children are retained up to sixth grade.		1992	48.7	50.1
		1993	50.0	51.6
		1994	51.3	55.4
		1995	52.7	57.0
	Target	1998	58.0	

Indicator: Completion rate in sixth grade				
Unit: Percentage		Year	Planned	Actual
Source: Ministry of Education	Baseline	1991		27.8
Comments: This indicator has increased significantly during the life of the project, having impact at national level.		1992	28.5	28.0
		1993	29.3	30.3
		1994	29.9	33.3
		1995	30.7	35.0
	Target	1998	39.0	
Indicator: Girls enrollment in third grade				
Unit: Percentage		Year	Planned	Actual
Source: Ministry of Education	Baseline	1991		45.1
Comments: The indicator percentage of girls enrolled is designed to measure reductions in the gender gap between boys' and girls' school attendance.  The pilot project is implemented in only 36 schools and, thus has yet had no national level impact. However, in project schools, the increase in enrollment in grades 3-6 has been significant from 36.1% in 1993 to 40.5% in 1995.		1992		44.8
		1993	46.1	44.8
		1994	46.6	45.0
		1995	47.1	45.0
	Target	1998	47.0	

<b>Indicator: Mayan students (5-12 years old) enrolled in bilingual pre-primary and primary programs</b>				
<b>Unit: Number</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: Ministry of Education</b>	<b>Baseline</b>	<b>1992</b>		<b>159,259</b>
<b>Comments: This indicator measures the number of students enrolled in USAID-supported bilingual education programs.</b>  <b>Mayan student enrollment as compared to the total number of students (Mayan and non-Mayan) enrolled in the entire public-school system has increased significantly by 34% since 1992 baseline.</b>		<b>1995</b>	<b>208,249</b>	<b>215,000</b>
		<b>1996</b>	<b>224,579</b>	
		<b>1997</b>	<b>240,909</b>	
	<b>Target</b>	<b>1998</b>	<b>257,239</b>	

**INTERMEDIATE RESULT No. 5.1: Increased access for rural children**

**Indicator: Average student achievement scores in third grade (Bilingual Education)**

			Lang.		Math.	
Unit: Percentage		Year	Pl.	Act.	Pl.	Act.
Source: Ministry of Education	Baseline	1994		48		45
Comments: Tests applied to Mayan students (girls and boys) were designed in Spanish Language (children's second language). In the next application, tests and instructions will be translated into the children's first language, allowing a more accurate assessment of achievement.		1995	50	46	47	47
		1996	52		49	
	Target	1997	54		51	

**Indicator: Average student achievement scores in third grade (Girls' Education)**

			Lang.		Mat	
Unit: Percentage		Year	Pl.	Act.	Pl.	Act.
Source: Ministry of Education	Baseline	1994		50		44
Comments: Girl's education program is implemented in bilingual schools and the achievement tests are in the child's second language (Spanish). The next round of tests will be in the child's native language.		1995	51	49	46	48
		1996	52		48	
	Target	1997	53		50	

**Indicator: Average student achievement scores in third grade (Nueva Escuela Unitaria)**

			Lang.		Mat	
Unit: Percentage		Year	Pl.	Act.	Pl.	Act.
Source: Ministry of Education	Baseline	1994		55		41
Comments:		1995	57	62	43	50
		1996	59		45	
	Target	1997	61		47	

**INTERMEDIATE RESULT NO. 5.2 Strong Guatemalan commitment to rural education**

**Indicator: Percentage of GDP assigned education in targetted areas**

Unit: Percentage		Year	Planned	Actual
	Baseline	1995	0.5%	
Source: Ministry of Education		1996	0.5%	
Comment: The new administration of the MOE has committed to increase the percentage of the GDP devoted to education to 2.6% in two years. Targetted areas are regions II, V, VI and VII - composed of largely rural indigenous populations.		1997	0.7%	
		1998	0.9%	
	Target	1999	1.2%	

**Indicator: Percentage of Teachers effectively applying *Nueva Escuela Unitaria* (NEU), Bilingual Education, and Girls' Education methodologies in target schools**

		Year	NEU		BE		GE	
Unit: Percentage		Year	Plan	Act	Plan	Act	Plan	Act
Source: Ministry of Education	Base	1994		69		45		36
Comments: The BEST project is developing and applying qualitative measures for assessing the effectiveness of teachers in treatment schools in applying these methodologies as compared to a control group of teachers in schools not using the methodologies. The Ministry of Education appointed 400 bilingual teachers in late 1995, and were in the process of training them in the new methodology.		1995	72.4	82	56.7	41	49.0	56
		1996	75.7		68.3		62.0	
	Target	1997	79.0		80.0		75.0	

**Indicator: Percentage of teachers appropriately assigned**

Unit: Percentage		Year	Planned	Actual
Source: Ministry of Education	Baseline	1993	---	81.6
Comments: Appropriate assignment includes: 1) assignment to the teacher's mother-tongue area; 2) assignment to the teachers' county of origin; and 3) assignment of a maximum of 40 students per teacher. The Management Information Systems activity began collecting these data during the 1993 school year. Until recently, the appointment of teachers was centralized and only the Minister had the legal authority to appoint teachers. In 1995, the Congress approved the local appointment of teachers.		1994	82.5	82.0
		1995	83.3	71.3
		1996	84.2	80.0
	Target	1997	85.0	

<b>Indicator: Active participation of girls in target areas</b>				
<b>Unit: Percentage/Number</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: Ministry of Education</b>	<b>Baseline</b>	<b>1994</b>	---	<b>68%</b>
<b>Comments: This indicator measures increases in student-teacher classroom interaction through the use of student-teacher interaction protocols. Qualitative research was conducted during the 1994, however, according to the research the difference in the two results is not statistically significant.</b>		<b>1995</b>	<b>75%</b>	<b>64%</b>
		<b>1996</b>	<b>81%</b>	
	<b>Target</b>	<b>1997</b>	<b>88%</b>	
<b>Indicator: Active participation of Mayan students in target areas</b>				
<b>Unit: Percentage/Number</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: Ministry of Education</b>	<b>Baseline</b>	<b>1994</b>	---	<b>87%</b>
<b>Comments: This indicator measures increases in classroom interaction by Mayan students in project target areas.</b>		<b>1995</b>	<b>93%</b>	<b>95%</b>
		<b>1996</b>	<b>97%</b>	
	<b>Target</b>	<b>1997</b>	<b>100%</b>	

**TABLE 2.5: STRATEGIC OBJECTIVE PERFORMANCE**

Guatemala				
<b>USAID SPECIAL OBJECTIVE: Support the Implementation of the Peace Accords</b>				
<b>PERFORMANCE MEASURE: USAID experience and models incorporated into GOG and other donor peace activities.</b>				
<b>INTERMEDIATE RESULT: Uprooted Population Accord (Strengthened and more representative community organizations - Ixcan and Barillas)</b>				
<b>Indicator: Community committees formally established</b>				
<b>Unit: cumulative number of committees</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: Grantees reports</b>	<b>Baseline</b>	1995	0	
<b>Comments: Two committees each in Ixcan and Barrillas. No projections are made beyond 1997 when discrete funding for the Peace Fund would end.</b>		1996	2	
	<b>Target</b>	1997	4	
<b>Indicator: Community-based conflict resolution mechanisms available</b>				
<b>Unit: Cumulative number of mechanisms</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: Grantees reports</b>	<b>Baseline</b>	1995	0	
<b>Comments: See above regarding timeframe.</b>	<b>Target</b>	1997	1	
	<b>Target</b>	1997	2	
<b>INTERMEDIATE RESULT: Uprooted Population Accord (Income generation models developed - Ixcan and Barrillas)</b>				
<b>Indicator: Technologies for sustainable on -and off- farm activities defined</b>				
<b>Unit: Cumulative number of technologies</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: Grantees report</b>	<b>Baseline</b>	1995	0	
<b>Comments:</b>		1996	3	
	<b>Target</b>	1997	6	
<b>Indicator: Innovative credit mechanisms tested</b>				
<b>Unit: cumulative number of mechanisms</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: Grantees report</b>	<b>Baseline</b>	1995	0	
<b>Comments:</b>		1996	1	

	Target	1997	2	
<b>INTERMEDIATE RESULT: Unrooted Populations Accord (Increased resources for social and physical infrastructure in underserved areas)</b>				
<b>Indicator: USAID NGO "partners" implementing activities</b>				
<b>Unit: cummulative number of NGOs</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: internal survey</b>	<b>Baseline</b>	1995	0	
		1996	6	
	<b>Target</b>	1997	8	
<b>Indicator: GOG counterpart to USAID projects executed</b>				
<b>Unit: \$ equivalent</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: Internal project counterpart control reports</b>	<b>Baseline</b>	1995	0	
		1996	\$ 1 m	
	<b>Target</b>	1997	TBD	
<b>INTERMEDIATE RESULTS: Human Rights and Indigenous Accords (National entities strengthened to improve protection of human rights)</b>				
<b>Indicator: Cases brought to conclusion by Public Ministry</b>				
<b>Unit: Number of cases per year</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: MINUGUA report/Public Ministry statistics</b>	<b>Baseline</b>	1995	100	
<b>Comments: A target for 1997 can be set only if MINUGUA's Mission is extended beyond the current end date of 12/31/96.</b>		1996	300	
	<b>Target</b>	1997	TBD	
<b>Indicator: Police reform benchmarks met</b>				
<b>Unit: Cumulative number</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: ICITAP reports</b>	<b>Baseline</b>	1995	0	
<b>Comments: Four major benchmarkds will be tracked.</b>		1996	2	
	<b>Target</b>	1997	4	