



**USAID**  
FROM THE AMERICAN PEOPLE

# USAID/GUATEMALA FOOD SECURITY FRAMEWORK ANALYSIS

**27 April 2010**

This publication was produced for review by the United States Agency for International Development. It was prepared by James T. Riordan for Chemonics International.



# USAID/GUATEMALA FOOD SECURITY FRAMEWORK ANALYSIS

**Contract No. AFP-I-00-04-00002-00, Task Order No. 9**

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

# CONTENTS

I. Introduction .....	1
II. Part I: Framework Analysis .....	1
III. Part II: Vision of Guatemala in 2020 .....	26
IV. Postscript .....	28
Annexes	
A. Scope of Work .....	31
B. Contacts and Field Trips .....	38

## I. INTRODUCTION

In January-March 2010, the consultant prepared a framework analysis to assist USAID/Guatemala in thinking through how the United States Government (USG) can best support the Global Hunger and Food Security Initiative in Guatemala. This report presents that framework analysis. The consultant's scope of work appears in Annex A.

The consultant had worked in Guatemala before and in food security programs in other countries. Still, given the far-reaching nature of food security and the breadth of USG development programs in Guatemala, the level of effort allotted for the framework analysis was modest in relation to the scope. The consultant spent most of his time in country just trying to get up to speed on the priorities and capacities of the Government of Guatemala (GOG) and the various USG and other donor programs underway in country (see Annex B). As a result, the consultant had to go more on impressions than he would have preferred. Although he relied on documentary evidence whenever possible, he is fully aware — and the reader should likewise be fully aware — of the subjective nature of some of the conclusions presented. All that said, the intent of the framework analysis is not to say the last word, but to stimulate critical thinking on the key choices the USG must make to support the food security initiative effectively in Guatemala. If the framework analysis succeeds in triggering such critical thinking, it will have done its job.

This report has two major parts and a postscript. The first part consists of the framework analysis per se. The second part lays out a draft vision of Guatemala in 2020. Given the all-encompassing nature of food security, it is important that all involved share a clear understanding of what they would like to accomplish under the food security initiative in Guatemala. The draft vision presented here is a first step in that direction.

The report's postscript addresses four general issues raised by USAID/Guatemala in reaction to the first draft of the consultant's report. None of the issues falls neatly under any one of the strategic choices discussed below. They therefore receive separate treatment.

## PART I: FRAMEWORK ANALYSIS

The analysis below lays out a conceptual framework for thinking through the programmatic implications of attacking food insecurity in Guatemala. In principle, the framework has applicability beyond Guatemala. By its nature, it addresses key issues related to food security and assesses the pros and cons of programmatic options to help countries become more food-secure.

The framework analysis builds on the five principles spelled out in the Department of State's Global Hunger and Food Security Initiative Consultation Document.<sup>1</sup> Those principles mirror the principles of the new approach to food security programming established at the 2009 L'Aquila G8 Summit. They are:

- Adopt a comprehensive approach to food security that focuses on advancing agriculture-led growth, reducing under-nutrition, and increasing the impact of humanitarian food assistance;
- Invest in country-led plans;
- Strengthen strategic coordination – globally, regionally, and locally;
- Leverage the benefits of multilateral institutions; and
- Deliver on a sustained and accountable commitment.

Subsequent guidance from Washington suggests three additional criteria to assess the merits of food security program alternatives in Guatemala, namely, that the programs demonstrate:

- Cost-effectiveness;
- Scalability; and
- Likelihood of short-term impact.

Finally, there are of course considerations specific to Guatemala that affect the relative advisability of competing program options.

All told therefore, the framework analysis that follows applies nine different principles/criteria to key strategic choices that the USG must make as the initiative goes forward in country:

- Comprehensive approach
- Country leadership
- Strategic coordination
- Leveraging multilateral institutions
- Sustainability and accountability
- Cost-effectiveness
- Scalability
- Likelihood of short-term impact
- Other considerations

The heart of the framework analysis appears in Tables 1-11 below. The nine principles/criteria appear on the left side of each table and are the considerations against which the analysis assesses each of 11 key strategic choices. The choices in question emerged from a broad range of consultations in both Washington and Guatemala, and are:

---

<sup>1</sup> See <http://www.state.gov/documents/organization/130164.pdf>.

1. Focus on what dimension(s) of food security?
2. Organize by sector, function, or geography?
3. Focus geographically on the Northwest, the Dry Corridor, or elsewhere?
4. Focus sectorally on agriculture, non-agriculture, or both?
5. Within agriculture, focus on basic grains, diversification, or both?
6. Implement programs directly or indirectly with the food-insecure?
7. Give priority to transactional (business) or systemic (project/policy) implementation approaches?
8. Predetermine priority systemic issues or maintain flexibility?
9. Use what criteria to measure success?
10. Operationally, what does a comprehensive, integrated approach mean?
11. Program resources or align incentives?

### **Choice 1: Focus on what dimension(s) of food security?**

Food security has three dimensions, availability, access, and utilization.<sup>2</sup> In different countries, different dimensions take on different levels of importance, and therefore call for different degrees of attention. Most studies of food security in Guatemala single out access as the most problematic dimension of food security.<sup>3</sup> In contrast, food availability is the least problematic dimension. In other words, there is broad consensus that, in Guatemala, food security is much more a poverty and income problem than a production problem.

For its overall level of poverty, Guatemala has extremely high rates of chronic malnutrition. To solve Guatemala's food security problem, therefore, it is not enough to increase the incomes of poor people. It is also necessary to give high priority to the utilization dimension of food security. In other words, health and nutrition programs are essential for vulnerable households to take advantage of whatever food they have access to.

---

<sup>2</sup> For a discussion of food security and its three dimensions, see Chapter 1 of James T. Riordan, Enrique Vásquez H., Roberta van Haften, Fred L. Mann, and Carlos Figueroa A., Attacking Poverty: A Market Approach (Lima, Peru: Universidad del Pacífico, 2003).

<sup>3</sup> See, for example, Jaime Carrera, Ottoniel Monterroso, and José Luis Jiménez, "Seguridad Alimentaria y Agricultura en Guatemala," ABT Associates, USAID/Guatemala, Guatemala, Guatemala, 2009; and Roberta van Haften, "Confronting Food Insecurity in the LAC Region Under Rising Food Prices: A Framework for Action," Chemonics International Inc., USAID/Washington, Washington, DC, 2008.

USAID/Guatemala Food Security Framework Analysis: Strategic Choices

Table 1. Relative Priorities of Dimensions of Food Security

Criteria	Availability	Access	Utilization
Comprehensive approach	<p>PESAN calls for involvement in all three dimensions. SESAN is trying to coordinate GOG activities in all three dimensions. Donors are funding activities in all three dimensions.</p>	<p>PESAN calls for involvement in all three dimensions. SESAN is trying to coordinate GOG activities in all three dimensions. Donors are funding activities in all three dimensions.</p>	<p>PESAN calls for involvement in all three dimensions. SESAN is trying to coordinate GOG activities in all three dimensions. Donors are funding activities in all three dimensions.</p>
Country leadership			
Strategic coordination			
Leveraging multilateral institutions			
Sustainability and accountability	<p>Depends on the program.</p>	<p>Depends on the program.</p>	<p>Depends on the program.</p>
Cost-effectiveness			
Scalability			
Likelihood of short-term impact			
Other considerations	<p>Most studies rank availability as the least important dimension in Guatemala.</p>	<p>Most studies rank access as the most important dimension in Guatemala.</p>	<p>Chronic malnutrition is extremely high, which suggests utilization must be high priority.</p>

## **Choice 2: Organize by sector, function, or geography?**

In general, there are three different ways the USG could organize its support of food security in Guatemala, by sector, by function, or by geography.

The first way, by sector – agriculture, industry, nutrition, health, education, etc. – is appealing in that it gives focus. Still, it begs the question of accountability. For example, suppose the USG agreed to support the GOG in agriculture, the Inter-American Development Bank in health, the European Union in nutrition, etc., but only one of the parties matched its commitment with demonstrable achievement. Yes, that donor could claim success, but the success would be partial, and key problems of food security would remain unresolved.

The second way, organizing by function – agricultural research and extension, supply chain management, sanitary and phytosanitary (SPS) standards, finance, etc. – is subject to the same drawbacks as organizing by sector. In its worst form, in fact, it could degenerate into “blame games” in which some parties claim they have honored their commitments while others have not kept their parts of the bargain.

The third way – organizing by geography – is arguably the only one of the three options that truly meets the accountability test. When the government or a donor goes on record to take on the challenge of improving food insecurity in a given region of the country, it is not an easy thing for it to shirk its commitment. Making a given party accountable for a given region makes commitment real. Organizing by geography also dovetails well with the territorial planning initiative of the Planning and Programming Secretariat of the Presidency (SEGEPLAN) and lends itself to watershed management and climate change initiatives.

USAID/Guatemala Food Security Framework Analysis: Strategic Choices

Table 2: Organization by Sector, Function, or Geography

Criteria	Sector	Function	Geography
Comprehensive approach	Organizing by sector can lead to tunnel vision.	Organizing by function can lead to tunnel vision.	Depends on the program.
Country leadership	GOG is used to organizing by sector, but leadership is uneven.	GOG is used to organizing by function, but leadership is uneven.	Organizing by geography meshes well with GOG's territorial planning initiative.
Strategic coordination	Turfism tends to make coordination difficult.	Turfism tends to make coordination difficult.	Although difficult, coordination is less cumbersome sub-nationally.
Leveraging multilateral institutions	Multilaterals organize their programs in any one of the three ways.	Multilaterals organize their programs in any one of the three ways.	Multilaterals organize their programs in any one of the three ways.
Sustainability and accountability	Organizing by sector is conducive to accountability by sector, but not more broadly.	In practice, organization by function often results in balkanization of implementation and accountability.	Organization by geography is most conducive to accountability for final results.
Cost-effectiveness	Depends on the program.	Depends on the program.	Depends on the program.
Scalability			
Likelihood of short-term impact			
Other considerations	Pre-picking winning sectors or subsectors can close off other promising opportunities.	Organizing by function can lead to "blame games."	Organization by geography lends itself well to watershed management and climate change initiatives.

### **Choice 3: Focus geographically on the Northwest, the Dry Corridor, or elsewhere?**

The Northwest has Guatemala's highest rates of poverty and chronic malnutrition. Given the country's highly skewed distribution of assets and income, targeting this region is essential to get at the heart of Guatemala's food insecurity. Different parties define the "Northwest" in different ways, bringing different Departments under the definition's reach. The temptation is strong not to leave any Department out, but, carried to an extreme, going that route could jeopardize the very focus that organization by geography presumably brings to the table. To avoid overreach, the consultant would be inclined to include only four Departments: San Marcos, Huehuetenango, El Quiché, and Alta Verapaz. Although other Departments have high rates of poverty and chronic malnutrition, those four have the highest numbers of poor people in the country, a goodly proportion of them indigenous.<sup>4</sup>

The Dry Corridor to the east of Guatemala City is also problematic food-security-wise, especially this year. If sufficient resources were available, it would make sense to include the Dry Corridor in the food security initiative as well. If sufficient resources did not materialize, however, the USG could wind up spreading its resources too thinly and have relatively little impact.

Whatever Departments emerge as high-priority, how to target will be an issue. Areas with relatively high economic potential and relatively high concentrations of food-insecure people are natural places to focus. In areas with low economic potential and high concentrations of food-insecure people, what to do is not so straightforward. In general, two alternatives present themselves. Some areas may lend themselves to initiatives to increase their attractiveness economically. The introduction of irrigation water, when feasible, is a clear case in point. In other areas, that strategy may be a non-starter. In those cases, it is important to recognize that labor is not a fixed but a mobile factor of production and to look for economic opportunities elsewhere with the capacity to absorb additional labor.

---

<sup>4</sup> See Instituto Nacional de Estadística, "Encuesta Nacional de Condiciones de Vida (ENCOVI)," Guatemala, Guatemala, 2006.

USAID/Guatemala Food Security Framework Analysis: Strategic Choices

Table 3: Geographic Focus on Northwest, Dry Corridor, or Elsewhere

Criteria	Northwest	Dry Corridor	Elsewhere
Comprehensive approach	Depends on the program.	Depends on the program.	Depends on the program.
Country leadership	Organization by geography meshes well with GOG's territorial planning initiative.	Organization by geography meshes well with GOG's territorial planning initiative.	Organization by geography meshes well with GOG's territorial planning initiative.
Strategic coordination	Cumbersome, but not impossible.	Cumbersome, but not impossible.	Cumbersome, but not impossible.
Leveraging multilateral institutions	Multilaterals may resist organizing primarily by geography.	Multilaterals may resist organizing primarily by geography.	Multilaterals may resist organizing primarily by geography.
Sustainability and accountability	Depends on the program.	Depends on the program.	Depends on the program.
Cost-effectiveness			
Scalability			
Likelihood of short-term impact			
Other considerations	Northwest has highest rates of poverty and chronic malnutrition. Given the highly skewed distribution of assets and income in Guatemala, targeting this region is essential to have an impact on food security.	Dry Corridor is also very problematic. If resources allow, inclusion of this region makes sense. But better to have a solid impact in one region than to diffuse resources and have lower impact over all.	Other regions are problematic, and the temptation will be strong to include them. But better to have a solid impact in one region than to diffuse resources and have lower impact over all.

#### **Choice 4: Focus sectorally on agriculture, non-agriculture, or both?**

Both in the Northwest and in Guatemala generally, poverty and food insecurity are more severe in rural than in urban areas. As a result, it is natural to look to agriculture as the source of better livelihoods for those currently food-insecure. It is also natural to look to agriculture as a springboard for expansion of non-agricultural economic activity.<sup>5</sup> Still, given the extremely small sizes of farms in the Northwest of the country – on average, substantially less than a hectare per farm household – it is unrealistic to look to agriculture alone as the solution to food insecurity. One must look to non-agricultural pursuits to absorb excess agricultural labor, and there is no reason not to support such pursuits directly as well.

---

<sup>5</sup> See, for example, José Miguel Barrios González and John Mellor, “Distribución sectorial del crecimiento del empleo en el altiplano guatemalteco,” Documento Técnico No. 17, Instituto de Agricultura Recursos Naturales y Ambiente – IARNA, Universidad Rafael Landívar, Guatemala, Guatemala, 2006.

USAID/Guatemala Food Security Framework Analysis: Strategic Choices

Table 4: Sectoral Focus on Agriculture, Non-Agriculture, or Both

Criteria	Agriculture	Non-Agriculture	Both
Comprehensive approach	Focusing just on agriculture can lead to tunnel vision.	Focusing just on non-agriculture can lead to tunnel vision.	Breaking down the city-countryside divide is easier operationally sub-nationally than nationally.
Country leadership	Public agricultural institutions are very weak.	Public non-agricultural institutions are arguably stronger than agricultural institutions, but, without a civil service, still fragile.	PESAN offers overall vision, but more on paper than in fact.
Strategic coordination	Intra-sectoral stakeholders see each other as rivals for resources. There is no widely accepted agricultural development strategy.	Setting of priorities is ad hoc.	Some actors are strong in agriculture; others in non-agriculture. It makes sense for them to exercise their comparative advantages, but in concert with each other.
Leveraging multilateral institutions			
Sustainability and accountability	Depends on the program.	Depends on the program.	Depends on the program.
Cost-effectiveness			
Scalability			
Likelihood of short-term impact			
Other considerations	Agriculture is the mainstay of a high proportion of the food secure and will continue to be for the foreseeable future.	Average farm sizes are so small that it is unrealistic to look to agriculture as the sole economic activity to address food insecurity. Non-agricultural pursuits must absorb excess agricultural labor.	There is a symbiotic demand-supply relationship between city and countryside.

### **Choice 5: Within agriculture, focus on basic grains, diversification, or both?**

There are two compelling reasons for the USG to focus squarely on diversification away from basic grains. First, in Guatemala farm households producing basic grains are among the country's most food-insecure people. Given the tiny farm sizes characteristic of those households, helping them become better basic grains producers is not a realistic strategy for them to escape from poverty and become more food-secure. Indeed, available evidence suggests the opposite very strongly, that the way the poor make their way out of poverty and food insecurity is by diversifying away from basic grains and even out of agriculture entirely.<sup>6</sup>

Second is the USG's strong legacy in the promotion of non-traditional agricultural exports (NTAEs) in Guatemala. Going back decades, the USG has assumed a position of leadership in the donor community in NTAE expansion, and it is entirely natural that it build on its broadly recognized strength, working with the Guatemalan Exporters Association (AGEXPORT), the National Coffee Association (ANACAFE), and similar organizations, in support of food security in the future.

The recommendation to concentrate on diversification is not to suggest that small farmers receiving USG assistance move wholesale out of basic grains. For the foreseeable future, basic grains are likely to continue to form part of most farmers' crop portfolios. That said, getting out of poverty typically requires shifting those portfolios away from basic grains. The USG is the likely outside party to look to to zoom in on fomenting that shift, particularly since other donors – the World Food Program (WFP) and the Food and Agriculture Organization (FAO) of the United Nations, to name just two – currently support, and are likely to want to continue to support, basic grains production.

---

<sup>6</sup> See Sistema Mesoamericano de Alerta Temprana para Seguridad Alimentaria (MFEWS), Organización de las Naciones Unidas para la Agricultura y la Alimentación (FAO), and Secretaría de Seguridad Alimentaria y Nutricional (SESAN), Guatemala: Perfiles de medios de vida (Guatemala, Guatemala: Serviprensa S.A., 2009).

USAID/Guatemala Food Security Framework Analysis: Strategic Choices

Table 5: Agricultural Focus on Basic Grains, Diversification, or Both

Criteria	Basic Grains	Diversification	Both
Comprehensive approach	GOG approach is comprehensive on paper, but short on implementation.	AGEXPORT has developed a comprehensive approach to NTAE development.	PESAN offers overall vision, but more on paper than in fact.
Country leadership	MAGA is the acknowledged leader in basic grains.	AGEXPORT is the acknowledged leader in NTAE development.	PESAN offers overall vision, but more on paper than in fact.
Strategic coordination	Many actors are involved. Division of responsibilities is not always clear.	ANACAFE and other organizations support farmers in different products.	Promotion of basic grains and diversification takes place relatively independently.
Leveraging multilateral institutions	Multilateral donors (e.g., FAO, FIDA, WFP) are supporting basic grains.	USG has a strong legacy and is the acknowledged leader in NTAE development.	Division of donor responsibilities between basic grains and diversification may be the best way to make coordination effective.
Sustainability and accountability	Sustainability of existing programs is questionable.	AGEXPORT approach focuses on sustainability in the market and is accountable in that sense.	Incomes approach appears preferable to production approach.
Cost-effectiveness	Cost-effectiveness of existing programs is questionable.	AGEXPORT and other organizations' programs appear cost-effective by international standards.	Incomes approach appears preferable to production approach.
Scalability	Depends on recurrent funding infusions.	Scalability of AGEXPORT approach depends on funding, but less so than for basic grains.	Funding is essential in both cases.
Likelihood of short-term impact	Depends on the program.	Depends on the program.	Depends on the program.
Other considerations	There is strong evidence that farm households producing primarily basic grains are among the most food insecure.	There is strong evidence that diversification within and out of agriculture is the poor's escape route from food insecurity.	Transition from dependence on basic grains to other income sources is more art than science.

### **Choice 6: Implement programs directly or indirectly with the food-insecure?**

The highly skewed distribution of assets and income in Guatemala argues strongly for targeting development assistance directly to those with the least resources, and the suggested focus on the Northwest is consistent with that contention. Still, some of the food-insecure's binding constraints call for action elsewhere. For example, success in exporting non-traditional agricultural products from the Northwest depends, among other things, on enforcement of and compliance with SPS standards, which, in the end, is an institutional issue that the GOG and interested donors must address centrally, not just in the Northwest. So, yes, the modus operandi of working directly with the food-insecure makes a great deal of sense, but it is a necessary, not a sufficient condition to have lasting impact on their food insecurity.

USAID/Guatemala Food Security Framework Analysis: Strategic Choices

Table 6: Implementation Directly or Indirectly with Food-Insecure

Criteria	Directly	Indirectly	Both
Comprehensive approach	Depends on the program.	Depends on the program.	Depends on the program.
Country leadership	GOG has mix of direct and indirect programs.	GOG has mix of direct and indirect programs.	GOG has mix of direct and indirect programs.
Strategic coordination	Depends on the program.	Depends on the program.	Depends on the program.
Leveraging multilateral institutions	Multilaterals typically have mix of direct and indirect programs.	Multilaterals typically have mix of direct and indirect programs.	Multilaterals typically have mix of direct and indirect programs.
Sustainability and accountability	Depends on the program.	Depends on the program.	Depends on the program.
Cost-effectiveness			
Scalability			
Likelihood of short-term impact			
Other considerations	Given the highly skewed distribution of assets and income in Guatemala, targeting the food insecure directly is essential to have an impact on food security.	Some of the food insecure's binding constraints call for action elsewhere.	A combined approach appears called for, adapting solutions to the nature of the binding problems.

### **Choice 7: Give priority to transactional (business) or systemic (project/policy) implementation approaches?**

The guiding principle here is tailoring solutions to binding problems – or, to put it negatively and perhaps exaggeratedly to make the point, not designing one-solution programs that run around looking for opportunities to apply the solutions in question. In the consultant’s experience, the binding constraints to the poor becoming more economically active, moving out of poverty, and becoming more food-secure – that is, the factors that make the big difference – are much more heterogeneous and case-specific than outsiders might expect. For some businesspeople – and, lest there be any misunderstanding on this point, farmers are businesspeople – the big bottleneck is lack of money. For others it is not having a buyer. For others, it is poor management. And so on and so on. Given such heterogeneity, one-issue approaches are generally not as effective as solutions adapted to the specifics of a given situation – which, in the case of income-earning activities, means specific business transactions.

A transactional approach looks at development through a lens different from those of macro or sectoral approaches. Before deciding whether to apply a given business solution – finance, land titling, agricultural extension, whatever – it asks beforehand – repeat, beforehand – whether it is reasonable to expect the solution in question to deliver quantifiable results – increases in jobs and income, for example. In other words, it looks at a potential development initiative as a business proposition, assessing upfront whether the proposed solution really addresses the most important problem(s) and will likely translate into verifiable results that justify the investment in question.

Working from the bottom up in a transactional way is a logical point of departure for the food security initiative in Guatemala, recognizing full well, of course, that that approach will indeed surface significant binding constraints calling for systemic solutions – that is, projects or policies that address the needs of many food-insecure people at the same time (see examples under Choice 8). In such cases, working systemically makes obvious sense, subject, again, to the proviso that it really is the binding problem that defines the solution.

Taking a transactional approach can also have a nice side-benefit. Many development programs predetermine the sectors or products they focus on – or looked at another way, and despite protestations to the contrary, they try to “pick the winners.” In contrast, a transactional approach assesses each economic opportunity on its own merits as a business proposition, regardless of the sector or product – agricultural or non-agricultural – in question, thereby keeping its options much more open.

USAID/Guatemala Food Security Framework Analysis: Strategic Choices

Table 7: Relative Priorities of Transactional (Business) and Systemic (Project/Policy) Implementation Approaches

Criteria	Transactional	Systemic	Both
Comprehensive approach	Depends on the program.	Depends on the program.	Depends on the program.
Country leadership	GOG has mix of transactional and systemic approaches.	GOG has mix of transactional and systemic approaches.	GOG has mix of transactional and systemic approaches.
Strategic coordination	Depends on the program.	Depends on the program.	Depends on the program.
Leveraging multilateral institutions	Multilaterals typically have mix of transactional and systemic approaches.	Multilaterals typically have mix of transactional and systemic approaches.	Multilaterals typically have mix of transactional and systemic approaches.
Sustainability and accountability	Depends on the program.	Depends on the program.	Depends on the program.
Cost-effectiveness			
Scalability			
Likelihood of short-term impact			
Other considerations	Some binding constraints call for business solutions.	Some binding constraints call for systemic solutions – projects and policies – that address the binding constraints of many food insecure at the same time.	A combined approach appears called for, adapting solutions to the nature of the binding problems.

## Choice 8: Predetermine priority systemic issues or maintain flexibility?

Given the potential of systemic approaches to address the needs of many food-insecure people at once, it is tempting to jump to systemic solutions, design projects and policies around them, and, in effect, tie down resources in anticipation of the hands-on due diligence called for to justify those resources. Development is replete with programs getting up and running only to find out they fail to address the issues with highest development payoff. For that reason, it would appear advisable for the food security initiative to maintain flexibility, engaging, at least initially, only in those systemic issues for which there is prima facie evidence of a connection with the binding problems of the food-insecure. From the consultant's brief time in country, there appear to be only a handful of such issues:

- **Sanitary and phytosanitary concerns.** Effective SPS enforcement and compliance is a precondition for poor farmers in the Northwest to connect with international markets and earn substantially higher incomes. The current system, embodied in the Integrated Agricultural and Environmental Protection Program (PIPAA), is embryonic in character and will continue to require support. Since the GOG does not have a professional civil service, developing PIPAA as a professional, technocratic institution could also have a salutary spillover effect, serving perhaps as a model for broader application throughout the GOG.
- **Irrigation water.** The presence/absence of irrigation water is arguably the variable that most distinguishes relatively prosperous areas of the Northwest from relatively poor ones. Strengthening policies and systems to expand irrigation water on a large scale must take on high priority under the food security initiative.
- **Nutritional surveillance.** Like PIPAA, Guatemala's nutritional surveillance system is embryonic. Its strengthening is imperative to identify nutritionally vulnerable populations when most in need and to direct maternal and child health programs to address those needs.
- **Potable water and sanitation.** Although required by law, few municipalities deliver effective potable water and sanitation services. Such services are essential to the utilization dimension of food security in the Northwest and throughout the rest of the country.
- **Secondary education, especially for girls.** Chronic malnutrition drops dramatically in households where mothers have a secondary education.<sup>7</sup> Guatemala has made significant advances in primary education coverage in recent years. The food security initiative could act as a catalyst to expand coverage at the secondary level. In principle, USDA's Food for Education program could play a role in that regard.

Budget constraints may hinder the USG from addressing all of these issues. Tackling them adequately will likely require strategic coordination – with both the GOG and other donors – along the lines contemplated at the L'Aquila Summit.

---

<sup>7</sup> See Ministerio de Salud Pública y Asistencia Social, "Informe Preliminar: Encuesta Nacional de Salud Materno Infantil (ENSMI) 2008-2009," Guatemala, Guatemala, 2009.

USAID/Guatemala Food Security Framework Analysis: Strategic Choices

Table 8: Predetermination of or Flexibility in Selection of Systemic Issues

Criteria	Predetermination	Flexibility	Both
Comprehensive approach	Depends on the program.	Depends on the program.	Depends on the program.
Country leadership	GOG programs have mix of predetermination and flexibility.	GOG programs have mix of predetermination and flexibility.	GOG programs have mix of predetermination and flexibility.
Strategic coordination	Depends on the program.	Depends on the program.	Depends on the program.
Leveraging multilateral institutions	Multilateral programs have mix of predetermination and flexibility.	Multilateral programs have mix of predetermination and flexibility.	Multilateral programs have mix of predetermination and flexibility.
Sustainability and accountability	Depends on the program.	Depends on the program.	Depends on the program.
Cost-effectiveness			
Scalability			
Likelihood of short-term impact			
Other considerations	If issues are binding, predetermination works; if not, predetermination ties down resources in sub-optimal uses, potentially at high opportunity cost.	Often the binding issues surface only after transactional approaches have commenced, suggesting the advisability of maintaining flexibility until due diligence reveals the nature of binding systemic problems.	On balance, better to maintain flexibility, predetermining only a very limited number of systemic issues that are clear-cut binding constraints. Examples: SPS concerns, irrigation water, nutritional surveillance, and potable water and sanitation.

**Choice 9: Use what criteria to measure success?**

Although food security has a technical definition, most people use the term loosely, which, in effect, means they can justify almost whatever programs they please. To be effective, the food security initiative will need to be much more disciplined. As an operational matter, it is advisable that the initiative hold itself accountable, not for improving the nebulous concept of “food security,” but for meeting actionable targets like predefined increases in income/jobs and decreases in rates of chronic malnutrition. Those targets can also serve as criteria to define what, exactly, the food security initiative will and will not support. For example, if a given activity contributes to increases in incomes/jobs in a cost-effective way, it will make sense for the activity to go forward. If not, it will not.

To reinforce accountability, it would be wise for the National Statistics Institute (INE) to conduct a statistically representative baseline survey of household incomes and chronic malnutrition in the Northwest, at least, at the inception of the food security initiative and to repeat it after five years and after ten years of the initiative’s life.

USAID/Guatemala Food Security Framework Analysis: Strategic Choices

Table 9: Criteria to Measure Success

Criteria	Food Security	Income/Jobs	Chronic Malnutrition
Comprehensive approach	Food security is focus of PESAN, but more on paper than in fact.	Income and jobs are foci of PESAN, but more on paper than in fact.	Chronic malnutrition is focus of PESAN, but more on paper than in fact.
Country leadership	Most GOG programs manage for lower-order results.	Most GOG programs manage for lower-order results.	Most GOG programs manage for lower-order results.
Strategic coordination	Depends on the program.	Depends on the program.	Depends on the program.
Leveraging multilateral institutions	Most multilateral programs manage for lower-order results.	Most multilateral programs manage for lower-order results.	Most multilateral programs manage for lower-order results.
Sustainability and accountability	Depends on the program.	Depends on the program.	Depends on the program.
Cost-effectiveness			
Scalability			
Likelihood of short-term impact			
Other considerations	Despite its technical definition, “food security” means different things to different people, and, in practice, can become a catch-all to select and implement programs indiscriminately and without discipline.	Increases in income/jobs are a potentially measurable outcome target. As such, it can both inculcate accountability and facilitate decision making on what to support and what not to support under the access dimension of food security.	A reduction in chronic malnutrition is a potentially measurable outcome target. As such, it can both inculcate accountability and facilitate decision making on what to support and what not to support under the utilization dimension of food security.

**Choice 10: Operationally, what does a comprehensive, integrated approach mean?**

Like food security, the words “comprehensive” and “integrated” not only mean different things to different people; operationally, they can also open the door to undisciplined use of development resources.

The GOG’s Food Security and Nutrition Strategic Plan (PESAN) covers the food security waterfront both substantively and organizationally and, in that sense, lays out a comprehensive and integrated approach to Guatemala’s food security problem. Its all-inclusiveness is both its virtue and its Achilles heel. Yes, its vision is broad and all-encompassing, but the relative absence of clear operational priorities detracts from its value as a strategy per se.

Realistically, even with the new initiative, the GOG will not have the wherewithal to be everything to all people everywhere. Targeting will be essential, both geographically and within priority regions. In the same vein, organizational inclusiveness may be a virtue, but, managerially, the fewer the entities held accountable, the better. Clearly, managing effectively and giving as many parties as possible “ownership” of the initiative will be a tough balancing act to pull off. When in doubt, it is probably better to err in the direction of lean and mean management, lest accountability for resource use become so diffuse as to fade away entirely.

USAID/Guatemala Food Security Framework Analysis: Strategic Choices

Table 10: Meanings of Comprehensive, Integrated Approach

Criteria	All program activities for all people	Some program activities for some people	Many implementing agencies involved	Lean, flexible management
Comprehensive approach	PESAN is very comprehensive on paper, not in fact.	With limited resources, appropriate targeting is a big issue.	PESAN is very inclusive on paper, not in fact.	Despite attempts at the Presidential level to make decision making leaner, it is diffuse.
Country leadership	Overall, decision making is diffuse.	Overall, decision making is diffuse.	Overall, decision making is diffuse.	Overall, decision making is diffuse.
Strategic coordination	Overall, decision making is uncoordinated.	Overall, decision making is uncoordinated.	The more agencies involved, the greater the risk of overlap, mixed signals, and “blame games.”	The leaner the management, the greater the risk of non-inclusiveness.
Leveraging multilateral institutions	EU and other donors are amenable to support, with tension between comprehensiveness and targeting.	EU and other donors are amenable to support, with tension between comprehensiveness and targeting.	EU and other donors are amenable to support, with tension between inclusiveness and management efficiency.	EU and other donors are amenable to support, with tension between inclusiveness and management efficiency.
Sustainability and accountability	Depends on the program.	Depends on the program.	Depends on the program.	Depends on the program.
Cost-effectiveness	All other things equal, comprehensiveness is less cost-effective than targeting.	All other things equal, targeting is more cost-effective than comprehensiveness.	All other things equal, all-inclusiveness is less cost-effective than lean, flexible management.	All other things equal, lean, flexible management is more cost-effective than all-inclusiveness.
Scalability	Depends on the program.	Depends on the program.	Depends on the program.	Depends on the program.
Likelihood of short-term impact				
Other considerations	Available resources make an all-comprehensive approach unrealistic.	Selectiveness makes sense, but with appropriate targeting.	The involvement of too many actors can have a negative effect on results.	Lean, flexible management makes sense provided it involves others.

## Choice 11: Program resources or align incentives?

The food security initiative will clearly need to program the resources available to it, but how it does that programming can make a big difference. As William Easterly has argued, sometimes provocatively, development programs often founder on the disjoint between the incentives that drive those who design programs and the incentives that drive those who carry them out.<sup>8</sup> In principle, the greater the alignment of incentives between the two, the greater the potential for program impact. Examples where scope exists for aligning incentives creatively under the food security initiative include:

- **Performance-based contracting.** Given AGEXPORT's acknowledged leadership in NTAE development, it is natural to think of an alliance with such an organization to expand NTAE development aggressively in the Northwest of the country. The conventional way to structure a relationship with such an organization is a cooperative agreement or a grant. But why not consider a performance-based contract? Under such a mechanism, the USG would define clearly the results it wants to achieve – increases in NTAE sales from the Northwest, for example – and pay the implementing organization in accordance with the degree to which it meets or exceeds mutually agreed upon NTAE sales targets. The more the desired results the implementer achieves, the more it earns. The initiative might want to consider applying a similar approach in procuring the services of local organizations to reduce chronic malnutrition as well.<sup>9</sup>
- **Use of competition.** Most municipalities are remiss in meeting their legal obligation to provide potable water and sanitation services to their communities. Instead of diffusing scarce initiative resources among many municipalities, why not sponsor a competition among municipalities to become, say, the model communities in their respective Departments? In principle, the combination of the incentive to win a prize and a broad-scale public communication campaign could have the effect not only of stimulating the winning municipalities to expand and improve their services but of “shaming” other municipalities into following suit.<sup>10</sup>
- **Conditional cash and food transfers.** The GOG's conditional cash transfer programs are touchy politically and subject to charges of favoritism. That said, it may be unwise to reject them out of hand. The consultant is by no means an expert in conditional cash transfer programs, but the little he has seen suggests they can have a salutary impact in changing behavior – for example, in incentivizing poor households to keep sending their children – girls, especially – to school. Indeed, USDA's Food for Education program rests on much the same premise. In a similar vein, the Forest Incentives Program (PINFOR) established by a previous government appears to function well, giving cash incentives to rural

---

<sup>8</sup> See William Easterly, The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics (Cambridge, MA: The MIT Press, 2001).

<sup>9</sup> USAID/Peru's Poverty Reduction and Alleviation Program and USAID/Paraguay's Paraguay Vende Program both have taken a performance-based approach to subcontracting.

<sup>10</sup> Australia's Tidy Town program may be an example worth examining in putting such an approach into practice. Go to <http://www.kab.org.au/> for information.

households to plant and maintain trees for at least five years. Under the food security initiative, the USG's PL 480 Title II program might want to consider a variant of that approach in resource-poor areas in which forestry is among communities' few viable economic options.<sup>11</sup>

At this point, these examples are seeds of ideas that would need considerably more nurturing before going forward. Consistent with the overall objective of this framework analysis, the reason for including them here is simply to stimulate thinking "outside the box" to maximize the food security initiative's impact.

---

<sup>11</sup> For an evaluation of conditional cash-transfer programs elsewhere in Latin America, see Laura B. Rawlings and Gloria M. Rubio, "Evaluating the Impact of Conditional Cash Transfer Programs," World Bank Research Observer, XX (No. 1, 2005), 29-55.

USAID/Guatemala Food Security Framework Analysis: Strategic Choices

Table 11: Relative Priorities of Programming Resources and Aligning Incentives

Criteria	Programming Resources	Aligning Incentives
Comprehensive approach	All other things equal, the less programs take incentives into account, the less comprehensive the results.	All other things equal, the more programs take incentives into account, the more comprehensive the results.
Country leadership	GOG is used to program budgeting and execution, tending to give less attention to incentives.	GOG is used to program budgeting and execution, tending to give less attention to incentives.
Strategic coordination	All other things equal, the less aligned the incentives, the less likely effective strategic coordination.	All other things equal, the more aligned the incentives, the more likely effective strategic coordination.
Leveraging multilateral institutions	Multilaterals are used to program budgeting and execution, tending to give less attention to incentives.	Multilaterals are used to program budgeting and execution, tending to give less attention to incentives.
Sustainability and accountability	All other things equal, the less aligned the incentives, the less sustainable the results.	All other things equal, the more aligned the incentives, the more sustainable the results.
Cost-effectiveness	All other things equal, the less aligned the incentives, the less cost-effective the program.	All other things equal, the more aligned the incentives, the more cost-effective the program.
Scalability	All other things equal, the less aligned the incentives, the less scalable the program.	All other things equal, the more aligned the incentives, the more scalable the program.
Likelihood of short-term impact	Depends on the program.	Depends on the program.
Other considerations	Programming resources is necessary, but, with incentives aligned, the likelihood of success can be much higher.	Scope exists for creative alignment of incentives under both the access and utilization dimensions of food security.

## **PART II: VISION OF GUATEMALA IN 2020**

As a practical matter, “food security” can take on so many different meanings that the Global Hunger and Food Security Initiative could morph into nothing more than a nice umbrella justification for interested parties to design and implement whatever programs meet their fancy. To counteract that tendency, it is essential not only that those responsible manage each constituent program of the initiative with discipline, but, more than that, that those involved share a common vision of what they want to accomplish over the ten years or so of the initiative’s life. Participants in the initiative must know where they want to go if they are to invest initiative resources astutely and with impact.

In what follows, the consultant presents a draft vision of Guatemala in the year 2020. The vision is not a projection, but a value judgment tempered by a sense of the possible. It is by no means definitive, but simply a way to prompt those more intimately involved to make their expectations explicit. The intent is that agreement on a common vision lead to informed choices among competing program and policy options on how to get from here to there.

The vision that follows paints a picture of what Guatemala ideally will be like approximately ten years from now under the assumption that things go reasonably well between now and then. The recent international financial crisis must temper expectations of a dramatic rebound in the short run. Still, over a decade’s time, it is reasonable to expect that enlightened public programs and policies – and the responses of businesses and households to those programs and policies – can have significant impact.

The characteristics of the consultant’s “realistically optimistic” vision of Guatemala in 2020 are:

- Chronic malnutrition of children under five years of age will have diminished substantially. Nationally, the rate of chronic malnutrition will have dropped from roughly 45 percent to roughly 25 percent. In rural areas, the rate will have dropped from over 50 percent to roughly 30 percent. In urban areas, the rate will have dropped from roughly 30 percent to roughly 15 percent. Proportionally, the biggest decreases will have taken place in the Northwest and the Dry Corridor.
- Extreme poverty will have decreased by half, from roughly 15 percent to roughly eight percent of the population. Nevertheless, pockets of extreme poverty still will exist throughout the country, especially in rural areas in the Northwest.
- Poverty will have dropped substantially as well, from roughly a half to roughly a third of the population. Today, poverty is a more a rural than an urban problem. By the end of the decade, urban poverty will have become more significant.
- Guatemala’s population will have become increasingly urban. Two thirds of the population will live in cities. Intermediate cities will have experienced rapid growth. Guatemala City will have grown, but its rate of growth will have slowed.

- With urban migration, the population pressure on agricultural land will have diminished, especially in the Northwest. An ongoing process of land consolidation will have taken place.
- The economy will have grown substantially, accelerating to annual rates of six to eight percent by 2020.
- Primary agriculture will have grown, but less rapidly than other sectors. Activities with backward and forward linkages with primary agriculture will have become more important. The country's intermediate cities will have created platforms for expansion of agribusinesses, that is, activities that provide inputs to agriculture and process and market its final product. In short, primary agriculture and its related industries will have become more modern and productive.
- Labor-intensive activities will have grown more rapidly than capital-intensive activities. Examples include agribusiness, tourism, construction, and manufacturing. In spite of the expansion of those activities, employment generation still will be a major national concern.
- Social expenditures will have increased in absolute terms, but decreased as a proportion of GDP. As extreme poverty falls, the quality and efficiency of social expenditures will become more important than their coverage.
- Social expenditures will be better targeted and reach a larger proportion of extremely poor people in rural areas. Still, there will be pockets of the rural poor whom health, nutrition, and education services still will fail to reach.
- Social expenditures will have expanded markedly in the intermediate cities of the country. Nevertheless, heavy rural-urban migration will make it difficult for public budgets to satisfy all the health, nutrition, and education service needs of urban populations. The percentage of urban people in poverty will have fallen, but the absolute number of urban poor will not have changed significantly.
- Guatemala's educational system will have improved substantially. School attendance will have risen, especially in secondary schools. A notably larger proportion of young people – girls, especially – will have finished secondary or technical school, contributing to the drop in rates of chronic malnutrition. By the end of the decade, it will be possible to discern growth in national labor productivity.
- Productive investment, both private and public, will have grown significantly, especially beyond Guatemala City, its environs, and neighboring Departments. The investments in question will have increased economic dynamism outside the capital city, contributing to the decentralization of economic power.

- Local government expenditures will have increased, and become more efficient and effective. Potable water and sanitation services will have improved substantially. Communities will have become more involved in resource allocation decisions.
- Water-borne diseases, especially diarrhea, will have decreased by over 50 percent in rural areas, particularly among indigenous populations that will have obtained access to potable water.
- Guatemala will have continued to expand its exports. The composition of exports will include a broader range of non-traditional agricultural products, whose local value added content will have increased significantly. Guatemala will not necessarily be more food self-sufficient, but it will be more food secure.
- Finally, the country will have strengthened itself institutionally. Pockets of government will have a well established civil service. The overall political environment will have become more transparent, and corruption will have fallen in both the public and private sectors.

## POSTSCRIPT

This section addresses questions raised by USAID/Guatemala in reaction to the first draft of the consultant's report.

- The framework analysis is largely oriented toward transactional support in four departments and does not permit much capacity building support of the GOG for Guatemala's "country-led" strategy. Under the GHFSI, the GOG will likely be required to work with donors on country investment plans, roadmaps, action plans, and data analysis (reminiscent of CAADP [Comprehensive Africa Agriculture Development Program]). Given weak GOG capacity, will the GOG be able to manage this initiative without explicit USG support and will it fail?

The consultant anticipates the USG and other donor programs working with the GOG in developing investment plans, road maps, action plans, etc., but sees the USG's most significant capacity-building support taking place in the implementation of those plans. As noted above, adopting a transactional approach does not preclude the USG from working in systemic activities. On the contrary, work at the transactional level is expected to serve as a ground-truthing mechanism to ensure that the systemic solutions implemented with USG support indeed attack binding problems to improving food security in Guatemala. As the USG supports the GOG in addressing such issues – for example, in strengthening SPS enforcement and compliance, in developing systems and procedures for irrigation projects, in making a nutritional surveillance system operational, etc. – the GOG will learn by actually doing, arguably the best approach to capacity building in development.

- Other roads not taken: While the consultant suggests maintaining flexibility for systemic issues, does the consultant suggest areas where USAID should definitively NOT work and why (e.g., research and extension, biotechnology, rural roads per the Mellor Model)?

At this point, the consultant would not rule any areas out. Why not? Because, with a transactional approach, it is only when one dirties one's hands in the details and defines what problem to attack in very specific fashion that one really knows what the appropriate cost-effective solution is. The same goes for picking business opportunities to work on in the first place. Again, it is wise to keep one's options open, going with the activities yielding the highest potential development return and resisting the temptation to pick winners.

- What are the consultant's thoughts on the IARNA (Mellor) Model? Should USAID continue pursuing the model or should it be adapted in some fashion (e.g., more demand-driven and linked to markets)?

The fundamental difference between the approach recommended by the consultant and the IARNA model is their points of departure. The point of departure for the IARNA model is sectoral, while that of the consultant is transactional. From the consultant's perspective, IARNA's foci on road infrastructure, research and extension, rural finance, etc., are all well and good, but unless they are tied to real market demand – that is real business opportunities with buyers with first names and last names – and unless they address clients' specific binding constraints, there is a real danger that investments in those areas will be misplaced and not have real payoff. In the consultant's experience, sectoral approaches tend to assume demand away, focus solely on the supply side of the equation, and often miss what matters most. One stays at the sectoral level at one's peril. The devil is in the details – the process of identifying promising business transactions and figuring out how to attack the obstacles standing in their way can be very messy – but such due diligence is essential to make the accountability called for under the food security initiative real.

- Any thoughts on USAID comparative advantage vs. other USG entities vs. specific donors.

The consultant is much more familiar with USAID than with other USG entities. Still, it is probably fair to say that USAID enjoys more design, implementation, monitoring, and evaluation capacity than other agencies, and would be the likely entity to take the lead in making the food security initiative operational in country.

Some donors focus their work geographically – for example, WFP is involved heavily in Totonicapán – but the conventional way of carving out donor responsibilities is by sector or function, with the attendant difficulty of accountability for results. The consultant recommends a shift to organization by geography but recognizes that that is easier said than done. From a sectoral and functional perspective, the USG is the natural leader among donors in private sector development. In agriculture,

specifically, its focus throughout the years, in which it has enjoyed remarkable success, has been diversification, especially into NTAEs. It is natural for the USG to continue in that vein, ceding to other donors their traditional role in supporting basic grains.

# **ANNEX A. SOW - USAID/GUATEMALA FOOD SECURITY FRAMEWORK ANALYSIS**

## **I. Objective**

To assist the USAID/Guatemala Mission with framework analysis on the elaboration of Guatemala's country-led priorities for the Global Hunger and Food Security Initiative (GHFSI) under the Chemonics "Best Practices-Trade-Led Equitable Growth" Task Order.

## **II. Background**

### **A. Global Hunger and Food Security Initiative**

The Global Food Security Initiative is a country-led, multi-stakeholder initiative to reduce global hunger and end poverty that arose out of the G8 "plus" meeting in L'Aquila in July 2009 and at the margins of the UN General Assembly meeting at the "Partnering for Food Security" event co-hosted by Secretary Clinton and the Secretary General of the UN in New York in September 2009. For more information, see <http://www.state.gov/s/globalfoodsecurity/129952.htm>.

This initiative builds on five key principles endorsed by participants at the L'Aquila summit: 1) supporting country-led processes; 2) ensure a comprehensive approach to food security; 3) strategically coordinate assistance; 4) support a strong role for multilateral institutions; and 5) sustain a robust commitment of financial resources.

Food security is characterized as "access," "utilization," or "availability." Under this initiative, "food security" refers to the whole spectrum of possible interventions, from immediate crises in response to drought or natural calamities to longer-term agricultural productivity and market linkages under the value chains approach (IARNA). In Guatemala, "access" is a key binding constraint but other areas such as utilization impinge on food insecurity in light of Guatemala's high and chronic rates of malnutrition.

The global core investment areas for USG assistance include: 1) increasing agricultural productivity (including natural resources management); 2) linking small farmers (including livestock and fisheries) to markets and encouraging private sector growth; 3) increasing agricultural trade; 4) improving nutrition; 5) engaging underserved populations, particularly women and the very poor, in rural economic growth; and 6) improving the efficiency of humanitarian assistance.

Momentum is building for global action. At the 2009 L'Aquila G8 summit, donors committed \$20 billion to reduce hunger and improve nutrition. The summit catalyzed new financial commitments. President Obama announced that the United States Government would commit \$3.5 billion over the course of three years to agriculture.

Guatemala is one of the four countries in Latin American chosen by the USG for the Food Security Initiative. The others are Honduras, Nicaragua, and Haiti. The USAID/Guatemala Mission has been tasked with the development of a Food Security Implementation Plan which was submitted to the LAC Bureau on November 30, 2009.

## **B. Guatemala Context**

Guatemala's level of food and nutritional insecurity are amongst the highest in the world. Chronic malnutrition rates are 43.4%<sup>12</sup>. Guatemala's per capita income of \$2,680<sup>13</sup> masks extreme inequalities between urban, largely ladino versus rural, indigenous populations. The underlying factor in food and nutritional security in Guatemala is social and economic inequality, which has led to a high rate of poverty due to highly skewed access to productive assets, including land, and little or no access to basic services, making the country one of the most unequal in the world.<sup>14</sup> 51% of the population lives on less than two dollars per day, and 15.2% lives in extreme poverty, earning less than one dollar per day.<sup>15</sup>

Chronic malnutrition among children is persistent and has strong ethnic and geographic dimensions – it is concentrated in rural communities of indigenous populations where total growth stunting rates reach over 70%. Malnutrition levels exceed 64% in such areas as Totonicapan, Huehuetenango, Quiche, and Solola. Education levels dramatically impact on malnutrition; those mothers without an education have children suffering from incidence of chronic malnutrition of 62.9%. A 2008 height census of first grade students showed that more than 51% of elementary students in half of the country's 333 municipalities suffered from both moderate and severe stunting, this being the clearest indicator of food and nutrition insecurity.

The highest levels of food and nutrition insecurity are in the Highlands and some areas in the east. The eastern zone suffers from recurrent drought (the Dry Corridor) and non-irrigated agriculture faces severe obstacles. Subsistence agriculture is the primary source of livelihoods in the Highlands, where 36% of all Guatemalans live (around 4 million people). Of its four million inhabitants, about one million are in the labor force, either self-employed or wage laborers, and 550,000 are employed directly in agriculture. Most families are poor, drawing less than half of their income from farming, with the rest derived from off-farm sources of income.

Food security has been threatened by the increase in the price of the food basket, which increased 19% from 2006-2009, as well as the reduction in employment opportunities due to the economic crisis. According to the USAID/MFEWS 2009<sup>16</sup> study on

---

<sup>12</sup> National Survey on Maternal and Child Health (ENSMI), 2009. Percentage of children between the ages of 3 to 59 months with chronic malnutrition (height-for-age)

<sup>13</sup> World Bank, World Development Indicators, 2008, GNI per capita, Atlas Method, Current US\$

<sup>14</sup> The UNDP's 2009 Human Development Report, using data from the World Bank's World Development Indicators, reports only 12 countries with GINI income coefficients higher than Guatemala.

<sup>15</sup> Instituto Nacional de Estadística (INE)/ENCOVI 2006

<sup>16</sup> MFEWS : <http://www.fews.net/pages/country.aspx?gb=gt&l=en>

livelihoods, the highest food insecure zones are in El Quiche and Huehuetenango (zone 5) and Ch'orti (zone 8). Families in these zones purchase 80% and 70% of their food, respectively, which makes them vulnerable to regular food price increases.

In spite of these challenges, the production and export of non-traditional and higher-value agriculture and forestry products has tremendous potential for spurring rural income growth, thus advancing rural development and alleviating poverty. Guatemalan producers must improve product standards for quality, volume, and delivery in order to penetrate local, regional, and international markets and to be more competitive.

A more dynamic economy can generate the jobs needed, especially in rural areas which are characterized by low productivity in the agriculture sector and a lack of the necessary infrastructure to increase market access. Consistent growth at moderately high levels is needed over many years to significantly reduce Guatemala's high poverty rates and to keep up with high rates of population growth.

### **C. Current USAID programs**

Current USAID programs for food security broadly defined are encompassed within three offices. The Enterprise, Trade, and Environment Office (ETEO) supports sustainable and broad-based economic growth through programs in (a) policy and regulatory reform; (b) direct technical assistance to rural SMEs through the value chain approach; (c) promoting access to financial services; and (d) environment protection and sustainable natural resource management. Value chain programs focus on such sectors as high-value horticulture, coffee, sustainable forestry, and tourism. The P.L. 480-Title II programs provide support to vulnerable populations in the communities with the highest chronic malnutrition. In 2009, a \$15 million Single Year Assistance Program was launched to address growing acute malnutrition in the Dry Corridor. The Preventing Malnutrition in Children under Two (PM2A) program was also launched to target pregnant, lactating women, infants, and children under two to improve the nutritional health status in Alta Verapaz with high levels of chronic malnutrition. The Health and Education Office (HEO) has focused on the integrated management of the sick of malnourished child, complementing the Ministry of Health's ongoing NGO extension of coverage model.

### **III. Scope of Work**

USAID/Guatemala needs technical assistance with framework analysis on the elaboration of Guatemala's country-led priorities for the Global Hunger and Food Security Initiative. The Contractor shall identify best practices from other countries in food security. Note: USAID/Guatemala already has an internal draft FY 2010 Food Security Implementation Plan. This assistance will not be for this internal planning document nor will this assignment lead to the direct procurement or design of projects. The Contractor will not contribute to defining: staffing patterns, levels of effort, scopes of work, budget parameters or position descriptions. No information of this nature will be shared by USAID.

## Tasks

- The Contractor shall help construct a framework analysis to identify issues and analysis necessary for Guatemala to develop a rural inclusive growth strategy.
- The Contractor shall assess GOG analytical capacity for leadership, including an assessment of the strengths and/or validity of the Strategic Plan for Food Security and Nutrition (PESAN), existing legislation under consideration such as the draft Rural Development Law, and other enabling factors for a country-led process.<sup>17</sup>
- The Contractor shall assess the broad spectrum of potential food security priorities in “access,” “utilization,” and “availability,” including private sector interventions (value chains, non-farm income, basic grains, inputs, post-harvest handling, certifications and quality standards, market and information, associations and cooperatives, management capacity), agricultural policy level work (planning/budget management, trade, SPS, customs, subsidies, rural finance), infrastructure (roads, irrigation, etc.), research and extension, technology transfer, agricultural training needs and capacity building, service delivery models (vs. national institution provision), nutrition interventions, and humanitarian assistance to assist the most vulnerable, and climate change.
- The Contractor shall develop a methodology for analyzing involvement in these areas, e.g., pros/cons, SWOT analysis, etc.
- The Contractor shall assess the capacity of Guatemala’s institutions (GOG, research institutes, think tanks), including leadership, analytical, and statistical capacity;
- The Contractor shall consult with stakeholders, including the GOG (SEGEPLAN, SESAN, MAGA), private sector, academia, and civil society.
- The Contractor shall consider comparative advantages of USAID, other USG players, and other donors.
- The Contractor shall bring best practices from other countries to Guatemala, consulting the recent IFPRI and MSU publications and other documents.
- The Contractor shall consult with the Michigan State University team to ensure coordination and no duplication of efforts.<sup>18</sup>

## IV. Deliverables

**1. Briefings** – The Contractor shall hold in- and out-briefings with the USAID Food Security Committee.

---

<sup>17</sup> Plan Estratégico de Seguridad Alimentaria [http://www.sesan.gob.gt/images/files/File/pesan\\_final.pdf](http://www.sesan.gob.gt/images/files/File/pesan_final.pdf)

Policy: <http://www.sesan.gob.gt/images/files/Politica.pdf>

Law: [http://www.sesan.gob.gt/ley\\_del\\_sinasan.html](http://www.sesan.gob.gt/ley_del_sinasan.html)

Regulation: [http://www.sesan.gob.gt/reglamento\\_de\\_ley\\_del\\_sinasan.html](http://www.sesan.gob.gt/reglamento_de_ley_del_sinasan.html)

Modifications to the Regulation: [http://www.sesan.gob.gt/reglamento\\_de\\_ley\\_del\\_sinasan.html](http://www.sesan.gob.gt/reglamento_de_ley_del_sinasan.html)

<sup>18</sup> The MSU team will arrive in mid-January 2009 to assist USAID/Guatemala in: 1) the assessment of institutions in food security analysis, outreach, or advocacy and 2) data availability with respect to food security in Guatemala. Contact: Dave Tschirley at [tschirle@anr.msu.edu](mailto:tschirle@anr.msu.edu)

**2. Methodology** – The Contractor shall develop a methodology and/or analytical framework for assessing the landscape of options for food security in Guatemala.

**3. Report on Findings (15-20 pages)** – The report shall provide a framework analysis of Guatemala’s country-led priorities in food security based on the methodology developed above. The Contractor shall assess GOG analytical capacity for leadership, including an assessment of the strengths and/or validity of the Strategic Plan for Food Security and Nutrition (PESAN), existing legislation under consideration such as the draft Rural Development Law, and other enabling factors for a country-led process. The report shall broadly assess the state of various sub-sectors; identify bottlenecks and opportunities; and possible solutions for the GOG, USG, and other donors to leverage. The report shall incorporate best practices in food security from other countries.

Deadline: The draft report shall be provided 15 days from the beginning of the Guatemalan field work portion of the assignment. The final report will incorporate feedback from USAID and be provided within one week following receipt of comments from USAID/Guatemala .

## **V. Reporting Relationship**

The Contractor shall work under the overall technical direction of the COTR in LAC/RSD/BBEG, Douglas Pulse ([dpulse@usaid.gov](mailto:dpulse@usaid.gov)). The USAID/Guatemala Enterprise, Trade, and Environment Office will serve as the activity manager while in the field. The Contractor shall coordinate with the Food Aid team and the Health and Education Office.

## **VI. Level of Effort and Period Performance**

It is estimated that the Contractor will need up to 25 work days, including travel, to complete the tasks and produce the required deliverables in late January and February 2010.

The Contractor shall spend 18 work days in Guatemala (6 day work week) to conduct the framework analysis. A draft report will be produced for Mission Review and comments prior to departure from Guatemala at the conclusion of the three weeks.

The Contractor shall be authorized five days for pre- and post-trip preparation in Washington, DC to: 1) review background literature and/or to hold consultation meetings with the LAC Bureau and other stakeholders and 2) to incorporate comments on the draft from the Mission and to produce a Final Report.

Two travel days will be required

## **VII. Logistics**

The Contractor will be responsible for logistics, computer and internet access, and transportation. USAID/Guatemala will arrange for appointments with GoG officials and other stakeholders in the private sector, and with the academic and civil society community.

### **VIII. Duty Station**

The services for this task order will be performed in Washington, DC and Guatemala City, Guatemala.

### **IX. Distribution of Public Reports**

One copy of technical reports, in English, shall be sent to USAID's Development Experience Clearinghouse (DEC) in either electronic (preferred) or paper form to one of the following: (A) Online: <http://dec.usaid.gov>; or (B) By Mail (for pouch delivery): DEXS Document Submissions, M/CIO/KM/DEC, RRB M.01-010, Washington, DC 20523-6100

## REFERENCES

Food Security Initiative: <http://www.state.gov/s/globalfoodsecurity/129952.htm> and [http://www.whitehouse.gov/the\\_press\\_office/Food-Security-Investing-in-Agricultural-Development-to-Reduce-Hunger-and-Poverty](http://www.whitehouse.gov/the_press_office/Food-Security-Investing-in-Agricultural-Development-to-Reduce-Hunger-and-Poverty)

Distribucion sectorial del crecimiento del empleo en el altiplano guatemalteco, Instituto de Agricola, Recursos Naturales, y Ambiente (IARNA), Universidad Rafael Landivar, Septiembre de 2006.

Evaluacion y Marco Estrategico del Gasto Publico Para el Desarrollo Agricola Guatemalteco: Hacia una Mayor Eficiencia, Eficacia y Equidad, 24 de Enero 2009

MFEWS. Guatemala, September 2009 to March 2009.  
[www.fews.net/FoodInsecurityScale](http://www.fews.net/FoodInsecurityScale)

Millennium Development Goals: <http://mdgs.un.org/unsd/mdg/data.aspx>

Ministry of Agriculture: <http://www2.maga.gob.gt/>

Plan Estratégico de Seguridad Alimentaria (2009-2012):  
[http://www.sesan.gob.gt/images/files/File/pesan\\_final.pdf](http://www.sesan.gob.gt/images/files/File/pesan_final.pdf)

Seguridad Alimentaria y Agricultura en Guatemala: Evaluacion rapida del sector agricola y su estado para abordar los retos de seguridad alimentaria del pais, USAID TCAP (Abt), Noviembre de 2009.

USAID Sector Briefs

## **ANNEX B. CONTACTS AND FIELD TRIPS**

### Contacts

Monday, 1 February	Rodolfo González, ANACAFE Mynor Maldonado, Funcafé Arnoldo Melgar, ANACAFE  Lawrence Rubey, USAID/El Salvador  David Tschirley, Michigan State University
Wednesday, 3 February	Cassey Wheeler, USAID/Guatemala  Sebastián Marcucci, Mercy Corps  Mario Aragón, Abt Associates Ricardo Frohmader, Abt Associates
Thursday, 4 February	Jorge Méndez, Fundación AGIL  Pedro Martel, Inter-American Development Bank
Friday, 5 February	Daniel Orellana, USDA
Monday, 8 February	Gabriela García, PRONACOM  Baudilio López, USAID/Guatemala  Fernando Rubio, Juárez & Associates  Jaime Sosa, PIPAA  Iván Buitrón, AGEXPORT Ricardo Santa Cruz, AGEXPORT
Tuesday, 9 February	Carlos Herrera, Génesis Adela de Rizzo, Génesis  Pedro Prado, ASÍES Violeta Hernández, ASÍES Rubén Narciso, ASÍES
Wednesday, 10 February	Sergei Walter, BANRURAL  César Fión, Mi Comunidad Produce

Miguel von Hoegen, Universidad Rafael Landívar

Wilson Romero, Universidad Rafael Landívar

Jaime Carrera, Universidad Rafael Landívar

Thursday, 11 February

Pietro Díaz, MAGA

Lily Caravantes, SESAN  
Salvador España, SESAN  
Juan Pablo Nieto, SESAN

Lorena Aguilar, MFEWS  
Gilda Walter, MFEWS

Friday, 12 February

Mario del Cid, Counterpart International

Mario Calvillo, INTECAP

Patricia Monje, SEGEPLAN

Tuesday, 16 February

Robert Hoff, USDA  
Karla Tay, USDA

José Román Carrera, Rainforest Alliance  
Omar Samayoa, Rainforest Alliance

Gary Greene, APHIS  
Luis Caniz, APHIS

### Field Trips

Tuesday, 2 February

Cooperativa Cuatro Pinos, Sacatepéquez

Utz-Ajticonelá, Chimaltenango

Cooperativa Integral Acatenango, Chimaltenango

Monday, 15 February

Unión Duraznito, Jalapa

Wednesday, 17 February

CINESEM/AGRISEM, Uspantán, El Quiché

Granja Integrada Agropecuaria, Cunén, El Quiché

ADIES, Sacapulas, El Quiché

Thursday, 18 February

Puesto de Salud, Santa Barbara, Huehuetenango

Huertos Familiares, Aguacatán, Huehuetenango