

USAID/Guatemala
ANNUAL REPORT FY 2003

3/13/2003

Please Note:

The attached RESULTS INFORMATION is from the FY 2003 Annual Report and was assembled and analyzed by the country or USAID operating unit identified on the cover page.

The Annual Report is a "pre-decisional" USAID document and does not reflect results stemming from formal USAID review(s) of this document.

Related document information can be obtained from:
USAID Development Experience Clearinghouse
1611 N. Kent Street, Suite 200
Arlington, VA 22209-2111
Telephone: 703-351-4006 Ext 106
Fax: 703-351-4039
Email: docorder@dec.cdie.org
Internet: <http://www.dec.org>

Portions released on or after July 1, 2003

A. Program Level Narrative

Program Performance Summary:

Guatemala is working to position itself for a potential Central America Free Trade Agreement while still recuperating from its 36-year civil war. Its \$20.6 billion GDP and population of 12 million are the largest in Central America, and it has the third most unequal distribution of income in the world. Despite a per capita income of \$1,670, its lower-middle income classification is deceiving, masking extreme inequalities found between urban, largely ladino (Spanish-descent) and rural, indigenous populations. Although poverty has fallen over the past decade, over half (57%) of its population lives in poverty, and nearly 20% of its people are extremely poor. Guatemala ranks among the worst in the region for life expectancy, infant mortality (39 per 1,000 live births), maternal mortality (153 per 100,000 live births), and chronic malnutrition (49%), and lags behind other countries in the hemisphere in terms of educational access, investment and literacy. Guatemala's complex topography, as well as its cultural and linguistic diversity, complicates efforts to expand education and health services, and contributes to an extremely low rate of labor productivity. Agriculture, which employs the majority of the poor, was particularly hard hit from the combined impacts of the worldwide economic downturn, drought, and the lowest coffee prices in 30 years. Although fifteen years have passed since the return to democratic rule, Guatemala's democracy and key institutions (the Congress, judicial system, and local governments) remain fragile and are far too easily hijacked by persons or interest groups for private gain. Common crime is rampant, and corruption is endemic and fueled by increased money laundering and drug and alien smuggling. Guatemala is classified as non-cooperative for money laundering by the Organization for Economic Cooperation and Development, and continues to serve as the region's main transit point for illegal migrants and narcotics en route to the United States. Although progress has been made in implementing many of the 1996 Peace Accord commitments, the pace of reform has faltered the past two years and families once optimistic about the prosperity that peace offered are decidedly more pessimistic about their income and safety. Unfortunately, in the absence of an effective judicial system, the legacies of its civil war, as well as ethnic and social tensions, offer ample kindling for conflict that are increasingly expressed through violent acts such as lynching.

The negotiation of a free trade agreement with the United States provides an incentive and urgency to addressing these key development challenges. Guatemala's rich natural resource base and location on Mexico's southern border position the country to benefit significantly from an expansion of trade both within the region and with the United States and Mexico. The United States is Guatemala's most important trading partner, accounting for 36% of Guatemalan exports and providing 40% of its imports. Other U.S. national interests in Guatemala include the containment of illegal migration, organized crime and narco-trafficking, and strengthening of democracy, fulfillment of the Peace Accords, and fair and free national elections leading to a peaceful transition in power in 2003. Strengthening Guatemala's weak governmental institutions and fostering broad-based economic growth are essential to effective collaboration in containing illegal migration, combating organized crime and drug trafficking, and addressing other potential threats to homeland security.

Despite the difficult overall development climate, USAID's program can be credited with many important impacts. Our significant and longstanding support for child survival and reproductive health have contributed to improvements in nearly all key health indicators since 1987: infant mortality is down from 79 to 39 per 1,000 live births, the total fertility rate is down from 5.6 children per woman to 4.4, and contraceptive prevalence up from 23% to 43%. Since 1989, the maternal mortality rate decreased from 219 to 153 per 100,000 live births. In education, 3rd grade completion rates for our target area have improved dramatically, for both boys and girls. Our health and income programs combined to effectively address the rural crisis that emerged this year, quickly re-orienting ongoing income-generation activities to place cash in the hands of families with severely malnourished children, targeting at-risk children and mothers directly with a Title II feeding program, and helping the Ministry of Health to launch an integrated child health surveillance and treatment program. Through our support for forestry concessions in and around protected areas, USAID has helped local people administer more community-managed certified forest acreage than any other country in the world, increasing family income while also providing revenues to support conservation activities.

Our Special Peace Objective is the only programmatic area where results fell short of targets. Notwithstanding a projected higher level of tax collections (10.3% of GDP for 2002) than any previous year, government allocations to the social sectors fell short of targets contained in the Peace Accords and military expenditures exceeded the Peace Accord mandated cap. Of even greater concern, difficult economic circumstances fueled long-standing land and labor disputes, and combined with an overall increase in criminal activity, leading to vigilante justice and violent conflicts in many rural areas. The human rights situation deteriorated and several indigenous leaders were killed. Yet, despite this difficult environment, most of our project interventions continued to provide tangible benefits to those most affected by the conflict. USAID support for exhumations, mental health services for surviving family members deal with war trauma; our financial and technical support to the Land Bank and Land Conflict Commission (CONTIERRA) was instrumental in resolving more than eighty land conflicts, including two politically sensitive and historically volatile land conflicts (Los Cimientos and Estrella Polar) and assisting 12,541 rural families acquire secure land titles. Our support for human rights NGOs contributed to the creation of a national network of human rights organizations that lobbied effectively for the appointment of a respected human rights activist to the post of Human Rights Ombudsman.

The U.S. Commerce Department, Department of Agriculture, Department of Health and Human Services, Peace Corps, and the Environmental Protection Agency are all presently working together in the delivery of assistance for the achievement of U.S. objectives.

USAID has been successful in encouraging other donors to build upon its pioneering demonstration activities in education and health, and has played a pivotal role in the Consultative Group on Guatemala, which involves all the major donors. Overall development assistance to Guatemala totals about \$968.0 million per year, excluding debt relief. The United States and Japan are Guatemala's first and second largest bilateral partners. Other major bilateral donors (listed in order of program size) and their principal areas of focus include Germany (education and health), Canada (rural development), and Netherlands (Peace Accords implementation and the environment).

Multilateral donors (listed in order of program size) include the Inter-American Development Bank (infrastructure, social sectors, and financial reform); the World Bank (financial reform and physical infrastructure); the Central American Bank of Economic Integration (infrastructure); the European Union (Peace Accords implementation and decentralization); and the United Nations system/agencies, including the World Food Program, the United Nations Development Program, the United Nations Children's Fund, the World Health Organization, and the Food and Agriculture Organization.

Environmental Compliance: Anticipated needs for new or amended Initial Environmental Examinations for the Guatemala Mission:

-Bilateral Environmental Program will pursue an amendment to LAC-IEE-01-21 to allow the use of pesticides by forestry concessionaires to treat timber.

-Bilateral Education needs to update LAC-IEE-97-29, estimated for January 2003.

-Bilateral Income needs to update LAC-IEE-97-34, estimated for January 2003.

Compliance with Current IEEs

All bilateral projects are in compliance with the applicable conditions, except for the following for which updates of environmental documentation and process are needed:

-The Guatemala bilateral Education IEE is expired and therefore not in compliance. The extension of the Threshold Decision (Categorical Exclusion) will be requested immediately.

-The Guatemala bilateral Income IEE is expired and is therefore not in compliance. The extension of the Threshold Decision (Categorical Exclusion/Positive Determination) will be requested immediately.

-The Guatemala Office of Democratic Initiatives Special Development Fund (SDF) projects have not been cleared by the Mission Environmental Officer (MEO) to date as stipulated in the IEE. The MEO has been included in the clearance process for all future SDF projects.

Country Closeout & Graduation: Not Applicable.

D. Results Framework

520-001 More Inclusive and Responsive Democracy

SO Level Indicator: Number of Justice Centers opened and operating

IR 1.4 Increased awareness and respect for human rights

IR 1.1 More effective and responsive criminal justice system

IR 1.2 Broader, more effective citizen participation in the policy process and oversight of public institutions

IR 1.3 Increased citizen participation in strengthened local governments

Discussion:

520-002 Better Educated Rural Society

IR 2.1 Children of Quiché have increased access to intercultural bilingual primary education

IR 2.2 Rural communities of the Zonapaz have greater access to education services

IR 2.3 Educational policies and strategies that enhance gender equity and cultural pluralism implemented

Discussion:

520-003 Better Health for Women and Children

SO Level Indicator: Infant Mortality Rate

SO Level Indicator: Total Fertility Rate

IR 3.1 More rural families use quality MCH services and better household practices

IR 3.2 Public health programs are well managed

IR 3.3 Stronger Guatemalan commitment to integrated women's health

Discussion:

520-004 Increased Rural Household Income and Food Security

IR 4.1 More small farmers engaged in higher value production and marketing

IR 4.2 More microentrepreneurs expanding their business

IR 4.3 Market towns stimulating economic activity

IR 4.4 Improved family nutrition

Discussion:

520-005 Improved Natural Resources Management and Conservation of Biodiversity

SO Level Indicator: Stable or improved ecological integrity

IR 5.1 Improved natural resource management for the conservation of biodiversity in selected bio-regions

IR 5.2 Improved environmental policies applied

IR 5.3 More effective and responsive institutions

Discussion:

520-006 Support the Implementation of the Peace Accords

- IR 6.1 National reconciliation process advanced through Historical Clarification Commission follow up
- IR 6.2 Capacity of indigenous communities developed for broader participation in economic, social and political arenas
- IR 6.3 Broaden access to factors of production in ex-conflictive areas
- IR 6.4 Key state institutions and policies reformed to sustain the peace process

Discussion:

520-007 Rural economy recovers from Mitch and is less vulnerable to disasters

- IR 7.3 Community disease prevention and control systems strengthened
- IR 7.1 Disaster preparedness enhanced
- IR 7.2 Agricultural productivity recovered on more sustainable basis

Discussion:

520-008 A Diversified, Market-based Rural Economy

Discussion: Under development.

520-009 Healthier Better Educated Families and Youth

Discussion: To be determined.

520-010 Strengthened Foundations for Democratic Governance

Discussion: Under development.

Selected Performance Measures - Guatemala

3/13/2003 12:50:04 PM

Indicator (all data should pertain to FY or CY 02)	OU Response	Significant Result: Description of the significant result for a strategic objective	Data Quality Factors: Information relevant to the collection of this indicator data, e.g. "this data was not collected last year because it is only collected every five years."
Pillar I: Global Development Alliance			
Did your operating unit achieve a significant result working in alliance with the private sector or NGOs?			
520-002 Better Educated Rural Society	Yes	Procter and Gamble (P&G) contacted USAID to ask for assistance to identify potential NGO partners to build and manage a school requested by Waelti-Schoenfeld, a green coffee exporter, in Huehuetenango. USAID contacted a local NGO (FUNRURAL) and set up a meeting for the representative of Waelti-Schoenfeld who was very impressed with the work that FUNRURAL is doing with schools and its expertise in designing programs that encourage parents participation in children's education. Thanks to USAID rapid response, an alliance was formed between FUNRURAL, P&G's coffee brands, and Waelti-Schoenfeld, and a \$26,275 check was on its way to Guatemala in less than two weeks for the construction of the school.	
a. How many alliances did you implement in 2002? (list partners)	1		Procter and Gamble
b. How many alliances do you plan to implement in FY 2003?	12		Global IT outsourcing giant Affiliated Computer Services, Frito-Lay, the International Banana Association, Royal Ahold and La Fragua, Sersat, microenterprise deal with other donors, DCA deal for rural financial services, Organic Vanilla, Ramon Nut, Hard Bean Coffee, Microsoft, Kennedy Foundation, McDonald's, among others.
What amount of funds has been leveraged by the alliances in relationship to USAID's contribution?	26275		
Pillar II: Economic Growth, Agriculture and Trade			
USAID Objective 1: Critical, private markets expanded and strengthened			
Did your program achieve a significant result in the past year that is likely to contribute to this objective?			
USAID Objective 2: More rapid and enhanced agricultural development and food security encouraged			
Did your program achieve a significant result in the past year that is likely to contribute to this objective?			

520-004 Increased Rural Household Income and Food Security	Yes			76,527 small farmers using defined sustainable agricultural practices to produce coffee, organic crops and agroforestry products. 36% of beneficiaries are women.	The contractor implementing the SO's M&E runs data quality checks on all indicators reported under the program and coordinates closely with USAID and its partners on data collection and quality assessments.
--	-----	--	--	---	--

USAID Objective 3: Access to economic opportunity for the rural and urban poor expanded and made more equitable

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

520-004 Increased Rural Household Income and Food Security	Yes			The cumulative number of microenterprises receiving technical and financial services increased by 78% reaching 88,915 in 2002. 61% are women.	SO4 is implemented via several contracts and grants. One contractor implements overall M&E plan in consultation with USAID and all partners. Certified data quality is in place for indicators tracked.
--	-----	--	--	---	---

USAID Objective 4: Access to quality basic education for under-served populations, especially for girls and women, expanded

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

520-002 Better Educated Rural Society	Yes			Number of children enrolled in primary schools affected by USAID's basic education programs.	Data are collected for this indicator on a school calendar basis and correspond to the 2001 school year. Data are collected by USAID's partners and carefully monitored by the IEQ II activity and USAID's technical team.
a. Number of children enrolled in primary schools affected by USAID basic education programs (2002 actual)	173,895 Male	150,366 Female	324,261 Total		See above
b. Number of children enrolled in primary schools affected by USAID basic education programs (2003 target)	177,802 Male	153,916 Female	331,718 Total		See above.

USAID Objective 5: World's environment protected by emphasizing policies and practices ensuring environmentally sound and efficient energy use, sustainable urbanization,

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

520-005 Improved Natural Resources Management and Conservation of Biodiversity					
a. Hectares under Approved Management Plans (2002 actual)	673953				The number of hectares is cumulative. The figure includes hectares of parks, forestry concessions, and municipal and private lands under management in selected geographical areas.
b. Hectares under Approved Management Plans (2003 target)	679630				The number of hectares is cumulative. The figure includes hectares of parks, forestry concessions, and municipal and private lands under management in selected geographical areas.

Pillar III: Global Health

USAID Objective 1: Reducing the number of unintended pregnancies

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

520-003 Better Health for Women and Children	Yes			This percentage increased from 31% in 1999 to 34% in 2002.	The source for this indicator is the 2002 Maternal and Child Health Survey (ENSMI)--a nationally representative sample carried out by CDC.
--	-----	--	--	--	--

Percentage of in-union women age 15-49 using, or whose partner is using, a modern method of contraception at the time of the survey. (DHS/RHS)	34%				The source for this indicator is the 2002 Maternal and Child Health Survey (ENSMI)--a nationally representative sample carried out by CDC.
--	-----	--	--	--	--

USAID Objective 2: Reducing infant and child mortality

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

520-003 Better Health for Women and Children	Yes			This percentage increased from 70% in 1999 to 77% in 2002.	The source for this indicator is the 2002 Maternal and Child Health Survey (ENSMI)--a nationally representative sample carried out by CDC.
Percentage of children age 12 months or less who have received their third dose of DPT (DHS/RHS)	Male	Female	Total		
Percentage of children age 6-59 months who had a case of diarrhea in the last two weeks and received ORT (DHS/RHS)	Male	Female	Total		
Percentage of children age 6-59 months receiving a vitamin A supplement during the last six months (DHS/RHS)	Male	Female	Total		
Were there any confirmed cases of wild-strain polio transmission in your country?	No				

USAID Objective 3: Reducing deaths and adverse health outcomes to women as a result of pregnancy and childbirth

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

520-003 Better Health for Women and Children	No			No improvement occurred per this indicator, but Met Need for Obstetrical Care indicator did improve.	
Percentage of births attended by medically-trained personnel (DHS/RHS)	%				

USAID Objective 4: Reducing the HIV transmission rate and the impact of HIV/AIDS pandemic in developing countries

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

520-003 Better Health for Women and Children	Yes			USAID-donated condoms sold by bilateral social marketing partner	
a. Total condom sales (2002 actual)	1700000				
b. Total condom sales (2003 target)	1800000				
National HIV Seroprevalence Rates reported annually (Source: National Sentinel Surveillance System)	%				
Number of sex partners in past year (Source: national survey/conducted every 3-5 years)per DHS or other survey)					Percentage of sexually active men with more than one sex partner was 12% in 2002. The source for this indicator is the 2002 Maternal and Child Health Survey (ENSMI)--a nationally representative sample carried out by CDC.

Median age at first sex among young men and women (age of sexual debut) ages 15-24 (Source: national survey/conducted every 3-5 years) per DHS or other survey)	17 Male	19 Female	36 Total		Men: 16.6 years old Women: 18.9 years old Median age among men/women 20-24 The source for this indicator is the 2002 Maternal and Child Health Survey (ENSMI)--a nationally representative sample carried out by CDC.
Condom use with last non-regular partner (Source: national survey/conducted every 3-5 years)per DHS or other survey)	53%				53% The source for this indicator is the 2002 Maternal and Child Health Survey (ENSMI)--a nationally representative sample carried out by CDC.
Number of Clients provided services at STI clinics					
Number of STI clinics with USAID assistance					
Number of orphans and other vulnerable children receiving care/support					
Number of Orphans and Vulnerable Children programs with USAID assistance					
Number of community initiatives or community organizations receiving support to care for orphans and other vulnerable children					
Number of USAID-supported health facilities offering PMTCT services					
Number of women who attended PMTCT sites for a new pregnancy in the past 12 months					
Number of women with known HIV infection among those seen at PMTCT sites within the past year.					
Number of HIV-positive women attending antenatal clinics receiving a complete course of ARV therapy to prevent MTCT (UNGASS National Programme & Behavior Indicator #4)					
Number of individuals reached by community and home-based care programs in the past 12 months					
Number of USAID-assisted community and home-based care programs					
Number of clients seen at Voluntary Counseling and Testing (VCT) centers					
Number of VCT centers with USAID assistance					
Number of HIV-infected persons receiving Anti-Retroviral (ARV) treatment					
Number of USAID-assisted ARV treatment program					

a. Number of individuals treated in STI programs (2002 actual)	Male	Female	Total	
b. Number of individuals treated in STI programs (2003 target)	Male	Female	Total	
a. Is your operating unit supporting an MTCT program?	No			
b. Will your operating unit start an MTCT program in 2003?	No			
a. Number of individuals reached by community and home based care programs (2002 actual)	Male	Female	Total	
b. Number of individuals reached by community and home based care programs (2003 target)	Male	Female	Total	
a. Number of orphans and vulnerable children reached (2002 actual)	Male	Female	Total	
b. Number of orphans and vulnerable children reached (2003 target)	Male	Female	Total	
a. Number of individuals reached by antiretroviral (ARV) treatment programs (2002 actual)	Male	Female	Total	
b. Number of individuals reached by antiretroviral (ARV) treatment programs (2003 target)	Male	Female	Total	

USAID Objective 5: Reducing the threat of infectious diseases of major public health importance

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

a. Number of insecticide impregnated bed-nets sold (Malaria) (2002 actual)				
b. Number of insecticide impregnated bed-nets sold (Malaria) (2003 target)				
a. Proportion of districts implementing the DOTS Tuberculosis strategy (2002 actual)	%			
b. Proportion of districts implementing the DOTS Tuberculosis strategy (2003 target)	%			

Pillar III: Democracy, Conflict and Humanitarian Assistance

USAID Objective 1: Strengthen the rule of law and respect for human rights

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

520-001 More Inclusive and Responsive Democracy	Yes		<p>Twelve Justice Centers are now in full operation in key departments providing improved access to justice and efficiency for Guatemalans outside the capital city. Case file and information management reforms are significantly improving efficiency and reducing the potential for corruption. The time to locate case files dropped from hours to less than 15 minutes for 95% of users and Public Ministry case intake units have reduced filing time for criminal complaints from 4-5 hours to less than 15 minutes. Victims Attention Offices are providing over 8,000 victims of crime and their families with medical, psychological, and legal counseling. Sixteen community mediation centers are now providing effective (full compliance with the mediated settlement within one month for 73% of cases and partial compliance for another 22%) adjudication of issues for the rural poor, especially women and non-Spanish speakers. For the first time in the fifteen-year history of the institution, the Human Rights Ombudsman was nominated and supported by the human rights community. A radio soap oper:</p>
---	-----	--	--

USAID Objective 2: Encourage credible and competitive political processes

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

520-001 More Inclusive and Responsive Democracy	N/A		<p>Initial electoral support efforts began with timely technical assistance to the new Supreme Electoral Tribunal (TSE) magistrates, involving former heads of electoral tribunals in Nicaragua and Honduras. The agreement signed with the TSE support for a massive registration effort that lays the groundwork for decentralization of polling places that will begin in the next few months.</p>
---	-----	--	---

USAID Objective 3: Promote the development of politically active civil society

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

520-001 More Inclusive and Responsive Democracy	Yes		Eight civil society coalitions focusing on combating ethnic discrimination, transparency/anti-corruption, public security, and congressional oversight have successfully organized around the strengths of multi-sector actors to focus varied experiences and synergies on achieving concrete results regarding the public policy process and political decision-making.
---	-----	--	---

USAID Objective 4: Encourage more transparent and accountable government institutions

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

520-001 More Inclusive and Responsive Democracy	N/A		The Guatemalan Congress passed three major decentralization laws in which USAID had significant input and that will have major impact on the process of decentralization and citizen participation at the local level. Twenty municipal planning offices are now established and are helping to develop effective operating, investment, and municipal development plans in targeted municipalities. Accountability sessions through which municipal officials report to constituents on the use of municipal resources are now being held in 33 municipalities, citizen agendas that feed directly into budget and planning processes are being used in 40 municipalities, citizen oversight committees were created in 24 municipalities, and 19 communities are implementing participatory budget processes.
---	-----	--	---

USAID Objective 5: Mitigate conflict

Did your program in a pre-conflict situation achieve a significant result in the past year that is likely to contribute to this objective?

Did your program in a post-conflict situation achieve a significant result in the past year that is likely to contribute to this objective?

Number of refugees and internally displaced persons assisted by USAID	Male	Female	Total	
---	------	--------	-------	--

USAID Objective 6: Provide humanitarian relief

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

Number of beneficiaries				
Crude mortality rates	%			
Child malnutrition rates	%			
Did you provide support to torture survivors this year, even as part of a larger effort?				
Number of beneficiaries (adults age 15 and over)	Male	Female	Total	
Number of beneficiaries (children under age 15)	Male	Female	Total	