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# **SUPPORT TO THE GOVERNMENT OF GUATEMALA IN RURAL DEVELOPMENT**

**February 2005**

This publication was produced for review by the United States Agency for International Development. It was prepared by Chemonics International Inc. under the Guatemala General Trade, Business, and Investment (GBTI) Task Order No. 807 of the Indefinite Quantity Contract No. PCE-I-8-98-000015-0.

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## **DISCLAIMER**

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.



# Support to the Government of Guatemala in Rural Development Final Report

As regional and international markets bring down barriers to trade, countries like Guatemala need to better position themselves to take advantage of the opportunities that will result from free trade. Incorporating the rural economy into this process is vital for the economic development of Guatemala and for helping to break the cycle of poverty. It is within this context that this intervention has targeted its technical assistance and training services.

As a result of the activities implemented through this task order, the Government of Guatemala (GOG) is in a better position to make informed decisions and to continue to make progress in the formulation of its rural development policies and strategies. High-level targeted technical assistance was compressed into the relatively short duration (total of only 6 ½ months) to provide key inputs to government decision-making.

The task order provided a flexible, responsive mechanism to produce several important deliverables that will contribute toward an improved business and investment climate in Guatemala.

## I. Project Overview

The Support to the Government of Guatemala for Addressing Business and Trade Constraints and Opportunities and Rural Development activity (referred to as Support to the Government of Guatemala in Rural Development) was implemented by Chemonics International Inc. through a task order with the General Business Trade and Investment (GBTI) IQC mechanism. Chemonics worked in association with U.S. and local organizations to produce these deliverables. The local partner organizations included three institutes from Rafael Landívar University - Institute of Social and Economic Research (IDIES); Institute of Agriculture, Natural Resources, and the Environment (IARNA); and the Institute for the Transformation of Conflicts and Construction of Peace in Guatemala (INTRAPAZ). The U.S.-based partners included Abt. Associates Inc., New Development Solutions, and the Vanderbilt Institute for Mesoamerican Archeology.

### Support to GOG in Rural Development GBTI Task Order at a Glance

Final Budget: \$339,664

Period: August 2004 – February 2005

Key Impacts:

- Government of Guatemala able to make better rural policy/development decisions based on the targeted, high-level technical assistance received.
- New analytical information produced under the task order will contribute to improved decision-making by the GOG.
- CONTIERRA staff better trained and equipped with IT equipment to carry out its mandate.
- New products available to enhance eco-tourism in Chisec and throughout the Candelaria River Cave System.
- Complete database of hotels and restaurants prepared to provide INGUAT with increased tourism information.

The task order served as a rapid response mechanism to produce specific deliverables over a short period. USAID awarded the task order to Chemonics on August 11, 2004 with an initial

end date of December 31, 2004. To allow additional time to complete activities, USAID issued a 60-day no-cost extension, carrying the project to February 28, 2005.

## **A. Project Setting and Key Partners**

As corroborated by the background and objective statements in the task order contract, the development of Guatemala's rural economy is a critical component for breaking the cycle of poverty rampant in rural areas. Rural economic development is pivotal to helping Guatemala to penetrate regional and international markets with its products (e.g., tourism and its natural products) and to maximize the potential benefits from free trade opportunities.

USAID/Guatemala-CAP developed the scope of work to provide critical and targeted support to the new Guatemalan government, which took office in January 2004, in its pro-business stance and commitment to rural development.

By design, the principal recipients and beneficiaries of project support were the GOG's Planning Ministry (SEGEPLAN) and the Ministry of Agriculture (MAGA). The task order was born out of their initial requests to USAID/Guatemala-CAP for the production of deliverables. The GBTI IQC presented an ideal mechanism to rapidly respond to their requests and to help USAID/Guatemala-CAP meet its objectives.

As stated in the contract, the overarching goal was to "help advance the general business and investment climate of Guatemala" through a series of discrete, targeted activities. Although the deliverables were diverse, they all contributed to the advancement of business and investment.

## **B. USAID Objectives**

As described in its program profile, a key objective of USAID support is to "help Guatemala improve its competitive position, lending technical support to improve the policy environment for investment [and] facilitate business development."

Through this contract, USAID/Guatemala-CAP provided valuable support to the GOG. By producing a series of focused, short-term deliverables, the GOG is better able to take advantage of forthcoming free trade opportunities and to better strategize its approach to rural development.

## **C. Key Challenges**

We enjoyed a collaborative and receptive relationship with the project partners, including USAID/G-CAP, which contributed to successful completion of key deliverables and relatively smooth implementation. Notwithstanding, several challenges are worth mentioning.

*Short timeframe to complete deliverables.* As already mentioned, the initial period of performance for activities spanned only 4 ½ months (mid-August through December). Recognizing the level of detail and depth required to complete the deliverables, Chemonics and its partners had to act quickly to accomplish assigned tasks. USAID/G-CAP support proved critical and helped activities stay on track by authorizing us to incur specific pre-contract expenses; rapidly approving technical assignments, subcontractors and consultants; providing continuous feedback and support; and for agreeing to issue a 60-day no-cost extension. All of

these factors enabled us to rise to the challenge and produce the required results. The additional 60 days allowed the task order to provide better support to some of its partners. For example, task order efforts to launch in-depth training sessions for CONTIERRA staff on conflict resolution were halted because CONTIERRA staff could not afford to be away from their office for an extended period. The 60-day extension enabled us to modify the scope of work and to carry out the training at a later, more convenient time for CONTIERRA staff.

*Putting limited resources to work.* Financial resources to carry out the tasks were limited and additional funding was unavailable. Together with USAID/G-CAP, we monitored expenditures and prioritized activities. A modification to the scope of work is presently underway to clearly describe priorities that we could accomplish within the timeframe and budget. We recognize that some project beneficiaries expected more, but again, due to limited resources we could not move forward with all activities requested. Over-extending resources would have negatively impacted our ability to meet contract requirements. Collaborating closely with USAID/G-CAP each step of the way helped us to maximize the use of resources.

*Absorptive capacity.* This is not a widespread challenge. However, in the case of our work in the promotion of tourism and economic opportunities in Chisec ([www.visitichisec.com](http://www.visitichisec.com)), we learned that the beneficiaries’ organization, SANK (non-profit, non-governmental organization) does not yet have the capacity to adequately manage the Web site on its own. SANK did not take advantage of technical guidance offered by our partner, New Development Solutions (NDS), nor did SANK request specific assistance to help remedy this situation until the later stages. There is still time, and NDS is providing training to ensure that SANK staff can adequately manage the Web site.

*Non-performing consultants.* Two short-term local professionals, Jorge Enrique Torres and Walter Valencia, were contracted to develop a methodology to encourage and facilitate land dialogue among opposing groups. The project encountered several difficulties with this assignment – namely that the two consultants did not perform. Based on their non-performance and unresponsiveness to the project’s extensive efforts to contact them, both contracts were terminated. This was done in close collaboration with USAID/G-CAP and the primary counterpart, the War-Torn Societies Project. This was unfortunate, but the task order was indeed able carry out activities in support of land titling and land dispute issues.

## **II. The Impact – Major Tasks and Accomplishments**

The challenges faced in implementation (common to development) did not prevent the team from producing the required deliverables. Below we highlight the major tasks and accomplishments.

### **A. Economic Dynamism Maps**

As indicated in the scope of work, SEGEPLAN requested “assistance in the development of a

#### **Impact Statement**

“En cuanto al impacto que esperamos tenga el...trabajo, creemos que será una herramienta de suma utilidad para los funcionarios de gobierno que buscan dirigir de mejor manera, y sobre todo focalizar más efectivamente, las políticas públicas para el desarrollo económico y los recursos de inversión del gobierno. El índice es una herramienta diseñada para ayudar en la toma de decisiones de manera sencilla y rápida. Esperamos que el instrumento sea ampliamente utilizado al punto que se desarrollen índice de este tipo para todas las regiones del país.”

— Antonio Romero, IDIES

tool to monitor economic growth and its impact on poverty and equity at the municipal level and provide parameters for decisions on policies and social investments. They would like to develop a geo-referenced database containing data on poverty, inequality, and economic dynamism at the municipal level.” To help accomplish this task, we engaged the services of IDIES through Rafael Landívar University with a fixed price subcontract.

As we see from analyzing the regions of Sacatepéquez, Chimaltenango and Escuintla, the presence of infrastructure in rural economic development is key to successful growth. This aspect, combined with the role of the municipality, provides the right catalysts for rural economic growth.

## **B. Land**

Land conflicts delay development of the rural economy in Guatemala, inhibiting the potential for economic growth and business development there. Both ingredients are necessary to become more competitive in the domestic, regional, and international markets. To help the GOG remedy this situation, the project team was tasked with specific activities and deliverables.

### **B1. Land Dialogue Process**

Land dialogue in Guatemala is contentious and difficult. The dispute over land in Guatemala dates back for hundreds of years.

As indicated in the text box, it is difficult to dispute that the vast majority of the best and most fertile land is in the hands of a few. The rural poor have virtually no land to work. A clear methodology is needed to encourage and facilitate land dialogue among opposing groups (e.g., the Agricultural Chamber of Commerce and the peasant land poor council). Frankly, due to the non-performance of the two short-term consultants hired to support this activity, the project was not as effective as it could have been. However, to ensure that information about the process is disseminated, the project provided assistance to monitor and compile articles in the media regarding land dialogue and rural development. The articles covered policy, migration, protests, displacement, and international support.

To support the GOG in the formulation of its rural policy and to provide pertinent information in the area of land dialogue, social scientist Dr. Hector Rosada analyzed the diverse positions affecting rural development. The activity was implemented in support of the War-Torn Societies Project. Dr. Rosada indicates in his report that the land crisis in Guatemala is a core issue that deeply divides policy makers on rural development of Guatemala. He argues that the process is impacted by the judicial, economic, political, employment, ethnic, and religious sectors of society.

These deliverables will help the War-Torn Societies Project improve their efforts in the area of rural land conflict resolution and enable them to provide key inputs into the steps taken by the GOG in its policy formulation.

#### **Land Crisis**

“La carencia de tierra debe considerarse como núcleo fundamental de todo el problema social de nuestro país.”

— Project report by social scientist  
Dr. Hector Rosada  
*Hacia una Política de  
Desarrollo Rural en Guatemala*

## **B2. Socioeconomic Evaluation of Recently Titled Communities**

The task order performed an analysis of the socioeconomic situation in communities benefiting from the land-titling project, as well as land use practices. This was done through a fixed price subcontract with IARNA of the Rafael Landívar University.

This evaluation emphasized that land titling alone is not enough to spur economic development. Land titling must be combined with other inputs, including extension services in agriculture, access to credit, and markets. Land titling benefits areas most where rural farmers have access to markets.

Through coordination with SEGEPLAN and other GOG entities, this deliverable will serve as a key input to assist the GOG in its policy formulation.

## **B3. CONTIERRA**

In October 2004, the task order team prepared to launch a training event for CONTIERRA staff through INTRAPAZ, affiliated with Rafael Landívar University. The proposed training sessions involved a total of 80 class hours. Based on the extensive time commitment required for the training, CONTIERRA senior staff decided to postpone the training because they could not afford to release staff for the full duration of the sessions.

Recognizing the importance of properly equipping CONTIERRA staff and others with the necessary skills to handle conflict resolution cases, a modified land dispute resolution training session was developed. The target audience for this training was CONTIERRA staff in Guatemala City and representatives from Mesas Departamentales de Diálogo in seven departments throughout Guatemala.

In an effort to further strengthen CONTIERRA as an institution, the task order provided computer equipment, which will help update CONTIERRA's information systems and increase its efficiency. A total of five desktop computers, five APC Back Up Systems, two laptop computers, three laser printers, two portable inkjet printers, one digital camera, and 10 GPS units were provided to CONTIERRA. This equipment is officially being handed over to CONTIERRA by Glenn Anders, USAID/G-CAP Mission Director.

### **Conflict Resolution Training for CONTIERRA Staff**

Module I – Introduction. Provides an introduction to social conflict, land disputes, level of conflict, escalation of conflict, and provides the participants with the necessary tools to analyze and begin resolving conflict.

Module II – Negotiation, Dialogue, and Communication. Analyzes the various approaches to the negotiation table, how to use dialogue as a tool during the negotiation process, and how to address multi-party negotiations.

Module III – Third Party Intervention and the Mediation Process. Addresses the roles and responsibilities of mediators (in the case where there is more than one) and how to handle third party intervention during the mediation process.

Module IV – Continuing the Mediation Process. This session emphasizes basic skills such as: being a confident mediator, mediating in inter-cultural settings, and how to approach co-mediation.

## **C. Support to Government of Guatemala Rural Development Policy**

Supporting the GOG in drawing up its rural development policy served as a primary focus. Either through the provision of direct technical assistance by high-level economists and development specialists, or preparation of key resource documents, most project activities supported SEGEPLAN's efforts in formulating a sound rural development policy.

### **C1. Technical Assistance**

As part of its efforts to build national consensus in its rural development policies, the GOG, through SEGEPLAN requested technical assistance for a rural development seminar. The one-day seminar was held in Guatemala City on September 30, 2004.

To provide expertise to assist the GOG in its design of a rural development policy and strategy, Chemonics provided two senior technical specialists – Dr. James Riordan and Dr. John Mellor. Dr. Mellor was provided through a fixed price subcontract with his employer, Abt. Associates.

Both technical specialists gave presentations to the assembled Inter-Agency Donor Group, speaking about their experiences in rural development. Both talks were well received and prompted lively interest in the lessons learned that both consultants shared. Please see the text box on the following page which summarizes Dr. Riordan's presentation and recommendations made to the Inter-Agency Donor Group.

### **C2. Local and International Consultants**

Following the technical assistance provided by Chemonics' home-office employee, Dr. James Riordan in September 2004, the Presidential Commissioner for Competitiveness, Miguel Fernandez, requested Dr. Riordan's further involvement in a late-October meeting of the "Grupos Gestores" held in Panajachel, Guatemala (Lago Atitlán).

#### **Beneficiary Reacts to Project Support**

In talking with an individual who was present at the Grupo Gestores meeting in Panajachel, he said, "Talking to my companions, it was as if Dr. Riordan had given us the gift of sight for the first time, allowing us to really look at our situation in a new way. He provided exactly the sort of assistance and insight that we have been looking for."

Dr. Riordan delivered a presentation based on his observations and experience in rural development, employment, and local economic growth. The presentation emphasized the experience of Chemonics in USAID/Peru's Poverty Reduction Activity (PRA), where the project is effectively engaging businesses throughout the country and helping them to solve real problems and constraints. The project is successfully helping these businesses to generate employment and increase sales. The presentation at Lago Atitlán served to discuss the overall applicability of these experiences to the Guatemalan context. As indicated in the text box on the following page, Dr. Riordan stressed the importance that a rural development strategy should "emphasize rural areas beyond agriculture." Its ultimate focus must be on the market and what the market is demanding. This approach, in fact, will demonstrate that much of the economic activity in rural areas is non-agricultural. Also, it is critical to lessen the distinction between rural

## Reflections on the “Diálogo Rural Inter-Agencial”

Guatemala, September 30, 2004

James T. Riordan, Ph.D, Development Economist

The “Diálogo Rural Interagencial” not only brought together key actors concerned with rural development in Guatemala but stimulated considerable interest and enthusiasm among those actors. I am very grateful to the organizers for having invited me to participate. In what follows I offer some reflections on the issues discussed. My reflections are forward-looking, and include recommendations for possible future action.

**Strategy vs. taxonomy.** In putting together a strategy, it is common for those in charge to worry about inclusion – or, seen the other way, not leaving anything out. At the beginning, that is appropriate, especially to facilitate the incorporation of the views of all interested parties. But all issues are not created equal. Unfortunately, many “strategies” fail to make choices – that is, they fail to say that A is more important than B, B is more important than C, etc. – and often end up as nothing more than taxonomic exercises. As a practical matter, no government can attack all problems, at least not directly. To be effective, it must intervene strategically, thinking through where its actions can trigger the resolution of other issues by those concerned.

As the new government moves forward in the development of its strategy for the development of rural areas in Guatemala, it will be essential for it to make the transition from taxonomy to strategic choices – ideally, sooner rather than later.

**Rural vs. agricultural focus.** The new government is anxious to broaden its support of rural areas beyond agriculture. In part this reflects its desire to remove the issue of land from center stage, but it is also consistent with the fact that much of rural life is, in fact, non-agricultural. In his presentation, John Mellor argued that most non-agricultural activities are non-tradeables, and that their growth depends on growth in the tradeable sector, which, in effect, means agriculture. In my presentation, I used the mantra, “demand pulls supply.” The tradeable sector pulling the non-tradeable sector is a case in point.

But what pulls agriculture in the first place? In essence, agricultural supply is a function of demand, which typically is found in cities, either within or outside of Guatemala. As a practical matter, therefore, the conventional distinction between city and countryside makes little sense. Rather, the challenge is to tie the two together, that is, to link external buyers with agricultural producers, pulling agriculture – and the non-tradeables that derive from it – along in its train.

Some non-agricultural activities are tradeables themselves. In such instances, there is no reason not to promote non-agricultural activities directly. But the lemma that demand pulls supply still applies. The need to start at the demand side rather than the supply side is especially important in tourism and handicrafts, where, regardless of the approach, there is often a lag in seeing results.

**Systemic vs. transactional approaches.** In very general terms, there are two ways to address the problems that stand in the way of making a dent in rural poverty. The first approach, which can be called “transactional,” is classic problem solving. Under the transactional approach, one attacks the obstacles one by one as business propositions. For example, if a specific regulation stands in the way of entering foreign markets, one wages the attack against that particular regulation, not against the entire commercial code. Similarly, if insecurity of land tenure acts as a brake on the development of an export business in a defined area, one regularizes titles in that area, not nationally.

The second approach is not tied to specific transactions but is generic. For example, if existing legislation stands in the way of parents hiring and firing the teachers of their children, this approach tries to amend the legislation to solve the problem for everyone. Other examples of the systemic approach include programs to establish national agricultural research and extension systems and to legitimize agile alternative dispute resolution procedures as a way to boost the confidence of potential investors.

The presumed advantage of the systemic approach is that it addresses problems across the board. In some cases, such an approach is essential. The big disadvantage is that often the problems in question are so large, complex, or politically charged that they may be virtually impossible to solve in that way, at least in the short and medium run. Systemic solutions can obviously be far-reaching, but they can be “all or nothing” in character. In many instances, it is possible to address the concerns in question transactionally, that is, one by one, as business propositions. When feasible, the transactional approach normally is the preference. Why kill a fly with a bomb when a fly-swatter will do? The bottom line, therefore, is to be realistic from the start: if the probability of success of a systemic intervention is high, go for it; if not, think twice about embarking on a venture that may have little to show for it in the end.

Continued...

**Hands-on vs. hand-off government posture.** The government does not have the wherewithal, by itself, to create permanent jobs for the majority of Guatemala's poor people. That task falls to private parties. Nevertheless, government policies have much to do with the degree to which private economic activity flourishes and the degree to which those relatively poorly endowed participate in that activity. In essence, the government has two fundamental roles to play: first, to set clear and transparent rules for market activity and to enforce compliance with those rules; and, second, to invest in public goods -- physical infrastructure, primarily -- essential for the conduct of private economic activity. Of all the actions that a government can take, those are the most basic -- and those that typically will have the biggest impact in lowering transaction costs in the economy and making it more competitive.

Roads probably are the most common example of public goods that reduce market transaction costs -- and, in Guatemala, investment in road infrastructure arguably is priority number one for linking the Altiplano with markets. There also are other, less obvious examples of public goods that governments and donors can invest in for the same end. The underwriting of non-financial business development services by private parties is a case in point. Note that none of this discussion touches upon government picking "winners." In Guatemala, as in other countries, it is tempting to predetermine those sectors or products that merit priority public support. Such a strategy could be misguided: not only does it overstep the proper role of government, but it could backfire. In the Poverty Reduction and Alleviation Project in Peru, four of the top five companies are engaged in products that project designers would never have guessed beforehand. Again, the role of the public sector is to set the stage for the private sector to make investment and production decisions, not to make those decisions for them. That said, and as John Mellor argued, it does behoove government to support already established winners to assure that dynamic sectors -- fresh fruit and vegetables, for example -- do not lose their competitive edge and jeopardize hard won jobs. In such instances, the provision of public support to address public-good externalities may be not only advisable, but essential. Research tied to already established and flourishing agricultural products -- to minimize their susceptibility to sanitation and disease issues, for instance -- is an a propos example.

and urban areas and to see them as economically linked areas, i.e., or link the buyers in the urban areas with the producers in the rural areas.

To continue the project's support to the rural development of Guatemala, Dr. Judith Tendler, from Massachusetts Institute of Technology in Cambridge, traveled to Guatemala in November 2004 to meet with local representatives of the Inter-Agency Group for Rural Development (including Guatemalan Vice President Dr. Eduardo Stein). Dr. Tendler discussed rural development strategies and performed assessments in rural areas.

Dr. Tendler met extensively with GOG officials. During her in-country travel to rural Guatemala, she attended a meeting of the Gabinete Mobil, a moveable cabinet session that tours rural areas and deliberates with input from local leaders. She provided the Inter-Agency Group with comments on the presentations by drawing on her experience in Latin America. She also discussed different aspects of problems in rural Guatemala and suggested practical and implementable solutions to bring about change.

### **C3. Studies**

The scope of work called for the preparation of studies to "provide relevant information to the Mesa de Diálogo de Desarrollo Rural..." Below we describe studies completed in this category.

1. *Incidencia de las Iglesias en los Procesos de Cambio de las Sociedades Rurales.* This study was performed by short-term consultant, Jesús Garcia-Ruiz, in support of the GOG's efforts to formalize a comprehensive rural development strategy. As part of this

effort, the GOG is attempting to gain a better understanding of the reality faced by the rural population. In recent years, the rural population has undergone tremendous changes. These include the introduction of new technologies, the impact of the recent civil war, the effects of remittances on the rural family, as well political, economic, social, and religious changes.

Among the little understood changes has been the massive growth of Evangelical churches throughout Guatemala, many of the independent Pentecostal type. Up to 30 percent of the population of Guatemala may belong to these and other Protestant denominations. Evangelical churches have 25,000 pastors, whereas Roman Catholic clergy numbers about 1,300, including nuns. Some churches engage in community outreach programs impacting education, nutrition and agriculture.

Dr. Garcia believes that Evangelical churches have become a significant mechanism for social change and upward mobility. His report documents cases, such as the town of Almolonga, a prosperous vegetable growing town now more than 80 percent Evangelical.

The study will help the GOG to better grasp the impact of Evangelical churches on rural development and social mobility.

2. *Fondo para la producción de Semilla, Conservación de Germoplasma y Fortalecimiento Institucional* (FONSEMILLA). A team of three consultants assessed FONSEMILLA. The team included Carlos Crisóstomo, team leader/coordinator; Iris Villalobos, organizational management specialist; and Roberto Rene Velasquez, seed research and production specialist. They analyzed levels of resource use and financial and technical aspects of the institution. The report found that FONSEMILLA's management structure did not promote efficient operation and identified significant discrepancies in the financial valuation of the institution's inventory.
3. *Frente Contra El Hambre*. A team of two consultants, Leonardo De León and Nicté Ramirez, completed two studies in support of *Frente Contra el Hambre*. Mr. De León analyzed the production of *Papilla Nutricionalmente Mejorada* (PAPINUT). PAPINUT is nutrition enriched baby food. Ms. Ramirez finalized a report about a program to provide supplementary food for pregnant women and children ages 6-36 months.

#### **C4. Seminars and Workshops**

In addition to the seminars and presentations, the following information dissemination took place:

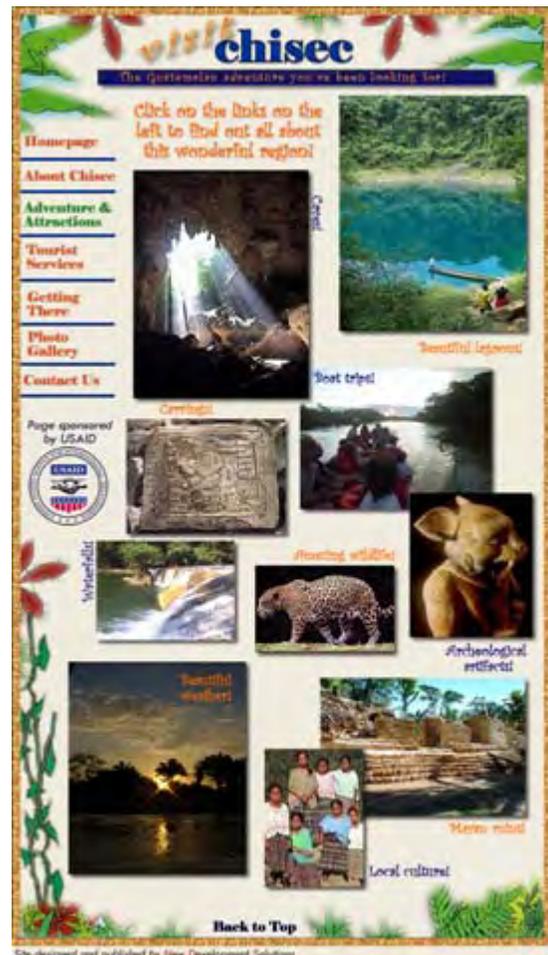
- Agexpront Training through New Development Solutions (NDS): A representative from NDS gave a presentation to the Agexpront Centros Contacto franchise holders entitled "El Mercado y su Oferta." At the conclusion, 35 copies of the "Best Practices for Rural Internet Centers" guide on CD-Rom were distributed to participants.
- Ricardo Santa Cruz and Associates provided training to key decision makers in the Ministry of Agriculture.

- Presentation of rural development studies to the Rural Development Cabinet Technical Group. This consists of the five most relevant studies to the work of the Cabinet given to a select group of key decision makers from the GOG and other agencies.
- Rural Development Seminar – Gabinete de Desarrollo Rural
- Grupos Gestores, Panajachel, Guatemala (Lago Atitlán)
- Presentation IARNA/URL final results – Socioeconomic Evaluation of Recently Titled Communities
- Presentation IDIES/URL final results – Economic Dynamism Maps
- Presentation of study: *Incidencia de las Iglesias en los Procesos de Cambio de las Sociedades Rurales*
- Presentation of study: *Fondo para la producción de Semilla, Conservación de Germoplasma y Fortalecimiento Institucional (FONSEMILLA)*

#### D. Small Business Support

In an effort to increase the visibility and marketing of Guatemala's tourism products, New Development Solutions provided its services under a fixed price subcontract to develop the following deliverables:

- Web site to attract more tourism to Chisec and surrounding areas – the exhibit on this page is from the Web site ([www.visitchisec.com](http://www.visitchisec.com)). Picture used by permission.
- Databases with a directory of hotels, restaurants, NGOs, and Internet Service Providers in Guatemala
- Best practices manual/guide for use by managers of Internet Centers in Guatemala;
- Manual/guide to be used by managers of Internet Centers to understand WIFI Technology and its usefulness in Internet Centers.



Recognizing that USAID funding for this activity required that it be completed by September 30, 2004, it was one of the first activities carried out and completed on schedule.

## **E. Cave Tourism**

The cave tourism activity was slated for completion by September 30, but was completed ahead of schedule. The Vanderbilt Institute of Mesoamerican Studies (through a fixed-price subcontract) developed a series of usage maps and guides for the Candelaria River Cave System. These maps and guides will help the communities to develop tourism while preserving the high-quality caves in the region against further damage. They are well positioned to lead cave adventure tourist activities, cave river trips, and tours highlighting Guatemala's unique geographical features and Mayan archaeological sites.

## **III. Conclusions**

Upon first glance, it is understandable for someone to look at the series of activities implemented under this task order and see them as disparate and incongruous. Looking closer, they will come to understand that each activity serves as a building block or piece of the puzzle for the development of Guatemala's rural economy and the improvement of its general business and investment climate. The activities carried out under this task order are only one part of the bigger effort of accomplishing USAID's goals in Guatemala. Critical information and technical assistance put the GOG in a better position to achieve real change and impact in developing its rural economy. Many activities within the past six months will not result in immediate impacts, but some will, e.g., increasing tourism in Chisec, the Candelaria Cave system, or in restaurants and hotels throughout Guatemala.

Guatemala is at a key stage in developing its rural development policy, which, when implemented, has the power to fundamentally change the landscape of the country. It is with the assistance of these studies and deliverables that the key decisions regarding prioritization, investment and policy are made.

As indicated, the GBTI IQC mechanism allowed for quick provision of services requested by USAID/Guatemala-CAP and the Government of Guatemala.

## Annex A. List of Deliverables

Deliverables/Reports	Author/Organization
Report: Economic Dynamism Maps (Task 1)	IDIES/URL
Report: <i>Monitoreo de la Prensa sobre el Desarrollo Rural del 01 al 06 de Julio del 2004 (Task 2a)</i>	Nora Leiva/Chemonics International Inc.
Report: <i>Monitoreo de la Prensa sobre el Desarrollo Rural del 08 al 13 de Julio del 2004 (Task 2a)</i>	Nora Leiva/Chemonics International Inc.
Report: <i>Monitoreo de la Prensa sobre el Desarrollo Rural del 19 al 27 de Julio del 2004 (Task 2a)</i>	Nora Leiva/Chemonics International Inc.
Report: <i>Monitoreo de la Prensa sobre el Desarrollo Rural del 28 al 31 de Julio del 2004 (Task 2a)</i>	Nora Leiva/Chemonics International Inc.
Report: Hacia una Política de Desarrollo Rural en Guatemala (Task 2a)	Hector Rosada/Chemonics International Inc.
Report: Analysis of Current Socioeconomic Situation in the Communities that are Benefiting from the On-Going Land Titling Project (Task 2b)	IARNA/URL
Procurement: Purchase and delivery of information technology for CONTIERRA (Task 2c)	Chemonics International Inc.
Training: Four Training Modules to Strengthen the Capability of CONTIERRA Staff to Manage the Mediation Process in the Context of Resolving Land Disputes (Task 2c)	INTRAPAZ/URL
Training: Two Training Modules Delivered in each of Seven Departments to Strengthen Capacity of Participants ( <i>Mesas de Diálogo</i> ) to Manage the Conflict Resolution Process (Task 2c)	INTRAPAZ/URL
Report: Planning Rural Development in Guatemala – Learning from Others (Task 3a)	John Mellor/Abt. Associates
Report: Reflections on the “ <i>Diálogo Rural Inter-Agencial</i> ” (Task 3a)	James Riordan/Chemonics International Inc.
Seminar: Rural Development Seminar – <i>Gabinete de Desarrollo Rural</i> (Task 3a)	James Riordan/Chemonics International Inc. John Mellor/Abt. Associates
Technical Assistance: Key, high-level technical assistance delivered to the GOG and relevant Cabinet members (Task 3b)	James Riordan/Chemonics International Inc. Judith Tendler/Chemonics International Inc.
Report: <i>Evaluación y Reactivación del Fondo para la Producción de la Semilla, Conservación de Germoplasma y Fortalecimiento Institucional (FONSEMILLA)</i> (Task 3d)	Carlos Crisóstomo/Chemonics International Inc. René Velásquez M./Chemonics International Inc. Iris Villalobos B./Chemonics International Inc.
Report: <i>Incidencia de las Iglesias en los Procesos de Cambio de las Sociedades Rurales en Guatemala</i> (Task 3d)	Jesús García-Ruiz/Chemonics International Inc.
Report: <i>Frente Contra el Hambre – Nutrición de Madres e Infantes</i> (Task 3d)	Nicté Ramirez/Chemonics International Inc.
Report: <i>Frente Contra el Hambre – Nutrición de Infantes</i> (Task 3d)	Leonardo De León/Chemonics International Inc.
Website: Development of <a href="http://www.visitichisec.com">www.visitichisec.com</a> website (Task 4)	New Development Solutions
Database/Directory: Directories of Hotels, Restaurants, Small Business NGOs, Internet Technology Service Providers (Task 4)	New Development Solutions
Internet Centers: Best Practices Manual/Guide & WIFI Strategic Manual/Guide (Task 4)	New Development Solutions
Maps: Series of Maps Developed for the Candelaria River Cave System	Vanderbilt Institute for Mesoamerican Archeology
Seminars: See Section C4.	

In addition to the reports listed in the table above, Chemonics also submitted the Work Plan in accordance with the task order contract as well as a Quarterly Report for the third and fourth quarters of calendar year 2004.

## Annex B. Budget Summary

The budget summary will be presented in the final version of the report.

Line Item	Contract Budget	Total Expenditures*	Amount Remaining
Work Days Ordered	\$132,672	\$99,495	\$33,177
Other Direct Costs	\$206,992	\$118,377	\$88,614
Grand Total	\$339,664	\$217,873	\$121,791

\*Note: This column reflects total, final expenditures through January 2005. The current estimate for total February 2005 expenditures is \$119,326.