

PD-AAZ-260

US AID/GUATEMALA  
FY 1990 -- FY 1991

ACTION PLAN

U.S. AGENCY FOR  
INTERNATIONAL DEVELOPMENT  
GUATEMALA

FY 1990 - FY 1991

ACTION PLAN

GUATEMALA

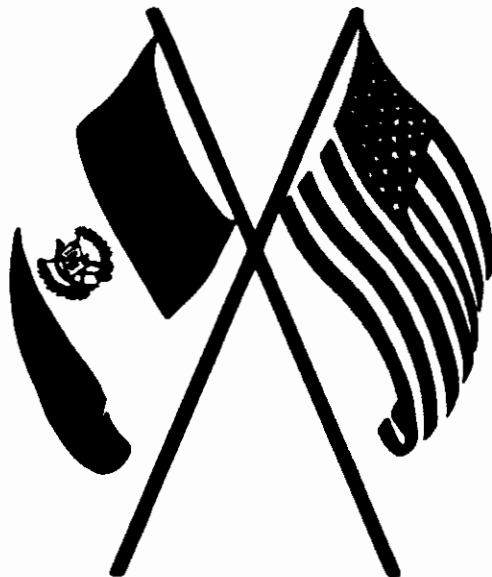


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USAID/GUATEMALA

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## FY 1990-91 ACTION PLAN

### I. PROGRAM STRATEGY AND OVERVIEW OF PERFORMANCE

#### A. Mission Program Status Statement

The full FY 1990-1991 Action Plan document, prepared in accordance with LAC MBO Release Number 6, provides a wealth of management-useful data and narrative information on the four NBCCA goals and the eight LAC objectives selected by the Mission as most relevant to support Guatemalan development objectives today. This is borne out in both the PART I summary performance matrix and related requirements, and the balance of the document, PARTS II and III. In this opening section, the Mission wishes to provide a brief but broader overview statement addressing: (1) the political backdrop for the Action Plan period and its implications, and (2) a look at program momentum and the contribution the assistance program is making to the principal U.S. foreign policy objective of strengthening democracy in Guatemala.

(1) Political Backdrop: Since FY 1986, the Mission has been reporting each year on Guatemala's hard-won gains toward: one, strengthening democratic practices; two, restoring and broadening the base of real positive economic growth; and three, redressing the historically negligent treatment of the nation's indigenous population. Each successive year's Action Plan has been accompanied by specific estimates of progress anticipated in the next year. Looking at the record of the past four years, it is clear that U.S. confidence in Guatemala and the sustainability of the national consensus for positive change has been well placed. U.S. assistance has allowed the country to pursue tough policy reform options and has not led to dependence. Despite the progress, it remains true today that prospects for more rapid improvements are still blurred by the fragility of the democratic process, and by serious absorptive capacity problems in the scale of efforts to correct socioeconomic deficiencies, particularly in the rural areas.

Seen at a single glance or in the context of most of the last 35 years, it is not difficult to be skeptical or to be disheartened at the slow pace of progress, or at how precarious it is, particularly in the socioeconomic areas. However, the political commitment of the democratically-elected Guatemalan Government for progressive change has survived and functioned well despite serious buffeting. In the larger context of U.S.



interests in regional security and the strengthening of democratic and economically viable allies, Guatemala has demonstrated by its performance that it not only needs, but merits continued strong U.S. support. The record of recent years is clear: they are moving in the right direction. In this context, U.S. political support and economic assistance have been crucial, perhaps even indispensable, over the last three years in maintaining the democratic process. Most other major donors are only recently starting or restarting their operations.

As Guatemalans move into yet another critical test period for democracy --the election campaigns of 1989 and 1990 and the transition of power beginning in 1991-- steadfast U.S. support for democracy and development must be something they can rely on. The last successful transition of democratically-elected governments was in 1954. While no one is suggesting that policy reform supported by ESF should not be vigorously pursued, it is equally clear that it should not be so narrowly defined that it places politically impossible strains on the democratic process.

In this respect, a worrisome point is that U.S. ESF assistance levels, as reaffirmed at the CDSS update review, are due to begin a sharp decline in FY 1991, exactly at the transition time between elected governments and when the need for higher levels to support policy options (not dependency) of a new government may well be most compelling. The Mission believes the possibility of higher levels of FY 1991 ESF than presently programmed should be considered in this Action Plan review and kept in mind as events unfold in late 1989 and 1990.

(2) Longer-Term Program Momentum: The recent CDSS update highlighted the long-term commitment needed to support Guatemalan development programs, particularly socioeconomic efforts in the highland Indian areas. As noted earlier, the Action Plan process is designed to look specifically at one year's progress and two year's plans for specific objectives. Before moving to focus Bureau and Mission attention on the Action Plan period for the rest of this document, it is useful to look more broadly at the larger issues of program continuity, impact and sustainability over a much longer timeframe and to address the CDSS question as to whether U.S. assistance here is merely buying short-lived gains for limited target groups or whether the cumulative effect is helping Guatemalans to achieve self-sustaining solutions to their country's socioeconomic problems.

On the macroeconomic side, there is no doubt that U.S. balance of payment assistance since FY 1986, even at significantly lower totals than for the other "core four" Central

American democracies, proved indispensable to restoring Guatemala quickly to a positive real economic growth track and was a critical factor in sustaining the credibility of the newly-elected democratic government. Equally important for the longer term, the associated economic policy reforms undertaken by the Government have made economic policy more rational and have heightened the prospects for investor confidence and longer term sustainability of private sector-led economic growth. The ESF-supported atmosphere of reduced inflation and unemployment and more market-realistic exchange and interest rates provided working room for the government to undertake meaningful tax reform measures that raised revenues from just under 6 percent of GDP in 1985 to an estimated 8.5 percent in 1988, while not impairing investment incentives.

The external sector, however, remains weak. Higher levels of economic growth have spurred demand for imported inputs. The export side, while making significant progress over the low levels at the start of the decade, still needs to become more aggressive. The trade account imbalance is still large. Stabilization measures over the near term will be oriented toward closing the external gap. Still, the stage is reasonably set for further growth and the Mission will continue to argue vigorously for a continuation of meaningful economic policy adjustments in the context of successfully navigating the difficult election transition period.

On the socioeconomic side, there can be no overnight victories emulating the macroeconomic recovery. It is not a lack of political will. Rather, it is the staggering size and complexity of the challenge, the small amount of resources available relative to the size of the need, and the present low level of efficiency in the delivery of goods and services. The last factor is exacerbated by the high per unit cost of delivering socioeconomic goods and services to Guatemala's geographically dispersed and linguistically diverse population. The CDSS update described the longer-term DA commitment required for socioeconomic programs and the Mission strategy to focus on reducing the institutional and procedural constraints to effective use of national and donor resources. Of particular importance in this equation is the high rate of population growth, higher yet in the highland Indian areas, which threatens to wash out socioeconomic gains very nearly as fast as they are made.

It is obvious that in view of the long-term nature of the problem, ambitious and realistic progress benchmarks must be set and carefully monitored. The Mission intends to structure project assistance to line ministries toward improving their absorptive capacity, thereby permitting them to make more

credible proposals for increased budgetary resources and to implement them on time and within the budgeted levels. Non-project assistance, including ESF local currency attributions within the Core Development Budget, intends to ensure that the public sector budget will increasingly focus on critical investment proposals in the social sectors within a fiscal framework consistent with macroeconomic objectives.

Current Mission portfolio consolidation plans will take the number of discrete activities from 52 in FY 1989 to 36 in FY 1991. That, plus a gradually increasing concentration on a program approach blending USAID and other donor resources with long-term national programs, should permit more effective implementation and more extensive outreach. These will be achieved in tandem with technical assistance inputs and local currency programming directly targetted to reduce absorptive capacity problems. Examples are the approved \$37.5 million ten-year Highlands Agricultural Development and the \$30 million ten-year Basic Education programs, and the intended first phase (five years) \$37.5 million ten-year Improved Family Health program. These Mission initiatives and ESF negotiated agreements about local currency distribution already have resulted in increased Government of Guatemala budget allocations to agriculture, education and health, and more importantly, improving rates of budget execution. These in turn are improving donor pipeline drawdowns.

Other promising recent results include an evaluation of the impact of USAID assistance to highland Indian areas over the last forty years and a University of Delaware statistical analysis of the impact on production and incomes of irrigation and crop diversification on small farm units. Both have demonstrated the validity of the Mission's strategic approach in the highland Indian area. Substantial production and income returns are being realized from the package of irrigation, crop diversification and soil conservation activities financed by USAID over the last ten years. Current national-scale programs are building directly on the experience and institutional strengthening achieved through the earlier USAID-financed project interventions.

In closing, the elections held in 1985, in a real sense, only began Guatemala's return to democracy. Evidence of a more lasting commitment to the democratic process will be manifested in 1990 and 1991 when the elected Cerezo Government passes the baton to its successor. The FY 1990-1991 Action Plan brackets the critical transition period. Maintenance of economic stability, accelerated per capita income growth, improved outreach of development infrastructure and social services, and support to the democratic process itself, are all at the heart of U.S. policy intentions.

B. Relevance of this Action Plan to the Approved CDSS

USAID/Guatemala's FY 1990-1991 Action Plan follows closely on the heels of the CDSS Update covering the period FY1990-1994 which was reviewed and approved in AID/W in January 1989. As a result of that review, one new objective has been added to the specific objectives to be used by the Mission in the current Action Plan while another was deleted with its targets distributed between two other objectives.

LAC Objective 6 (Manage and Preserve Natural Resources) has been added in response to the heightened attention now being focussed on this critical development subject, both internationally and within Guatemala. A number of new and amended Mission project designs already reflect this decision. More than \$5 million in planned FY 1989 obligations are for related activities and a major new start is planned for FY 1990.

LAC Objective 13 (Increase Numbers and Improve Effectiveness of Participant Training) has been discontinued as a specific objective. However, this in no way represents a diminution of the importance the Mission places on the development of human capital. It is simply that the Mission believes that program management and staff focus can be better maintained by including all traditional training within LAC Objective 11 (Improve Educational Opportunities) and all special scholarship programs (CAPS) within LAC Objective 12 (Strengthen Democratic Institutions).

The CDSS Update detailed each of the sector substrategies related to the LAC objectives selected for this Mission. A revised agriculture sector strategy was approved in February 1988 and remains valid, as does the private sector strategy statement approved during the FY 1987 Action Plan process. The Mission's macroeconomic strategy to maintain stabilization and promote continued positive real growth is spelled out in the CDSS, with update statements and conditionality packages detailed in each year's ESF PAAD document. Subsequent to approval of the CDSS update, a revised education sector strategy was submitted and approved, a revised child survival strategy is now being finalized, and a natural resources management concepts paper has been prepared to serve as the basis of the FY 1990-1991 Action Plan objective statement and Mission plans. Additionally, a cross-cutting WID strategy has been completed and a draft Mission food aid strategy, should be finalized before Action Plan program week, May 15-20, 1989.

### C. Overall Mission Goal and Strategy

As stated in USAID/Guatemala's CDSS update for FY 1990-FY 1994, the goal of U.S. economic assistance to Guatemala is to promote U.S. interests by supporting Guatemala's efforts to:

- Strengthen its democratic institutions;
- Keep its economy stable;
- Realize rapid and sustained economic growth, and
- Achieve greater participation of all Guatemalans -- primarily the historically disadvantaged -- in the generation and benefits of that growth.

The Mission strategy to achieve this goal is summarized as follows, with complete details by NBCCA goal and LAC/Mission objectives given in the full CDSS update.

In support of Guatemala's evolution to a more democratic and equitable nation, the U.S. development assistance strategy functions as a significant part of a U.S. Government program which seeks to cooperate in the restoration of financial stability and to supply real productive resources so that Guatemala can regain a stable long-term growth pattern averaging four percent per year or better. On the other hand, it recognizes that, under present structural conditions, a large proportion of the population, perhaps the majority, would participate only marginally or not at all in the proceeds of real growth.

Thus, the program is focused on forging durable linkages between aggregate economic progress and those large segments of the population which historically have been left behind. Building on the substantial positive returns from the stabilization program to date, high priority is now being assigned to efforts that promote the private sector-led growth that will produce expanded employment opportunities and higher incomes, particularly in the rural and informal sectors. Looking to the equity side of the equation, there is an inescapable complementarity between private sector investment in productive capacity and public sector investment in human and physical capital. Indeed, achieving both in tandem is critical to the consolidation of a viable democracy, as is the strengthening of democratic institutions, such as the legal system, which guarantee the safety of each individual and his/her fundamental rights as a citizen.

### D. Summary Assessment of Performance Indicators

As called for in MBO Release Number 6, the following Performance Matrix, provides in summary form key quantitative and

qualitative information by objective on actual performance during 1988 against what was planned for selected Country Development Trends (CDT), A.I.D. Program Performance Indicators and the Policy Dialogue actions projected in last year's Action Plan. This matrix is followed by three brief sections which provide by goal the following key information, again in summary form, culled from the more detailed data and comprehensive narrative statements provided in PART II of the Action Plan: (a) explanations of significant differences between FY 1988 planned and actual accomplishments reported in the Performance Matrix; (b) a preview of major anticipated results over the FY 1990-1991 Action Plan period; and (c) critical program/policy issues for AID/W attention.

1. FY 1988 Performance Matrix

OBJECTIVE No. 1: Increase Agricultural Production

A. <u>Country Development Trends Indicators:</u>	<u>Actual</u>		
	<u>1986</u>	<u>1987</u>	<u>1988</u>
1. Real Value-Added in Agriculture (1958 Q. millions)	754	780 <u>1/</u>	804
b. Total Ag. Sector Production (Q. millions)	4,438	5,000	5,565
c. Growth of Real Value-Added in Agriculture (%)	0.0	+3.6	+3.0
B. <u>A.I.D. Program Performance Indicators:</u>	<u>FY 1987 Actual</u>	<u>FY 1988</u>	
		<u>Planned</u>	<u>Actual</u>
1. <u>Gross Value of Production</u> (Q 000)			
a. Fruit and vegetable production	34,320	67,400	37,000 <u>2/</u>
b. Milk production	128,900	145,000	142,000

1/ Bank of Guatemala data for Agriculture in 1987 were revised.

2/ Projections for rapid expansion of fruit and vegetable production in 1988 and beyond were overly optimistic. Revised outyear projections based on actual performance reflect a more realistic appraisal of expansion possibilities.

B. <u>A.I.D. Program Performance Indicators:</u>	FY 1987	FY 1988	
	<u>Actual</u>	<u>Planned</u>	<u>Actual</u>
2. <u>Physical Outputs</u> (Cumulative)			
a. Hectares of irrigated land for fruits and vegetables under AID-supported programs.	1,031	4,780	3,329
b. Hectares of non-irrigated land improved for fruits and vegetables under AID support.	4,689	6,386	6,560
c. Hectares of land terraced for traditional crops under AID support.	3,168	8,600	7,520
d. No. of small farmers using terracing under AID supported programs.	12,672	34,400	31,659
e. Fish ponds constructed	1,202	1,270	1,250
f. Kilometers of roads constructed	596	640	814
g. Kilometers of roads annually maintained	900	1,208	1,000
h. Kilometers of tertiary roads upgraded	--	60	-- <u>1/</u>

C. Policy Reform Targets:

	<u>Planned</u>	<u>Actual</u>
- Encourage the Ministry of Agriculture to continue decentralizing services and authority while strengthening its regional and sub-regional bodies to accelerate planning and project implementation.		The GOG has prepared a plan to decentralize BANDESA to improve credit delivery and administration. A pilot effort is planned for four geographic regions in FY89. USPADA the Ministry's sectoral planning unit, has

1/ Start-up of the tertiary roads component was delayed to FY 1989.

Planned

Actual

- submitted a regionalization plan while ICTA, the Institute for Agricultural Science and Technology, is fully regionalized. The COREDAs and COSUREDAs (regional and sub-regional agricultural development Committees) will be further strengthened under the HAD Project.
- Encourage MAGA to double its agricultural extension outreach capability.  
The number of representates agropecuarios has been increased from 2,000 in 1986 to 3,400 in 1988, located mainly in the highlands. Guías agrícolas (local farmers) have also been increased by 70%.
  - Encourage the GOG to double its land purchase/sale program.  
MAGA has purchased 11,520 HAs (vs its target of 4,000 HAs for 1988) under the CONATIERRA (National Land Council) Program.
  - Encourage the GOG to continue increasing its budgetary allocation for the Ministry of Agriculture from the 1986 level of 4.5% of the total public sector budget to the 1976 level of 7.6% by 1990.  
The calculations used for this target in last year's Action Plan were incorrect; the agriculture sector's share of the national budget in 1988 already exceeded its share in 1976 (10.6% vs. 7.1%).
  - Encourage the GOG to increase its budgetary allocation for agricultural research with ICTA from the 1986 level of 0.7% of the public sector budget to the worldwide average for developing countries of 1.8% by 1990.  
Again, the calculations for this target last year were incorrect; ICTA's budget share in 1986 was 0.42%. It increased to 0.51% in 1988.
  - Encourage the Ministry of Agriculture to establish clear research priorities and incorporate the private sector into research plans and activities.  
The 1989 ICTA budget reflects the the priorities of its regional offices; it will be allocated and managed at the regional level. The research component of the HAD-II Project includes the participation of the private sector.



<u>Planned</u>	<u>Actual</u>
- Encourage the Ministry of Agriculture to expand its budget for construction of irrigation facilities and to contract private engineering firms wherever possible for the actual construction.	MAGA prepared feasibility studies and designs for the construction of irrigation systems for 25,400 Hectares and has allocated Q.12,000,000 for first stages of implementation. Many of these facilities are to be constructed by private firms.
- Encourage the Ministries of Agriculture and Economy to review agricultural commodity pricing policies, and the role of the National Marketing Institute (INDECA), and establish/strengthen free-market policies to encourage agricultural production and investment.	The GOG has reduced the number of commodities subject to price controls from more than 200 to only 8. INDECA is currently intervening only in the marketing of basic grains.
- Encourage the GOG to develop, approve, and implement a Water Use Law.	The MAGA, in coordination with public and private sector entities as well as universities, developed a Draft Water Law, which was submitted to the Guatemalan Congress for its approval. No date is set for Congressional action.
- Encourage the GOG to establish a clearly-stated agricultural diversification policy, including the establishment of incentives for agro-industrial investment in rural areas to support the growing, processing and marketing of nontraditional products.	The GOG's three-year priority investment program for agriculture outlines its agricultural diversification policy and assigns a high priority to diversification efforts, particularly those associated with nontraditional export crops.
- Encourage the GOG to channel government-purchased and internationally donated inputs (fertilizers, tools, seeds) through the cooperative and farmer association movement to small and medium farming operations, at prices as close to market	GOG institutions (BANDESA, MAGA, and municipalities) have reduced their participation in the distribution and marketing of agricultural inputs. The subsidies on those inputs have been reduced substantially and this has increased the role of private

<u>Planned</u>	<u>Actual</u>
value as feasible, thereby eliminating the need for government institutions (BANDESA, municipalities) to handle the distribution at heavily subsidized prices.	sector outlets in the marketing of agricultural inputs.
- Encourage the GOG to increase total credit flows of rediscounted funds through the private banking system to the agriculture sector, especially for nontraditional agricultural production.	Under the Agribusiness Credit Line of the Central Bank to BANDESA, the Mission successfully promoted the use of private firm loan guarantees for small farmer lending. The Mission will continue to expand on this experience.

OBJECTIVE No. 2: Strengthen the Private Sector

<u>A. Country Development Trends Indicators:</u>	<u>Actual</u>		
	<u>1986</u>	<u>1987</u>	<u>1988</u>
1. Private Fixed Investment as % of GDP	8.0	9.2	10.6
2. Nontraditional Exports (Millions of U.S. \$)	127.7	171.6	215.0
a. Agricultural	65.3	97.1	111.8
b. Nonagricultural	62.4	74.8	103.2
3. Guatemalan Exports of Drawback Products (Labor value added only in millions of U.S. \$)	5.8	8.8	19.5
4. Foreign Exchange Earnings from tourism (Millions of U.S. \$)	29.3	48.0	63.0
<u>B. A.I.D. Program Performance Indicators:</u>	<u>FY 1987 Actual</u>	<u>FY 1988</u>	
		<u>Planned</u>	<u>Actual</u>
1. Investments generated by AID-supported projects and programs (millions of U.S. \$)	43.0	57.3	43.0 <sup>1/</sup>

<sup>1/</sup> Actual investments were below targets due to delays in approvals for investment guaranty funds and a delay in the start-up of CAEM's new Investor Service Center.

B. <u>A.I.D. Program Performance Indicators:</u>	<u>FY 1987</u>	<u>FY 1988</u>	
	<u>Actual</u>	<u>Planned</u>	<u>Actual</u>
2. Credit to private sector financed under AID projects and programs (millions of U.S. \$)	24.0	39.9	35.0
c. Exports generated by AID projects and programs (millions of U.S. \$)	12.5	14.3	26.6

C. Policy Reform Targets:

<u>Planned</u>	<u>Actual</u>
- Maintain exchange rate at a market determined level.	Evidence suggests that the current administered exchange rate closely approximates exchange market conditions.
- Market-oriented credit and interest rate policies.	Interest rate ceilings for lending were raised from 14% to 16% in June 88. Similar increases in interest ceilings were provided for savings accounts. At these levels, the ceiling rates are positive in real terms.
- Liberalize capital markets.	The Monetary Board has commissioned a study on the feasibility of liberalizing interest rate policy to be presented for consideration in June 1989.
- Improve public/private sector coordination and cooperation in areas such as fiscal incentives for investment and exports, and customs procedures.	CONAPEX, a mixed public/private sector organization, with AID encouragement continued to assist the GOG and private sector groups in considering fiscal incentives for new laws favoring expansion of investment and exports and in developing recommendations on measures to improve customs procedures.

Planned

Actual

- Encourage increases in the availability of longer-term credit for private sector investment.

Negotiations were completed and a legal opinion on the documents for the local currency guaranty fund obtained. The first loan under the guaranty fund was made the last week of March 1989.

- Support a policy environment conducive to nontraditional exports, and to a broader access to services and finance for small and medium enterprises.

DIGECOMEX, the new General Directorate of International Commerce, has been set up to expand and improve public sector support for Guatemalan exporters. CONAPEX will continue to provide an interface between the public sector and private sector groups, including those representing small and medium enterprises, to address export-related policy, procedural and promotional issues.

- A one-step document, to complement the one-stop export window, which will further facilitate exports and encourage investment in export industries.

Work on this activity will not be completed until the first quarter of FY 1990.

- Revised free zone/drawback (maquila) legislation.

It is expected that the maquila legislation, originally submitted to the Congress in July 1988, will be approved by the end of July 1989. The free zone legislation is expected to be passed by the Guatemalan Congress at about the same time.

- Establish a National Export Plan.

Because of delays in the organization of DIGECOMEX and the temporary cessation of activity by CONAPEX, the development of a National Export Plan (or "Strategy" as is now being discussed) has been delayed until mid-1990.

<u>Planned</u>	<u>Actual</u>
- Negotiations and studies to further facilitate competitive transportation ("open skies") arrangements.	The Ministry of Communications, after reviewing independent reports, is planning to privatize the state owned airline carrier Aviateca. New routes have already been awarded to competing private as carriers. Deregulation continues to be an issue.

OBJECTIVE No. 3: Stabilize Financial Structures

<u>A. Country Development Trends Indicators:</u>	<u>Actual</u>		
	<u>1986</u>	<u>1987</u>	<u>1988</u>
1. Internal Balance			
a. Consolidated Public Sector Deficit/percent of GDP	-3.7	-4.2	n.a.
b. Central Government Deficit as percent of GDP (excluding grants)	-1.9	-2.5	-2.5
c. Central Bank Losses/percent of GDP	-1.9	-2.0	-1.5
d. Deficit of the non-financial Public Enterprises/Percent of GDP	+0.1	+0.3	n.a.
2. External Balance			
Current Account Balance/Percent of GDP (excluding official transfers)	-1.1	-8.4	-7.2
c. Inflation			
Consumer Price Index (December-December)	+37.0	+12.3	12.0
B. <u>A.I.D. Program Performance Indicators:</u>	<u>FY 1987</u>	<u>FY 1988</u>	
	<u>Actual</u>	<u>Planned</u>	<u>Actual</u>
1. Internal Balance			
a. Central Government Tax Revenues/ percent of GDP	8.0	9.0	8.5

B. <u>A.I.D. Program Performance</u> <u>Indicators:</u>	<u>FY 1987</u>	<u>FY 1988</u>	
	<u>Actual</u>	<u>Planned</u>	<u>Actual</u>
2. External Balance			
a. Trade Balance FOB commodities only/current \$	-355.2	-42.0	-371.1 <sup>1/</sup>
3. Economic Growth			
a. GDP real growth rate/percent	3.1	3.0	3.5
b. Central Government Investment/percent of GDP	2.3	2.8	2.4

C. Policy Reform Targets:

	<u>Planned</u>	<u>Actual</u>
- <u>Demand Management:</u> Maintain fiscal and monetary programs that restrain growth of aggregate demand to 9 percent (in nominal terms) over 1987.		Aggregate demand grew by an estimated 16 percent in 1988 due to higher than expected levels of imports, particularly of capital goods.
- <u>Fiscal Management:</u> Restrict the consolidated nonfinancial public sector deficit to 2.5 percent of GDP.		Preliminary projections place the 1988 consolidated nonfinancial public sector deficit at 1.6 percent of GDP.
- Continue refining the management and operation of the Core Development Budget with support from the technical assistance provided through the Fiscal Administration Project.		The Core Development Budgets (CDB) for 1988 and 1989 have been prepared. The rate of execution for the CDB in 1988 was about 60%; a target of a 75 percent has been established for 1989.

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<sup>1/</sup> The low negative trade balance projected for FY 1988 in the last Action Plan was based on USAID's assumption, which has since proved incorrect, that the high import level of 1987 was due to inventory speculation by importers facing an uncertain foreign exchange market and that the period of speculation would be followed by one of sharply reduced imports. This did not materialize and imports have remained strong.

<u>Planned</u>	<u>Actual</u>
- <u>Foreign Exchange Rate:</u> Achieve an increase in net international reserves by \$40 million.	Net international reserves are estimated to have fallen by \$91 million.
- <u>Savings:</u> Achieve a domestic savings rate of 10 percent of GDP.	A domestic savings rate of 8.0 percent is estimated for 1988.
- <u>Public Sector Investment:</u> Achieve central government investment of 3 percent of GDP.	Central government investment is estimated to have reached 2.4% of GDP in 1988.

OBJECTIVE No. 6: Manage and Preserve Natural Resources

A. Country Development Trends Indicators:

None

B. A.I.D. Program Performance Indicators:

	<u>FY 1987</u>	<u>FY 1988</u>	
	<u>Actual</u>	<u>Planned</u>	<u>Actual</u>
1. Hectares reforested under A.I.D.-supported programs	411	5,526	2,815 <sup>1/</sup>
2. Hectares under watershed management	4,213	9,934	8,854
3. No. of person days training in environmental and/or natural resource management	31,245	50,000	52,050

C. Policy Reform Targets:

<u>Planned</u>	<u>Actual</u>
- Encourage the Ministry of Agriculture to prohibit the use of pesticides outlawed in the U.S.	The Plant Health Division of MAGA, which is in charge of preventing pesticide misuse, has

<sup>1/</sup> Reforestation efforts were suspended during a major reorganization of responsibilities for forestry and wildlife resources management and the formation of a new Agency (DIGEBOS) for this purpose.

Planned

Actual

- been strengthened in both authority and performance. Phase II of the Highlands Agricultural Development Project will consolidate this effort beginning in the 3rd quarter of FY 1989 through the implementation of recommendations of the Project Environmental Assessment on pesticide use.
- Encourage the Ministry of Agriculture to restructure the National Forestry Institute (INAFOR), especially to support private reforestation activities.  
INAFOR was closed and all its operations ceased in June 1988 and the General Directorate of Forests and Wildlife (DIGEBOS) was created. This new institution is expected to be more focused on rational and sustainable uses of forestry resources in addition to protected area management.
  - Encourage the GOG to develop, approve, and implement a forestry law to improve the use and management of forestry resources.  
A multisectoral working group has been established to review and revise the Forestry Law. A revised draft will be resubmitted to the Congress, in the 3rd quarter of FY 1989.
  - Encourage the GOG to provide the necessary financial support to the National Environmental Commission (CONAMA) to permit it to effectively carry out its functions.  
CONAMA is currently undertaking measures to obtain increased financial support from the GOG through ESF/P.L. 480, Title I local currency generations.
  - Encourage the Ministry of Agriculture to develop a national watershed management plan which would prioritize the watersheds to be managed as well as propose interventions in soil conservation and reforestation practices.  
MAGA has allocated Q2,000,000 for the development and initial implementation in January 1990 of an Irrigation Master Plan which will include watershed management measures.



OBJECTIVE No. 8: Increase Access to Voluntary Family Planning Services

A. <u>Country Development Trends Indicators:</u>		<u>Actual</u>		
		<u>1986</u>	<u>1987</u>	<u>1988</u>
Percentage of couples using contraception	25.0	23.6	24.0	
B. <u>A.I.D. Program Performance Indicators:</u>	<u>FY 1987</u>	<u>FY 1988</u>		
	<u>Actual</u>	<u>Planned</u>	<u>Actual</u>	
Couple-Year-Protection (thousands)	221.4	243.5	190.0	1/

C. Policy Reform Targets:

	<u>Planned</u>	<u>Actual</u>
- Promote the integration of child spacing activities within the context of the national MCH program while still preserving family planning as a strong and discrete program priority.		The recent amendment to the MOH component of the on-going family planning program integrates child spacing activities, and greatly expands the range and distribution of family planning services in the context of maternal and child health programs.
- Raise awareness of the effects of rapid population growth by presenting demographic and public health data gathered through the recent CDC Young Adult Survey and Westinghouse MCH surveys to key policy-makers and leaders in the public and private sector.		Public and private sector inter-agency seminars were held to disseminate results of the AGES/CDC young adult survey (March) and the National Maternal and Child Health Survey (NMCHS) in June. With joint funding by UNFPA, NMCHS data were utilized in July by the Ministry of Health for local programming of health services.

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1/ Decrease in CYP in FY 1988 results from a cessation of sterilization programs for some three months while clinic personnel received intensive training and APROFAM (a private family planning agency) underwent reorganization.

<u>Planned</u>	<u>Actual</u>
- Encourage the MOH to utilize local health providers, such as patent medicine salesmen, by providing training and official recognition of their work.	The recent amendment to the MOH family planning project includes significant financing for training of local community midwives and other community level health workers in the recognition of reproductive risks.
- Encourage the GOG to promote education, especially of young rural women as a way to improve MCH, raise family incomes and break down traditional discrimination against women in general and rural and Mayan women in particular.	A pilot project to improve MCH through female education has been funded. This project was discussed at a public-private sector interagency meeting. PD&S funds have been used to support activities to inform political leaders on the need for improved female education programs to make MCH activities more effective.

OBJECTIVE No. 9: Improve Health and Child Survival

A. <u>Country Development Trends Indicators:</u>		<u>Actual</u>		
		<u>1986</u>	<u>1987</u>	<u>1988</u>
Infant Mortality Rate (per 1,000 live births) <sup>1/</sup>		N.A.	73.4	72.4
B. <u>A.I.D. Program Performance Indicators:</u>	<u>FY 1987</u>	<u>FY 1988</u>		
	<u>Actual</u>	<u>Planned</u>	<u>Actual</u>	
1. Percent of cases of diarrhea in children under 5 years of age treated with ORT	9.5	25.0	15.6 <sup>2/</sup>	
2. Percent of children 0-59 months having received complete series of polio, measles, DPT, BCG	50.0	60.0	58.2	

<sup>1/</sup> Mortality data used this year differs from last year due to a change to a more accurate time series based on 1987 studies by Westinghouse Institute for Resource Development.

<sup>2/</sup> Performance fell short of targets for ORT and tetanus programs because of personnel and management problems in the MOH.

B. <u>A.I.D. Program Performance Indicators:</u>	FY 1987	FY 1988	
	Actual	Planned	Actual
3. Percent of women (15-49) delivering in the last 12 months who have had 2 doses of tetanus toxoid	12.4	37.0	17.3 <sup>1/</sup>
4. Percent of total rural population provided with new water supply service during the year <sup>2/</sup>	0.61	1.29	0.76
5. Percent of total population in rural areas provided with new sanitation facilities during the year <sup>2/</sup>	0.76	1.51	0.8

C. Policy Reform Targets:

<u>Planned</u>	<u>Actual</u>
- Encourage the GOG to give top priority to child survival interventions within a primary health care context, emphasizing the maternal-child target group. Our efforts will focus on assuring that the Ministry of Health demonstrates this commitment through policy and budgetary commitments to child survival activities and that these policies are effectively implemented.	The GOG is continuing to give top priority to child survival interventions within a primary health care context through preventive measures such as immunization, ORT and growth monitoring. The MOH has made significant advances in this area by creating strategies and a policy for child survival that emphasizes the maternal-child target group.

<sup>1/</sup> Performance fell short of targets for ORT and tetanus programs because of personnel and management problems in the MOH.

<sup>2/</sup> Data include A.I.D. contributions only. Results in 1988 were below targets because the capacity of implementing agencies was less than estimates.

<u>Planned</u>	<u>Actual</u>
<p>- Promote close coordination between the Mission and other bilateral and multilateral donors including UNICEF, PAHO, Rotary International and UNFPA in order to optimize the impact of our aggregate contributions to the health sector.</p>	<p>The GOG has been responsive to efforts at coordination among bilateral and multilateral donors. Periodic coordination meetings have been held to monitor the activities of the maternal-child health, and the ORT and immunization programs. These efforts are currently serving to optimize the impact of assistance to the health sector.</p>

**OBJECTIVE No. 11: Improve Education Opportunities**

<p>A. <u>Country Development Trends Indicators:</u></p>	<u>Actual</u>		
	<u>1986</u>	<u>1987</u>	<u>1988</u>
<p>1. Gross Primary Education Enrollment Ratio (percent) <sup>1/</sup></p>	76	75	75
<p>2. Net Primary Education Enrollment (percent) <sup>1/</sup></p>	64	N/A	63
<p>3. Primary Education Completion Rate (percent)</p>	50	N/A	52
<p>4. Years to Produce a 6th Grade Graduate</p>	10.4	N/A	10.2
<p>B. <u>A.I.D. Program Performance Indicators:</u></p>	<u>FY 1987</u> <u>Actual</u>	<u>FY 1988</u> <u>Planned    Actual</u>	
<p>1. Enrollment in Bilingual Schools (percent)</p>	N/A	75	75
<p>2. Promotion rate Bil. Ed. Schools (percent)</p>	70	73.5	73

<sup>1/</sup> Slight declines in enrollment ratios between 1986 and 1988 result from inability of MOE to expand services and facilities fast enough to stay even with growth in school-age population.

B. <u>A.I.D. Program Performance Indicators:</u>	FY 1987	FY 1988	
	<u>Actual</u>	<u>Planned</u>	<u>Actual</u>
3. Rural/Indigenous families receiving literacy materials	N/A	75,000	15,000 <sup>1/</sup>
4. Number of persons beginning training under programs other than CLASP			
a. Short-Term (up to 9 months)			
(1) Men	33	53	225
(2) Women	<u>22</u>	<u>19</u>	<u>135</u>
Sub-Total	55	72	360
b. Long-Term (more than 9 months)			
(1) Men	3	10	11
(2) Women	<u>-</u>	<u>0</u>	<u>0</u>
Sub-Total	3	10	11
Totals for Non-CLASP Training	<u>58</u>	<u>82</u>	<u>371</u>

C. Policy Reform Targets:

	<u>Planned</u>	<u>Actual</u>
- Timely input of counterpart funds and other resources such as 150 new bilingual teachers each year.		The input of counterpart funds have been satisfactory; 150 new bilingual teacher positions were created in late 1988 and are expected to be filled in 1989.
- Increased GOG expenditures on education and increased budget proportion for primary education.		GOG budget for education increased by 30% and 16% between 1986-1987 and 1987-1988, respectively. The proportion for primary education has remained relatively constant.

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<sup>1/</sup> The large difference between the 1988 target and actual performance results from administrative delays and distribution problems and inappropriate, overly optimistic assumptions made during early project design.

<u>Planned</u>	<u>Actual</u>
- Increased GOG expenditures for bilingual and other texts, and instructional materials.	Increased printing of texts and materials is being accomplished with loan funds.
- Qualified educational leaders in key primary education and bilingual education positions.	Seven new administrators and 30 district supervisors, all with bachelor's degrees, have been added to the staffs of the MOE's regional offices.
- Regionalization program encouraging responsibility at the local level.	Eight regional education administration offices have been opened and staffed, with significant responsibilities delegated from the Central Ministry.
- Agreement on alphabet, grammatical constructions for Indian Languages.	The new Mayan alphabet has been legalized but full implementation will require more time.
- Curricula made flexible to be adaptable to regional differences.	Curriculum adaptation program is under way for pre-primary and first grades.
- School schedule varied to meet regional requirements.	World Bank project to implement this activity will start in 1989.
- Linkages between the bilingual program and bilingual normal schools.	A major study of bilingual teacher training was completed in 1988. Intactable problems identified in the normal schools has led to or decision to support in-service training for the time being.

OBJECTIVE No. 12: Strengthen Democratic Institutions

A. Country Development Trends Indicators:

None

B. A.I.D. Program Performance Indicators:

FY 1987  
Actual

FY 1988  
Planned      Actual

1. Strengthened Judiciary

B. <u>A.I.D. Program Performance Indicators:</u>	FY 1987	FY 1988	
	<u>Actual</u>	<u>Planned</u>	<u>Actual</u>
a. Number of Judges, court administrators, prosecutors and other judicial personnel trained in improved administrative/operating procedures	150	400	316
b. Improved planning and administration			
(1) Provision of law library(ies) of basic codes and manuals for judges	--	1	1
(2) Establishment of National Justice Commission	--	X	X
2. Strengthen Legislature			
a. Legislators and Congressional staff trained in carrying out their responsibilities or in dealing with critical issues	40	150	140
b. Implementation of public education and information programs	--	52	52
c. Publication of Congressional Journals	--	2	2
3. Strengthen Electoral Processes			
a. Personnel trained (voter registration, counting/reporting etc.)	--	320	350
b. Improved system for processing and storage of voter information established	--	--	X

B. <u>A.I.D. Program Performance Indicators:</u>	<u>FY 1987</u>	<u>FY 1988</u>	
	<u>Actual</u>	<u>Planned</u>	<u>Actual</u>
4. Improve Human Rights Climate, strengthen capacity of Office of Human Rights Ombudsman to perform duties (National Headquarters)	--	X	X
5. Development of Regional and Local Institutions which Strengthen Democracy			
a. Labor Union members/leaders trained (AIFLD)	--	--	170
b. PVO Organizations			
(1) ASINDES			
(a) Approval sub-grant proposals	15	20	16
(b) Leadership/members trained	10	20	30
(2) Approve grant proposals with other PVOs	--	2	2
c. Village/Local Organizations, Expanded and/or new community development interventions (SDF, SPAF with Peace Corps, Cooperatives)	93	125	70 <sup>1/</sup>
6. Number of persons beginning training programs under CLASP (CAPS)			
a. Short-term (less than 9 months)			
(1) Men	448	280	284
(2) Women	<u>589</u>	<u>320</u>	<u>377</u>
Subtotal	1,037	600	661

<sup>1/</sup> Performance was less than anticipated due to delay in signing agreement between the Peace Corps and the Ministry of Finance on the use of ESF local currency for SPAF.



B. <u>A.I.D. Program Performance Indicators:</u>	<u>FY 1987</u>	<u>FY 1988</u>	
	<u>Actual</u>	<u>Planned</u>	<u>Actual</u>
b. Long-Term (9 months or more)			
(1) Men	0	132	180
(2) Women	<u>0</u>	<u>192</u>	<u>120</u>
Subtotal	0	324	300
Totals for CLASP (CAPS)	<u>1,037</u>	<u>924</u>	<u>961</u>

C. Policy Reform Targets:

<u>Planned</u>	<u>Actual</u>
- Revision of new criminal codes.	The <u>Ministerio Público</u> and the <u>Colegio de Abogados</u> conducted a review of the new codes in January, 1989. A Report on conclusions and recommendations is expected in the third quarter of FY 1989.
- Development of other enabling laws to make the judicial system fully functioning and responsive to the needs of the Guatemalan population.	In early April 1989, the Guatemalan Congress passed legislation establishing the organization of the judicial system. This will set the stage for further legislation related to a judicial personnel system.
- Carry out needed improvements in Congressional structures, processes, etc. to permit quicker passage of better legislation.	Seminars for the legislative staff on committee structure and other subjects emphasizing legislative policies, initiatives and parliamentary procedures are being provided on a continuing basis.
- Government of Guatemala to authorize and make available adequate resources from National Budget to support judicial, legislative (including human rights), electoral and other (PVOs, etc.) democratic institutions in implementing their programs as required.	GOG has earmarked 2% of its National Budget in support of the judiciary. In addition, funds from the National Budget provide support for the Office of the Human Rights Ombudsman and the Electoral Tribunal.

<u>Planned</u>	<u>Actual</u>
- Government of Guatemala to provide policy framework and support to private institutions to fully participate in development process, e.g. accelerate issuance of <u>personeria juridica</u> to PVOs to permit them to operate legally in Guatemala, obtain duty free tax exemption on goods, services, etc.	At least four PVOs working with microenterprises were given <u>personeria juridica</u> during 1988. In addition, a special office has been established in the Ministry of Finance to support and assist PVOs.

2. Assessment of Performance by Goal:

GOAL: Short-Term Economic Stabilization

As discussed during the CDSS and ESF PAAD reviews in January and February (1989), given the success of the Guatemalan Government's stabilization efforts during the past two years, the Mission views continuing macroeconomic stabilization as an essential component of a program to achieve the Agency goal of Basic Structural Reforms for Rapid and Sustained Economic Growth. Short-term economic stabilization considerations are, therefore, incorporated into the following discussion of that goal.

GOAL: Basic Structural Reforms for Rapid and Sustained Economic Growth

(a) Explanation of Significant Differences in FY 1988 Planned versus Actual Results

Basically, CDT indicators performed as expected or better in 1988, reflecting strong favorable trends within areas covered by LAC Objectives 1, 2, and 3, which include program components related to the productive sectors of agriculture, private enterprise and and to the public sector's macroeconomic policies and fiscal performance. Objective 6, covering natural resources conservation and management, is new to the Mission's Action Plan although several of its targets were formerly included under other objectives. Given variations in actual versus projected FY 1988 A.I.D. Program Performance indicators for objectives 1, 2 and 3, it would appear the Mission set overly ambitious FY 1988 targets since results were generally lower than projections. In these cases, the prevailing reasons were slower than anticipated USAID direct project implementation or lagging counterpart allocations/execution. To place this in prospective, a column for FY 1987

actuals has been added to allow the reader to compare progress against baseline data and to gain a sense of the trends in program performance. Thus measured, the FY 1988 results are more in line with the favorable performance of the CDT indicators, reflecting continued gains across almost all indicators for the economic growth goal.

(b) Major Anticipated Results over FY 1990-1991 Action Plan Period

Certain important assumptions underlie anticipated progress toward this goal. These include the following.

-- Democratic government will be sustained in Guatemala, including continued commitment to consensus building for policy decisions among the various power centers and renewed efforts to achieve a more equitable distribution of the benefits of growth among all segments of the Guatemalan society.

-- Steady and continuing policy reform directed toward improved performance of free market mechanisms to permit the kind of predictability and sustained real positive growth essential to foster investor confidence in the Guatemalan economy.

-- Guatemala's short-term external debt crisis (near 50 percent debt repayment ratio in 1987) will be brought under control (at about 20 percent or lower) by the end of 1991, or earlier, freeing up substantial funds for both public and private sector investment.

-- Development assistance performance will continue to improve over the planning period as public and private sector institutions involved in the delivery of social services and economic goods become more efficient.

-- U.S. development assistance can be focused in ways that accelerate the pace of institutional strengthening needed to effect the more efficient delivery of socioeconomic goods and services over the CDSS period, especially to long-neglected rural areas, as national resource levels grow and fiscal policies adapt to meet ongoing socioeconomic needs.

The following anticipated results for major indicators over the Action Plan period flow from these assumptions:

-- Achievement of external and internal balance, consistent with progress toward a real GDP growth target of five percent by FY 1991 (LAC Objective 3, Stabilize Financial Structures).

-- An increase of real value added in agriculture from Q804 million in 1988 to Q883 million in FY 1991 (LAC Objective 1, Increase Agricultural Production).

-- An increase by 1991 of the value of nontraditional exports of not less than 82 percent over the level of 1988, i.e. \$392 million versus \$215 million in 1988 (LAC Objective 2, Strengthen the Private Sector).

(c) Critical Program/Policy Issues for AID/W Attention

ESF funding levels must be maintained at a minimum at the levels projected, and the conditionality packages negotiated each year must be designed to successfully advance progress toward the anticipated results outlined above, including effective measures to ensure a sound and adequate fiscal program and a level of public sector implementation efficiency commensurate with the national need.

GOAL: Wider Sharing of the Benefits of Growth

(a) Explanation of Significant Differences in FY 1988 Planned versus Actual Results

Both CDT and A.I.D. Program Performance indicators for the social sector objectives (LAC Objectives 8, 9 and 11, covering family planning, child survival and education) are virtually all flat or negative, compared both to FY 1988 actual versus planned and to FY 1987 actuals. This disappointing reality and the difficult task the Mission faces in supporting Guatemalan reform and institution building efforts were highlighted in the CDSS update and should come as no surprise to informed observers. Nor should it bring into question the long-term commitment of resources by the U.S. government to redress the situation.

Despite the level of intended resource inputs and vigorous implementation efforts, it must be recognized a priori that this goal will be achieved only slowly over time and then only if assistance commitments are maintained at substantial levels over a period sufficient to permit Guatemala's own macroeconomic performance and fiscal reform efforts to yield the results that will produce the domestic resources required to meet the country's development needs. The cultural,

linguistic and geographic variety that is so much the richness of Guatemala also severely constrains development efforts and places an abnormally heavy burden on the country's economy in terms of unit costs for delivering both public and private sector goods and services, particularly in the highland Indian areas.

U.S. assistance over the Action Plan period will be focussed principally on correcting absorptive capacity problems by strengthening the ability of public and private sector providers of socioeconomic goods and services to deliver them on a steady and cost effective basis. A principal objective is to improve the government's budget formulation and execution processes. Another is the creation of an effective public/private sector partnership that will allow the Government to mobilize private sector capabilities to more effectively and efficiently deliver socioeconomic goods and services. Improved statistics for family health, including family planning and child survival programs should follow, along with higher enrollment, retention and promotion rates in basic education, and an expansion of rural infrastructure supporting growth and development.

(b) Major Anticipated Results over FY 1990-1991 Action Plan Period

-- The national census due to take place in FY 1990 should help to clear up the present largely unreliable statistical base in the social sectors and provide all concerned with a better baseline series. The Mission is cooperating with the Guatemalan Government and other donors to make the census a success, including support for careful formulation of the questionnaires and training of the census takers and analysts.

-- The Mission expects continued broad-based economic growth to afford both individuals (through steadier employment and higher incomes) and the government (through improved fiscal policy and increased revenues) the opportunity to redress more rapidly than in the past the underlying socioeconomic conditions afflicting the rural and marginal urban poor.

-- Well-focused Guatemalan, U.S. and other donor technical assistance and specific interventions (described in detail in other parts of this Action Plan) in child survival, general family health, family planning, bilingual education, rural infrastructure and public and private sector service delivery systems (in combination with productive agriculture and private sector promotion activities) should

begin to show lasting results, at least among the direct target group.

-- Improved Guatemalan Government budget formulation and execution, combining domestic reserves and donor assistance in well coordinated and integrated programs will be a major step forward. This objective is a critical component in the Mission's overall conditionality agenda and was formally endorsed by both the Guatemalan Government and the donor community in the March (1989) Consultative Group meeting in Paris.

(c) Critical Program/Policy Issues for AID/W Attention

-- Continued high population growth rates threaten to crowd out socioeconomic gains. Acceptable and successful methodologies must be found to avoid this. Proactive Government of Guatemala family planning policies and practices are necessary. The Mission plans to move to a comprehensive family health program approach over the Action Plan period to make this more feasible. Bureau understanding and support will be necessary.

-- DA levels must be kept high and functional account flexibility assured in education (EHR), population (PN), and health (H).

GOAL: Promote Democracy and Strengthen Democratic Institutions

(a) Explanation of Significant Differences in FY 1988 Planned versus Actual Results

A.I.D. Program Performance Indicators for this goal (and LAC Objective 12, Strengthen Democratic Institutions) generally went as planned. The lower number of village and local organization miniprojects funded through the Mission's Special Development Fund (SDF) and Peace Corp's Small Project Assistance Fund (SPAF) reflects slower than anticipated Peace Corps SPAF and ASINDES small project starts in 1988. It also reflects higher individual subproject funding levels needed to accommodate costs for construction materials. Such costs moved up sharply during the year, reflecting a construction boom that got underway in 1988.

(b) Major Anticipated Results over FY 1990-1991 Action Plan Period

The Mission anticipates successful elections in 1990, a peaceful transition of power, and a further

consolidation of democratic processes. Local leadership programs, such as CAPS, the eight percent municipalities set-aside, and voluntary agency food-for-work initiatives, will continue and will contribute both to democratic growth and socioeconomic development in rural communities. The effectiveness of both the congressional and judicial branches of government will grow.

(c) Critical Program/Policy Issues for AID/W Attention

-- ESF funding for the judicial, legislative, electoral and special scholarship programs must be assured even as ESF levels for Guatemala begin to diminish in FY 1991 from current levels.

-- Monetization guidelines for voluntary agency Title II programs need to be finalized to allow the vol-ags and the Mission to plan more effective use of FFP commodities.

**MATRIX OF GOALS AND OBJECTIVES**

	Goals				Agency Problem Areas				
	Stabilization	Reforms/ Growth	Spreading Benefits	Democracy	Income	Hunger	Health	Education	Population
1. Increase Agriculture Production		X	X		X	X	X		
2. Strengthen and Expand the Private Sector	X	X	X		X				
3. Stabilize Financial Structures	X	X			X				
6. Manage and Preserve Natural Resources		X	X		X	X			
8. Increase Access to Voluntary Family Planning Services			X			X			X
9. Improve Health and Child Survival			X			X			
11. Improve Educational Opportunities		X	X					X	
12. Strengthen Democratic Institutions		X	X					X	



**JECTIVE No. 1 : INCREASE AGRICULTURAL PRODUCTION**

**SSION OBJECTIVE:** Increase real value added of agricultural production to Q.903 million by 1991.

COUNTRY DEVELOPMENT TRENDS INDICATORS

	FY 1986	FY 1987	FY 1988		FY 1989	FY 1990	FY 1991
	Actual	Actual	Proj.	Actual	Proj.	Proj.	Proj.
a. Real Value-Added in Agriculture (Q. millions @ 1958 prices)	754	780 1/	781	804	832	865	903
b. Total Ag. Sector Production 2/ (Q. millions)	4,438	5,000 1/	5,541	5,565	5,780	6,360	6,680
c. Growth of Real Value-Added in Agriculture (%)	0.0	+3.6	+1.2	+3.0	+3.5	+4.0	+5.0

**rc:** Bank of Guatemala, Ministry of Finance, and USAID estimates  
 The Bank of Guatemala has revised its 1987 data for agriculture. Growth rates for 1987 and 1988 have been revised accordingly.  
 Current prices: One Quetzal equals \$0.37 (April 1989)

2. A.I.D. PROGRAM PERFORMANCE INDICATORS

	FY 1986	FY 1987	FY 1988	FY 1989	FY 1990	FY 1991
	Actual	Actual	Proj.	Actual	Proj.	Proj.
a. Gross Value of Production (Q 000) <sup>1/</sup>						
(1) Fruit and vegetable production <sup>2/</sup>	12,807	34,320	67,400	37,000	46,200	58,500
(2) Milk and fish production <sup>3/</sup>	44	109	125	140	5,160	10,960
						19,860

Source: USAID Current and Proposed Project Portfolio

<sup>1/</sup> Traditional agricultural export production, which was based on cardamom and coffee production, is not included in this year's Action Plan because USAID/G is no longer supporting production of cardamom and the FY 89 Small Farmer Coffee Project will not have a positive impact until 1992.

<sup>2/</sup> Projections for 1989 on are based on findings for 1988 of the Cross-Cutting Evaluation of the Highlands, and the Economic Analysis for the HAD II Project: (a) 1 Ha. of irrigated area (devoted 90% to traditional fruits and vegetables and 10% to non-traditional fruits and vegetables) provides 4 times the value of 1 Ha. of basic grains (corn, beans, and wheat) estimated at Q 1,400; (b) 1 Ha. of diversified agriculture in non-irrigated areas provides 2 times the value of 1 Ha. of basic grains. Irrigation allows two production cycles vs one in non-irrigated areas.

<sup>3/</sup> Fish: Project 0290 (Family Fish Ponds I, low technology) ended in 1987 but its impact is assumed remain constant during the coming years; average fish yield per pond is estimated at 50 lbs; the follow-up project (0351) introduced an improved technology package increasing yields to 80 lbs. per pond.  
Milk: Project 0355 (Dairy Development) started in June 1988, currently reaches 1.5% of dairy producers who will improve productivity levels by 2.0% per year during the coming 10 years, assuming GOG price policy continues to move toward market levels.

A.I.D. PROGRAM PERFORMANCE INDICATORS Cont'd

	FY 1986	FY 1987	FY 1988	FY 1989	FY 1990	FY 1991
	Actual	Actual	Actual	Proj.	Proj.	Proj.
<b>b. Physical Outputs (Cumulative)</b>						
(1) Hectares of irrigated land for fruits and vegetables under AID supported programs.	792 4/	1,031	4,780	3,329	4,800	6,800
(2) Hectares of non-irrigated land improved for fruits and vegetables under AID support.	868	4,689	6,386	6,560	6,900	7,300
(3) Hectares of land terraced for traditional crops under AID support.	2,263	3,168	8,600	7,520	8,800	9,700
(4) No. of small farmers using terracing under AID supported programs.	9,052	12,672	34,400	31,659	35,200	38,700
(5) Fish ponds constructed 5/	675	1,202	1,270	1,250	1,410	1,410
(6) Kilometers of roads constructed	435	596	640	814	1,055	1,340
(7) Kilometers of roads annually maintained	700	900	1,208	1,000	1,274	1,589
(8) Kilometers of tertiary roads upgraded	--	--	60	--	60	120

The last Action Plan incorrectly showed 1,244 Has. of irrigated land in 1986; the correct number is 792 Has.

The number of ponds constructed was adjusted to reflect updated figures for projects 0290 and 0351.

3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 88 AND EARLY 89, AS IDENTIFIED IN BLOCKS 4 & 5 OF LAST YEAR'S ACTION PLAN

QUARTER/  
FISCAL YEAR

PLANNED

ACTUAL

2/88 Encourage the Ministry of Agriculture to continue decentralizing its services and authority, especially those related to BANDESA, the Ministry's Sectoral Planning Office (USPADA) and the Institute for Agricultural Science and Technology (ICTA), while strengthening its regional (COREDA) and sub-regional (COSUREDA) agricultural development committees in order to accelerate planning and project implementation.

The GOG has submitted a plan to decentralize BANDESA as a means of improving credit delivery and administration. An Action Plan to undertake a pilot effort in four geographic regions during FY89 FY89 has been submitted to the bank's Board of Directors. USPADA has submitted a Regionalization Plan; while ICTA is fully regionalized. The COREDAs and the COSUREDAs will be strengthened under the HAD Project; they have been selected to be the implementing institutions.

2/88 Encourage the Ministry of Agriculture to double its agricultural extension outreach capability, especially through its guías agrícolas and representantes agropecuarios (local farmers).

The number of representantes agropecuarios has been increased from 2,000 to 3,400, and they are located mainly in the highlands. The guías agropecuarios have been increased in the proportion of 1:25; for each rep. agrop. there are 25 guías agrop.

2/88 Encourage the GOG to double its land purchase/sale program using the Penny Foundation model of individual ownership, thereby facilitating greater access to productive resources by land-poor and landless families.

MAGA has purchased 11,520 Has (exceeding the target of 4,000 Has for 1988) under the CONA-TIERRA Program. The Penny Foundation targets are not part of this program.

3/88 Encourage the GOG to continue increasing its budgetary allocation for the Ministry of Agriculture from the 1986 level of 4.5% of the total public sector budget to the 1976 level of 7.6% by 1990, to significantly increase productive agricultural investment and technical assistance.

The calculations used for this target in last year's Action Plan were incorrect. Agriculture's share of the public sector budget in 1988 already exceeded its share in 1976 (10.6% vs. 7.1%).

3/88 Encourage the GOG to increase its budgetary allocation for agricultural research with ICTA from the 1986 level of 0.7% of the public sector budget to the worldwide average for developing countries of 1.8% by 1990.

The calculations for this target in last year's Action Plan were incorrect. ICTA's budget share in 1986 was 0.42%. It increased to 0.51% in 1988.

ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 88 AND EARLY 89, AS IDENTIFIED IN BLOCKS 4 & 5 OF LAST YEAR'S ACTION PLAN  
 Cont'd

ARTER/ CAL YEAR	PLANNED	ACTUAL
3/88	Encourage the Ministry of Agriculture to expand its budgetary allocation for constructing irrigation facilities and to contract private engineering firms wherever possible for the actual construction, there- by accelerating installation and operation of these systems.	MAGA prepared feasibility studies and designs for the construction of irrigation systems for 25,400 Has. To begin implementation of these projects, MAGA has allocated Q.12,000,000. Many of these facilities are to be designed and constructed by private firms.
3/88	Encourage the Ministries of Agriculture and Economy to review their agricultural commodity pricing policies for producers and consumers, simultaneously analyzing the existing and future role of the National Marketing Institute (INDECA), and establish/strengthen free-market policies, thereby encouraging greater agricultural production and investment.	The GOG has reduced the number of commodities subject to price controls from more than 200 commodities to only 8. INDECA is currently intervening in the markets for corn and, to a limited extent, in the markets for beans and rice.
4/88	Encourage the GOG to develop, approve, and implement a Water Use Law, thereby improving the management and productivity of irrigation facilities.	The MAGA, in coordination with public and private sector entities as well as universities, developed a Draft Water Law, which was submitted to the Guatemalan Congress but is now undergoing review.
4/88	Encourage the Ministry of Agriculture to establish clear research priorities and incorporate the private sector into research plans and activities, thereby accessing additional technical and financial resources.	The 1989 ICTA budget reflects regional offices priorities, and it will be allocated and managed at the regional level. The research component of the HAD-II Project includes the participation of the private sector. The research priorities will be defined regionally by the COREDAS.
4/88	Encourage the GOG to establish a clearly-stated agricultural diversification policy, including the establishment of incentives for agro-industrial investment in the rural areas to support the growing, processing, and marketing of nontraditional products, thereby increasing productivity and investment.	The GOG's three-year priority investment program for agriculture outlines its agricultural diversification policy and assigns a high priority to diversification efforts, particularly those associated with nontradi- tional export crops. The USAID will contract for a study of the food security situation as it relates relates to agricultural diversification in the third quarter, FY 1989.

3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 88 AND EARLY 89, AS IDENTIFIED IN BLOCKS 4 & 5 OF LAST YEAR'S ACTION PLAN  
 Cont'd

QUARTER/ FISCAL YEAR	PLANNED	ACTUAL
1/89	<p>Given the government's commitment to a policy of basic grain security, encourage the GOG to channel government-purchased and internationally donated inputs (fertilizers, tools, seeds) through the cooperative and farmer association movement to small and medium farming operations, at prices as close to market value as feasible, thereby eliminating the need for government institutions (BANDESA, municipalities) to handle the distribution at heavily subsidized prices. This would strengthen the indigenous private sector in the rural areas and provide more productive allocation of scarce inputs in accord with real factor costs.</p>	<p>GOG institutions (BANDESA, MACA, and municipalities) have reduced their participation in the distribution and marketing of agricultural inputs. The subsidies on those inputs have been reduced substantially, which increased the role of private sector outlets in the marketing of agricultural inputs.</p>
2/89	<p>Encourage the GOG, through the Central Bank, to provide increased total credit flows of rediscounted funds through the private banking system to the agriculture sector, especially for nontraditional agriculture production, thereby increasing productive investment in the rural areas.</p>	<p>U.S \$7.0 million was channeled through private banks to agribusiness enterprises under the agribusiness credit line of the Bank of Guatemala.</p>
3/88	<p>USAID and the Penny Foundation will decide whether to use the secondary mortgage market for discounting land mortgages. (Project 0343)</p>	<p>The Central Bank did not approve the use of the secondary mortgage market for this purpose.</p>
3/88	<p>A final report of the Small Farmer Impact Survey (both the socio-economic and nutritional portions) will be completed and delivered to USAID and GOG. (Project 0255)</p>	<p>The final report of the Small Farmer Impact Survey was submitted to USAID and it is under review. One major finding of the survey is that small farm irrigation projects have shown a 40% rate of return on investment.</p>

ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 88 AND EARLY 89, AS IDENTIFIED IN BLOCKS 4 & 5 OF LAST YEAR'S ACTION PLAN  
 Cont'd

ARTER/ CAL YEAR	PLANNED	ACTUAL
3/88	Road selection process will be more closely coordinated between the General Directorate of Roads and the Ministry of Agriculture's Extension Service (DIGESA). (Project 0332)	The General Directorate of Road presented to DIGESA its road selection process. Socio-economic survey information related to the area of influence of the access roads was distributed to DIGESA and other GOG institutions for planning purposes. A Coordinating Committee, comprised by representatives of the General Directorate of Roads and MAGA, was created.
2/89	USAID/GOG crop diversification activities will be expanded into at least three additional departments of the Highlands. (Project 0274)	The GOG has initiated the implementation of the HAD-II Project, whose main trust is crop diversification, and includes 20 departments.
2/89	A fund for financing improvements in dairy production/processing will be established. (Project 0355)	A local trust fund for Q180,000 was established in November 1988; a dairy production specialist was hired in December 1988 utilizing this fund.
2/89	Upgrading of tertiary roads will begin. (Project 0332)	Activity was rescheduled for 3/89 due to delays in procurement of heavy equipment and contracting of personnel.
2/89	Recommendations for an improved and more efficient land registration system will be presented to USAID and GOG. (Project 0343)	A land registry study was submitted to USAID as part of the Mission's efforts to expand private land markets (e.g., the use of the cooperative system to channel land purchase financing). A commission, made up of AID and GOG representatives, was established to conduct an in-depth analysis of the current land registration system. The commission will make recommendations on how the system can be streamlined and made more equitable.
2/89	An integrated pest management activity will become operational within the expanded 0274 project.	The pest management component of the HAD-II Project has been initiated with training courses for AID officers and PVOs contractors.

4. KEY POLICY DIALOGUE ACTIONS AND CONDITIONALITIES PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD

QUARTER/  
FISCAL YEAR

- 3/89 Encourage the MAGA to prepare a unified budget for the agricultural sector to be submitted to the Budget Directorate.
- 3/89 Encourage the MAGA to carry out an assessment of the marketing systems for the country's principal agricultural products, and a study that will define the roles and participation of INDECA, other public sector institutions and the private sector.
- 4/89-4/90 Encourage the GOG to maintain the agriculture sector's share of the National Budget at least at its current level and gradually increase that share to a level of 11.0 percent by 1991 through expansion of productive investments in the sector.
- 4/89 Encourage the GOG to develop an agricultural policy analysis capacity with participation of the private sector.
- 4/89 Encourage the MAGA to carry out an analysis of the trade-off/complementarity of its agricultural diversification versus food security programs and projects.
- 4/89 Encourage the MAGA to initiate an assessment of Guatemala's rural financial markets, both formal and informal, to identify new approaches to reach a larger number of small farmers by both the public and private financial intermediaries.
- 4/89 Encourage the MAGA to develop a pilot marketing plan for supporting farmers in at least five irrigation projects.
- 4/89 Encourage the Ministry of Agriculture to initiate implementation of the Decentralization Plan for BANDESA, and the Ministry's Sectoral Planning Office (USPADA), while strengthening its regional (COREDA) and sub-regional (COSUREDA) coordination bodies to support planning and project implementation.
- 4/89 Encourage the Ministry of Agriculture to continue to increase its agricultural extension outreach capability by increasing the number of its guías agrícolas and representantes agropecuarios (local farmers), and by joining efforts with the private sector.
- 4/89 Encourage the Ministry of Agriculture to initiate the development of the Irrigation Master Plan to support an orderly construction of irrigation facilities with the participation of private engineering firms whatever possible.



KEY PROJECT/PROGRAM ACCOMPLISHMENTS PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD

ARTER/  
CAL YEAR

- 3/89 The MAGA will appoint Agricultural Research and Extension Working Groups, with participation of private and public sectors, to prepare studies for 20 priority crops and 5 forestry species.
- 3/89 A three-year Investment Plan for the agricultural sector to ensure a timely and efficient use of AID generated local currency will be prepared.
- 3/89 Upgrading of tertiary roads will begin. (Project 0332)
- 3/89 An Agriculture Sector Assistance Program will become operational. (ESF)
- 4/89 A National Water Use Master Plan will be developed. (PL 480 Title I).
- 4/89 Contracts for adaptive agricultural research will be signed with private sector and/or universities. (Project 0274)
- 2/90 Improvements in small-farmer technology for coffee production will be initiated. (Project 0381)

**6. PROJECTS SUPPORTING OBJECTIVE**

**CUMULATIVE OBLIGATIONS THROUGH:**

Title	Number	New/ Ongoing	Type of Funding	LOP (\$000)	L/G/ LC	CUMULATIVE OBLIGATIONS THROUGH:			
						FY 88	FY 89	FY 90	FY 91
Program Development & Support	520-0000.1	0	DA(FN)	CONT	G	9,113	10,168	10,743	11,318
Small Farmer Diversi- fication Systems	520-0255	0	DA(FN)	3,696	G	3,696		--	--
			DA(FN)	4,413 1/	L	4,413 1/		--	--
Highlands Agricultural Development	520-0274	0	DA(FN)	24,100	G	5,900	11,400	17,400	20,400
			DA(FN)	13,500	L	13,500	13,500	13,500	13,500
Cooperative Strengthening 2/	520-0286	0	DA(FN)	(16,000)	G	(11,000)	(11,000)	(13,000)	(14,000)
Farm-to-Market Roads	520-0332	0(89)	DA(FN)	1,100	G	1,100	1,100	1,100	1,100
			DA(FN)	22,400	L	22,020	22,400	22,400	22,400
			ESF	1,000	G	1,000	1,000	1,000	1,000
			ESF	5,500	L	5,500	5,500	5,500	5,500
Commercial Land Markets II	520-0343	0	DA(FN)	13,000	G	10,500	10,500	11,500	13,000
Family Fish Ponds II	520-0351	0	DA(FN)	500	G	500	500	--	--
Dairy Development	520-0355	0	DA(FN)	1,200	G	1,200	1,200	--	--
Ag. Prod. & Marketing Services (AIFLD)	520-0363	0	DA(FN)	1,100	G	500	1,100	1,100	--
			ESF(LC)	(400)	LC	(400)	(400)	(400)	--
Small Farmer Coffee	520-0381	N(89)	DA(FN)	11,000	G	--	2,660	4,160	5,660
Rural Land Financing	520-0389	N(91)	DA(FN)	10,000	G	--	--	--	1,500

1/ Reflects deobligation in FY 1988.

2/ Non-add. Primary purpose is to support Mission's objective of strengthening the private sector.

PROJECTS SUPPORTING OBJECTIVE Cont'd

CUMULATIVE OBLIGATIONS THROUGH:

Title	Number	New/ Ongoing	Type of Funding	LOP (\$000)	L/G/ LC	CUMULATIVE OBLIGATIONS THROUGH:				
						FY 88	FY 89	FY 90	FY 91	
igated Agriculture support	520-0392	N(91)	DA(FN)	7,500	G	--	--	--	1,500	
ibusiness Development 2/	520-0276	O	ESF	(3,000)	G	(3,000)	(3,000)	(3,000)	--	
			ESF	(9,500)	L	(9,500)	(9,500)	(9,500)	--	
			DA(FN)	(1,000)	G	--	(1,000)	(1,000)	--	
ural Resources management	520-0395	N(90)	DA(FN)	(5,500)	G	--	--	(1,500)	(1,000)	
			DA(PSEE)	(5,000)	G	--	--	(500)	(1,500)	
lic Sector Budget support-Rural development infrastructure	520-0347 520-0359 520-0372 520-0373 520-0385 520-0394	O O O O(89) N(90) N(91)	ESF	(6,700)	LC	(6,700)	(6,700)	--	--	
			ESF	(1,350)	LC	(1,350)	(1,350)	--	--	
			ESF	(6,720)	LC	(3,559)	(6,720)	--	--	
			ESF	(19,200)	LC	--	(11,520)	(19,200)	--	--
			ESF	(19,200)	LC	--	--	(11,520)	(19,200)	(19,200)
			ESF	(19,200)	LC	--	--	--	(11,520)	(11,520)
480 Title I Progs	O(84) O(85) O(86) O(87) O(88) O(89) N(90) N(91)	PL-480 I PL-480 I PL-480 I PL-480 I PL-480 I PL-480 I PL-480 I PL-480 I	PL-480 I	(4,900)	LC	(4,900)	--	--	--	
			PL-480 I	(6,815)	LC	(6,815)	--	--	--	
			PL-480 I	(5,792)	LC	(5,792)	--	--	--	
			PL-480 I	(11,765)	LC	(11,765)	--	--	--	
			PL-480 I	(12,150)	LC	(12,150)	--	--	--	
			PL-480 I	(8,775)	LC	--	(8,775)	--	--	
			PL-480 I	(8,775)	LC	--	--	(8,775)	--	
			PL-480 I	(8,775)	LC	--	--	--	(8,775)	
			PL-480 I	(8,775)	LC	--	--	--	--	
tion 416	O(86)	416	(3,320)	LC	(3,320)	--	--	--		
ugar Compensation	O(87)	416	(10,878)	LC	(10,878)	--	--	--		
TOTALS FOR BLOCK 6			120,009			78,942	89,137	88,403	96,878	

Non-add. Primary purpose is to support Mission's objective of strengthening the private sector.

## 7. NARRATIVE

During the 1989-90 Action Plan period, the Mission reviewed its Agriculture Sector Strategy, which points out the dualistic nature of Guatemala agriculture: the numerically largest "subsistence" system composed primarily of land-poor farmers and landless laborers producing basic commodities for their own consumption; and the large-farm "commercial" system producing for export (coffee, cotton, livestock, bananas, etc.). Because of agriculture's importance to the overall economy of Guatemala--it generates more than half the country's exports and provides fully two-thirds of its employment--the Mission has continued its policy of seeking ways to alleviate critical constraints to improved production, investment and incomes in both the "subsistence" and "commercial" systems. Our strategy is designed to facilitate a transition of subsistence farms into commercial operations--primarily through the introduction of irrigation and crop diversification--while increasing investment, improving efficiency, and expanding income-generating opportunities for farming enterprises already in the commercial sector. Our principal tool in this latter regard is an intensive policy dialogue to promote a stable and favorable policy environment for agriculture. Specific project interventions during the Action Plan period (1989-1991) will concentrate on: product marketing and processing (with emphasis in fruits and vegetables), irrigation, supply of credit, agricultural research and extension, and rural infrastructure development.

A new objective added to the Mission's strategy this year is to increase the effectiveness of natural resources management and increase the sensitivity of the GOG and the Guatemalan people to environmental concerns. Toward this end and in support of the Agriculture Sector Assistance Program, the Mission will strengthen the GOG capacity for agricultural policy analysis and intensive dialogue on the reform measures required to stimulate sustainable sector growth and to effectively manage the development programs necessary to support that growth.

Due to the Mission's decision to considerably expand its efforts in small- and medium-scale irrigation, irrigated land will increase to 6,800\* hectares by 1990. This will contribute significantly to increasing the value of agricultural production on irrigated farms to Q.55.5\* millions in 1991, a 64% increase over the 1988 level. The rate of growth of real value-added in agriculture is expected to increase from 3.0% in 1988 to 3.5% by 1991. It should be pointed out that most of the increase in agricultural production will result from additional PL-480, Title I local currency-financed irrigation, and use of ESF local currencies for both irrigation and forestry projects. AID's experience over the last seven years in crop diversification combined with small-scale irrigation supports the view that, with proper assistance, subsistence farmers can break the poverty cycle in as little as three years by switching to the production of nontraditional crops. The recent Cross-Cutting Evaluation of the Highlands showed that small farmers in irrigated areas who received appropriate assistance in crop production and marketing experienced up to a ten-fold increase in income within three to five years.

\* Last year's estimates of 24,176 Has. for irrigated areas and Q180.1 million for Gross Value of Production were adjusted downward to reflect the lag between completion of the Small Farmer Diversification Project and the time implementation of the HAD-II Project begins.

**ECTIVE No. 2 : STRENGTHEN THE PRIVATE SECTOR**

**SION OBJECTIVE: Increase investments generated by AID-supported programs to \$92.0 million in 1991.**

**COUNTRY DEVELOPMENT TRENDS INDICATORS 1/**

	FY 1986	FY 1987	FY 1988		FY 1989	FY 1990	FY 1991
	Actual	Actual	Proj.	Actual	Proj.	Proj.	Proj.
a. Private Fixed Investment as a percent of GDP	8.0	9.2	10.4	10.6	10.9	11.2	11.3
b. Nontraditional Exports 2/	127.7	171.6	202.4	215.0	245.0	306.1	391.8
(1) Agricultural 2/	65.3	97.1	103.5	111.8	125.0	156.1	199.8
(2) Nonagricultural	62.4	74.8	98.9	103.2	120.0	150.0	192.0
c. Guatemalan Exports of Drawback Products (Labor value added only) 3/	5.8	8.8	N/A	19.5	35.1	52.7	68.5
d. Foreign Exchange Earnings from tourism	29.3	48.0	52.0	63.0	70.1	72.5	78.0

ce: Bank of Guatemala and USAID estimates

In millions of current U.S. dollars except where percentages are used.

Nontraditional agricultural exports include sesame, cacao, shrimp, fish, rubber, chicle, flowers, fruits, honey, tobacco and vegetables. Nontraditional exports are defined as total exports less exports of cotton, bananas, coffee, cardamom, meat, sugar, petroleum and exports to the CACM.

In previous Action Plans, U.S. Commerce Dept. data were used. During 1988, however, the Bank of Guatemala introduced a new data series that captures the local labor value added for Guatemalan drawback exports which is, in our view, a better indicator of economic impact than gross export value. This series will be used for future Action Plan reporting.

: Exports and tourism have been included here because, within the USAID/Guatemala program, they represent a private sector performance indicator rather than a separate objective.

**2. A.I.D. PROGRAM PERFORMANCE INDICATORS**

	FY 1986	FY 1987	FY 1988		FY 1989	FY 1990	FY 1991
	Actual	Actual	Proj.	Actual	Proj.	Proj.	Proj.
a. Investments generated by AID-supported projects and programs/millions of \$	1.9	43.0 1/	57.3	43.0*	60.0	70.0 3/	92.0
b. Credit to private sector financed under AID projects and programs/millions of \$	0.9	24.0 2/	39.9	35.0	56.0	54.0 4/	64.6
c. Exports generated by AID projects and programs/millions of \$	4.8	12.5	14.3	26.6	49.0	58.6	70.0
d. Total number of housing units financed	--	--	--	--	800	1350	1000
Housing units financed through HG-004	--	--	--	--	800	900	--
Housing units financed through CABEI	--	--	--	--	--	450	1000
e. Kms. of primarily electricity distribution lines	--	--	--	--	--	50	50
f. Km. of electricity delivery network	--	--	--	--	20	200	200
g. Number of new household connections	--	--	--	--	--	10,000	11,000
h. No. of Credit and TA packages provided small entrepreneurs	--	--	--	--	--	300	300
i. Persons trained in use of electricity	--	--	--	--	--	1,500	1,600

\* Actual investments were below target because investment guaranty funds anticipated for 1988 did not become operational until 2/89 the second quarter FY 1989 and start-up new investor Service Center was delayed until 3/90.

Source: USAID estimates (from existing/proposed project portfolio)

- 1/ Includes \$40.0 Million guaranteed by TCIP
- 2/ Includes \$20.0 Million guaranteed by TCIP
- 3/ 1990 targets include additional investment generated by TCIP and HG
- 4/ 1990 targets include additional credit guaranteed under TCIP and HG

ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 88 AND EARLY 89 AS IDENTIFIED IN BLOCKS 4 & 5 OF LAST YEAR'S ACTION PLAN

ARTER/  
CAL YEAR

PLANNED

ACTUAL

Macroeconomic

tinuing	Maintenance of the exchange rate at a market-determined level	Evidence suggests that the current fixed exchange rate closely approximates exchange market conditions.
tinuing	Market-oriented credit and interest rate policies	Interest rate ceilings for lending were raised from 14% to 16% in June 88, along with a similar shift in the ceiling on savings account rates. At these levels, the ceiling rates are positive in real terms.
tinuing	Liberalization of capital markets	Monetary Board has commissioned a study on the feasibility of liberalizing interest rate policy, to be presented for consideration in June 1989.

Sectoral

88	Improved public/private sector coordination and cooperation in areas such as fiscal incentives for investment and exports, and customs procedures.	CONAPEX a public/private sector organization continued, with AID encouragement, to assist the GOG and private sector groups in considering fiscal incentives for new laws favoring expansion of investment and exports and in developing recommendations for measures to improve customs procedures.
88	Negotiations and studies to increase the availability of longer-term credit for private sector investment	Negotiations were completed and legal opinion on the documents for the local currency guaranty fund obtained. The first loan under the guaranty fund was made the last week of March 1989.
88	Negotiations to establish a policy environment conducive to nontraditional exports, and to a broader access to services/finance by small and medium enterprises	The new General Directorate of International Commerce (DIGECOMEX) has been set up to expand and improve public sector support for Guatemalan exporters. CONAPEX will continue to provide an interface between the public sector and private sector groups, including those representing small and medium sized enterprises, to address export-related policy, procedural and promotional issues.

3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 88 AND EARLY 89, AS IDENTIFIED IN BLOCKS 4 & 5 OF LAST YEAR'S ACTION PLAN  
Cont'd

QUARTER/ FISCAL YEAR	PLANNED	ACTUAL
4/88	A one-step document, to complement the one-stop export window, which will further facilitate exports and encourage investment in export industries	Work on this activity will not be completed until 1/90.
4/88	Revised free zone/drawback (maquila) legislation	It is expected that the maquila legislation, originally submitted to the Congress in July 1988, will be approved by the end of July 1989. The free zone legislation is expected to be passed by the Guatemalan Congress at about the same time
2/89	Establishment of a National Export Plan	Because of delays in the organization of DIGECOMEX and the temporary cessation of activity by CONAPEX, the development of a National Export Plan (or Strategy as it is now being called) has been delayed until mid-1990.
2/89	Negotiations and studies to further facilitate competitive transportation "open skies" arrangements	Ministry of Communications, after reviewing independent reports, is planning to privatize Aviateca, the state-owned airline. New air routes have already been awarded to competing air carriers. Deregulation continues to be an issue.
88	Work closely with Government of Guatemala to identify barriers to increased investment, support financial market research, development and promotion, and further explore alternatives to improve banking procedures in conjunction with private lending institutions.	Ongoing dialogue with the GOG played a positive role in encouraging an adjustment in the exchange rate from Q.2.50 to Q.2.70 = U.S.\$1.00 in May 1988, an increase in interest rates to levels more closely reflecting market conditions and an improvement in the climate for financial intermediation that has resulted in the approval early in FY1989 of the establishment of two new commercial banks.
88	Intensify and expand Private Sector Development Training: Under the new Private Enterprise Development Project (520-0341), hold 4-5 workshops and seminars annually for 25-50 persons each to improve management skills	Due to a delay in project start up, management workshops and seminars under this project will start in the third quarter of FY89.



ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 88 AND EARLY 89 AS IDENTIFIED IN BLOCKS 4 & 5 OF LAST YEAR'S ACTION PLAN  
 Cont'd

ARTER/  
 CAL YEAR

PLANNED

ACTUAL

88 Intensify and expand Private Sector Development Training: Under the Cooperative Strengthening Project (520-0286) train up to 300 cooperative leaders annually in business management and cooperative operations

80 cooperative leaders were trained in FY88

88 Intensify and expand Private Sector Development Training: Under the Micro-Business Promotion Project (520-0377) train up to 500 micro-entrepreneurs annually in various business-related areas

126 microentrepreneurs enrolled in training under subject project during 1989.

88 Intensify and expand Private Sector Development Training: Under the Low-Cost Housing Project (520-0261) train up to 5 staff members of FHA and commercial banks per year in credit analysis procedures and criteria for serving low-income families

Four staff members trained, FHA (2) and Banco de Guatemala (2)

88 Intensify and expand Private Sector Development Training: Under the Rural Electrification III Project (520-0353) provide up to 1000 owners of microenterprises with skills in productive use of electricity annually.

Project start-up was delayed to FY89. After completion of project design, annual targets have been changed to provide credits for 130 small and micro enterprises, train 170 employees of these enterprises and train 1700 new users in productive uses of electricity.

88 Assist 750 microbusinesses with technical assistance and financial support.

1100 microbusinesses received credit and 150 received training during the first eight months of implementation under project 520-0377. 42% of beneficiaries have been women. Two rural offices have been opened.

88 Assist small and medium enterprises through new and/or ongoing projects: 50 new businesses will be established or expanded.

18 small and medium enterprises were assisted for such purpose under Project No. 520-0337

88 Assist 250 existing businesses to improve their management, productivity and export performance.

Activities began later than anticipated due to delay in the start up of Project No. 520-0341.

3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 88 AND EARLY 89 AS IDENTIFIED IN BLOCKS 4 & 5 OF LAST YEAR'S ACTION PLAN  
Cont'd

QUARTER/ FISCAL YEAR	PLANNED	ACTUAL
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88 Stimulate increased levels of productivity and economic growth of micro, small and medium enterprises:

- Expand efforts under existing organizations (ACCION/AITEC, FUNDAP, ASINDES)
- Develop alternative mechanisms (organizations such as IESC, PADF, CARE or others)
- Credit, institutional strengthening, technical assistance and training for SMEs were expanded under ACCION/AITEC project and related activities
- An OPG with IESC will begin in FY1989.

4. KEY POLICY DIALOGUE ACTIONS AND CONDITIONALITIES PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD

QUARTER/ FISCAL YEAR
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89/90 Improved public/private sector coordination and cooperation in areas such as removal of fiscal disincentives for investments and export expansion and in streamlining customs procedures.

89/90 Negotiations and studies to increase the availability of longer-term credit for private sector investment

89/90 Negotiations to establish a policy environment conducive to the expansion of competitive nontraditional exports, and to broader access to services/finance by small and medium enterprises

3/89 Work with CAEM and CORFINA, Guatemala's public sector investment bank, to form a working group to facilitate the privatization of productive assets held by CORFINA.

4/89 Improve coordination with other donors of assistance to the private sector

4/90 Development of a strategy for increasing the level of domestic savings to finance private sector investment

4/91 Establishment of a pilot decentralized INDE regional office which will improve service for rural consumers and enhance possibilities for productive uses of electricity.

**NOTE** The policy dialogue actions cited above relate to planned Mission efforts to increase domestic levels of employment, income, productivity and economic growth by assisting in the development of a more competitive private sector in Guatemala.

KEY PROJECT/PROGRAM ACCOMPLISHMENTS PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD

ARTER/  
CAL YEAR

- 89-91 Work closely with Government of Guatemala and private sector groups to identify barriers to increased investment, support financial market research, development and promotion, and further explore alternatives to improve banking procedures in conjunction with private lending institutions.
- 89-91 Intensify and expand Private Sector Development Training: Under the new Private Enterprise Development Project (520-0341), hold 4-5 workshops and seminars annually for 25-50 persons each, to improve entrepreneurial skills
- 89-91 Intensify and expand Private Sector Development Training: Under the Cooperative Strengthening Project (520-0286) train up to 300 cooperative leaders annually in business management and cooperative operations
- 89-91 Intensify and expand Private Sector Development Training: Under the Micro-Business Promotion Project (520-0377) train up to 500 micro-entrepreneurs annually in various business-related areas
- 89-91 Intensify and expand Private Sector Development Training: Under the Low-Cost Housing Project (520-0261) train up to 5 staff members of FHA and commercial banks per year in credit analysis procedures and criteria for serving low-income families
- 89-91 Intensify and expand Private Sector Development Training: Under the Rural Electrification III Project (520-0353) provide up to 170 owners and employees of microenterprises with skills in productive use of electricity.
- 89-91 Stimulate increased levels of productivity and economic growth of micro, small and medium enterprises:  
-Expand efforts under existing organizations (ACCION/AITEC, FUNDAP, ASINDES)  
-Develop alternative mechanisms (organizations such as IESC, PACT and similar groups)
- 39-90 Assist 2,000 microbusinesses with technical assistance and financial support in 1989 and 2,500 in 1990.
- 89-90 Assist small and medium enterprises through new and/or ongoing projects: 75 new businesses will be established or expanded in 1989 and 100 in 1990.
- 89-90 750 existing businesses will be assisted in improving their management, and/or export performance in 1989 and 1000 in 1990.
- 89 Some 100 agribusiness enterprises will receive credit through PL-480, Sec. 108 activities.
- 89 Assist in the establishment of at least one privately owned and operated free trade zone.
- 3/90 Establish within CAEM an Investor Service Center to promote and facilitate both foreign and domestic investment in the Guatemalan private sector.

6. PROJECTS SUPPORTING OBJECTIVE

Title	Number	New/ Ongoing	Type of Funding	LOP (\$000)	L/G/ LC	CUMULATIVE OBLIGATIONS THROUGH:			
						FY 88	FY 89	FY 90	FY 91
Program Development & Support	520-0000.4	0	DA(PSEE)	Cont.	G	--	250	450	700
Rural Electrifica- tion II	520-0248	0	DA(FN)	10,600	L	10,600	10,600	--	--
Low-Cost Housing	520-0261	0	DA(PSEE)	600	G	300	600	600	600
	520-HG-0041/	0	HG	(10,000)	L	(10,000)	(10,000)	(10,000)	(10,000)
Agribusiness Development	520-0276	0	DA(FN) ESF ESF	1,000 3,000 9,500	G G L	-- 3,000 9,500	1,000 3,000 9,500	1,000 3,000 9,500	-- -- --
Cooperative Strengthening	520-0286	0	DA(FN)	16,000	G	11,000	11,000	13,000	14,000
Private Sector Dev. Coord. (FUNDAP)	520-0337 520-LC-0337	0	DA(PSEE) ESF	1,700 (300)	G LC	1,500 (300)	1,700	1,700	1,700
Private Enterprise Development	520-0341 520-LC-0341	0	DA(ARDN;PSEE) ESF	10,000 (10,900)	G LC	8,450 (10,900)	9,330 (10,900)	10,000 (10,900)	10,000
Rural Electrifica- tion III	520-0353	N(89)	DA(FN)	10,000	G	--	3,300	5,800	8,300
Microenterprise Development	520-0375	N(90)	DA(PSEE)	5,000	G	--	--	1,000	2,800
Micro-Business Promotion (AITEC)	520-0377 520-LC-0377	0	DA(PSEE) ESF	1,850 (600)	G LC	500 (600)	1,850 (600)	1,850	1,850
Entrepreneurial Development (IESC)	520-0380	N(89)	DA(PSEE)	1,250	G	--	750	1,250	1,250

1/ These are AID guaranteed lines of credit and do not represent an obligation of funds.

Cont'd

PROJECTS SUPPORTING OBJECTIVE Cont'd

Title	Number	New/ Ongoing	Type of Funding	LOP (\$000)	L/G/ LC	CUMULATIVE OBLIGATIONS THROUGH:			
						FY 88	FY 89	FY 90	FY 91
de Credit Ins. rog. (TCIP) 1/	-	0	TCIP	Cont.	-	(50,000)	(50,000)	--	--
cial Development und 2/	520-0145	0	DA(PSEE)	Cont.	G	(1,767)	(1,867)	(1,967)	(2,067)
NDES PVO evel. Prog. 2/	520-0348	0	DA(PSEE) ESF PL-480	(2,300) (800) (1,800)	G LC LC	(1,800) (800) (1,800)	(2,300) (800) (1,800)	(2,300) (800) (1,800)	-- -- --
480, Title I, ection 108	0	0	PL-480 I	(12,500)	LC	--	(3,500)	(8,000)	(12,500)
E Mini Rural Banks 3/	0	0	PL-480 II	Cont.	G	--	67	67	67
E Urban Food For Work 3/	0	0	PL-480 II	Cont.	G	547	835	1,235	1,535
RE Food Bank 3/	N/A	N(89)	PL-480 II	Cont.	G	--	200	975	1,750
TOTALS FOR BLOCK 6				70,500		45,397	53,982	51,427	44,552

These are AID guaranteed lines of credit and do not represent an obligation of funds. Supports strengthening of democratic institutions as primary objective. Local currency needs being determined; total estimates for all 3 programs are around \$400,000 for FY 1990 and FY 1991.

## 7. NARRATIVE

During CY 1988, Guatemalan exports to hard currency areas increased by 23%. Overall, nontraditional exports increased by 25.3% during the same period. The increase in nontraditional exports was due, mainly, to a diversification of agricultural products and expansion of exports by drawback or maquila industries. Employment in maquila-type operations jumped 57% between 1987 (15,300 employees) and 1988 (24,160). The number of companies engaged in maquila operations increased from 116 in 1987 to 146 in 1988. The most significant structural change in this fast growing industry is in the sub-contracting by maquila operators with firms in secondary cities and even rural centers (14 companies in Quetzaltenango, 2 in San Lucas, 1 in San Pedro Zacatepeque and one on a rural coffee and rubber plantation). Assistance through Project 520-0337 was decisive in the sub-contract with the firm in San Pedro Zacatepeque and facilitated action for most of the other sub-contracts.

Guatemalan efforts toward privatization will be supported through technical assistance to identify opportunities for divestiture and facilitate the process through feasibility studies and promotional activities. CORFINA, the GOG-owned investment bank, is now pursuing and aggressive strategy of selling off non-financial assets (eg., hotels, sugar mills, manufacturing equipment, real property, etc.) to private sector investors. The Mission's Private Sector Program activities will provide technical and financial assistance to encourage stronger competition from the private sector for State-owned and operated enterprises wherever possible. In this regard, Guatel the state telephone company, has agreed in principal to allow private sector ownership of new service areas such as celular telephone service.

In general, Mission efforts to assist the Private Sector can be classified under two programmatic categories: Business Environment and Business Structure.

### Business Environment

A. Policy dialogue: The Mission will aggressively engage in policy dialogue focussed on areas of common gain for both public and private interests, especially those which enhance both public and private sector productivity through improved competition. The public and private sectors are together developing and implementing a national strategy to stimulate exports. Legislation for drawback industries and free trade zones, improvement of procedural requirements for investments and exports, financial market development, and increased competition in air transportation, are important elements of our policy dialogue for 1989-1990. The policy package negotiated through the ESF Program is the main vehicle for pursuing these objectives.

C. Investment Policy: During 1989 and 1990, policy and operational constraints affecting investment in the productive sectors will be identified and improvements recommended for strengthening competition in general, and for accelerating growth in small and medium sized enterprises in particular. The PED Project, through its umbrella institution, CAEM, is establishing an investment center whose main objective is two fold: a) Identify investment problems and their solutions, and b) facilitate contacts between prospective investors and key Guatemalan officials and entrepreneurs.

NARRATIVE Cont'd

iness Structure

- A. Financial Development: In March 1989 the \$3.0 million PRE-financed Guaranty Facility and the \$5.5 million local currency-financed Guaranty Fund began operations facilitating access to commercial credit for small and medium sized enterprises. With the collaboration of the Guatemalan Financial Chamber, the PED Project will sponsor financial research, development, and promotion. The ongoing HIG low cost housing project and related technical assistance grant will support developments by the GOG and the private sector of a national strategy for low cost housing and mobilization of savings in support of such housing. PL-480, Sec. 108 local currencies will finance additional lines of credit for investment purposes, primarily in agribusiness and for small and medium enterprises.
- B. Microentrepreneur Support: Based on careful analysis of experience gained in (a) assistance to microentrepreneurs through a \$2.4 million OPG with ACCION/AITEC, (b) designing the productive uses component of the Rural Electrification III project, (c) the current GOG microenterprise program and, (d) an IDB-financed microenterprise project, the Mission will determine how best to assist this segment of the private sector in the future, commencing with an FY 1990 Microenterprise Development project that will focus on ways to alleviate constraints associated with finance, business knowledge and the business environment in which microenterprises operate. Assistance will strengthen the capacity of organizations servicing the microenterprise community to provide the kind of support that will enable large numbers of microenterprises to move into the formal sector and compete on even terms with more mature firms..
- C. Export and Investment Expansion: Exporters will be assisted primarily through the ongoing PED and Agribusiness projects and a new OPG with IESC. Increased investments will be supported through the various guaranty facilities noted above, and the CAEM Investor Support Center sponsored by the PED Project. These activities will be complemented by an IBRD-financed \$20 million preexport financing facility. AID financial support through the PED project to the Ministry of Economy will provide technical assistance, training and budgetary support to strengthen the operations of CONAPEX and the newly established General Directorate of International Trade (DIGECOMEX).
- D. Human Resource Development: The PED Project will focus on increasing mid-level management productivity. During 1989 and 1990 the project will train up to five hundred small and medium size entrepreneurs. The Microbusiness Projects will train up to 10,000 microentrepreneurs. The agribusiness and low cost housing projects will train up to 25 and 80 professionals, respectively.

**OBJECTIVE No. 3 : STABILIZE FINANCIAL STRUCTURES**

**MISSION OBJECTIVE:** Achieve a real GDP growth target of 5% by 1991, while maintaining external and internal balance.

**1. COUNTRY DEVELOPMENT TRENDS INDICATORS 1/**

	FY 1986 Actual	FY 1987 Actual	FY 1988 Estimated	FY 1989 Proj.	FY 1990 Proj.	FY 1991 Proj.
a. Internal Balance						
(1) Consolidated Public Sector Deficit*/ percent of GDP 2/	-3.7	-4.2	-2.5	-2.6	-2.5	-2.5
(a) Central Government Deficit/ percent of GDP (excluding grants) 2/	-1.9	-2.5	-2.0	-2.9	-2.5	-2.5
(b) Central Bank Losses/percent of GDP 2/	-1.9	-2.0	0.0	0.0	0.0	0.0
(c) Deficit of the NF Public Enterprises/percent of GDP 2/	+0.1	+0.3	-0.5	0.3	0.0	0.0
b. External Balance						
Current Account Balance/percent of GDP (excluding official transfers)	-1.1	-8.4	-2.9	-7.0	-6.5	-6.0
c. Inflation						
Consumer Price Index/December 3/	+37.0	+12.3	+7.0	+9.0	+8.0	+7.0

\* Indicative measure which excludes fiscal balance of "rest of general government"

1/ March 1989 Estimates

2/ IMF and Bank of Guatemala, AID estimates.

3/ National Statistical Institute, AID estimates.

n.s. not available



A.I.D. PROGRAM PERFORMANCE INDICATORS

	FY 1986 Actual	FY 1987 Actual	FY 1988 Proj.	Estimated Proj.	FY 1989 Proj.	FY 1990 Proj.	FY 1991 Proj.
a. Internal Balance							
a.1 Central Government Tax Revenues/ percent of GDP <u>1/</u>	6.9	8.0	9.0	8.5	8.6	10.0	10.0
b. External Balance							
b.1 Trade Balance FOB commodities only/ current \$ <u>2/</u>	+168.1	-355.2	-42.0	-371.1	-331.4	-305.0	-290.0
c. Economic Growth							
c.1 GDP real growth rate/percent <u>1/</u>	0.1	3.1	3.0	3.5	4.0	4.5	5.0
c.2 Central Government Investment/ percent of GDP <u>2/</u>	2.1	2.3	2.8	2.4	3.0	3.5	4.0

3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 88 AND EARLY 89, AS IDENTIFIED IN BLOCKS 4 & 5 OF LAST YEAR'S ACTION PLAN

CALENDER YEAR	PLANNED	ACTUAL
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Macroeconomic

88	a. Demand Management	Aggregate demand grew by an estimated 16 percent in 1988 due to higher than expected levels of imports, particularly of capital goods.
		Maintain fiscal and monetary programs that restrain growth of aggregate demand to 9 percent (in nominal terms) over 1987.
88	b. Fiscal Management	Consolidated nonfinancial public sector deficit of 1.6 percent of GDP projected for 1988.
	(i)	Restrict consolidated nonfinancial public sector deficit to 2.5 percent of GDP.
	(ii)	Continue refining the management and operation of the Core Development Budget, with assistance of the technical assistance provided through the Fiscal Administration Project.
88	c. Foreign Exchange Rate	The Core Development Budgets for 1988 and 1989 have been prepared and a 75 percent execution target established for 1989.
		Achieve increase in net international reserves by \$40 million.
88	d. Savings	Net international reserves are estimated to have fallen by \$91 million in 1988.
		Achieve domestic savings rate of 10 percent of GDP.
88	e. Public Sector Investment	Domestic savings rate of 8.0 percent is estimated for 1988.
		Achieve central government investment of 3 percent of GDP.
		Central government investment is estimated to have reached 2.4 percent of GDP in 1988.

KEY POLICY DIALOGUE ACTIONS AND CONDITIONALITIES PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD

SENDER  
YEAR

Macroeconomic

91 a. Demand Management

Maintain fiscal and monetary programs that restrain growth of aggregate demand to 9 percent each year during the period 1989 through 1991.

91 b. Fiscal Management

(i) Restrict consolidated nonfinancial public sector deficit to 2.5 percent of GDP during the period 1989 through 1991.

(ii) Continue refining the management and operation of the Core Development Budget, with technical assistance provided through the Fiscal Administration Project.

91 c. Foreign Exchange Rate

Achieve increases in net international reserves of \$30 million in both 1989 and 1990 and maintain reserves at the 1990 end of year level through 1991.

91 d. Savings

Achieve domestic savings rate of 10 percent of GDP in 1989, 11 percent in 1990 and 12 percent in 1991.

91 e. Public Sector Investment

Achieve consolidated public sector investment levels equivalent to 4 percent of GDP in 1989, 4.3 percent in 1990 and 4.7 percent in 1991.

KEY PROJECT/PROGRAM ACCOMPLISHMENTS PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD

ARTER/  
AL YEAR

Planned accomplishments are listed under Policy Dialogue Actions.

6. PROJECTS SUPPORTING OBJECTIVE

CUMULATIVE OBLIGATIONS THROUGH:

Title	Number	New/ Ongoing	Type of Funding	LOP (\$000)	L/G/ LC	(\$000)			
						FY 88	FY 89	FY 90	FY 91
Program Dev & Support	520-0000.4	O	DA(PSEE)	Cont.	G	800	900	1,100	1,300
Economic Stabiliza- tion	520-0347	O	ESF	23,425	G	23,425	--	--	--
ESF Studies	520-0347	O	ESF	23,925	L	23,925	--	--	--
Economic Stabiliza- tion/Structural Adjustment	520-0359	O	ESF	500	G	500	500	--	--
Fiscal Administration	520-0371	N(89)	DA(PSEE) DA(EH)	90,750	G	90,750	--	--	--
Economic Stabiliza- tion/Structural Adjustment II	520-0372	O(88)	ESF	6,200	G	--	1,000	2,900	2,300
Economic Stabiliza- tion/Structural Adjustment III	520-0373	N(89)	ESF	2,800	G	--	400	1,100	1,300
Economic Stabiliza- tion/Structural Adjustment IV	520-0385	N(90)	ESF	75,000	G	75,000	--	--	--
Economic Stabiliza- tion/Structural Adjustment V	520-0394	N(91)	ESF	69,500	G	--	69,500	--	--
PL-480 Title I	--	O	PL-480 I	77,400	G	--	--	77,400	--
Section 416 (Sugar Quota set aside)	--	O	SEC 416	45,000	G	--	--	--	45,000
TOTALS FOR BLOCK 6				435,000		321,900	177,300	205,500	190,900

NARRATIVE

The Cerezo government moved decisively in mid-1986 to reverse the Guatemalan economic crisis which had engendered ten straight years of declining real per capita income. Economic measures enacted over the twenty-four months which followed reunified the exchange rate, reduced inflation, and disciplined public sector finance. The GOG economic adjustment program could not have been so successfully implemented without concomitant U.S. government support in the amount of \$212.3 million in ESF cash transfers. This assistance prevented disruptions in the supply of imported inputs to Guatemalan productive sectors, in this way preserving employment and incomes until stability could be achieved.

1988 saw a modest increase in per capita incomes, fruit of the Cerezo governments sound economic growth program. Other indications of the strength of the program are the rapid increases in exports of nontraditional products and tourism. Continued weakness in the external sector, however, forces the GOG to keep stabilization concerns at the forefront of their economic policy program and will require additional tough policy choices in 1989.

Progressive, sustained improvement in per capita incomes during the next two years is an equally pressing concern of government in power. Moreover, successful democratic transition in 1991 will depend in large measure on the public's perception that an elected government can manage the economy so as to improve standards of living. The ESF program in FY 1990 and 1991 will, in this context, be critical in encouraging the incumbent government to stay the course on its economic growth program as pre-election political pressures heighten.

The FY 1990 and 1991 ESF Programs will assist the GOG to maintain and adjust stabilization policies and continue progress in growth-oriented structural adjustment. The specific policies on the USG-GOG agenda during the Action Plan period will be fiscal reform and improvements in tax administration to meet revenue targets, further liberalization and flexibility of credit policies, and a sector-specific effort in support of agricultural growth.

USAID/Guatemala will vigorously pursue linkages between ESF macroeconomic policy dialogue and sector/project policy concerns. Credit policies applied in agricultural, for example, will be coordinated with macro-level conditionality on interest rates. We will target bureaucratic practices and procedures for investment project implementation for high level scrutiny.

Local currencies will be directed principally toward support of the public investment budget and programs to stimulate private saving, investment, production and export. However, local currency programming will be designed to achieve consistency with development and operation of a Core Development Budget. The goal is to use local currency capabilities to influence the composition of credit and public expenditure toward greater growth and equity.

**OBJECTIVE No. 6 : MANAGE AND PRESERVE NATURAL RESOURCES**

**MISSION OBJECTIVE:** To promote the sustained exploitation of natural resources in a manner that minimizes damage to the environment, protects biodiversity and provides the means for equitable and sustainable economic growth.

**1. COUNTRY DEVELOPMENT TRENDS INDICATORS** None

**2. A.I.D. PROGRAM PERFORMANCE INDICATORS**

	FY 1986	FY 1987	FY 1988	FY 1989	FY 1990	FY 1991
	Actual	Actual	Actual	Proj.	Proj.	Proj.
A. Additional hectares of wildlands or reserves established or protected <sup>1/</sup>	0	0	0	345,000 <sup>2/</sup>	300,000	205,000
B. Hectares reforested under A.I.D.-supported programs <sup>3/</sup>	232	411	5,526	2,815 <sup>4/</sup>	5,700	6,100
C. Hectares under watershed management <sup>5/</sup>	2,551	4,213	9,934	8,854 <sup>4/</sup>	9,600	9,816
D. No. of person days of training in environmental and/or natural resource management <sup>6/</sup>	22,335	31,245	50,000	52,050	31,907 <sup>7/</sup>	2,932 <sup>7/</sup>

- <sup>1/</sup> This figure refers to protected areas to be established under the new law on protected areas based on the recommendations of a USAID-financed study, and also to already-protected areas being managed under the Guatemalan Biotope System Project.
- <sup>2/</sup> Figures decrease after FY 89 because the most intense period of establishing new protected areas will take place immediately after the 2/10/89 passage of the Protected Areas Law.
- <sup>3/</sup> This figure refers to areas reforested under DA, ESF and PL-480 financed reforestation activities.
- <sup>4/</sup> Actual accomplishments in forestry and watershed management were lower than projected during FY 1988 due to the closure of the National Institute of Forestry (INAFOR) and the subsequent paralyzation of activities during the transition period to the establishment of the new General Directorate of Forestry and Wildlife (DIGEBOS).
- <sup>5/</sup> This figure refers to areas under soil/water conservation, pesticide/pest management and agroforestry practices under A.I.D.-financed projects.
- <sup>6/</sup> This figure includes training for watershed management, biotope protection, environmental law, general environmental education for policymakers and primary/secondary school teachers, and park protection for guards.
- <sup>7/</sup> The reason for the decrease in training is that Phase I of the CARE Watershed Management Project ends in FY 1989 and Phase II begins in FY 90. Training is expected to decrease sharply during this transition period.

ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 88 AND EARLY 89, AS IDENTIFIED IN BLOCKS 4 & 5 OF LAST YEAR'S ACTION PLAN

ARTER/ CAL YEAR	PLANNED	ACTUAL
2/88	Reduce the danger of pesticide contamination by prohibiting the use of pesticides outlawed in the U.S.	The Plant Health Division of MAGA, which is in charge of preventing pesticide misuse, has strengthened in authority and performance. Phase II of the Highlands Agricultural Development Project will implement recommendations of the environmental assessment on pesticide use beginning in 3/89.
2/88	Incorporate the National Environmental Commission (CONAMA) into related Mission activities.	CONAMA has been consulted during the formulation and implementation of all environmental assessments for Mission projects. In addition, the USAID expects to finance a study cosponsored by CONAMA of the 14 highest priority biodiversity areas in Guatemala.
3/88	Encourage the Ministry of Agriculture to restructure the National Forestry Institute (INAFOR), especially to support private reforestation activities.	INAFOR was closed and all its operations cancelled in June 1988, and the General Directorate of Forests and Wildlife (DIGEBOS) was created. It is believed that this new institution will be more focused on rational and sustainable uses of forestry products in addition to protected area management.
4/88	Encourage the GOG to develop, approve, and implement a forestry law to improve the use and management of forestry resources.	A multisectoral group has been established to review and revise the Forestry Law. A revised draft will be resubmitted to the Congress in the third quarter of FY 1989.
4/88	The Environmental Assessment of the Medfly Program will be completed and submitted to the GOG and A.I.D.	EA was completed in July 1988 and submitted to A.I.D., the GOG and local PVOs.
4/88	Environmental Impact Statements for four ongoing ORD projects will be completed.	EAs were completed for five projects by November 1988.

3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 88 AND EARLY 89, AS IDENTIFIED IN BLOCKS 4 & 5 OF LAST YEAR'S ACTION PLAN  
Cont'd

QUARTER/ FISCAL YEAR	PLANNED	ACTUAL
1/89	Encourage the GOG to provide the necessary financial support to the National Environmental Commission (CONAMA) to permit it to effectively carry out its functions.	CONAMA is currently undertaking measures to obtain increased financial support from A.I.D. local currency generations through the MOF.
1/89	1/	Report on Biodiversity and Tropical Forests in Guatemala report was completed and distributed to private and public sector environmental and development institutions.
1/89	1/	The Guatemalan Biotope System Project, which is designed to improve the protection and management of the natural reserve system and to institutionally fortify the Center for Conservation Studies (CECON), was initiated.
1/89	1/	The Natural Resource Plantation study was completed and its findings on possibilities for sustainable economic agricultural potential in the Peten was presented to the public .
2/89	1/	First seminar on Environmental Law held for the Association of Lawyers and Notaries.
2/89	Encourage the Ministry of Agriculture to develop a national watershed management plan, which would prioritize the watersheds to be managed as well as propose interventions in practices including soil conservation and reforestation.	MAGA has allocated Q2,000,000 for the development and initial implementation of an Irrigation Master Plan, which will include watershed management interventions.

1/ These activities were not included as "Planned" in the FY 1989-90 Action Plan because this Objective is new. They are therefore included only as "Actual" accomplishments.



KEY POLICY DIALOGUE ACTIONS AND CONDITIONALITIES PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD

QUARTER/  
FISCAL YEAR

3/89 Preparation of a new Forestry Law and regulations.

4/89 Completion of a National Tropical Forestry Action Plan for Guatemala.

1/90 Passage of the Forestry Law and regulations

0-4/91 Implementation of the Forestry Law and regulations

5. KEY PROJECT/PROGRAM ACCOMPLISHMENTS PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD

QUARTER/  
FISCAL YEAR

- 3/89 Finance the National Environmental Commission (CONAMA)-sponsored study to establish the legal boundaries and conservation strategy plans for fourteen of the highest priority biological diversity areas in Guatemala.
- 3/89 Co-finance with The Nature Conservancy a project to establish a Conservation Data Center within the Center for Conservation Studies (CECON) of the University of San Carlos that will develop in-country capacity to incorporate conservation priorities in planning and reviewing development activities in Guatemala.
- 3/89 Implement environmental education and awareness activities under the Development Training and Support Project (520-0384).
- 3/89 Contract an expert to advise the Mission and the GOG on watershed management, tropical forests and biodiversity.
- 3/89 Begin natural resources management and environmental training under the Farm-to-Market Access Roads project.
- 4/89 Provide financing and TA to draft the Forestry Law, its regulations and the Tropical Forestry Action Plan
- 4/89 Finance the training of park guards under the National Council on Protected Areas (CONAP).
- 4/89 Strengthen local environmental PVOs by financing a training course in proposal writing, environmental project development and fund-raising.
- 4/89 Begin implementation of the Watershed and Pesticide/Pest Management components of the HAD Phase II (520-0274) Environmental Amendment.
- 1/90 Provide assistance in financing and organizing a Forestry Convention to begin the effective implementation of the Forestry Law and Regulations.
- 2/90 Begin implementation of the Natural Resources Management project (0395).

PROJECTS SUPPORTING OBJECTIVE

CUMULATIVE OBLIGATIONS THROUGH:

Title	New/ Ongoing	Number	Type of Funding	LOP (\$000)	L/G/ LC	CUMULATIVE OBLIGATIONS THROUGH:			
						FY 88	FY 89	FY 90	FY 91
Program Development Support <u>1/</u>	0	520-0000	DA(FN)	Cont.	G	100	275 (100)	475 (200)	675 (300)
Natural Resources Management	N(90)	520-0395	DA(FN) DA(PSEE)	5,500 5,000	G G	-- --	-- --	1,500 500	1,000 1,500
Wetlands Agricultural Development <u>2/</u>	0	520-0274	DA(FN) DA(FN)	(23,000) (13,500)	G L	(5,900) (13,500)	(11,400) (13,500)	(17,400) (13,500)	(20,400) (13,500)
Development Training Support <u>3/</u>	0	520-0384	DA(EHRD) DA(PSEE)	(5,000) 500	G	(450) (500)	(1,850) (500)	(3,850) (500)	(5,000) (500)
Consolidation of the Matamalan Biotope System <u>4/</u>	0	SS-8046-00	DA(FN)	(65)	G	(32)	(65)	(65)	(65)
Agro-Forestry <u>5/</u>	0	PL-480 II	Cont.		G	2,268	3,608	4,948	6,288
Rural Food For Work <u>5/</u>	0	PL-480 II	Cont.		G	2,523	2,799	3,199	3,799
Watershed/Forestry <u>5/</u>	N	PL-480 II	Cont.		G	--	150	950	1,775
TOTALS FOR BLOCK 6				11,000		4,891	6,832	11,572	15,037

PD&S funds will be used to finance Objective #6 activities including the establishment of 14 protected areas, establishment of a Conservation Data Center, PVO strengthening, technical assistance for park guard training and CONAMA and CECON institutional strengthening.

Non-add. This project's primary objective is to support increased agricultural production. However, it will include a substantial environment amendment in FY 1989 which contains a Watershed Management, a Pesticide/Pest Management component and a tropical forestry component that contribute to this Objective.

Non-add. Project's primary objective is to support increased education opportunities. However, it will include an environmental awareness & education component that contributes to this Obj.

Non-add. This two-year grant is jointly financed by AID/W and the World Wildlife Fund.

Local Currency needs being determined; total estimates for all three programs are around \$1 million in FY 1990 and FY 1991 (probable source P.L. 480, Title I/Section 416).

## 7. NARRATIVE

The Mission has recognized the importance of environmental and natural resource (ENR) activities to the long-term, broad-based growth of all sectors in Guatemala, and has carefully considered this cross-cutting issue in all of its projects. It has promoted the sustained exploitation and conservation of natural resources that provide the basis for growth in the agricultural sector, and has undertaken ENR activities in education and training, research, public sector institution building and PVO support. In addition, the Mission has closely complied with all environmental regulations related to pesticide use, biological diversity and tropical forests, and has implemented innovative ideas in the preparation and follow-up on required documentation and procedures related to Environmental Assessments. The Mission has played a significant role in ENR activities in Guatemala, and now proposes to increase its participation in this area

The timing of the increased participation of the Mission is crucial because the combination of new resources, the current favorable national policy environment and the level of international cooperation could result in substantial positive changes. The GOG has recently shown its commitment to the environment and natural resources management by: 1) passing a new law to create protected areas which will limit deforestation and biodiversity loss; 2) currently preparing a new law to promote the planned and sustainable exploitation of forestry resources; and 3) currently preparing a new strategy to integrate watershed management activities, including soil and water conservation practices into its irrigation projects. Bilateral and multilateral donors have become increasingly involved in policy and project assistance in natural resource conservation, and national and international NGOs have increased the breadth and depth of their ENR activities. In addition, there is growing momentum throughout A.I.D. to address ENR concerns with new policies that are being supported by new central and regional projects. Due to these reasons and the underlying importance of promoting sustainable economic development through natural resource conservation, USAID/Guatemala proposes to adopt the following objective:

To promote the sustained exploitation of natural resources in a manner that minimizes damage to the environment, protects biodiversity and provides the means for equitable and sustainable economic growth.

To achieve this objective, the Mission will undertake a consistent set of mutually reinforcing and interrelated activities in: A) Forestry, B) Biological Diversity and C) Watershed Management.

Forestry activities will be undertaken to assist in the rational use, protection and management of forested areas to obtain sustainable benefits from forest products, as well as other environmental benefits. The Mission plans to assist the GOG in forestry policy by financing the elaboration of a National Tropical Forest Action Plan and providing TA for the Forestry Law. In addition, the Mission will continue to undertake activities in forest management and planning, reforestry, agroforestry, training and research on productive uses of forest products.

NARRATIVE Cont'd

Biodiversity activities will be undertaken to protect biological diversity by establishing, consolidating and aging protected areas. To help preserve biodiversity, the Mission will strengthen the National Environmental Mission (CONAMA) and the Center for Conservation Studies of the University of San Carlos (CECON) by financing protected activities they administer to address biodiversity loss. This financing will serve to establish and manage protected areas, increase GOG capacity for planning development activities in natural resource areas and institutionalize an effective capacity within the GOG to promote sustained development based on resource conservation. In addition, the Mission plans to promote private sector and NGO involvement in natural resource management and environmental education.

Watershed Management activities will be undertaken to improve land use and manage water resources in watersheds which are of high priority because of their downstream impacts on infrastructure, agriculture and water supply. The Mission has already been active in this area, and will channel increased resources on related interventions such as soil water conservation practices, pesticide/pest management, tree nursery and woodlot establishment, reforestation, and resource planning and community organization in critical irrigation watersheds.

The three components of the Mission's strategy, Forestry, Biodiversity and Watershed Management, will be incorporated into and implemented through the proposed FY 1990 Natural Resources Management Project. The Watershed Management component of the strategy will also be supported through Phase II of the Highlands Agricultural Development Project. All three components contain ongoing activities which have been financed previously with PL-480, ESF and PD&S resources.

**OBJECTIVE No. 8 : INCREASE ACCESS TO VOLUNTARY FAMILY PLANNING SERVICES**

**MISSION OBJECTIVE: Increase contraceptive prevalence to 28.0% by 1991**

**1. COUNTRY DEVELOPMENT TRENDS INDICATORS**

	FY 1986	FY 1987	FY 1988	FY 1989	FY 1990	FY 1991
	Actual	Actual	Actual	Proj.	Proj.	Proj.
	25	23.6	30.3	24.0 *	25.5	27.0
						28.0

Percentage of couples using contraception (This statistic is available only for years when Demographic Health Surveys are carried out. The next survey is scheduled for 1991.)

\* Estimate based on DHS data

**2. A.I.D. PROGRAM PERFORMANCE INDICATORS**

	FY 1986	FY 1987	FY 1988	FY 1989	FY 1990	FY 1991
	Actual	Actual	Actual	Proj.	Proj.	Proj.
	206.0	221.4	243.5	190.0 2/	245.9	248.3
						250.3

Couple-Year-Protection (thousands) 1/ (CYP)

1/ This statistic represents the consolidated efforts of A.I.D.-supported family planning agency contributions to contraceptive usage.

2/ See the last paragraph of the narrative in block 7 for an explanation of the drop in this indicator.

ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 88 AND EARLY 89, AS IDENTIFIED IN BLOCKS 4 & 5 OF LAST YEAR'S ACTION PLAN

ARTER/  
CAL YEAR

PLANNED

ACTUAL

tinuing Promote the integration of child spacing activities within the context of the national MCH program while still preserving family planning as a strong and discrete program priority

The recent amendment to the MOH component of the ongoing family planning program integrates child spacing activities, and greatly expands the range and distribution of family planning services in the context of maternal and child health programs.

2/88 Raise awareness of the effects of rapid population growth by presenting demographic and public health data gathered through the recent CDC Young Adult Survey and Westinghouse MCH surveys to key policymakers and leaders in the public and private sector.

Public and private sector interagency seminars were held to disseminate results of the AGES/CDC Young adult survey (March) and the National Maternal and Child Health Survey (NMCBS) in June. With joint funding by UNFPA, NMCBS data were utilized in July by the Ministry of Health for local programming of health services.

88 Encourage the GOG to promote education, especially of young rural women as a way to improve MCH, raise family income and break down traditional discrimination against women in general and rural and Mayan women in particular.

A pilot project to improve MCH through female education has been funded. This project was discussed at a public-private sector interagency meeting. PDSS funds have been used to support activities to inform political leaders of the need for improved female education to make MCH efforts more effective.

89 Encourage the MOH to utilize local health providers, such as patent medicine salesmen, by providing training and official recognition of their work.

Recent amendment to the MOH family planning project includes significant financing for training of local community midwives and other community level health workers in recognition of reproductive risks.

2/88 Expand female education program (AGES) to three new geographic areas

Completed, with activities in 8 communities in Xela, Cobán, San Marcos, Chimaltenango y Huehuetenango and with 379 scholarship recipients.

2/88 Overall evaluation of Expansion of Family Planning Services Project (520-0288)

ES currently in draft.

2/88 Begin new "integrated" MCH clinics in APROFAM

Completed, with the opening of 9 well-child clinics, 9 prenatal clinics.

2/88 Start Rural Physician Program in APROFAM

Site selection initiated.

3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 88 AND EARLY 89, AS IDENTIFIED IN BLOCKS 4 & 5 OF LAST YEAR'S ACTION PLAN  
Cont'd

QUARTER/ FISCAL YEAR	PLANNED	ACTUAL
3/88	Present the National Demographic Health Survey (MCH Survey) data to INCAP, MOH, PAHO, UNICEF and other national level technical and political decision makers	Completed, with an interagency seminar/workshop in June to review National Demographic Health Survey data.
3/88	Amendment of Expansion of Family Planning Services Project (520-0288)	Completed, with authorization for the project amendment signed in June and amendments to agreements with implementing agencies signed in July.
3/88	Management Evaluation of AGES	Completed by local management firm in June.
88	Support child spacing activities with mass media education	To date, activities include 13 radios programs, 9 newspaper reports, broadcast of approximately 50,000 radio spots
88	Carry out operations research on training and service delivery in rural areas	Completed, with studies carried out by AGES and APROFAM (with technical assistance and financing from Population Council) on effectiveness of training and service delivery modalities.
88	Start Rural Physician Program	Field trips to successful programs in Mexico have been carried out. Selection criteria is being developed
2/89	Start rural social marketing program to reach Mayan population	Community studies computed, strategies under review.
89	Support child spacing activities with mass media education	Aprofram launched breastfeeding promotion campaigns March, 1989.
89	Incorporate 3-5 new private sector family planning service points	Initial discussions have been held with various coffee growers associations & PVO umbrella contract should be issued by 3rd quarter 1989.
90	Evaluate Rural Physician Program	This activity will be scheduled based on project progress.
90	Carry out interim CPS	This activity is planned for 1991.



KEY POLICY DIALOGUE ACTIONS AND CONDITIONALITIES PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD

ARTER/  
CAL YEAR

- 89 Encourage the GOG to promote education, especially of young rural women as a way to improve MCH, raise family income and break down traditional discrimination against women in general and rural and Mayan women in particular.
- 90 Encourage the GOG to continue educating national leaders on issues related to environment deterioration and rapid population growth.
- 90 Encourage the MOH to redefine high risk based on new information regarding birth management in order to reallocate and reorientate scarce resources for maternal-perinatal care.
- 91 Encourage the GOG to maximize use of census data in developing new strategies and in socio-economic planning efforts.

KEY PROJECT/PROGRAM ACCOMPLISHMENTS PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD

ARTER/  
CAL YEAR

- 89 Carry out operations research on training and service delivery in rural areas
- 89 Incorporate 3-5 new private sector family planning service points
- 4/89 Evaluate Rural Physician Program
- 4/89 Launch low-dose oral contraceptive in the commercial sector
- 90 Evaluate Rural Physician Program
- 90 Incorporate 3-5 new private sector family planning service points
- 90 Support child spacing activities with mass media education
- 90 Open two new AGES centers

6. PROJECTS SUPPORTING OBJECTIVE CUMULATIVE OBLIGATIONS THROUGH:

Title	Number	New/ Ongoing	Type of Funding	LOP (\$000)	L/G/ LC	(\$000)			
						FY 88	FY 89	FY 90	FY 91
Program Development & Support	520-0000.5	0	DA(PN)	Cont.	G	651	851	1,051	1,251
Expansion of Family Planning Services	520-0288	0	DA(PN)	25,247	G	17,647	21,257	25,247	--
			DA(CS)	(6,084)	1/	G	(2,760)	(4,630)	(6,084)
Improved Family Health	520-0357	N(91)	DA(PN)	20,000	G	--	--	--	4,000
			DA(CS)	(11,500)	1/	G	--	--	(2,300)
			DA(HE)	(6,000)	1/	G	--	--	--
<b>TOTALS FOR BLOCK 6</b>						<u>18,298</u>	<u>22,108</u>	<u>26,298</u>	<u>5,251</u>

1/ Non-add. DA(CS) and DA(HE) funds within the project primarily support Objective 9: Improve Health & Child Survival.

7. NARRATIVE

Based on the evaluation carried out on the Expansion of Family Planning Services Project, the project was extended for an additional three years to a PACD of December 31, 1991. An additional US\$19.215 million was authorized to finance this expansion. The new family planning strategy developed for the extension places greater emphasis on integrating family planning and information services with other selected maternal and child health services. This strategy was developed in conjunction with both the Ministry of Health and the private sector (APROFAM, the Guatemalan Association of Family Welfare; AGES, the Guatemalan Family Life Association; and IPROFASA, the social marketing company). The strategy supports the constitutional right of Guatemalan couples to plan the number and spacing of their children, and formally recognizes child spacing as an important maternal and child survival intervention.

The Demographic and Health Survey (DHS) carried out in 1987 has provided data that show the population of women in the fertile age group is growing at an increasingly rapid rate and that this growth is putting a severe strain on the ability of the health sector to provide family planning services. It has been estimated that CYP must expand by 25% every year just to maintain the current level of coverage. The reduction in the contraceptive prevalence rate from 25% in 1983 to 23.6% in 1987, reported in the 1987 DHS, can be largely explained by this demographic phenomenon. The DHS also shows that the Total Fertility Rate and the Crude Birth Rate are both declining, but below previously projected

NARRATIVE Cont'd

els. (see sections 1 and 2 for revised projections)

The DHS has also shown that knowledge and use of family planning services among Mayan speakers, a low 5%, has not changed perceptibly over the past ten years. Operations research activities will also be carried out to find culturally appropriate ways to offer education and services to Mayan families. Both APROFAM and AGES have incorporated bilingual/cultural staff to better serve this population. The integration of family planning and selected maternal and child services in rural APROFAM clinics has already shown an increase in the number of family planning acceptors and it is expected that this will continue as more couples are attracted to the wider range of services.

The MOH Family Planning Unit is currently serving the entire countrywide network of health posts and centers with training, supplies and supervision. In 1989 two new methods of family planning will be offered in selected Ministry facilities. The IUD will be available in 50 MOH health centers and voluntary surgical contraception will be available up to seven MOH hospitals located in departmental capitals. This increased availability of family planning methods would have a very positive impact on CYP over the life of the project.

The overall climate for family planning is currently very positive and the acceptance of birth spacing as an important health intervention by the professional medical community has done much to integrate family planning as an acceptable health activity. The number of new users should continue to increase in both, public and private sector service facilities due to the integration of maternal-child health and family planning activities. The Mission believes that, with the integration of services, the opportunities for providing contraceptive advice and assistance to a greater number of potential acceptors increase significantly while their association with more familiar standard health services would gain wider acceptability for the family planning services.

Unforeseen events, however, can affect program performance as occurred when APROFAM suspended voluntary surgical contraception services for almost three months during reorganization and retraining of personnel involved in this activity. The Mission analysis indicates that this service suspension accounts for virtually all the apparent drop in as seen in Block 2 of this objective.

Finally, the pilot educational project for young women has proven to be well accepted in Mayan communities. As a result, it will be expanded to cover 1,000 families in five departments.

**OBJECTIVE No. 9 : IMPROVE HEALTH & CHILD SURVIVAL**  
**MISSION OBJECTIVE: Reduce Infant Mortality to 69.4/1,000 live births in 1991**

**1. COUNTRY DEVELOPMENT TRENDS INDICATORS**

	FY 1986	FY 1987	FY 1988		FY 1989	FY 1990	FY 1991
			Actual	Proj.			
Infant Mortality Rate (per 1,000 live births)	80.0	73.4	N/A	72.4	71.4	70.4	69.4
National rate <sup>1/</sup>							

<sup>1/</sup> These data, which represent a more accurate time series, are based on information from the study completed by the Institute for Resource Development of Westinghouse for the November 1987 Demographic Health Survey. Ministry of Health statistics used last year for this indicator are between 20% to 30% lower, likely reflecting significant under-reporting of mortality in this age group.

A.I.D. PROGRAM PERFORMANCE INDICATORS

	FY 1986	FY 1987	FY 1988		FY 1989	FY 1990	FY 1991
	Actual	Actual	Proj.	Actual	Proj.	Proj.	Proj.
a. % of cases of diarrhea in children under 5 years of age treated with ORT	3.5	9.5	25.0	15.6	20.0	25.0	30.0
b. % children 0-59 months having received complete series of polio, measles, DPT, BCG	37.0	50.0	60.0	58.2 1/	60.0	70.0	75.0
c. % (15-49) women delivering in the last 12 months who have 2 doses of tetanus toxoid	0.4	12.4	37.0	17.3	23.0	26.0	29.0
d. % total rural population provided with new water supply service during the year 2/	0.89	0.61	1.29	0.76	0.78 3/	0.87 3/	0.0 4/
e. % total population in rural areas provided with new sanitation facilities during the year 2/	0.99	0.76	1.51	0.80	2.2 3/	2.4 3/	0.0 4/

nces for performance indicators a, b and c: INCAP/MOH - Community KAP Survey, Preliminary Analyses, 1987  
 INCAP/MOH - Demographic Health Survey- Preliminary Analysis, 1988  
 MOH, Anuario 1986  
 nces for performance indicators d, e: AID project records

Estimate based on 9-month data through September 1989.  
 Data includes only A.I.D. investments.  
 The three AID Water and Sanitation Projects will end in FY 89 and FY 90.  
 Future water and sanitation activities will be funded under the comprehensive Improved Family Health project but implementation will not begin until the end of FY 1991.

3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 88 AND EARLY 89, AS IDENTIFIED IN BLOCKS 4 & 5 OF LAST YEAR'S ACTION PLAN

QUARTER/  
FISCAL YEAR

PLANNED

ACTUAL

Continuing Encourage the GOG to give top priority to child survival interventions within a primary health care context, emphasizing the maternal-child target group. Our efforts will focus on assuring that the Ministry of Health demonstrates this commitment through policy and budgetary commitments to child survival activities and that these policies are effectively implemented.

The GOG is continuing to give top priority to child survival interventions within a primary health care context through preventive measures such as immunization, ORT and growth monitoring. The MOH has made significant advances in this area by creating strategies and a policy for child survival that emphasizes the maternal-child target group.

Continuing Promote close coordination between the Mission and other bilateral and multilateral donors including UNICEF, PAHO, Rotary International and UNFPA in order to optimize the impact of our aggregate contributions to the health sector.

The GOG has been responsive to efforts at coordination among bilateral and multilateral donors. Periodic coordination meetings have been held to monitor the activities of the maternal-child health, and the ORT and immunization programs. These efforts are currently serving to optimize the impact of assistance to the health sector.

1/88 Train 85% of the MOH service delivery personnel in immunizations, ORT techniques, and in the "channelling" methodology

85% of the MOH service delivery personnel were trained in immunization, ORT techniques and in the "channelling" methodology.

88 Support ongoing Immunization/ORT activities and campaigns with mass media and public health education

MOH carried out public health education campaigns with USAID support in April and May 1988. Mass media communication techniques were also developed to train MOH staff involved in health promotion activities.

3/88 Updated 1987 Health Sector Assessment and MCH survey completed to provide baseline planning data

Health Sector Assessment and MCH survey were completed.

3/88 Design and implement a health education component to support the installation of potable water systems and latrines.

The health education component was designed to be implemented in 135 communities. Three seminars to train MOH personnel in rural health education were carried out. The health education component is currently being redesigned for 400 communities.

ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 88 AND EARLY 89, AS IDENTIFIED IN BLOCKS 4 & 5 OF LAST YEAR'S ACTION PLAN

ARTER/ CAL YEAR	PLANNED	ACTUAL
3/88	Initiate the administrative decentralization procedures in three health areas	Training in three health areas on administrative decentralization procedures was completed. In addition, these three areas were provided with 3,000 Quetzales to carry out immunization and ORT activities.
3/88	Prepare PP Supplement for amendment of Expansion of Family Planning Services project (520-0288)	PP Supplement completed, June 1988.
3/88	Authorization and obligation of Expansion of Family Planning Services project (520-0288)	Authorization and obligation completed, July 1988.
3/88	Initiate local production of oral rehydration salts	The local production of oral rehydration salts was delayed due to the remodeling of plant facilities and the late arrival of AID procured ORS equipment. Production will likely proceed in July 1989.
1/89	Establishment of an effective Health/Management Information System	Prototype MIS developed; training of central and local level personnel.

4. KEY POLICY DIALOGUE ACTIONS AND CONDITIONALITIES PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD

QUARTER/  
FISCAL YEAR

- 90 Achieve significant management improvement in MOH to facilitate health delivery systems.
- 3/89 Achieve significant advances in partial decentralization by increasing the petty cash funds available to health areas.

5. KEY PROJECT/PROGRAM ACCOMPLISHMENTS PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD

QUARTER/  
FISCAL YEAR

- 89-90 Support ongoing Immunization/ORT activities and campaigns with mass media and public health education
- 89-90 Install potable water and latrines systems in 97 communities of the Western Highlands each year during the period FY 1989-1990
- 2/91 Initiate design of new, integrated Health and Family Planning Project to address improved family health in Guatemala.



PROJECTS SUPPORTING OBJECTIVE

CUMULATIVE OBLIGATIONS THROUGH:

Title	Number	New/ Ongoing	Type of Funding	LOP (\$000)	L/G/ LC	(\$000)			
						FY 88	FY 89	FY 90	FY 91
Program Development Support	520-0000.2	0	DA(HE)	Cont.	G	1,184	1,289	1,389	1,689
Program Development Support	520-0000.6	0	DA(CS)	Cont.	G	201	301	401	501
Community-Based Health & Nutrition Systems	520-0251	0	DA(HE) DA(HE)	1,300 9,500	G L	1,274 9,500	1,274 9,500	1,274 9,500	1,274 9,500
Expansion of Family Planning Services 1/	520-0288	0	DA(CS) DA(PN)	6,084 (25,247)	G G	2,760 (17,647)	4,630 (21,247)	6,084 (25,247)	-- --
Local Water and Sanitation II	520-0335	0	DA(HE)	1,000	G	1,000	1,000	--	--
Local Water	520-0336	0	DA(HE) DA(PSEE)	900 600	G G	500 500	700 600	900 600	900 600
Sanitization/Child Survival	520-0339	0	DA(HE) DA(CS) ESF	8,348 5,570 2,500	G G G	8,348 5,570 2,500	8,348 5,570 2,500	8,348 5,570 2,500	-- -- --
Improved Family Health 1/	520-0357	N(91)	DA(PN) DA(CS) DA(HE)	(20,000) 11,500 6,000	G G G	-- -- --	-- -- --	-- -- --	(4,000) 2,300 1,200
Growth Monitoring & Education 2/	596-0115	0	DA	(8,000)	G	(8,000)	(8,000)	(8,000)	(8,000)

DA(PN) funds support primarily Objective 8: Increase Access to Voluntary Family Planning Services.  
 ROCAP-funded, non-add.

Cont'd

6. PROJECTS SUPPORTING OBJECTIVE Cont'd CUMULATIVE OBLIGATIONS THROUGH:

Title	Number	New/ Ongoing	Type of Funding	LOP (\$000)	L/G/ LC	(\$000)			
						FY 88	FY 89	FY 90	FY 91
Project CONCERN: Child Survival 2/	938-0000	0	DA	(400)	G	(400)	(400)	(400)	--
Project HOPE: Child Survival 2/	938-0507	0	DA	(700)	G	(700)	(700)	(700)	--
Public Sector Budget Support-Health and Sanitation Infrastructure	520-LC-0347 520-LC-0359 520-LC-0372 520-LC-0373 520-LC-0374 520-LC-	0(86) 0(88) 0(88) 0(89) N(90) N(91)	ESF ESF ESF ESF ESF ESF	(5,047) (2,460) (8,718) (5,040) (8,775) (8,775)	LC LC LC LC LC LC	(4,574) (1,512) (4,608) -- -- --	(5,047) (2,460) (8,718) (3,024) -- --	-- -- -- (5,040) (5,265) --	-- -- -- -- (8,775) (5,265)
PL 480 Title I		0(85) 0(86) 0(87) 0(88) 0(89) N(90) N(91)	PL-480 I PL-480 I PL-480 I PL-480 I PL-480 I PL-480 I PL-480 I	(3,112) (1,204) (800) (675) (1,350) (1,350) (1,350)	LC LC LC LC LC LC LC	(3,112) (1,204) (800) (675) -- -- --	-- -- -- -- (1,350) -- --	-- -- -- -- (1,350) -- --	-- -- -- -- -- (1,350) (1,350)
CARE MCH/OCF Activities 4/		0	PL-480 II	Cont.	G	48,039	51,539	56,139	60,839
MCH/OCF Activities 4/		0	PL-480 II	Cont.	G	15,117	15,741	16,241	16,541
SHARE OCF/Health Education 4/		N(91)	PL-480 II	Cont.	G	--	50	75	75
TOTALS FOR BLOCK 6						96,493	103,042	109,021	95,419

2/ Centrally funded through PVO/FVA office, AID/W; non-add.  
 4/ Local currency needs being determined; estimates for programs are around \$2 million in FY 1990 and in FY 1991.

NARRATIVE

The Immunization and Oral Rehydration Therapy (ORT) Services for Child Survival (1985-1991), Community-Based Integrated Health and Nutrition Systems (1980-1988), the Rural Potable Water and Sanitation I and II (1984-1987), Water, and Health (1985-1989), and the ongoing P.L. 480 Title II Maternal and Child Health Program with an increased basis on child survival and integration of commodity assistance in the 1989 MYOPs, contribute directly to reducing infant and child mortality rates. The leading causes of infant and child mortality in Guatemala continue to be diarrheal disease, acute respiratory infections and low birth weight/prematurity. The above-mentioned projects attempt to reduce the high rates of infant mortality by increasing immunization coverage among children 0-60 months for polio, tetanus, measles, diphtheria and tetanus, and for BCG and tetanus toxoid (T.T.) among pregnant women. Because a high percentage of the infant deaths in Guatemala is caused by neonatal tetanus, the Project also proposes to increase the coverage of T.T. among pregnant women from 0.4% (1986) to 26% in 1990. These projects will also assist the MOH and the private sector (CARE, Agua del Pueblo) to decrease diarrheal disease by increasing access to clean water and sanitation by increasing the use of ORT. The ROCAP and PVO projects are supportive of the Mission's Child Survival Strategy.

Fundamental to the Mission health strategy are delivery systems in the Ministry of Health (MOH) which are capable of changing significant proportions of the Guatemalan population with effective child survival interventions. Unfortunately, in recent years the MOH has been beset with chronic instability of key high-level managers and a series of nationwide health worker strikes. In addition, its cumbersome administrative procedures, centralized spending authority and widespread infrastructure deficit contribute to the less-than-optimal performance of project activities achieving projected targets for immunization coverage and utilization of oral rehydration salts (see Section 2). Improvement in these problem areas is being addressed through the amendment to the Child Survival Project which was obligated in late FY 1987. These funds finance technical assistance in key areas of management, information systems, training, supervision and logistics. Administrative improvements coupled with an increased emphasis on preventive health care are expected to be reflected in future Guatemalan health sector budgets. Both will contribute significantly to an improved Child Survival program.

To verify available baseline data, the Mission completed fieldwork in late 1987 for a nationwide Demographic Health Survey, with the financial support of other major Maternal Child Health (MCH) sub-sector donors. Preliminary results of the survey have resulted in greater precision and modifications of projections for indicators of project performance as detailed in Section 2 above.

The Mission has begun to implement its strategy of integrating Health, Child Survival and Population activities into a health sector program with a \$19.2 million amendment to the Expansion of Family Planning Services Project 520-0288. This amendment gradually refocuses the emphasis of this Project towards programmatic measures which regulate women's fertility and improve the health of women and children. It is expected that this integration will culminate in 1992 with the authorization of a sector-wide project combining these accounts into a single Project with sub-agreements for public and private sector health and family planning agencies.

**OBJECTIVE No. 11 : IMPROVE EDUCATION OPPORTUNITIES**

**MISSION OBJECTIVE:** Provide appropriate educational opportunities for 50 percent of rural indigenous primary school age population by 1991.

**1. COUNTRY DEVELOPMENT TRENDS INDICATORS**

	FY 1986 Actual	FY 1987 Actual	FY 1988 Actual	FY 1989 Proj.	FY 1990 Proj.	FY 1991 Proj.
a. Gross Primary Education Enrollment Ratio % <sup>1/</sup>	76	75	75	76	77	78
b. Net Primary Education Enrollment (%)	64	N/A	63	64	65	68
c. Completion Rate (%) <sup>2/</sup>	50	N/A	52	52	53	54
d. Years to Produce a 6th Grade Graduate	10.4	N/A	10.1	10.2	9.9	9.6

Source: AID/W data

<sup>1/</sup> This is defined as the total number of students enrolled in primary school divided by the total school age population (7-13 years).

<sup>2/</sup> Percentage of students who start grade 1 that complete 6th grade.

A.I.D. PROGRAM PERFORMANCE INDICATORS

	FY 1986	FY 1987	FY 1988	FY 1989	FY 1990	FY 1991
	Actual	Actual	Actual	Proj.	Proj.	Proj.
Percentage of enrollment of rural indigenous primary school population (%) <u>1/</u>	28	30	30	35	40	50
Fourth grade completion rate in Bilingual Education Schools (%) <u>2/</u>	N/A	N/A	N/A	N/A	34	38
Promotion rate Bil. Ed. Schools (%)	71.5	70	73.5	74	75	76
Rural/Indigenous Higher Education graduates (number) <u>3/</u>	N/A	N/A	N/A	81	70	116
A.A. Degrees	N/A	N/A	N/A	N/A	N/A	110
B.A. Degrees						
Rural/Indigenous families receiving literacy materials	N/A	N/A	15,000 <u>4/</u>	15,000	20,000	25,000

e: The present focus of the Mission in this objective is to assist the Government of Guatemala in improving the quality and efficiency of education of the Indian primary school-age population. Of a total primary school-age population of around 1,200,000 (7-13 age group), the Indian primary school-age population represents around 260,000 and our current program is reaching around 30% of them. By 1991, the Mission expects to be reaching 130,000 Indian primary school-age children or nearly half of the total Indian primary school age population. The Mission is also 1) providing higher education opportunities which are critically needed by disadvantaged rural/indigenous groups; and 2) assisting a literacy reinforcement program which provides post-literacy materials to nearly 15,000 rural families.

The resource used in the Action Plan last year was percent of students in areas served by bilingual schools. The current measure is a percent of the entire rural indigenous primary school population which provides a better indicator of impact. Bilingual education students will not reach 4th grade until 1990. The first A.A. and B.A. diplomas will be awarded in 1989 and 1991, respectively. The difference between the projected and actual totals was due to administrative delays and distribution problems. Based on the first year's experience, subsequent targets have been reduced to more realistic levels. Initial estimates were excessively high due to some inappropriate assumptions made during the early design stage which did not become evident until implementation began.

2. A.I.D. PROGRAM PERFORMANCE INDICATORS Cont'd

	FY 1986		FY 1987		FY 1988		FY 1989		FY 1990		FY 1991	
	Actual	Proj.	Actual	Proj.	Actual	Proj.	Actual	Proj.	Actual	Proj.	Actual	Proj.
Number of persons beginning training under programs other than CLASP												
a. Short-Term (up to 9 months)												
(a) Men	4		33		53		182		162		126	
(b) Women	2		22		19		89		154		34	
Sub-Total	6		55		72		271		316		160	
b. Long-Term (more than 9 months)												
(a) Men	-		3		10		85		38		16	
(b) Women	-		-		0		8		18		5	
Sub-Total	-		3		10		93		56		21	
Totals for Non-CLASP Training	6		58		82		364		372		181	

ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 88 AND EARLY 89, AS IDENTIFIED IN BLOCKS 4 & 5 OF LAST YEAR'S ACTION PLAN

ARTER/  
3CAL YEAR

PLANNED

ACTUAL

----- KEY POLICY DIALOGUE ACTIONS AND CONDITIONALITIES FROM BLOCK 4 OF LAST YEAR'S ACTION PLAN -----

Continuing Timely input of counterpart funds and other resources such as 150 new bilingual teachers each year

The input of counterpart funds has been satisfactory 150 new bilingual teacher positions were created in late 1988 and are expected to be filled in 1989.

Continuing Increased GOG expenditures on education and increased budget proportion for primary education

GOG budget for education increased by 30% and 16% between 1986-1987 and 1987-1988, respectively. The proportion for primary education has remained relatively constant.

Continuing Increased GOG expenditures for bilingual and other texts, and instructional materials

Increased printing of texts and materials is being accomplished with loan funds.

Continuing Qualified educational leaders in key primary education and bilingual education positions

Seven new regional administrators and 30 district supervisors, all with bachelors degrees, have been added to the staffs of the MOE's regional offices.

Continuing Regionalization program encouraging responsibility at the local level

Eight regional education administration offices have been opened and staffed, with significant responsibilities delegated from the Central Ministry.

2/88 Agreement on alphabet, grammatical constructions for Indian Languages

The new Mayan alphabet has been legalized but full implementation will take additional time.

4/88 Curricula made flexible to be adaptable to regional differences

A curriculum adaptation program is under way for pre-primary and first grades.

4/88 School schedule varied to meet regional requirements

A World Bank project to implement this activity will start in 1989.

4/88 Linkages between the bilingual program and bilingual normal schools

A major study of bilingual teacher training was completed. Due to intractable problems identified in the normal schools, the Mission has concluded that the best strategy is to support in-service training.

3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 88 AND EARLY 89, AS IDENTIFIED IN BLOCKS 4 & 5 OF LAST YEAR'S ACTION PLAN  
 Cont'd

QUARTER/ FISCAL YEAR	PLANNED	ACTUAL
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----- KEY PROJECT/PROGRAM ACCOMPLISHMENTS FROM BLOCK 5 OF LAST YEAR'S ACTION PLAN -----

BILINGUAL PRIMARY EDUCATION

- |      |                                                                                                                                                                           |                                                                                                                                               |
|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| 4/89 | Consolidate bilingual education program in all 400 schools so that all have complete program elements (i.e., bilingual textbooks/materials, bilingual teachers equipment) | Nearly 300 schools have consolidated program thus far Mission will continue monitoring this effort until the full target is reached.          |
| 2/88 | Reach agreement on linguistic elements of written language                                                                                                                | Political and linguistic controversy has delayed implementation of new official Mayan alphabet. Mission has urged MOE to resolve the impasse. |
| 4/88 | Distribute (and develop process to promote use of) bilingual education support materials: dictionaries, grammar and teacher guides, etc.                                  | 400,000 texts and guides have been distributed. Dictionaries and grammar guides are currently being revised before mass printing.             |

DECENTRALIZATION

- |      |                                                                                                                                                                       |                                                                                                           |
|------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| 2/88 | Train regional administrative staff members                                                                                                                           | Training is in progress. 8 regional directors and 22 department directors have received training to date. |
| 3/88 | Develop adaptable curricula                                                                                                                                           | Adaptation in process for pre-primary & first grades.                                                     |
| 4/88 | Initiate policy research program                                                                                                                                      | Ongoing policy research program under way.                                                                |
| 4/88 | Creation of up to eight regional offices of education and provision of equipment and furniture                                                                        | Eight regional offices furnished and staffed.                                                             |
| 4/88 | Complete studies for pilot activities: standardized testing, double shifts in rural schools, different school calendars, collection and use of management information | Studies completed by Mission Primary Education subsector assessment in 1988.                              |



ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 88 AND EARLY 89, AS IDENTIFIED IN BLOCKS 4 & 5 OF LAST YEAR'S ACTION PLAN  
Cont'd

ARTER/ CAL YEAR	PLANNED	ACTUAL
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NON-FORMAL EDUCATION

3/88	Provide post literacy material for at least 75,000 rural inhabitants	Four newspaper issues were produced for 15,000 rural inhabitants. 8,000 pamphlets were distributed among the rural population. Due to costs, distribution bottlenecks, and start-up administrative problems, initial targets proved to be too high and have been revised. Faculty assumptions made during early design and feasibility study stages caused excessively high projections of possible newspaper sales.
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PRIMARY EDUCATION SECTOR IMPROVEMENT

tinuing	Expansion and improvement of primary education services to indigenous children	Ongoing bilingual education program was reprogrammed to allow for horizontal expansion into at least three additional language groups and incorporation of 400 new schools (here-to-fore offering only pre-primary bilingual education) into the program. Mission approved PP for new project which includes bilingual education expansion (50% of funding).
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NON-CAPS TRAINING

88-90	Third Country Training, Short-term programs for around 200 individuals in the following sectors/areas: agriculture, health and education	To date, there have been 65 recipients of training. It is anticipated that total number of recipients of this training will reach 100 throughout FY 88-90.
88-90	U.S. Training, Short-term programs for around 280 individuals in the following fields: soil conservation, agricultural diversification, dairy development, child survival, voluntary family planning, labor, private sector development management, strategic/operational planning, financial management, small-scale irrigation, PVO development, etc.	To date, there have been 100 recipients of this training.

3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 88 AND EARLY 89, AS IDENTIFIED IN BLOCKS 4 & 5 OF LAST YEAR'S ACTION PLAN  
 Cont'd

QUARTER/ FISCAL YEAR	PLANNED	ACTUAL
89-90	U.S. Training, Long-term programs for around 50 individuals in the following fields: leadership development, private sector strengthening, agricultural development, etc.	To date, there have been 7 recipients of this training
89-90	Third Country, Long-term programs for around 70 individuals in agriculture, health, education, natural resources, etc.	To date, 38 individuals have been recipients of this training
89-90	Train up to 300 indigenous individuals at associate level and up to 200 at Bachelors' level, at local university.	427 indigenous individuals are now enrolled at high-lands higher education program.

KEY POLICY DIALOGUE ACTIONS AND CONDITIONALITIES PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD

ARTER/  
CAL YEAR

4/91 BILINGUAL EDUCATION Simplify indigenous language instruction and materials and make them more widely available to indigenous students throughout the Guatemalan primary school system

4/91 BILINGUAL EDUCATION Integrate bilingual education fully into MOE administrative and support service structures.

3/89 BILINGUAL EDUCATION Study consolidation of AID's "Bilingual Education" and the World Bank's "Minimum Education" approaches to reduce costs and standardize instruction.

3/89 DECENTRALIZATION Initiate delegation of significant administrative responsibilities (e.g. personnel assignment and development, budget preparation, preparation of action plans, etc.) to eight new regional offices.

3/89 DONOR COORDINATION Organize a coordinating mechanism permitting direct consultations and coordination among the major donors in the education sector, under the leadership of the MOE.

4/89 INSTRUCTIONAL TECHNOLOGY Use cost-effective educational media, especially radio, to support primary school instruction.

1/90 EXPANDING COVERAGE Initiate development and evaluation of an alternative low-cost primary education delivery system to reduce the cost of expanding coverage in areas without complete formal school services.

1/90 PRIVATE SECTOR Increase private sector participation and support for primary education by instituting private sector education research and school materials programs.

4/89 SERVICES TO TEACHERS Initiate development of program of standardized academic achievement testing.

1/91 SERVICES TO TEACHERS Implement a national program of standardized academic achievement testing.

5. KEY PROJECT/PROGRAM ACCOMPLISHMENTS PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD

QUARTER/  
FISCAL YEAR

Bilingual Primary Education 1/90 Consolidate bilingual education program in all 400 target schools so that all have complete 4th grade program, bilingual teachers, instructional materials and equipment

Basic Education Strengthening 1/90 Carry out social marketing campaigns to promote enrollment.

Basic Education Strengthening 1/90 Establish independent education research program.

Basic Education Strengthening 2/90 Develop master plan for expanding primary education, based on mapping study.

Basic Education Strengthening 4/90 Develop national in-service teacher training.

Basic Education Strengthening 4/90 Improve field supervision of schools.

Basic Education Strengthening 4/90 Introduce standardized academic achievement testing.

Basic Education Strengthening 1/91 Institute Spanish language radio classes for bilingual classrooms.

Basic Education Strengthening 3/91 Modernize national bilingual education materials and curriculum.

Leadership for Indian Communities 4/90 Train up to 300 indigenous university students at junior college and an additional 200 at B.A. level

Decentralization 1/92 Improvement of MOE management information functions, including more timely production of educational statistics and improved budgeting and planning

KEY PROJECT/PROGRAM ACCOMPLISHMENTS PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD Cont'd

QUARTER/  
FISCAL YEAR

on-CAPS Training	90	<p><u>U.S. Training</u>, Short-term programs for 77 * individuals in the following fields: small-scale irrigation, soil conservation, agricultural diversification, dairy development, child survival, voluntary family planning, labor, private sector development management, strategic/operational planning, financial management, PVO development, etc. *(around 280 total between FY 89 &amp; 90)</p>
on-CAPS Training	90	<p><u>U.S. Training</u>, Long-term programs for 40 * individuals in the following fields: leadership, development, private sector strengthening, agricultural development, etc. *(around 50 total during FY 89 &amp; 90)</p>
on-CAPS Training	90	<p><u>Third Country Training</u>, Short-term programs for 25 * individuals in the following priority sectors/areas: agriculture, health and education *(around 200 total during FY 88, 89 &amp; 90)</p>
on-CAPS Training	90	<p><u>Third Country Training</u>, Long-term programs for around 30 individuals in the following fields: agriculture, health and education *(around 70 total during FY 89 &amp; 90)</p>
I&S	91-92	<p><u>U. S. Short-Term Training</u> programs for 96 individuals in the following areas: labor-management relations; statistics; NGO development; civil service improvement.</p>

6. PROJECTS SUPPORTING OBJECTIVE

CUMULATIVE OBLIGATIONS THROUGH:

Title	New/ Ongoing	Type of Funding	LOP (\$000)	L/G/ LC	(\$000)			
					FY 88	FY 89	FY 90	FY 91
Prog. Dev. & Support	520-0000.3	0	DA(EH)	Cont	2,178	2,378	2,578	2,778
Primary Education Improvement	520-0282	0	DA(EH)	3,300	3,300	3,300	3,300	3,300
			DA(EH)	10,204	10,204	10,204	10,204	
Altiplano Higher Ed.	520-0304	0	DA(EH)	G	5,000	5,000	5,000	5,000
Pri. Ed. Manage. Imp.	520-0320	0	DA(EH)	G	500	500	500	500
			DA(EH)	G	1,500	1,500	1,500	1,500
Private Sector Ed. In- tation Initiative	520-0364	0	DA(EH)	G	1,500	1,500	1,500	1,500
Basic Ed Strengthening	520-0374	N(89)	DA(EH)	G	--	3,500	7,000	11,150
Development Training & Support	520-0384	0	DA(EH)	G	450	1,850	3,850	5,000
			DA(PSEE)	G	500	500	500	500
			ESF	G	(2,500)	(2,500)	(2,500)	(2,500)
Reg Train AID Cen. II	597-0011	0	DA(EH)	G	1,500	1,500	1,500	1,500
Public Sector Budget Support-Education Infrastructure	520-0347 520-0359 520-0372 520-0373 520-0385 520-0394	0	ESF	LC	(3,214)	--	--	--
			ESF	LC	(3,196)	(3,196)	--	--
			ESF	LC	(8,732)	(8,732)	--	--
			ESF	LC	(5,040)	(3,024)	(5,040)	(8,775)
			ESF	LC	(8,775)	--	(5,275)	(8,775)
			ESF	LC	(8,775)	--	--	(3,024)
PL-480 Title I	O(86) O(88) O(89) O(90) O(91)		PL-480	LC	(614)	--	--	--
			PL-480	LC	(675)	--	--	--
			PL-480	LC	--	(1,350)	--	--
			PL-480	LC	--	--	(1,350)	--
			PL-480	LC	--	--	--	(1,350)
TOTALS FOR BLOCK 6					57,504	30,232	35,932	41,432

Note: Funding for CAPS programs included under Objective 12: Strengthening Democratic Institutions.

## NARRATIVE

The current Government of Guatemala has, since early 1986, allocated increasing budgetary resources for the education sector. The Government is giving priority to improving and expanding access to the initial grades of primary education. At this end, there are new programs under way designed to decentralize the administration of public education, to improve the relevance of the primary school curriculum, and to construct new rural schools.

AID's program in the primary education area has concentrated on supporting the development and expansion of bilingual education services for the Mayan Indian population--55% of the total population--which traditionally has had the least access to educational services. The Ministry of Education's National Bilingual Education Program (PRONEBI), with consistent financial, policy, and technical support from AID, has grown to be a strong, permanent unit. Demand in the country for bilingual education services is growing among the indigenous population as the program has gained credibility, and political legitimacy has been won in the form of a Constitutional Amendment legalizing bilingual education.

During the last year, the Mission completed a Primary Education Subsector Assessment to identify priorities for both and continuing AID investment in the education sector in Guatemala. This Assessment, coupled with a Congressional mark designating increasing funding levels for AID programs supporting basic education services, led to the development of a new Mission Education Sector Strategy. The Strategy proposes significant new activities in the basic education area, along with continuation of related activities in other subsectors. Accordingly, the Mission is designing a new Basic Education Strengthening Project which will continue support for bilingual education for ten more years while simultaneously moving into some new areas of programming in the primary education subsector. The indigenous language materials will be used to make them easier to use, and the bilingual education methodology will be streamlined and coverage expanded. In their area, the Project proposes to support development and operation of a national inservice teacher training unit which will serve all the primary school teachers of the country. A national standardized academic achievement testing program will be designed and implemented to help assess the quality of instruction in primary schools. Field supervision in schools will be intensified, and a private sector program that provides basic school supplies to teachers and students will be expanded. Administrative procedures will be streamlined, administrative decentralization will be supported, and special marketing campaigns to promote enrollment (especially of girls) will be supported. A computerized Management Information System will be developed in the Ministry of Education's planning and budgeting unit to improve the processing of education statistics, development and tracking of the MOE budget, personnel management, and long-range planning. Finally, coordination with a major new World Bank program, an alternative low-cost distance education system will be developed to offer access to primary education to students who do not presently have access to all six grades of formal primary school education.

Currently, less than 70% of the eligible school age population is enrolled in primary schools. For students who are enrolled, dropout and repetition rates are extremely high. The Mission has therefore concluded that our basic education strategy should include elements that will improve the quality of primary school instruction in order to reduce dropout and repetition rates. Simultaneously, we will work to expand coverage and access. Since our analysis shows that achieving

7. NARRATIVE Cont'd

universal access to primary education using the costly and inefficient traditional formal school system would be prohibitively expensive, our strategy is to support expansion of coverage by helping design an alternative non-formal radio-based delivery system which will significantly lower the unit costs of providing primary education to areas without complete services. School construction and teacher salaries will not be provided.

Though the emphasis of the Mission is on basic primary education, support will continue for other educational elements which promote the expansion of educational opportunities. For example, one Mission project is developing leadership within Guatemala's indigenous communities through university scholarships. Another project is providing a low-cost, practical, easy-to-read rural newspaper for newly-literate adult readers. An important regional project is providing low-cost textbooks to university students. During planning period, the Mission will carry out a retrospective evaluation of past and present non-formal education projects.

The Mission's overall development strategy, based on the congressionally-approved Central America Initiative, recognizes the importance of increased training in the United States in accomplishing the development goals of economic growth, sharing the benefits of that growth, and strengthening democratic institutions/processes. With regard to non-CAPS training, the Mission has significantly increased the amount of participant training during this fiscal year and will continue to carry out training needs assessments in priority sectors and areas. The implementation of the Development Training and Support Project (DT&S) is progressing very well. Training activities in the areas of labor-management relations; tourism industry; financial management; environmental protection and natural resource management; training outreach and support are currently well underway. It is expected that other DT&S activities, such as development of non-government organizations NGO's will be underway by July 1989, and USAID/G is currently conducting a feasibility study for the continuation of the Merit Scholarship program and the Zamorano Scholarship Assistance Program.



**OBJECTIVE No. 12 : STRENGTHEN DEMOCRATIC INSTITUTIONS**

**MISSION OBJECTIVE:** Strengthen judicial, legislative, electoral and other democratic processes/institutions.

**COUNTRY DEVELOPMENT TRENDS INDICATORS**

FY	FY	FY	FY	FY	FY
1986	1987	1988	1989	1990	1991
Actual	Actual	Actual	Proj.	Proj.	Proj.
		Proj.	Proj.	Proj.	Proj.

Country Development Trends Indicators will be developed as part of the Strategy Statement for Guatemalan Democratic Initiatives, which will be completed during FY 1989.

2. A.I.D. PROGRAM PERFORMANCE INDICATORS

	FY 1986	FY 1987	FY 1988	FY 1989	FY 1990	FY 1991
	Actual	Actual	Actual	Proj.	Proj.	Proj.
a. Strengthened Judiciary						
(1) Number of Judges, court administrators, prosecutors and other judicial personnel trained in improved administrative/operating procedures	40	150	400	873	1,216	1,241
(2) Enactment of career/judiciary civil service law for Judicial Branch Personnel	--	--	--	X	--	--
(3) Improved planning and administration						
(a) Establishment of Planning/Evaluation Office within Supreme Court	--	--	--	--	X	--
(b) Implementation of management information system that provides useful statistics and other data on operations	--	--	--	X	X	--
(c) Provision of law library(ies) of basic codes and manuals for judges	--	--	1	--	X	--
(d) Installation of effective statistical records, information management & caseflow management systems for handling cases, etc.	--	--	--	X	X	--
(e) Establishment of National Justice Commission	--	--	X	--	--	--
(4) Improved public defense system designed	--	--	--	--	X	--
(5) Establishment of programs within legal professional organization (Bar Ass'n) and other related associations to provide needed support to court system	--	--	--	--	X	--
(6) Enactment of new judicial branch organic law	--	--	--	X	--	--
(7) Enactment of new Ministerio Público organic law	--	--	--	--	X	--

A.I.D. PROGRAM PERFORMANCE INDICATORS Cont'd

	FY 1986	FY 1987	FY 1988	FY 1989	FY 1990	FY 1991
	Actual	Actual	Actual	Proj.	Proj.	Proj.
(8) Significant reduction in the average time necessary to complete the three stages (two investigative, one sentencing) of processing criminal complaints	--	--	--	--	--	X
(9) Significant reduction in the average length of time persons are held in custody prior to the completion of the investigative and sentencing process	--	--	--	--	--	X
(10) Significantly increased percentage of criminal complaints which are handled substantively rather than filed for lack of evidence	--	--	--	--	--	X
b. Strengthen Legislature						
(1) Legislators and Congressional staff trained in carrying out their responsibilities or on critical issues	20	40	150	140	600	X
(2) Improvement of committee structure	--	--	--	--	--	X
(3) Informational systems to provide data for decision-making established or improved	--	--	--	--	--	X
(4) Improvement of library/research facilities	--	--	--	--	X	X
(5) Implementation of public education and information programs	--	--	52	52	52	X
(6) Publication of Congressional Journals	--	--	2	2	3	--
c. Strengthen Electoral Processes						
(1) Personnel trained (voter registration, counting/reporting etc.)	--	--	320	350	400	--

Cont'd

2. A.I.D. PROGRAM PERFORMANCE INDICATORS Cont'd

	FY 1986		FY 1987		FY 1988		FY 1989		FY 1990		FY 1991	
	Actual	Proj.	Actual	Proj.	Actual	Proj.	Actual	Proj.	Actual	Proj.	Actual	Proj.
(2) Improved system for processing and storage of voter information	--	--	--	--	X	--	--	--	--	--	--	--
(a) Establishment	--	--	--	--	--	--	--	--	X	--	--	--
(b) Upgrading	--	--	--	--	--	--	--	--	--	X	--	--
(3) Improved system for safeguarding registration documentation for citizens of voting age	--	--	--	--	--	--	X	--	--	--	--	--
d. Improve Human Rights Climate, Strengthen capacity of Office of Human Rights Ombudsman to perform duties	--	--	--	--	--	--	--	--	--	--	--	--
(1) National Headquarters	--	--	--	X	X	--	--	--	--	--	--	--
(2) Departmental Headquarters	--	--	--	--	--	--	--	--	--	X	--	--
e. Development of Regional and Local Institutions which Strengthen Democracy	--	--	--	--	--	--	--	--	--	--	--	--
(1) Labor Unions	--	--	1	--	--	--	--	--	--	--	--	--
(a) Approval of new project intervention with AIFLD to strengthen agricultural labor unions	--	--	--	--	--	--	300	--	--	--	--	--
(b) Members/leaders trained	--	--	--	--	170	--	--	--	400	--	--	--
(2) PVO Organizations	--	--	15	20	16 1/2	15 1/2	10 1/2	10 1/2	10 1/2	10 1/2	--	--
(a) ASINDES	--	--	10	20	30	25	20	20	20	20	--	--
(1) Approval sub-grant proposals	--	--	--	--	--	--	--	--	--	--	--	--
(2) Leadership/members trained	--	--	--	--	--	--	--	--	--	--	--	--
(b) Approval grant proposals with other PVOs	--	--	--	2	2	3	3	3	3	3	3	3

1/ Using mostly host government owned local currency generations from ESF/PL 480 agreements.

A.I.D. PROGRAM PERFORMANCE INDICATORS Cont'd

	FY 1986		FY 1987		FY 1988		FY 1989		FY 1990		FY 1991	
	Actual	Proj.	Actual	Proj.	Actual	Proj.	Actual	Proj.	Actual	Proj.	Actual	Proj.
(3) Village/Local Organizations, Expanded and/or new community development interventions (SDF, SPAF with Peace Corps, Cooperatives)	79	93	125	70	125	70	75	100	100	100	100	100
f. Strengthen policy dialogue between public and private sector, which will affect high level impact on institutional change												
(1) Private sector leaders trained in industrial relation, Public/Private dialogue, NGO enhancement, etc.	--	--	--	--	--	--	166	166	166	166	130	130
(2) Public sector leaders trained in financial management, civil service, statistics, etc.	--	--	--	--	--	--	209	246	246	246	247	247
9. Number of persons beginning training programs under CLASP (CAPS) 2/												
(1) Short-term (less than 9 months)												
(a) Men	612	448	280	284	284	270	270	250	250	250	250	250
(b) Women	186	589	320	377	377	330	330	250	250	250	250	250
Subtotal	798	1,037	600	661	661	600	600	500	500	500	500	500
(2) Long-Term (9 months or more)												
(a) Men	6	0	132	180	180	184	184	75	75	90	90	90
(b) Women	2	0	192	120	120	216	216	75	75	90	90	90
Subtotal	8	0	324	300	300	400	400	150	150	180	180	180
Totals for CLASP (CAPS)	806	1,037	924	961	961	1,000	1,000	650	650	680	680	680

Using mostly host government owned local currency generations from ESF/PL 480 agreements. Lower than anticipated performance in FY 1988 was due to delay in signing of agreement between the Peace Corps and the Ministry of Finance on the use of local currency.  
 Source: CIS and PTMS  
 Guatemalan trainees under Georgetown and Arkansas CAPS programs are included in AID/W totals and are not included in Mission statistics.

3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 88 AND EARLY 89, AS IDENTIFIED IN BLOCKS 4 & 5 OF LAST YEAR'S ACTION PLAN

QUARTER/  
FISCAL YEAR

PLANNED

ACTUAL

STRENGTHEN JUDICIARY

2/89 Revision of new criminal codes.

The Ministerio Público and the Colegio de Abogados conducted a review in January, 1989. A Report on conclusions and recommendations is expected in the third quarter of FY 1989.

4/89 Development of other enabling laws to make the judicial system fully functioning and responsive to the needs of the Guatemalan population (judicial branch organization and functions of the Attorney Gen., etc.

In early April 1989, the Guatemalan Congress passed legislation establishing the organization of the judicial system. This will set the stage for further legislation related to the judicial personnel system.

STRENGTHEN LEGISLATURE

Continuing Carry out needed improvements in Congressional structures, processes, etc. to permit quicker passage of better legislation.

Ongoing seminars are being provided for the Legislative staff on committee structure and other subjects emphasizing legislative policies, initiatives and parliamentary procedures.

GENERAL

3/88 Government of Guatemala to authorize and make available adequate resources from National Budget to support judicial, legislative (including human rights), electoral and other (PVOs, etc.) democratic institutions in implementing their programs as required.

GOG has earmarked 2% of its National Budget in support of the judiciary. In addition, funds from the National Budget provide support for the Office of the Human Rights Ombudsman and the Electoral Tribunal.

1/89 Government of Guatemala to provide policy framework and support to private institutions to fully participate in development process, e.g. accelerate issuance of personería jurídica to PVOs to permit them to operate legally in Guatemala, obtain duty free tax exemption on goods, services, etc.

At least four PVOs working with microenterprises were given personería jurídica in 1988. In addition, a special office has been established in the Ministry of Finance to support and assist PVOs.

ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 88 AND EARLY 89, AS IDENTIFIED IN BLOCKS 4 & 5 OF LAST YEAR'S ACTION PLAN  
 CONT'D

ARTER/  
 CAL YEAR

PLANNED

ACTUAL

STRENGTHEN JUDICIARY

88/90 Carry out country-specific activities under the Regional Administration of Justice Project to meet immediate needs as follows:  
 (1) Training of up to 1,500 judicial and judicial support personnel at national/regional seminars on different subjects dealing with criminal justice.  
 (2) Provide technical assistance to assist Supreme Court in studying administration needs of court system and determine best ways of meeting them under this project or other projects.

The following activities were carried out:

- (1) - 12 Regional workshop/seminars
- 240 Judiciary personnel trained
- 3 Long-term scholarships
- 1 Study Tour
- (2) - A judicial statistics assessment
- A training needs assessment
- A computer needs assessment
- Development of a Manual for Justices of the Peace
- The hiring of a Technical Coordinator for the National Justice Commission
- A Basic Law Library provided for the Supreme Court

- 104 -

3/88 Holding of National Workshop to discuss findings of Sector Assessment and determine recommendations/future planning in this area.

The Workshop was held as scheduled to review the Assessment's findings. Conclusions and recommendations generated from the workshop are in the process of being implemented.

3/88 Design of Bilateral Project.

The Improved Administration of Justice Project (520-0369) was designed, approved and obligated 4/88.

4/88 Approve and Implement bilateral project

A Grant Agreement was signed between the U.S. Government and the GOG on September 26, 1988 for a three-year project, through FY 1991. Implementation will begin in FY 1989.

4/89 Development of career judiciary and civil service law for employees of the Judicial Branch as called for by the constitution

Bill presented to National Congress during 2nd quarter of FY 1989.

3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 88 AND EARLY 89, AS IDENTIFIED IN BLOCKS 4 & 5 OF LAST YEAR'S ACTION PLAN  
Cont'd

QUARTER/  
FISCAL YEAR

PLANNED

ACTUAL

STRENGTHEN LEGISLATURE

3/88 Carry out seminars for legislators each fiscal year to discuss issues with regards to the modification of Congress' structure/responsibilities. The project is providing one general "Seminar for Legislators" per year, plus various other seminars throughout the year.

1-2/89 Carry out comprehensive analysis of Legislative needs, especially with respect to equipment needs to improve its administrative operations. Some very preliminary work has been done; however, the full analysis required is now scheduled for completion by end of the second quarter of FY 1990

2-4/88 Carry out series of training programs to study specific issues raised at seminars or by leadership of Congress, e.g., committee structure, constituent relations, administrative and research needs, budgetary procedures, etc. A limited number of two day training programs have been held; however, this objective requires greater attention and activity.

continuing Establishment of Civic Awareness/Adult Education programs through publications and presentations to Guatemalans (high school students, etc.)

The National Congress sponsors this on-going public information activity for school-age children. So far scheduled in the capital, this activity will expand to the rural areas during FY 1989.

STRENGTHEN ELECTORAL PROCESSES

3-4/88 Improved system for retrieval/storage of voter information. A new computer mainframe and software packages have been installed, and the data conversion process has taken place.

4/88 Improved system for protection of voter registration forms. Equipment will be placed on order the 3rd quarter of FY 1989.

CAPS

continuing Holding of meetings, seminars and related activities by CAPS Alumni Association for returned Peace Scholars

Two Board Meetings have been held.



ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 88 AND EARLY 89, AS IDENTIFIED IN BLOCKS 4 & 5 OF LAST YEAR'S ACTION PLAN  
 Cont'd

ARTER/ ICAL YEAR	PLANNED	ACTUAL
tinuing	Non-CAPS funding of follow-on community development activities of returned Peace Scholars	More than ten community development activities have been funded.
tinuing	Continued publication of quarterly newsletter of CAPS Alumni Association	Newsletters have been published and distributed on a quarterly basis.
88-89	U.S. Training, Long-Term, Academic, Del Valle for 50 Peace Scholars to complete last two years towards B.S. Degree in the U.S.	47 peace scholars left for academic training in the U.S. as planned. One scholar rejected his scholarship and two dropped out before leaving for the U.S.
-4/88	U.S. Training, Short-Term five-week technical training: In-country reinforcement/follow-on seminars and programmed instruction for up to 2,000 returned Peace Scholars for three months per trainee. *(2,000 total from 2/88 to 2/90)	Due to a delay in contractor selection, the in-country reinforcement/follow-on training program began during the 2nd Quarter, FY 1989 but is still scheduled to reach the project target of 2,000.
88-89	U.S. Training, Long-Term, Technical Junior Year Abroad approximately 625 Peace Scholars for twelve months per trainee	To date, 100 Junior Year Abroad scholars have left for training. During the 3rd quarter, FY 1989 100 additional scholars are scheduled to go for training. 236 long-term technical trainees left for training in FY1988 and another 219 are scheduled in FY1989.
88	U.S. Training, Short-Term five-week technical training: 15 groups of around 40 Peace Scholars each	17 groups, of around 40 Peace Scholars each, attended Short-Term training during FY 1988 to make a total of 661.
88	Holding of meetings, seminars and related activities by CAPS Alumni Association for returned Peace Scholars	Six CAPS Alumni Association meetings were held. Approximately 200 Alumni attended each meeting.
88	Non-CAPS funding of follow-on community development activities of returned Peace Scholars	Non-CAPS funding was provided through ASINDES to finance approximately 40 rural projects.
88	Continued publication of quarterly newsletter of CAPS Alumni Association	Four quarterly CAPS newsletters were published as well as one special issue.

3. ACTUAL VS. PLANNED ACCOMPLISHMENTS IN FY 88 AND EARLY 89, AS IDENTIFIED IN BLOCKS 4 & 5 OF LAST YEAR'S ACTION PLAN  
Cont'd

QUARTER/ FISCAL YEAR	PLANNED	ACTUAL
		OTHER
3/88	Extension of PACT/ASINDES Grant (OPG) to assist ASINDES strengthen the capacity of the PVO community in Guatemala.	Extension was authorized by Mission and agreement was signed with PACT/ASINDES for a two year extension.
3-4/88	Development of strategy/program mechanism to expand USAID and Peace Corps people-to-people small project assistance programs at the rural community level.	Mission will continue to provide Peace Corps with a PASA agreement, while also exploring other ways by which efforts can be expanded.

4. KEY POLICY DIALOGUE ACTIONS AND CONDITIONALITIES PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD

QUARTER/ FISCAL YEAR	PLANNED	ACTUAL
		STRENGTHEN JUDICIARY
3/90	Introduction of oral proceedings in criminal law process.	
4/90	Development of all enabling laws to make the judicial system fully functioning and responsive to the needs of the Guatemalan population (judicial branch organization and functions of Attorney General, etc.).	
		STRENGTHEN ELECTORAL PROCESS
2/90	Increase GOG budget allocations for the Supreme Electoral Tribunal.	
		CAPS
---		This program does not require any policy dialogue or related actions but participant training will continue to support such efforts in other sector areas.

KEY PROJECT/PROGRAM ACCOMPLISHMENTS PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD

QUARTER/  
SCAL YEAR

STRENGTHEN JUDICIARY

- 4/89 Begin implementation of bilateral project (through FY 91).
- 4/89 Continue Joint Consultation and Fellowship Programs (Harvard/GOG) under the Guatemala Judicial Development Project.
- 4/89 Perform experimental work in six pilot criminal courts.  
(1) new techniques for questioning victims, witnesses and defendants.  
(2) the use of oral hearings.  
(3) the use of new written formats in the criminal process.
- 1/90 The following activities will begin or be carried out under the Administration of Justice Project:  
(1) Training of personnel in the six pilot courts.  
(2) Fully functioning Project Implementation Unit.  
(3) Perform study of the Court Administrative Structure.  
(4) Training plans and commodity lists developed.  
(5) National training seminars begin.  
(6) Court Administration technical assistance activities begin.  
(7) Technical staff for the National Justice Commission (NJC) hired and in place.
- 2/90 Court Administration activities under the Regional Project (ILANUD) completed.
- 4/90 FY 1990 Training provided to 20 participants under the Regional (ILANUD) Project.
- 4/90 Harvard Law School completes activities under its Cooperative Agreement (Guatemala Judicial Development Project).  
- 5 pilot courts established  
- Legislative proposals could arise  
- Major offense unit created  
- Criminal defense reform activities and continued operation of all these after the implementation period
- 3/91 PP Amendment for Improved Administration of Justice Project approved.
- 4/91 Training of 20 Guatemalan participants provided under the Regional (ILANUD) Project.

5. KEY PROJECT/PROGRAM ACCOMPLISHMENTS PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD

QUARTER/  
FISCAL YEAR

- 4/91 The following activities will be carried out under the Administration of Justice Project:
- (1) Judicial Planning Unit fully functioning.
  - (2) Training of approximately 2,000 Justice sector personnel completed.
  - (3) Judicial Branch Training Unit organized, staffed and fully equipped.
  - (4) Various Court System Improvement activities with relevant training completed, such as:
    - (a) Accounting and financial management manuals developed.
    - (b) Judicial Civil Service Law implemented and Personnel Manual established.
    - (c) Records Management guidelines developed.
    - (d) Standardized forms and Forms Design Manual developed.
    - (e) Caseflow management standards established and implemented.
    - (f) Statistical reporting manual developed and corresponding reports being generated.
    - (g) "Interpreter Corps" Plan developed.
    - (h) Basic Law Library list developed/donation of selected materials carried out.
    - (i) Centralized Judicial Management Information System (JMIS) established.
    - (j) Pilot Regional Office of Court Administration established.
    - (k) National Justice Commission fully functioning.

STRENGTHEN LEGISLATURE

- Continuing Carry out series of training programs to study specific issues raised at seminars or by leadership of Congress, e.g. committee structure, constituent relations, administrative and research needs, budgetary procedures, etc.
- 4/89 Carry out seminars for legislators each fiscal year to discuss issues with regards to the modification of Congress' structure/responsibilities.
- 4/89 Procure necessary commodities.
- 1/90 Conduct a rigorous National Congress Needs Assessment preparatory to a new FY 1990 Project.
- 1/90 PID approval for Project to assist National Congress.
- 3/90 PP approval for Project to assist National Congress.

KEY PROJECT/PROGRAM ACCOMPLISHMENTS PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD Cont'd

QUARTER/  
SCAL YEAR

3/90 Carry out seminars for legislators each fiscal year to discuss issues with regards to the modification of Congress' structure/responsibilities.

2/91 Implementation of new National Congress Project begins.

STRENGTHEN ELECTORAL PROCESSES

1/90 Receipt of computer equipment for municipal and departmental election boards.

1/90 PID approval for project that will assist Supreme Electoral Tribunal.

2-3/90 Receipt of ballot paper for municipal elections.

2-3/90 Personnel trained for legislative, mayoral and national elections of 1990.

3/90 PP approval for Project that will assist Supreme Electoral Tribunal

CAPS

Continuing Holding of meetings, seminars and related activities by CAPS Alumni Association for returned Peace Scholars

Continuing Non-CAPS funding of follow-on community development activities of returned Peace Scholars.

Continuing Continued publication of quarterly newsletter of CAPS Alumni Association.

Continuing Continued publication of ASOPAZAC job information flyers.

3/89 Establish ASOPAZAC job placement service managed by returned long-term participants

3-4/89 U.S. Training, Short-Term five-week technical training: 12 groups of around 40 Peace Scholars each

3-4/89 U.S. Training, Short-Term five-week technical training: In-country reinforcement/follow-on seminars and programmed instruction for up to 2,000, from 2/88 to 2/90, returned Peace Scholars for 3 months per trainee.

5. KEY PROJECT/PROGRAM ACCOMPLISHMENTS PLANNED FOR BALANCE OF CURRENT FY AND ACTION PLAN PERIOD

QUARTER/  
FISCAL YEAR

- 4/89 Publish and distribute ASOPAZAC student/job information flyers to public and private institutions.
- 1-2/90 U.S. Training, Short-Term 5-week technical training: In-country reinforcement/follow-on seminars and programmed instruction for up to 2,000, from 2/88 to 2/90, returned Peace Scholars for 3 months per trainee.
- 4/90 U.S. Training, Short-Term 5-week technical training: 12 groups of around 40 Peace Scholars each during FY 90.
- 90 U.S. Training, Long-Term, Technical, Junior Year Abroad approx. 300 Peace Scholars for 12 months per trainee.
- 90 U.S. Training, Short-Term, Technical, approximately 500 participants for 5 weeks per trainee.
- 91 U.S. Training, Long-Term, Technical, Junior Year Abroad approx. 300 Peace Scholars for 12 months per trainee.
- 91 U.S. Training, Short-Term, Technical, approximately 500 participants for 5 weeks per trainee.
- 92 U.S. Training, Short-Term, Technical, approximately 600 participants for 5 weeks per trainee.
- 92 U.S. Training, Long-Term, Technical, approximately 200 Peace Scholars for 12 months per trainee.
- 93 U.S. Training, Short-Term, Technical, approximately 500 participants for 5 weeks per trainee.
- 93 U.S. Training, Long-Term, Technical, approximately 180 Peace Scholars for 12 months per trainee.

PROJECTS SUPPORTING OBJECTIVE

Title	Number	New/ Ongoing	Type of Funding	LOP (\$000)	L/G/ LC	CUMULATIVE OBLIGATIONS THROUGH:			
						FY 88	FY 89	FY 90	FY 91
Program Development	520-0000.4	0	DA(PSEE)	Cont.	G	150	250	350	450
Support	520-LC-000	0	ESF	Cont.	LC	(50)	(100)	(150)	(250)
Social Development	520-0145	0	DA(PSEE)	Cont.	G	1,767	1,867	1,967	2,067
Fund									
UNDES PVO	520-0348	0	DA(PSEE)	2,350	G	1,800	2,300	2,300	--
Development	520-LC-0347	0	ESF	(800)	LC	(800)	(800)	(800)	--
			PL-480 I	(1,800)	LC	(1,800)	(1,800)	(1,800)	--
Itemala Peace	520-0362	0	DA/ESF 1/	36,200 2/	G	29,200	36,200	--	--
Scholarship CAPS I									
Improved Admin. of	520-0369	0	ESF	12,000	G	1,100	3,400	5,000	7,000
Justice									
Itemalan Judicial	520-0376	0	ESF	1,683	G	1,483	1,683	1,683	--
Development									
Information System	520-0378	0	PSEE	1,400	G	600	1,400	1,400	--
Support									
Organic Hazards	520-0379	N	DA(PSEE)	338	G	338	338	338	--
Preparedness									
Social Project	520-0383	N(88)	DA(FN)	Cont.	G	80	180	280	380
Assistance Fund 3/									

Split funding in FY 1987 - \$13.6 million of ESF and remainder in DA. FY 1987 DA amount also includes \$3.5 million of CAPS buy-in components described under Narrative Section. Funding in ESF only for FY 1988-FY 1990. Includes ESF funding of \$5.1 million in FY 1985 and \$4.9 million in FY 1986 (under Reg. Strengthening of Democracy Project).

Support of Peace Corps activities.

Cont'd

6. PROJECTS SUPPORTING OBJECTIVE Cont'd CUMULATIVE OBLIGATIONS THROUGH:

Title	Number	New/ Ongoing	Type of Funding	LOP (\$000)	L/G/ LC	CUMULATIVE OBLIGATIONS THROUGH:		
						FY 88	FY 89	FY 90
Development Training & Support 4/	520-0384	N	DA(EHR/PSEE) ESF	(5,500) 2,500	G	(5,500) 2,500	(5,500) 2,500	(5,500) 2,500
Guatemala Strengthen- ing of Democracy	520-0386	O	DA(PSEE) ESF	700 1,065 5/	G	700 1,065	700 1,065	-- --
Guatemala Peace Scholarship CAPS II	520-0393	N(90)	ESF	37,000	G	--	7,000	14,000
Democratic Institution	520-0398	N(90)	ESF	3,600	G	--	1,000	2,000
Regional Admin. of Justice	597-0002	O	ESF	1,145 6/	G	1,145	--	--
Regional Strengthen- ing of Democracy 7/	597-0003	O	ESF	300	G	300	--	--
Cooperative Strengthening 8/	520-0286	O	DA	(16,000)	G	(11,000)	(11,000)	(14,000)
AIFLD - OPG 9/ 520-LC-0359	520-0363	O	DA(PSEE) ESF	(1,100) (400)	G	(500) (400)	(1,100) (400)	-- --
TOTALS FOR BLOCK 6				100,281		41,728	52,183	25,583

4/ Primary purpose of most of project's funds are for development training, planning related studies and research, and special projects/activities in support of objective of improving educational opportunities. ESF funds are being used to support CAPS related training through Merit/Zamorano scholarship programs.

5/ Part of funding of Boston University's Center of Democracy's proposal to assist the GOG was provided under Regional Strengthening of Democracy Project in 1987 (\$565,000).

6/ Guatemala's budget based on Amendment to Regional Administration of Justice Project Paper (most of funds have been used).

7/ Support to Office of Human Rights Ombudsman.

8/ Non-add. Primary purpose is to contribute to Mission's objective of Strengthening the private sector.

9/ Primary purpose of activity is to support goal of increased agricultural production.



• NARRATIVE

Guatemala's Constitution of 1985 and the return to a democratically-elected civilian Government in 1986 put in place institutions which both need and welcome A.I.D. institutional development assistance. The Constitution created an independent judiciary, e.g., elected magistrates, an earmarked budget and the right to propose laws; an independent preme Electoral Tribunal and an Office of the Human Rights Ombudsman. Moreover, with the return to civilian government the legislature was reconstituted. All of these institutions are receiving A.I.D. assistance.

The largest program and the one that will need the most time is assistance to the Judiciary. With the passage of a w organic law and the drafting of a new civil service law for the Judiciary, the completion of a judicial sector sessment in 1988, the continued training and technical assistance under ILANUD and Harvard projects, and the signature a large bilateral project in FY 1988, FY 1990 should see accelerating progress in improving the Judiciary. Late FY 89 also should see major analytical work on the needs of the National Congress, followed by a major new project to gin in FY 1990. The Supreme Electoral Tribunal on the other hand, has demonstrated a capability to perform well; erefore, A.I.D. assistance has been and will be limited primarily to the provision of critically needed imported mmodities and resources for the training of temporary election officials. The Human Rights Ombudsman's Office has ceived from A.I.D. the basic office equipment needed to set up operations.

While there has been progress to a lesser or greater extent in all of the Democratic Initiatives areas, much remains be done. The Action Plan period will see accelerated implementation in these areas, but A.I.D. should be prepared r a long term commitment, at least through the mid 1990's.

Also in the Democratic Initiatives area are projects to expand popular participation in the democratic process rough increased support of CAPS and the new Development Training and Support Project (DT&S). Through DT&S we will so develop a mechanism for public/private policy dialogue in order to achieve a high level impact on institutional ange. Our principal interventions during the Action Plan period, in priority order, are:

Strengthen the Judiciary: A.I.D. activities to improve judicial administration in Guatemala began in May, 1986 with e regionally funded ILANUD program, followed by the bilaterally funded Harvard Law School (HLS) Project, which began eration in July, 1987 (the HLS Project will be evaluated in June of 1989). Both of these programs have enjoyed eater than expected GOG receptivity due to a general Guatemalan recognition, shared by members of the Judiciary, that e legal system does not function at all well. Moreover, reforms in the Judiciary established in the Constitution of 85, e.g. an independent Judiciary, set the stage for A.I.D. assistance.

Major accomplishments to date have been extensive analytical work on the Judicial System's functions and weaknesses; e design and testing of potential changes in the system, such as a pilot Regional Office of Administration; the intro- ction of changes, such as Justice of the Peace, Instructional First Instance and Sentencing First Instance (mainly iminal) Model Courts; and the preparation of a bilateral project that will begin operations in the fourth quarter of

Cont'd

7. NARRATIVE Cont'd

FY 1989. However, the magnitude and nature of the problems in the Judiciary are so significant that the bilateral project's resources and time frame, through September 1991, are too limited to have the major and lasting impact on the system that is required. Therefore, a FY 1991 amendment to the project, raising resources from \$5 million to \$12 million, and extending the PACD to the end of FY 1996 are proposed. This amendment will bring the project into line with the recommendations of the original project design, which is based upon the findings of the 1988 Judicial Sector Assessment.

Strengthen the Legislative Branch: The Mission is assisting the National Congress, the weakest branch of the GOG, through a Cooperative Agreement with the Center for Democracy. Implementation began in February of 1988 and a limited number of seminars and commodities have been provided. This project will be evaluated in June of 1989. The Center will perform basic analytical work in late FY 1989 and the USAID proposes to design in FY 1990, and to begin implementing in FY 1991, a larger institutional development project. The proposed FY 1990 project will focus primarily on strengthening Congressional staff, support services (including information management), and committee structures.

Strengthen Electoral Process: The Guatemalan Supreme Electoral Tribunal (SET) is considered to be the strongest such organization in Central America, and in fact has a well-established, credible system in place for carrying out regularly scheduled national and local elections. It has, however, not yet been provided with the resources necessary for conducting elections. Therefore, an increased budget for the SET will be part of the Mission's policy dialogue and negotiations on the Core Development Budget for 1990. The Mission will continue to assist the SET in the electoral process by procuring the necessary microfilming equipment for the protection of voter registration forms and computer equipment to automate the Municipal and Departmental Election Boards. To the extent that GOG resources are not available, the Mission will also assist with the SET's future efforts to prepare for the mayoral, municipal and presidential elections of 1990 and the 1992 Municipal Election through the procurement of additional computer and other equipment, ballot paper, and the training of Tribunal staff and election officials.

Improve Human Rights Climate: In the last half of FY 1988 the Mission provided commodity support in order to equip the Office of the Human Rights Ombudsman's National Headquarters, and during FY 1989 we will provide additional commodity support needed to equip the outlying departmental offices.

Strengthen Other Institutions: The Mission will continue to promote socio-economic development activities in Guatemala through grants to Private Voluntary Organizations (PVO's). These institutions contribute to Strengthening Democratic Institutions by targeting the poorest strata of the society and by encouraging community-based groups to participate in the selection, planning, implementation and evaluation of projects. This grass roots training ground for democracy provides for economic growth of the poorest population as well as contributes to the social stability needed for the functioning of democratic institutions.

NARRATIVE Cont'd

In addition, other great strengths of Guatemala society have been the community life, not only the thousands of all rural settlements in the country but especially in 330 municipalities, which are the smallest units of the country's political and administrative organization. Historically, Guatemala has had a relatively well developed system of municipal autonomy and finance. Reflecting a national consensus in favor of political and administrative decentralization and the need for more local participation in decision-making, the GOG has transferred 8 percent of its revenues (over \$100 million) during the past three years to finance over ninety percent of its investments in municipal infrastructure and public services--of which ESF local currency distributions represented 25 percent. Separate assessments carried out by the Mission, Ford Foundation and Guatemala's Municipal Development Institute (INFOM) have concluded that this additional assistance to the municipalities has been effectively utilized, especially in the financing of urgently needed small scale projects (e.g., water, sewerage, access roads, health posts and schools in all areas), provided positive social and economic impact in terms of income and short-term employment and strengthened democratic process through increased community participation in decision-making. Yet much needs to be done to further alleviate poverty, and the GOG has proposed a Social Investment Strategy and Program at the recently held consultative Group Meeting in Paris to provide increased funds to the municipalities to further increase their investment program. The Mission plans to collaborate closely with the GOG and other donors such as the World Bank, IDB and others to determine what role we can play in the future to strengthen the municipalities to carry out such a program.

The Mission's overall development strategy, based on the congressionally-approved Central America Initiative, recognizes the importance of increasing training in the United States to achieving the development goals of economic growth, sharing the benefits of that growth, and strengthening democratic institutions/processes mutually agreed upon by U.S. and Guatemalan Governments.

CAPS: The Mission continues to boast a highly successful CAPS Program. Results of a number of recent evaluations indicate that this program has been successful -- returned CAPS scholars continue to describe the technical training received as very useful, and also indicate that the "Experience America" component reinforces their positive attitudes/impressions about the United States. In response to evaluations, the CAPS program has introduced an Country Follow-On/Reinforcement Training Program to serve approximately 2,400 returned CAPS scholars dating from 1985, which will begin implementation in FY 1989. During the Action Plan period approximately 2,000 trainees will be recipients of short-term training while approximately 1,000 scholars will be recipients of long-term technical training. The Mission will aim to train 50% women and will continue to comply with the requirement to use Historically Black Colleges and Universities (HBCU'S) and minority training institutions.

COUNTRY: GUATEMALA

SUMMARY PROGRAM FUNDING TABLE  
Dollar Program by Functional Account  
(\$000)

PROJECT TITLE	PROJECT NUMBER	L/G	FY 1989	FY 1990	FY 1991
<b>DA</b>					
<b>Agriculture, Rural Development and Nutrition</b>					
Program Development & Support	0000	G	1,055	575	575
Highlands Agricultural Development	0274	G	5,500	6,000	3,000
Agribusiness Development	0276	G	1,000	0	0
Cooperative Strengthening	0286	G	0	2,000	1,000
Farm-to-Market Roads 1/	0332	L	379	0	0
Commercial Land Markets II	0343	G	0	1,000	1,500
Rural Electrification III	0353	G	3,300	2,500	2,500
Ag. Prod. & Mktg. Services (PVD)	0363	G	600	0	0
Small Farmer Coffee	0381	G	2,660	1,500	1,500
Special Project Assistance Fund	0383	G	100	100	100
Rural Land Financing (PVD)	0389	G	0	0	1,500
Irrigated Ag. Support	0392	G	0	0	1,500
Natural Resource Management	0395	G	0	1,500	1,000
Total for Account			14,594	15,175	14,175
Grants			14,215	15,175	14,175
Loans			379	0	0
<b>Population Planning</b>					
Program Development & Support	0000	G	200	200	100
Expansion of Family Planning Svcs.	0288	G	3,610	4,000	0
Improved Family Health	0357	G	0	0	4,100
Total for Account			3,810	4,200	4,200
Grants			3,810	4,200	4,200
Loans			0	0	0
<b>Health</b>					
Program Development & Support	0000	G	105	100	100
Rural Water Development (PVD)	0336	G	200	200	0
Improved Family Health	0357	G	0	0	1,200
Total for Account			305	300	1,300
Grants			305	300	1,300
Loans			0	0	0

COUNTRY: GUATEMALA

SUMMARY PROGRAM FUNDING TABLE  
Dollar Program by Functional Account  
(\$000)

PROJECT TITLE	PROJECT NUMBER	L/G	FY 1989	FY 1990	FY 1991
<b>Child Survival</b>					
Program Development & Support	0000	G	100	100	100
Expansion of Family Planning Svcs.	0288	G	1,870	2,300	0
Improved Family Health	0357	G	0	0	2,300
Total for Account			1,970	2,400	2,400
Grants			1,970	2,400	2,400
Loans			0	0	0
<b>Education and Human Resources</b>					
Program Development & Support	0000	G	200	200	200
Fiscal Administration Improvement	0371	G	400	1,100	1,300
Basic Education Strengthening	0374	G	3,500	3,500	4,150
Development Training & Support	0384	G	1,400	2,000	1,150
Total for Account			5,500	6,800	6,800
Grants			5,500	6,800	6,800
Loans			0	0	0
<b>Private Sector, Environment &amp; Energy</b>					
Program Development & Support	0000	G	620	730	700
Special Development Fund	0145	G	100	100	100
Low-Cost Housing	0262	G	300	0	0
Rural Water Development (PVD)	0336	G	100	0	0
Private Sector Dev. Coord. (PVD)	0337	G	200	0	0
Private Enterprise Development	0341	G	880	670	0
ASINDES Development Program	0348	G	500	0	0
Fiscal Administration Improvement	0371	G	1,000	2,900	2,300
Microenterprise Development	0375	G	0	1,000	1,800
Micro Business Promotion (PVD)	0377	G	1,350	0	0
Election System Support	0378	G	800	0	0
Entrepreneurial Development (PVD)	0380	G	750	500	0
Guat. Strengthening of Democ.	0386	G	500	0	0
Natural Resource Management	0395	G	0	500	1,500
Total for Account			7,100	6,400	6,400
Grants			7,100	6,400	6,400
Loans			0	0	0
TOTAL DA Account			33,279	35,275	35,275

COUNTRY: GUATEMALA

SUMMARY PROGRAM FUNDING TABLE  
Dollar Program by Functional Account  
(\$000)

PROJECT TITLE	PROJECT NUMBER	L/G	FY 1989	FY 1990	FY 1991
ESF					
Guatemala Peace Scholarships (CAPS I)	0362	6	7,000	0	0
Guatemala Peace Scholarships (CAPS II)	0393	6	0	7,000	7,000
Improved Admin. of Justice	0369	6	2,824 2/	1,600	2,000
Economic Support Program	0373	6	69,500	0	0
Economic Support Program	0385	6	0	77,400	0
Economic Support Program	0394	6	0	0	45,000
Democratic Institutions	0398	6	0	1,000	1,000
Guat. Judicial Development	0376	6	200	0	0
Los Alamos 3/	0998		1,000	0	0
Total for Account			80,524	87,000	55,000
Grants			80,524	87,000	55,000
Loans			0	0	0
COUNTRY TOTAL			113,803	122,275	90,275
GRANTS			113,424	122,275	90,275
LOANS			379	0	0
P.L. 480					
Title I			18,000	18,000	18,000
Title II 4/			7,410	8,800	8,800
Total			25,410	26,800	26,800
PROGRAM TOTAL			139,213	149,075	117,075

Footnotes:

1/ Reob in FY 1989.

2/ \$524,000 of FY 1988 carryover funds were transferred to the Department of State for the Department of Justice to support ICITAP program.

3/ In accordance with LAC Bureau cable (STATE 373505), \$1 million of total ESF account in FY 89 is to be Mission's buy-in to RDCAP Los Alamos project. Congressional Notification requirements to be handled by LAC Bureau.

4/ Per instructions in STATE 62104 (dated 02-28-89) increased amounts are for a proposed SHARE Title II program commencing in fourth quarter of FY 1989 as follows: \$410,000 in FY 1989; \$1.8 million each in FY 1990 and FY 1991.

Summary Project List by Objective

		Objective Number							
		1	2	3	6	8	9	11	12
<u>BILATERAL</u>									
<u>DA</u>									
0000.1	Program Development and Support (FN)		P						
0000.2	Program Development and Support (HE)						P		
0000.3	Program Development and Support (EH)							P	
0000.4	Program Development and Support (PSEE)		P		S				S
0000.5	Program Development and Support (PN)					P			
0000.6	Program Development and Support (CS)						P		
0145	Special Development Fund			S					P
0248	Rural Electrification		P						
0251	Community Based Health and Nutrition System						P		
0255	Small Farmer Diversification System		P						
0261	Low Cost Housing			P					
0274	Highlands Agricultural Dev. (HADS)		P		S				
0276	Agribusiness Development		S	P					
0282	Rural Education Improvement							P	
0286	Cooperative Strengthening			P					S
0288	Expansion of Family Planning Services					P	S		
0304	Altiplano Higher Education							P	
0320	Primary Ed. Mgmt. Improvement							P	
0332	Farm-to-Market Roads		P						
0335	Rural Pot. Water & Sanitation II (OPG)						P		
0336	Rural Water (OPG)						P		
0337	Private Sector Dev. Coordination			P					
0339	Immunization/Child Survival Therapy					S	P		





		<u>Objective Number</u>							
		<u>1</u>	<u>2</u>	<u>3</u>	<u>6</u>	<u>8</u>	<u>9</u>	<u>11</u>	<u>12</u>
<u>P.L. 480</u>									
	Title I, Regular	S			P				
	Title I, Section 108	S	P						
	Title II	S					P		
	Section 416 (Sugar set-aside)	S			P				
	Section 416 (SHARE)	S					P		
<u>HIG</u>									
004	Housing Investment Guaranty				P				
<u>TRADE CREDIT AND INSURANCE PROGRAM</u>					P				
<u>REGIONAL</u>									
0002	Regional Admin. of Justice								P
0003	Regional Strengthening of Democracy 2/								P
0011	Regional Training AID Center II (RTAC)							P	

Notes:

1/ Split funded.

2/ Activities covered under this project include the following: Cooperating Grant Agreement with Boston University's Center for Democracy to strengthen the legislative process, assistance to Human Rights Ombudsman Office and strengthening of journalism.

NEW PROJECT DESCRIPTION  
(Amendment)

GOAL : Increase Agricultural Production

OBJECTIVE : To establish and expand the Penny Foundation's voluntary land purchase/sale program as a self-supporting activity capable of increasing agricultural productivity and incomes of the rural poor, and to identify and promote additional instruments to increase production and reduce pressure on agricultural land.

PROJECT TITLE : Commercial Land Markets II

PROJECT NUMBER : 520-0343

PROJECT FUNDING : (\$000) FY 1990: \$1,000 (G); Total Amendment LOP: \$2,500 (G)  
Total LOP: \$13,000 (G)

FUNCTIONAL ACCOUNT : ARDN

PURPOSE CODE : 900

A. Relationship to A.I.D. Country Strategy/Objectives: N/A

B. Relationship to Host Country and Other Donors: N/A

C. Conformance with Agency and Bureau Policies: The amendment is consistent with the Agency's policies regarding the private sector's direct involvement in voluntary land market activities based upon individual land titling. Credit for land purchase and production will be provided at prevailing market rates.

D. Project Description: Commercial Land Markets II was originally designed with two components: (1) a voluntary land purchase/sale program implemented through a cooperative agreement with the Penny Foundation; and, (2) a research component with the University of Wisconsin Land Tenure Center (LTC) to perform a baseline survey and long-term monitoring and evaluation of the Penny Foundation program; study the general property registry system and develop proposals for reform of the registration process; and identify alternative strategies to expand access to land. To date 6,257 hectares of land have been purchased for sale to 1,731 landless or land-poor families

with significant income increases per year for farms producing nontraditional crops as well as coffee farms. LTC studies have identified two alternative options for expanding land access which will be developed under the proposed FY 1991 Rural Land Financing project, and the Land Registry Office has formally requested USAID assistance to modernize its titling operations - a significant breakthrough given the property registry's highly politicized leadership and long-entrenched, antiquated mode of doing business which results in lengthy delays in legally registering small land holdings.

The Penny Foundation is currently faced with a cash flow problem resulting from its inability to obtain regulatory approval from the Central Bank to issue mortgage bonds. Had the bonds been issued, the Penny Foundation would have raised approximately \$2.5 million to date from this source. The cash flow problem has been further exacerbated by accelerated purchase of land, particularly coffee farms that have a slower pay back than annual crops. A 1988 financial analysis of the project undertaken by AID with contracted technical assistance concluded that additional funds were required to enable the Penny Foundation to resolve its present cash flow problem while maintaining its planned level of land purchase (averaging 1,000 hectares per year) during the remaining 3-year LOP and its program of production credit and technical assistance for new land purchasers during their first five years on the land which has been fundamental to the project's success. Results from the FY 1989 cash flow review (these are done annually in August) will be used to determine more precise financing requirements in the PP Amendment.

Plans are underway to hire a local CPA firm and provide contract technical assistance to the Penny Foundation to improve its financial management and position the Foundation to reach self-sustainability by project termination in 1992. Simultaneously and in concert with the ESF-led Agriculture Sector Program, assistance will be provided to upgrade the Land Registry Office; the mortgage bond issue will be pursued with the GOG and Central Bank; and feasibility studies will be undertaken of NGO and commercial bank land purchase proposals leading to development of an FY 1991 project (see Rural Land Financing NPD).

Implementing Agencies: The project is implemented by the Penny Foundation, a Guatemalan PVO.

Method of Obligation: Funds will be obligated through an amendment to the existing cooperative agreement with the Penny Foundation.

E. Mission Management: A PSC in the Office of Rural Development will provide overall project supervision under the direction of the Deputy Chief of the Office.

F. Potential Issues: Despite the impressive results achieved by the Penny Foundation to date, land market activity continues to be hindered by delays in the land registration process and the lack of participation of the traditional financial sectors in long-term financing of commercial land purchase and sale.

G. A.I.D./W TDY Support for Project Development: None required

H. Estimated PP Amendment Approval: September 1989

NEW PROJECT DESCRIPTION

GOAL : Increase Agricultural Production

OBJECTIVE : To expand the sources of financing available to the rural poor for purchase of productive land.

PROJECT TITLE : Rural Land Financing

PROJECT NUMBER : 520-0389

PROJECT FUNDING : (\$000) FY 1991: \$1,500 (G); LOP: \$10,000 (G)

FUNCTIONAL ACCOUNT : ARDN

PURPOSE CODE : 000

A. Relationship to A.I.D. Country Strategy/Objectives:

The project is consistent with AID's Policy Determination on Land Tenure (PD-13), and the NBCCA's call to address inequitable land tenure. It is directed at one of the principal structural constraints to revitalizing Guatemalan agriculture identified in the 1988 USAID agriculture strategy and FY 91-94 CDSS Update. The project will expand opportunities for voluntary land purchase/sale beyond the limited scope of the current Commercial Land Markets II project with the Penny Foundation in order to provide larger numbers of land-poor and landless rural families with access to productive land.

B. Relationship to Host Country and Other Donors The project is consistent with the GOG's Agrarian Policy Overview of December 1986, which calls for a land market program, with a broad sector of potential buyers including the landless. The French Government is providing \$16 million to the GOG for a national cadaster, begun in 1987 and expected to terminate in 1992.

C. Conformance with Agency and Bureau Policies: The project is consistent with Agency policies supporting private sector involvement in voluntary land market activities based upon individual land titling and the application of market interest rates for land purchase and production credit financing.

D. Project Description: Under the Commercial Land Markets II Project with the Penny Foundation, research has been undertaken

to develop alternative strategies to expand the land market program and otherwise address the problem of micro-holdings and landlessness in Guatemala. The proposed project will build on this research by capitalizing a Land Purchase Fund to provide financing to NGOs that would either act as intermediaries or lend directly to enable existing NGO beneficiaries to acquire land in their respective communities. The project will finance required institutional support and technical assistance to participating NGOs. NGOs will provide technical assistance and arrange for production credit for program participants. An umbrella organization will be utilized to coordinate land market activities of individual NGOs, e.g., processing of loan applications, loan documentation, and disbursement and collection of loans.

Also under the CLM II project, USAID is financing a series of workshops for representatives of the local financial community to identify viable mechanisms to provide land purchase financing for the rural poor. The final design of this project component, which anticipates establishment of guaranteed lines of credit in commercial banks for land purchase, will depend heavily on the findings and conclusions of these workshops and studies to be undertaken over the 1989-90 period.

Implementing Agencies: The project will be implemented by NGOs, through an umbrella organization, and by commercial banks.

Method of Obligation: A cooperative agreement will be signed with an umbrella organization to implement the NGO land financing program. Contracting arrangements with commercial banks will be determined during intensive review, drawing on experience in commercial bank lending to small-scale producers under the FY 1989 Small Farmer Coffee Project.

E. Mission Management: A PSC employee in the Office of Rural Development will provide overall project supervision, under the direction of the Deputy Chief of the Office.

F. PID and PP Approval: Bureau concurrence is requested for field approval of the PID and PP.

G. Potential Issues: Political sensitivity and risk inherent in an expansion of USG involvement in land programs in Guatemala.

H. AID/W TDY Support for Project Development: To be determined.

I. Estimated PID Approval: May 1990 PP Approval: November 1990

NEW PROJECT DESCRIPTION

GOAL : Increase Agricultural Production

OBJECTIVE : Strengthen public and private sector institutional capacity to increase the area of coverage and sustainability of small farmer irrigated agriculture.

PROJECT TITLE : Irrigated Agriculture Support

PROJECT NUMBER : 520-0392

PROJECT FUNDING : (\$000) FY 1991: \$1,500 (G); LOP: \$7,500 (G)

FUNCTIONAL ACCOUNT : ARDN

PURPOSE CODE : 000

A. Relationship to A.I.D. Country Strategy/Objectives:

The project directly supports the Mission CDSS goal of basic structural reforms for rapid and sustained economic growth by focussing on agriculture as the productive sector which can best contribute to broad-based, self-sustaining growth. The 1988 Mission agricultural strategy identified irrigation as a primary means for effecting the transition from traditional subsistence to commercial diversified agriculture. Recent data analysis confirms a 35-40 percent annual return on small farmer irrigation based on increased crop yields, ability to grow a wider variety of crops, and capacity to produce more than one crop per production year. The ESF-led Agricultural Sector Program also has identified the irrigation sector as an area of focus with targets set for formulation of a new Water Law and completion of an Irrigation Sector Assessment leading to development of a National Irrigation Master Plan.

B. Relationship to Host Country and Other Donors: The GOG has identified the expansion and improved management of irrigated land as one of the top priorities under its 1989-1992 Agricultural Development Plan. Other donors such as the IDB, Italy, and Japan are financing investments, totalling over \$88 million, for construction of generally medium-size irrigation systems. The proposed project will complement these investments by strengthening GOG institutions, primarily the National Irrigation Directorate (DIRYA), responsible for all irrigation systems in Guatemala other than mini-riego.

C. Conformance with Agency and Bureau Policies: Protection of the environment will be directly addressed by the incorporation of environmental criteria into system site selection and current system operations.

D. Project Description: The Project will focus on strengthening the institutional capacity of the GOG and increasing the participation of the private sector in rehabilitating existing systems and undertaking an expansion of the land area under irrigation.

The GOG and other donors have over \$100 million tentatively available to expand the area under irrigation by 55,000 has. by 1991. Of this amount, the equivalent of \$17 million is from local currency generations from previous PL 480 Title I and Section 416 programs and the remainder from donations or loans from the IDB, Italy, and Japan. In addition, feasibility studies are currently under way for new systems on an additional 65,000 ha. for construction after 1991. However, the institutional capacity to plan and implement this ambitious program does not presently exist.

The six-year project will focus on the following:

(1) Institutional Strengthening - Assistance will be provided to the Ministry of Agriculture to strengthen its irrigation policy and planning capability. As agreed to under the FY 1989 ESF program, an AID-contracted Irrigation Sector Assessment will be completed in the fall of 1989 followed by development of an Irrigation Master Plan. Under the project, technical assistance will be provided to help formulate a policy framework to support sustainable irrigated agriculture including development and adoption of a new water management law to establish priorities for water use in Guatemala.

The project will also provide TA, training and equipment to enable the National Irrigation Directorate (DIRYA) to efficiently develop and carry out GOG irrigation strategy, and undertake feasibility studies (engineering, economic, environmental, and social), or supervise their execution by private sector organizations, for construction of medium-to-large irrigation systems for small farmers. The project will help to assure that the systems are selected on a rational basis so as to maximize the productive use of financial and natural resources available to the GOG. Participation of the private sector in the design and construction of these irrigation systems will be promoted under the project.



(2) Production/Marketing Support - beneficiaries of the new systems will be taught the technology most economically appropriate and environmentally sound for the crops grown and will be provided with access to appropriate market information systems and marketing mechanisms available through the GOG and the private sector.

(3) Water Users Associations - to promote the organization of irrigation beneficiaries as a foundation for full, self-sufficient system operation and maintenance.

<u>Activities</u>	<u>Outputs</u>
- New hectares placed under irrigation	X
- Existing systems rehabilitated	X
- Water users associations formed	X
- Increased number of small farmers irrigating their land	X
- Increased production from irrigated agriculture	X
- Policy development activities carried out	X

Implementing Agencies The project will be implemented by the Ministry of Agriculture. It will also work with the Ministry and the cooperative sector in organizing farmer associations and water users groups.

Method of Obligation: A Handbook 3 grant to the Ministry of Agriculture.

E. Mission Management: A USDH employee in the Rural Development Office will assume overall responsibility for project monitoring.

F. PID and PP Approval: USAID/Guatemala requests Bureau concurrence for field approval of the PID and PP.

G. Potential Issues: None.

H. AID/W TDY Support for Project Development: To be determined.

I. Estimated PID Approval: October 1990 PP Approval: April 1991

NEW PROJECT DESCRIPTION  
(Amendment)

GOAL : Increase Agricultural Production

OBJECTIVE : To enhance the capability of Guatemalan cooperatives to effectively provide investment financing and support services to small farmers.

PROJECT TITLE : Cooperative Strengthening

PROJECT NUMBER : 520-0286

PROJECT FUNDING : (\$000) FY 1990: \$2,000 (G); Amendment  
LOP: \$5,000 (G)  
Total LOP \$16,000 (G)

FUNCTIONAL ACCOUNT : ARDN

PURPOSE CODE : 000

A. Relationship to A.I.D. Country Strategy/Objectives: N/A

B. Relationship to Host Country and Other Donors: N/A

C. Conformance with Agency and Bureau Policies: The project is in compliance with Agency guidance concerning the development of democratic institutions, cooperatives and financial systems development. All credit funds under this project will be loaned at market rates.

D. Project Description: Rural cooperatives in Guatemala have a broad geographical base and are the only institutions readily accessible to many small farmers and land-poor campesinos. Rural credit unions and agricultural cooperatives already provide a variety of services to members, including agricultural input supply, technical assistance, marketing and processing assistance, and credit.

The Cooperative Strengthening Project is currently working with six cooperative federations and their affiliates to improve their performance as profitable enterprises. The planned amendment to this project will broaden the scope of the project to:

(1) Establish a pilot credit program specifically dedicated to the purchase of land, permitting federated and non-federated cooperatives and farmers association members to increase their holding size through improved access to land markets and provision of medium- and long-term financing at prevailing commercial interest rates.

The expanded credit program will be initiated with selected federated and non-federated cooperatives and farmers' associations identified as possessing effective operational policies, sound financial management and a rural orientation in service delivery. These organizations will determine member eligibility for land purchases, establish the terms and conditions of the loan agreements, and bear the credit risk. Cooperative participants and farmer beneficiaries will be closely monitored to assess the potential of expanding the program and creating self-sustaining land-purchase mechanisms through the cooperative movement.

(2) Include non-federated cooperatives and farmers associations currently assisted under the Agribusiness Development Project which terminates in March 1990. The mid-term evaluation (late 1987) of Agribusiness Development strongly recommended that assistance to cooperatives and farmer associations be continued for a minimum of three years beyond the PACD. This amendment will provide technical assistance and management support to improve production, post-harvest handling, and marketing of non-traditional agricultural export products in accordance with a timetable and plan for self-sustainability to be established by mid-1989.

E. Implementing Agencies: The implementing agency will be the National Federation of Savings and Loan Cooperatives (FENACOAC).

F. Method of obligation: Funds will be obligated through an Amendment to the Cooperative Agreement with FENACOAC per Handbook 13.

G. Mission Management: Under the direction of the Deputy Chief of the Rural Development Office, a USDA PASA employee will have overall responsibility for project monitoring including supervision of a U.S. technical assistance team and its Guatemalan counterparts.

H. PP Amendment Approval: USAID/Guatemala requests Bureau concurrence for field approval of the PP Amendment which will include an estimated first-time, 17-month extension of the PACD to December 1992.

I. Potential Issues: Political sensitivity and risk inherent in an expansion of the Mission's involvement in land distribution in Guatemala.

J. AID/W TDY Support for Project Development: TDY assistance from LAC/DR/RD is contemplated during the intensive review of the proposed amendment.

K. Estimated PP Amendment Approval: December 1989

NEW PROJECT DESCRIPTION

GOAL : Stabilize Financial Structures

OBJECTIVE : To achieve external and internal balance consistent with progress toward a real GDP growth target of 4.5% by 1990.

PROJECT TITLE : Economic Stabilization/Structural Adjustment

PROJECT NUMBER : 520-0385

PROJECT FUNDING : (\$000) FY 1990: \$77,400 (G)

FUNCTIONAL ACCOUNT : Economic Support Funds (ESF)

PURPOSE CODE : 990

A. Relationship to A.I.D. Country Strategy/Objectives: The proposed FY 1990 ESF program is part of a multi-year balance of payments assistance effort to achieve medium-term objectives of growth and agriculture sector development, consistent with both NBCCA and Mission strategy for Guatemala. The program will assist the Guatemalan government to undertake policy reforms to stabilize the economy and to stimulate growth through greater saving and investment. The inclusion of the agricultural sector as part of the FY 1990 ESF program meets the CAI mandate to focus increasingly on sector growth programs as the Guatemalan economy stabilizes. The development objectives of the strategy will be furthered through programming of local currency and through protection of Guatemala's public investment budget in support of productive infrastructure and small-farm production.

B. Relationship to Host Country and Other Donors: USAID's ESF program continues to play a central role in helping Guatemala meet its stabilization and structural adjustment goals and economic growth predicated on a soundly planned and efficiently executed public investment program; increased private sector saving and investment; and a reactivated agriculture sector. Other donor support includes an 18-month IMF stand-by agreement signed in July 1988 and presently being renegotiated. In addition, the GOG is discussing a sectoral adjustment loan (to strengthen nontraditional exports) with the World Bank, which would also offer significant balance-of-payments assistance in both 1989 and 1990.

C. Conformance with Agency and Bureau Policies: The proposed FY 1990 program complies with Agency and LAC Bureau cash transfer policies, including recent guidance on utilization and monitoring of local currency.

D. Project Description: The FY 1990 ESF program will provide a grant cash transfer to the Government of Guatemala to (1) sustain Guatemalan policy progress in maintaining economic stabilization, structural adjustment, and growth; (2) aid in meeting balance of payments financing gaps; (3) support a strong agricultural sector impetus with emphasis on small farmer production; (4) assist in realization of Guatemala's development objectives through local currency programming in the areas of public sector infrastructure in support of private investment, and delivery of social services to Guatemala's least-advantaged groups.

The program will address three critical development areas. First, Guatemalan economic growth is impeded by a foreign exchange gap resulting from lackluster traditional export prospects and high debt service requirements. While the nontraditional export sector shows promise as a future, more stable source of foreign exchange than Guatemala's traditional commodities, this sector is starting from a small base and will not be important in meeting Guatemala's foreign exchange needs until the 1990s. The ESF program is critical in assisting Guatemala to meet its target rates of GDP growth and has resulted in modest, but growing, increases in real per capita income.

Second, Guatemalan economic prosperity depends on continued commitment to sound economic management and to policies which reduce structural disincentives to export and investment. The ESF program will seek to support positive policy progress in these areas. Key areas of policy conditionality will be (1) an economic program conducive to attaining growth and external balance over the medium term; (2) commitment to achievement of higher levels of execution of the Core Development Budget; and, (3) introduction of policy reforms in the agriculture sector.

Finally, Guatemalan development has suffered from years of chronic underspending in economic and social infrastructure. A significant portion of ESF local currencies will be directed to budget support in this area within the framework of a Core Development Budget.

Implementing Agencies: Ministry of Public Finance, Bank of Guatemala, and Ministry of Agriculture.

Method of Obligation: Handbook 4 cash transfer agreement.

E. Mission Management: The Office of Economic Policy and Analysis has lead responsibility within the Mission for the ESF program, particularly on development and monitoring of policy conditionality. Because the ESF program has moved increasingly toward an agriculture sector focus, USAID's Office of Rural Development now has a greater role in development and monitoring of policy conditionality and local currency programming. The Program Office coordinates the programming of local currency generations, and the Controller's Office is responsible for tracking both ESF dollar uses and local currency utilization through a new unit established in the Mission in late 1987.

F. Special Request: None.

G. Potential Issues: The Mission has developed a strategy to better link ESF and sectoral policy dialogue. Key areas of concern are agricultural credit and investment, government capacity to implement projects, and budgetary allocations to the Ministries of Education, Agriculture and Health. A continuing issue on the local currency side is the very real problem of identifying acceptable mechanisms for channeling LC resources to private sector programs. Failure to resolve this issue satisfactorily will lead inevitably to use of scarce dollars, particularly in the already-pinched PSEE account.

H. A.I.D./W TDY Support for Project Development: None required.

I. Estimated FY 1989 Concept Paper Approval: December 1989

Estimated FY 1989 PAAD Approval: March 1990

NEW PROJECT DESCRIPTION

GOAL : Manage and Preserve Natural Resources

OBJECTIVE : To promote the productive, sustainable use of natural resources and the long-term protection of biological diversity in Guatemala.

PROJECT TITLE : Natural Resources Management

PROJECT NUMBER : 520-0395

PROJECT FUNDING : (\$000) FY 1990: \$2,000 (G) LOP: \$10,500

FUNCTIONAL ACCOUNT : ARDN  
PSEE

PURPOSE CODE : 100

A. Relationship to A.I.D. Country Strategy/Objectives: The project will comply closely with the A.I.D. Policy Paper on the Environment and Natural Resources, and will directly support Amendments 118 and 119 of the Foreign Assistance Act, which promote the protection of tropical forests and biodiversity in A.I.D. projects. This proposed project complies closely with the environmental and natural resources action priorities established in the Mission Country Development Strategy Statement, Action Plan, Agriculture Sector Development Strategy, and the Central America Regional Strategy on Environmental and Natural Resource Management.

Immediate and long-term conservation of natural resources including protection of tropical forests and biodiversity is required to support USAID efforts to increase and diversify agricultural production in Guatemala and for sustained growth in the sector. The project will build on and complement watershed and pest management, soil conservation, a conservation data base, and environmental education activities being supported under Highlands Agricultural Development, Development Training and Support, and PD&S funds.

B. Relationship to Host Country and Other Donors: The project supports a growing body of GOG programs and policies designed to promote prudent management of Guatemala's deteriorating natural resource base imperative to the country's sustainable economic development. Project activities will also be coordinated with and complement ENR activities of multilateral



and other bilateral donors. The IDB, UNDP, OAS and the Governments of Germany, Mexico, and Israel either have or are planning environmental and natural resource conservation activities for Guatemala.

C. Conformance with Agency and Bureau Policies: The project will support private sector environmental agencies in Guatemala and participation of U.S. NGOs in implementing the project.

D. Project Description: The four-year project will address three critical natural resource problems: deforestation, loss of biodiversity, and watershed degradation. Specific components will be developed based in part on the findings and recommendations of the recently completed Tropical Forest and Biodiversity Assessment, the Tropical Forest Action Plan being financed with FY 1989 PD&S funds, and an Irrigation Master Plan, partially financed with PL 480 Title I local currency, which will include specific watershed management measures.

The project will assist in protecting biodiversity by establishing new protected areas and in improving management of existing areas; promote policy reforms related to productive, sustainable use of biological resources; strengthen institutions, public and private, responsible for natural resource management in program planning and implementation; support expanded environmental and natural resource education and training; and finance priority field research on the protection and sustainable use of natural resources. Emphasis will be given to immediate, productive activities - e.g., to halt deforestation currently estimated at 90,000 hectares per annum, increase soil conservation and control pesticide use; and support effective implementation of new forestry and protected areas laws - and establishing an institutional and policy foundation for long-term Guatemalan commitment to natural resource conservation and management.

Implementing Agencies: The National Environmental Commission (CONAMA) and the Center for Conservation Studies (CECON), will serve as primary implementing agencies for the project.

Method of Obligation: Funds will be obligated under HB 3 and HB 13 agreements, based on the final mix of public and private sector implementing agencies.

E. Mission Management: The project will be managed by a USDH in the Office of Rural Development, assisted by contracted forestry, environmental and conservation education specialists.

F. PID and PP Approval: Bureau concurrence is requested for field approval of the PID and PP.

G. Potential Issues: The political sensitivity of balancing natural resource exploitation interests with conservation needs.

H. AID/W TDY Support for Project Development: To be determined.

I. Estimated PID Approval: August 1989; PP Approval: March 1990

NEW PROJECT DESCRIPTION

GOAL : Wider Sharing of the Benefits of Growth

OBJECTIVE : To improve access to and utilization of effective health and environmental sanitation services which directly address the priority health needs of children under five and the reproductive risks of women in fertile age.

PROJECT TITLE : Improved Family Health

PROJECT NUMBER : 520-0357

PROJECT FUNDING : (\$000) FY 1991: \$7,000 (G); LOP: \$37,500

FUNCTIONAL ACCOUNT : Child Survival  
Population Planning  
Health

PURPOSE CODE : 400/500

A. Relationship to A.I.D. Country Strategy/Objectives: Guatemala is a designated Child Survival-emphasis country, and this new sector assistance project is consistent with NBCCA and Agency strategy and objectives in this area, and fully complies with the FY 1991-94 CDSS Update and Action Plan objectives. The Child Survival interventions directly address reductions in infant mortality and increased access to voluntary family planning services. The main thrust of the Mission's program is to establish the conditions that will generate growth so that there will be benefits to be shared. While this process occurs, resources -- financial and technical -- must be provided to promote significant increases in access and utilization by Guatemalan families of health services, including environmental sanitation services, provided by public and private sector agencies.

B. Relationship to Host Country and Other Donors: The GOG is firmly committed, as enunciated in the concept of "social debt," to improving the quality and distribution of social services to all Guatemalans. The Pan American Health Organization, UNICEF, IDB, European Economic Community, UN Fund for Population Activities (UNFPA) and a number of bilateral donors have ongoing or planned assistance efforts in child survival, water and sanitation, and family planning. In

addition, the World Bank is considering a \$20m. health sector program based on a health sector assessment planned in 1989 with which the Mission will closely collaborate at the Bank's request.

C. Conformance with Agency and Bureau Policies: Public sector institutions will be strengthened through planning and management improvements to their program support systems. The private sector will have a strong role in augmenting GOG capacity to deliver appropriate, high quality services at reasonable costs to currently underserved or unserved populations.

D. Project Description: This health sector project will assist public and private health and family planning agencies in carrying out services and information delivery which will significantly improve the health status of Guatemalan families during the decade of the 1990's. It is conceived of as a 10-year program to be implemented in two roughly equivalent five-year phases. Authorization of Phase II will be contingent upon a comprehensive evaluation in year five or six. The project represents a consolidation of three on-going projects - in child survival, family planning, and water and sanitation - which have a total combined LOP of \$58m. and which have been modified beginning in 1988 to set the stage for the proposed sector project.

Public and private sector agencies will implement, in an integrated and coordinated fashion, Child Survival interventions including: Oral Rehydration Therapy, Diarrheal Disease Management, Immunization, Growth Monitoring, Acute Respiratory Infections, Improved Birth Management, Reduction of Reproductive Risk, Birth Spacing and improved access to water supply and sanitation services. The project will assist the institutions involved in improving the management support systems necessary to ensure efficient and effective implementation of a National Child Survival Program. Major project components are as follows:

1. Technical Services for Child Survival component will provide financial and technical assistance to both public and private agencies for implementation of Child Survival and water supply/sanitation interventions.

2. Under the Management Improvement component, assistance will be provided to private sector agencies and the Ministry of Health to improve their capacity to plan, manage and evaluate primary health care, water supply and sanitation and child survival programs. Specific areas of management improvement to be addressed include: supply and medical logistics; health

program planning and budgeting; operations research and program evaluation; and, information systems.

3. The Information, Education and Communication (IE&C) component will strengthen the capability of implementing agencies in using modern social communications techniques to promote adoption of primary health care and child survival practices by the target population.

4. The Health Education and Training component will assist all agencies by supporting training activities in specific technical areas as well as skills upgrading in such areas as supervision, personnel management, communications skills, and information management.

<u>Activities:</u>	<u>Output</u>
Expansion of MOH facilities providing full range of temporary voluntary contraceptive and maternal health services	1,000
Expansion of private sector agencies providing child survival services, including birth spacing	50
Implementation of decentralized management system throughout the public health system	XX
Implementation of integrated, coordinated social communications program to promote utilization of health services using both Spanish and Mayan languages	XX
A functional bottom-up program planning process established in the Ministry of Health	XX
Service provider training in both technical and management skills	5,000
Communities with new water supply systems and sanitation services	250

Implementing Agencies: The project will be implemented by the Ministry of Health, the Guatemalan Social Security Institute, the International Planned Parenthood affiliate (APROFAM), a contraceptive social marketing firm (IPROFASA), the Guatemalan Association for Family Life Education (AGES), and a private sector umbrella mechanism which channels financial resources and other support services to rural NGO health care providers.

Method of Obligation: Handbook 3 bilateral agreement with the Ministry of Health and Handbook 13 grants or cooperative agreements with private sector implementing agencies.

E. Mission Management: A USDH in the Office of Human Resources Development will assume overall responsibility for management of all project activities, assisted by one USDH, three PSCs and two FSN employees. Day-to-day implementation of the water and sanitation component will be managed by an FSN engineer in the Project Development and Support Office.

F. PID and PP Approval: USAID/Guatemala requests Bureau approval of a delegation of authority to the Mission Director to approve the PID and PP for a proposed LOP in excess of currently delegated field authority.

G. Potential Issues: (1) Absorptive capacity of the Ministry of Health; (2) Degree of GOG commitment to equitable distribution of health services to Mayan speaking populations; and, (3) continued GOG acceptance of participation by private agencies in delivery of basic health services; and, (4) Ministry of Health willingness to integrate appropriate health education into its environmental sanitation programs.

H. A.I.D./W TDY Support for Project Development: Two person/weeks of LAC/DR/HN consultation during final stages of PID preparation to ensure conformance with Agency/Bureau policies. PP requirements to be determined following PID review and approval.

I. Estimated PID Approval: September 1990 PP Approval: June 1991

NEW PROJECT DESCRIPTION

GOAL : Promote Democracy and Strengthen Democratic Institutions

OBJECTIVE : To strengthen: (1) the human resource base of Guatemala, thereby ensuring the leadership and technical skills needed for progressive, balanced and pluralistic development, and (2) the mutual ties of friendship and understanding between the United States and Guatemala.

PROJECT TITLE : Guatemalan Peace Scholarships (CAPS II)

PROJECT NUMBER : 520-0393

PROJECT FUNDING : (\$000) FY 1990: \$7,000 (G); LOP: \$37,000 (G)

FUNCTIONAL ACCOUNT : Economic Support Funds (ESF)

PURPOSE CODE : 900

A. Relationship to A.I.D. Country Strategy/Objectives: The Peace Scholarship program is a major U.S. Government Scholarship Diplomacy Initiative recommended by the National Bipartisan Commission on Central America (NBCCA). The U.S. Congress has mandated the program to promote democratic processes, counter a high level of Soviet Bloc efforts, improve technical skills, and strengthen leadership. This follow-on bilateral project complies closely with the Mission CDSS, Action Plan, and complements Mission project activities in all key sectors.

B. Relationship to Host Country and Other Donors: The Government of Guatemala is committed to strengthening its democratic institutions and processes and to give all Guatemalans an opportunity to contribute to and share in the social, economic and political growth of the nation. The GOG views this program as a proven means of increasing participation of the rural and disadvantaged population in the country's development and democratization processes.

C. Conformance with Agency and Bureau Policies: The project will provide opportunities for strong participation of selected individuals from the Western Highlands (USAID/G's key target

group) in programs complementary to the Mission's project portfolio. The project will be responsive to overall policy and Bureau guidance, e.g., cost containment, use of the training cost analysis system, HBCU placement. Use of 8(a) firms will be made for selected components.

D. Project Description: The Project will offer Guatemalan Peace Scholars to leadership-quality individuals selected primarily from the rural areas and provide them with significant exposure to the democratic process and its daily underpinnings that characterize life in the United States. Academic and/or technical training opportunities will also be provided in priority development fields complementing the Mission's program.

Key to the success of CAPS I was the trainee selection process. The follow-on bilateral project (FY 90-94) will continue to target individuals and groups who have traditionally lacked access to training in the United States. Trainees will be selected based on demonstrated or potential leadership, economic need and membership in special concern groups (such as indigenous and minority populations, women, the rural poor and youth). Education sector personnel, especially in bilingual and multi-grade classroom situations will be a key target group and training in environmentally related areas will increase substantially. Emphasis will continue to be placed on micro- and small-businesses, rural health workers, cooperative and other rural leaders (including 4-H and Scout members and leaders). A minimum of seventy percent of trainees will come from disadvantaged groups; fifty percent of trainees will be women.

The Project will focus on four major activities:

(1) U.S. Training: U.S. training will be provided to 3,400 Guatemalans from FY 90-94. The project's active life may be one year longer to permit completion of training for FY-94 new starts and to provide time for a final evaluation. Long-term training (27% of trainees/900 individuals) will consist of undergraduate or technical training, primarily through a one-year U.S. program. These programs will last a minimum of two academic semesters (9 months). Short-term training (73%, 2,500 individuals) will last a minimum of five weeks to nine months.

(2) Combination in-Guatemala/in-U.S. programs. Some of the 3,400 trainees will be programmed for combination training, consistent with AID/W guidance. These programs have proven to be cost-effective, popular with Guatemalan universities and institutions and with program trainees. Combination programs



have an institutional strengthening impact that individual trainee selection modes do not have.

(3) Experience America. U.S. familiarization activities will be continued for all trainees. This component provides the Peace Scholar with the opportunity to get to know U.S. citizens and institutions both professionally and personally through internships, homestays and contacts with civic and community groups. As important as the Peace Scholar learning about North American values and institutions is their teaching U.S. citizens about Central American (Guatemalan) values and institutions. Experience America is a two-way process.

(4) The Mission will continue to offer in Guatemala follow-on activities and training for all Guatemalan Peace Scholars, and, through the CAPS Alumni Association, will continue to offer special project funding for returned trainees using non-CAPS funding sources. A newsletter, CAPS meetings and conferences and other services will also be continued under the project. The Mission will use alumni for orientation and other selection/follow-on activities and will continue to strengthen the association (ASOPAZAC) and other local groups such as Jovenes para Guatemala which can provide services to the program. The project will continue to send job-related informational materials to long-term trainees in the U.S. and will increase job preparation and placement services for returnees.

Implementing Agency: The Government of Guatemala's General Secretariat of the National Planning Council (SEGEPLAN) and Partners for International Education and Training (PIET) for programming and placement services in the U.S.

Method of Obligation: Handbook 3 Project Agreement.

E. Mission Management: The Deputy Chief of the Office of Human Resources Development will have overall responsibility for project monitoring, with the day-to-day implementation assistance of an FSN Training Officer. A broad-based project committee for all Mission training activities will work under the leadership of OHRD's Deputy Chief.

F. PID and PP Approval: The Mission requests Bureau approval of a delegation of authority to the Mission Director to approve the PP for an LOP in excess of current \$20m. field LOP authority.

G. Potential Issues: Clear definitions of policy related to in-country activity and program mix (short-term vs. long-term training) are required. Mission assumes that the

AID/W-prepared generic PP will address these and other issues related to bilateral Peace Scholarship programs.

H. A.I.D./W TDY Support for Project Development: None required.

I. PP Approval: August 1989

NEW PROJECT DESCRIPTION

GOAL : Promote Democracy and Strengthen Democratic Institutions

OBJECTIVE : To strengthen the legislative and electoral processes required to institutionalize democracy in Guatemala.

PROJECT TITLE : Democratic Institutions

PROJECT NUMBER : 520-0398

PROJECT FUNDING : (\$000) FY 1990: \$2,000 (G); LOP: \$3,600 (G)

FUNCTIONAL ACCOUNT : Economic Support Funds (ESF)

PURPOSE CODE : 900

A. Relationship to A.I.D. Country Strategy/Objectives: A.I.D.'s strategy under Policy Determination No. 12 includes a call for projects that improve the functioning of democratic institutions, including the strengthening of the legislative and electoral processes and institutions. Strengthening democratic institutions is one of the four major programmatic goals of the USAID/Guatemala Country Development Strategy and a key Action Plan and NBCCA objective. The proposed project will complement efforts under other USAID/Guatemala projects (e.g., Administration of Justice, Central American Peace Scholarships) in support of the objective.

B. Relationship to Host Country and Other Donors: The GOG, through its Presidential memorandum of March 19, 1987, articulated the importance of strengthening democratic institutions and processes. To this end, it allocates substantial resources from its annual budget to these areas. No other donor is providing significant assistance either to the Guatemalan Congress or the Supreme Electoral Tribunal.

C. Conformance with Agency and Bureau Policies: The project will have opportunities for private sector involvement in providing technical assistance, training and commodities. Gray Amendment procurement will be determined during intensive review.

D. Project Description: This three-year project will consolidate two projects - one directed at strengthening the

legislative process, the other at supporting the electoral system - which will terminate in FY 1989. Primary emphasis will be given to strengthening legislative staff and committee operations by upgrading library/research facilities and information and budgeting systems, and through training seminars and observational visits for Congressional members and their staffs. A mid-1989 evaluation of the current legislative assistance project will be used in designing this follow-on project. Assistance will also be provided to complete protection of the Supreme Electoral Tribunal's electoral registry and train Tribunal staff and election officials. Commodities may be provided, if GOG resources prove insufficient, for the 1992 municipal elections. The need for possible additional assistance to the Office of Human Rights Ombudsman will also be examined during intensive review.

<u>Activities</u>	<u>Outputs</u>
- Congressional staff trained	
-   General Staff	X
-   Committee Staff	X
- Word processing/PC systems in place at the National Congress	X
- High volume reproduction system in place at the National Congress	X
- Improved Congressional budgetary and financial controls adopted	X
- Internal/external legislative information systems in place	X
- Improved legislative library and research operations in place	X
- Seminars and Observational visits for Deputies and Congressional staff	X
- Improved Voter Registration/Record Storage System	X
- Computer/Electoral training programs for Tribunal staff	X
- Commodities procured for 1992 Municipal Election	X
- Election and Registration Workers Trained	X

Implementing Agencies: The project will be implemented through two independent agencies of the Government: the Congress and the Supreme Electoral Tribunal.

Method of Obligation: Handbook 3 bilateral agreements will be signed with the two implementing institutions.

E. Mission Management: The Deputy Chief of the Human Resources Development Office will have overall responsibility for project monitoring, assisted by a U.S. personal services

contractor who will have day-to-day implementation management responsibilities for the project.

F. PID and PP Approval: USAID/Guatemala requests Bureau concurrence in Mission approval of the PID and PP.

G. Potential Issues: Political sensitivity or risk that efforts may be perceived as supporting partisan interests or as USG interference in the internal political system of Guatemala.

H. A.I.D./W TDY Support for Project Development: To be determined.

I. Estimated PID approval: November 1989 PP approval: April 1990.

NEW PROJECT DESCRIPTION  
(Amendment)

GOAL : Promote Democracy and Strengthen  
Democratic Institutions

OBJECTIVE : To improve the capacity of the  
Guatemala judicial system to provide  
fair, effective, and accessible service  
nationwide.

PROJECT TITLE : Improved Administration of Justice

PROJECT NUMBER : 520-0369

PROJECT FUNDING : (\$000) FY 1991: \$2,000 (G); Amendment  
LOP: \$7,000 (G)  
Total LOP: \$12,000 (G)

FUNCTIONAL ACCOUNT : Economic Support Funds (ESF)

PURPOSE CODE : 901

A. Relationship to A.I.D. Country Strategy/Objectives: N/A

B. Relationship to Host Country and other Donors: N/A

C. Conformance with Agency and Bureau Policies: Although the project's principal focus will continue to be the public judicial sector, the amendment will seek to draw on and strengthen private legal organizations, e.g., the Guatemalan Bar Association and University Law Schools. Gray Amendment procurement opportunities will be determined during intensive review.

D. Project Description: This five-year amendment will complete ongoing activities and develop activities that were planned, but not funded, during the intensive review of the project in FY 1988. In general, the amendment will provide for broader program support required to reach the long-term objective of establishing self-sustaining democratic institutions in Guatemala.

<u>Activities</u>	<u>Outputs</u>
<b>First Phase (1988-1991):</b>	
- Individual trained	2,000
- Court systems' planning, personnel, finance, and other functions improved	X
- Improved system of collecting and dissemination legal information	X
- National Justice Commission strengthened	X
<b>Second Phase (1991-1996):</b>	
- Additional analytical work performed and related workshops held	X
- Improved performance of the investigation and prosecution functions of the Attorney General's Office (Ministerio Público)	X
- Improved criminal defense system	X
- Improved public understanding and perception of the criminal justice system	X
- Further implementation in court system administration	X

Implementing Agencies: The Supreme Court and the Public Ministry (Attorney General's Office) and private organizations, such as the Bar Association and the law faculties, will implement the amended project.

Methods of Obligation: Handbook 13 agreements with NGOs and Handbook 3 bilateral agreements with GOG agencies.

E. Mission Management: USAID/Guatemala has organized and staffed a specific unit with U.S. and Guatemalan PSCs for Democratic Initiative activities. This unit, inter alia, is responsible for the Administration of Justice Project and is supervised by the Deputy Chief of the Office of Human Resources Development.

F. PID and PP Approval: USAID/Guatemala requests Bureau concurrence in field approval of the Project Paper Amendment.

G. Potential Issues: Although U.S. assistance in the judicial sector has been welcomed, Guatemalan leadership and ownership of the project will remain of paramount concern to the Mission. This will be particularly important as the project moves into its second phase in which a number of new activities dealing with highly sensitive issues and institutions are planned. Effective coordination of an expanded program will be a second key concern.

H. A.I.D./W TDY Support for Project Development: To be determined.

I. Estimated PP Amendment Approval: April 1991.



## 2. Food Aid

### Relationship to Mission Strategy

USAID's P.L. 480 Title I and Title II programs represent key development resources for the Mission in carrying out its strategy for assisting the Government of Guatemala to restore economic stability and promote broad-based long-term economic growth. The combined value of the two programs is around \$54 million or 20 percent of the Mission's total program during the Action Plan period. The magnitude of this resource and its importance to the Guatemalan economy argues for its careful integration with other resources to ensure its effective programming and use. A separate food aid strategy is in draft and is expected to be completed shortly.

Food aid programs play a significant role in achieving most of the Mission's development objectives, but especially those of stabilizing financial structures, increasing agricultural production, and improving health and child survival. Title I resources have provided Guatemala with needed balance of payments support and essential food imports. Associated local currency has been used to support mutually agreed upon development activities to increase agricultural production, improve health and increase educational opportunities. The Title II programs operate through the U.S. PVOs, CARE and Catholic Relief Services, and are used to address Guatemala's priority health/nutrition needs, assist in the development of its human resources, and expand programs of natural resource conservation and management. Details on the specific programs and their objectives can be found in the Title II FY 1990-1992 Multi-Year Operational Plans currently being prepared by CARE and CRS.

### Country Food Situation

Reports from the U.S. Department of Agriculture (both its Economic Research Service and U.S. Embassy's Agricultural Attache's CERP reports) indicate that basic food grain production has not increased substantially in Guatemala over the past several years (except perhaps in soft wheat), in spite of the fact that the Government is pursuing a vigorous policy to make Guatemala self-sufficient in food grains--especially corn. Guatemala's rapid population growth (2.9% annually) has generated a growing demand for corn, the rural population's basic staple, that has outstripped increases in local corn production. Good harvests during the 1987/1988 crop year, and expected again this crop year, will help meet overall needs, but they are due more to good weather conditions and area expansion than yield advances or better pricing policies.

Widespread chronic malnutrition continues to be a serious problem for a large percentage of Guatemalan citizens. Recent survey findings show that more than 30 percent of Guatemalan children under six suffer from moderate or severe malnutrition. Estimates of growth stunting from chronic undernutrition exceed 80 percent, with the incidence of all nutrition deficiencies highest among indigenous communities in the rural highlands.

Further complicating the food grain supply and demand gap are foreign exchange shortages. Additional basic grain imports will only further reduce international reserves which are needed to maintain economic stability and import needed capital goods to sustain economic growth.

The conditions highlighted above, especially the disparity between supply and demand and Guatemala's precarious foreign exchange situation make continued concessional food sales under Title I and donations under Title II over the Action Plan period critical to meeting food security and balance of payment needs.

#### Proposed Food Assistance Levels

Title I wheat imports are expected to increase by 5 percent per year reaching 130-140,000 MT with an estimated value of \$18 million in FY 1991. The Title II program, reflecting little increase in existing programs, is proposed at an estimated value of \$8.8 million per year for both FY 1990 and FY 1991, including a new program with World SHARE. The Title II commodity mix is likely to include a total of around 29,000 MT of soy fortified wheat and corn-soya-milk blends, vegetable oil, rice, cornmeal and pinto beans. This amount would drop by 20% to around \$7 million in the event that the proposed World SHARE Title II program does not take place. Better information on the commodity mix for Title II programs during the Action Plan period will be available upon receipt of the new CARE and CRS Multi-Year Operational Plans, expected during April.

#### Potential Disincentive Effects on Local Production - (Bellmon Amendment)

The Title I program has not resulted in disincentives to the domestic production and marketing of wheat. Guatemala's wheat production represents only 25 percent of present consumption and can be grown only in certain highland areas suitable for soft wheat varieties. Given these limitations, the demand for hard wheat must be met from imports. The GOG policy of requiring millers to purchase local wheat before permitting

wheat imports further supports favorable Bellmon Amendment findings. An evaluation of the Title I program is planned for FY 1989 and will look specifically at disincentive effects on local production. The proposed Title II program is too small to create disincentive effects. The country's port, handling, storage and distribution facilities are adequate for commodities recommended under both the Title I and II programs.

Host Country Food Policies and Key Reforms to be Supported with Food Aid

As part of the ESF Program, the Mission and the Government of Guatemala have jointly agreed on measures and policy reforms to stimulate agricultural production both to satisfy domestic consumption and to expand exports. All conditions listed in the ESF Program have been negotiated and commitments made in the ESF side letter. These include carrying out a diagnostic study of food security policy and its relationship to diversification efforts; reforming the public sector agricultural budget process to assure better utilization of resources and faster implementation of investment projects in the sector; carrying out a diagnostic study of the land registry system and producing a workplan for reform; accelerating the process of decentralizing of BANDESA to increase the availability and timeliness of rural credit for productive agriculture; and taking steps to expand the use of irrigation and increase the pace of reforestation programs. Self help measures within the P.L. 480, Title I agreements will also support the policy dialogue objectives of the ESF program.

Principal Local Currency Uses

To date (including the FY 1989 P.L.480 Title I Agreement) the Mission and Government of Guatemala have agreed that development activities to be funded with Title I associated local currency will support the implementation of self help measures and assist in achieving Mission/GOG objectives to increase agricultural production, improve health and child survival, increase educational opportunities and improve natural resource management. Specific projects include expanding and improving irrigation systems; expanding and improving farm-to-market roads; increasing credit and applied research in traditional and non-traditional crops; expanding reforestation/forest management and watershed management activities; providing support to CARE/CRS Title II Maternal/Child Health, Food for Work and other programs; and providing support to USDA animal and plant health activities.

During the Action Plan period, efforts will be made to incorporate the programming and use of Title I associated

local currency into the Core Development Budget process. Title I agreements will also include a Section 108 program under which 25 percent of the value of all Title I local currency will be made available to strengthen the private sector.

Title II Beneficiaries, Development Impact, Agency Capacity and Monetization Requirements/Uses

During the Action Plan period, CARE and CRS will continue to reach around 340,000 beneficiaries (CARE recipients number some 270,000) who receive assistance through supplementary maternal/child health (MCH) feeding programs that combat the serious malnutrition problem facing the "at risk" population in Guatemala. In addition, CARE and CRS will continue to manage Food-for-Work programs that provide incentives to large numbers of unemployed and underemployed Guatemalans to work in grassroots level social and economic development activities throughout the country. Such Food-for-work programs benefit more than 100,000 individuals. Examples of projects being carried out include roads, bridges, drainage systems, community centers, schools, reforestation and soil conservation activities. The largest program is the CARE Urban Food-for-Work Program operating in Guatemala City and several other larger urban centers.

An FY 1988 evaluation of all Title II programs indicated that the well-established institutional capacities of the U.S. PVOs, the efficiency of their logistical/reporting systems and their superior technical capabilities in grassroots programs, have generally resulted in the achievement of improved productivity and income among the target groups. While the lack of sound growth monitoring systems prevented a more precise assessment of the health, nutritional and other effects of these programs, food distribution generally had a positive impact on family food intake and income without creating high levels of dependence. The evaluation also indicated that food distribution was a major incentive for mothers and young children to attend health centers where they received other health and child survival services, such as vaccinations and health education.

The effects of other programs, while less apparent, were nonetheless important. The evaluation indicated that the community organization focus in the planning and execution of Food-for-Work projects has contributed to the development of grass roots "democratic institutions", while natural resource preservation and development efforts have contributed to the country's overall development. The evaluation report also included a number of recommendations that are being carried out at this time or that will be carried out in the near future.

These included improved targeting to focus on the most vulnerable groups (infants under two); greater integration of MCH supplementary feeding with family health and education services to have maximum nutritional impact; greater integration of food aid with Mission objectives for maximum development impact; assisting PVOs in establishing of growth monitoring systems to develop the baseline data needed to measure future progress; and improving coordination with other donors.

The combined food management experience of CARE and CRS in Guatemala exceeds 50 years. CARE currently maintains an expatriate staff of 6 in-country as well as local staff in excess of 70. CRS recently reinforced its field staff with an additional advisor and is planning to make substantial changes to upgrade its programs. World SHARE/SHARE de Guatemala is completing a Section 416 program and has requested approval of a Title II program for FY 1989 or 1990. Both CARE and SHARE have applied for A.I.D. central funding to strengthen their Title II and other operations in Guatemala. Information on monetization is not available at this time but general trends indicate that CARE will request \$250,000 to \$300,000 in monetization to support planned programs over the Action Plan period, and that WORLD SHARE will request up to \$300,000 in monetization to carry out their proposed Title II program.

#### Management Considerations

The Mission has made a substantial commitment to the development and management of food aid programs. A full time U.S PSC is concentrating on program development, coordination and evaluation within the Mission's Food Program Support Unit. This employee is taking the lead in implementing the Mission's Food Aid Management Order and finalizing a Food Aid Strategy. A full time Guatemalan Development Intern will be recruited in FY 1989 to assist the U.S. PSC in carrying out these and other monitoring responsibilities. A computer was also recently assigned to the Mission's Food Program Support Unit to allow improved data bases to be set up to facilitate food aid planning, coordination and evaluation. The Mission Food Resources Committee has become a fully functioning organization for purposes of food aid programming and coordination, and Mission technical offices have become directly involved in working closely with U.S. PVOs in overall program development.

TABLE I  
BASIC FOOD GRAIN SITUATION: SUPPLY AND DEMAND 1/  
(In 1,000 MT)

Year 2/ 1983/ 1984	Crop 2/ Corn Wheat	Begin Stocks	Supply			Demand			Total	Exports	Comments
			Prod.	Imports	Total	Consumption Human	Other 3/	Losses			
	Corn	5	1,103	N/A	1,108	868	161	55	3	1,087	--
	Wheat	26	43	112	181	148	3	4	0	155	--
	Corn	21	1,027	N/A	1,048	882	100	26	0	1,008	--
	Wheat	26	55	124	205	170	4	5	0	179	--
	Corn	40	1,198	N/A	1,238	884	220	60	5	1,169	--
	Wheat	26	51	135	212	174	6	4	0	184	--
	Corn	69	1,076	54	1,189	924	140	54	0	1,118	Drought
	Wheat	28	46	152	226	192		6	0	198	
	Corn	71	1,217	5	1,293	924	229	60	0	1,213	Good Harvest
	Wheat	28	51	147	226	197	--	1	0	198	
(Est.)											
	Corn	80	1,300	0	1,380	951	310	60	0	1,321	Good Harvest
	Wheat	28	45	147	220	209	0	0	0	209	

Footnotes:

- 1/ Statistics are from U.S. Department of Agriculture's Economic Research Service and U.S. Embassy's Agriculture Attaché CERF Report.
- 2/ Crop year is from July 1 - June 30; first year (1983) ends June 30, 1984.
- 3/ Other consumption includes animal feed, seeds and industrial needs; most is used for first category.

### 3. Local Currency Management

Beginning in FY 1988, a fundamental change was made in the way ESF-associated local currency is treated in Mission programming. With the exception of the local currency reserved for the Mission Trust Fund, ESF-generated local currency is now directly available for use by the Government of Guatemala in financing high-priority development-related investment programs that have been designated part of its "Core Development Budget." The concept of the Core Development Budget (CDB) has emerged from a series of intensive negotiations between USAID and the GOG on management and use of ESF-generated local currency.

The distinguishing feature of the CDB is that agreement is reached between the GOG and USAID at the beginning of each year on the investment programs and projects that have the highest priority in terms of their development impact. The GOG then agrees that these activities will be given first call on investment budget resources as they become available. Through this process a number of objectives are achieved. First, the entire proposed GOG investment program is brought under scrutiny and the less essential items can be quickly isolated. At this stage, we are able to exert a much broader influence on GOG spending decisions than could be achieved by reviewing only those narrowly focussed development projects that would be proposed by the host government for local currency financing under more traditional programming methods. Second, by giving a core set of mutually agreed high-priority development efforts first call on resources and establishing an execution target, we are better able to assure that such programs will, in fact, be implemented on a reasonably disciplined schedule. Further, since the process to some extent forces the expenditure of scarce resources on development investments, it is less likely that remaining resources will be allocated to unproductive uses. Finally, because we insist that the GOG carefully plan implementation of the CDB and track performance, we are introducing greater discipline into the GOG budget process and we are finding that our counterpart budget managers in the government are themselves recognizing the longer-term benefits to be derived through better planning and control of that process.

To summarize overall performance to date, the FY 1988 CDB execution rate was lower than hoped (about 60 percent) reflecting GOG overbudgeting as much as slow project implementation. A target execution rate of 75 percent has been set by the GOG and the Mission for FY 1989. The GOG approved a total public investment budget of Q711 million in 1988 of which Q481 million was allocated for the priority development investments of the Core Development Budget. Of this latter amount,

about 90 percent is budgeted for projects and 10 percent for related recurring costs required to support such investments. Preliminary information indicates that the 60 percent of the FY 1988 Core Development Budget that was expended went primarily for basic infrastructure (close to one fourth), agriculture, health and education.

Calendar Year	<u>GOG Public Investment Budget</u>				<u>ESF Local Currency</u>			
	Total Budget	<u>Core Dev. Part</u>			<u>Attribution to CDB</u>			
		Planned Amount	Actual Amount	%	Planned Amt.	%	Actual Amt.	%
1988	711	481	286	59	182	38	97	22
1989	1,034	729	--	--	205	28	--	--
Increase	319	248	--	--	23	--	--	--
	+45%	+52%	--	--	+11%	--	--	--

As indicated above, the GOG is increasing both its public investment and Core Development budget totals more than 45 percent in 1989. The 75 percent target execution rate (Q547 million) for the CDB in FY 1989 is an ambitious one but the new USAID-funded Fiscal Administration Improvement project, which begins in FY 1989, is expected to accelerate the GOG's planning, budgeting and implementation process. The 1989 Core Development Budget contains an investment profile for each new project indicating whether required feasibility studies and other analyses and planning have been carried out to ensure the most efficient use of scarce resources and that drawdown of the funds will proceed reasonably on schedule. In addition to the above actions, the Mission is also working closely with key GOG Ministries to re-program unutilized local currency generated under existing P.L. 480, Title I and Section 416 agreements. While a number of details have yet to be worked out, the Mission hopes eventually to include resources generated under P.L. 480, Title I agreements as part of the negotiations for future Core Development Budgets.



FY 1988

LOCAL CURRENCY UTILIZATIONS  
(\$000)

	SOURCES						TOTAL
	ESF	PL 480 I	PL 480 II	PL 480 III	SEC. 416	OTHER	
<u>Uses</u>							
HG Budget General	57,061	--	--	--	--	--	57,061
HG Budget Sector	--	--	--	--	--	--	--
HG Contribution to AID Projects	1,709	3,545	--	--	--	--	5,254
HG Contribution to Other Donor Projects	8,875	1,032	--	--	--	--	9,907
HG-Managed L/C Project (Govt. or Private)	--	5,599	--	--	688	--	6,287
AID Program Trust Fund	370	--	--	--	--	--	370
AID OE Trust Fund	2,724	--	--	--	--	--	2,724
Section 108	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--
<b>TOTAL</b>	<b>70,739</b>	<b>10,176</b>	<b>--</b>	<b>--</b>	<b>688</b>	<b>--</b>	<b>81,603</b>
<u>Channel for Assistance</u>							
Public Sector	70,369	10,176	--	--	688	--	81,233
Private Sector	370	--	--	--	--	--	370
<b>TOTAL</b>	<b>70,739</b>	<b>10,176</b>	<b>--</b>	<b>--</b>	<b>688</b>	<b>--</b>	<b>81,603</b>

FY 1989

LOCAL CURRENCY UTILIZATIONS  
(\$000)

	SOURCES						TOTAL
	ESP	PL 480 I	PL 480 II	PL 480 III	SEC. 416	OTHER	
<u>Uses</u>							
HG Budget General	55,314	--	--	--	--	--	55,314
HG Budget Sector	--	--	--	--	--	--	--
HG Contribution to AID Projects	12,688	1,858	--	--	--	--	14,546
HG Contribution to Other Donor Projects	20,710	1,029	--	--	--	--	21,739
HG-Managed L/C Project (Govt. or Private)	--	15,856	--	--	4,688	--	20,544
AID Program Trust Fund	4,957	--	--	--	--	--	4,957
AID OE Trust Fund	3,423	--	--	--	--	--	3,423
Section 108	--	4,500	--	--	--	--	4,500
Other	--	--	--	--	--	--	--
<b>TOTAL</b>	<b>97,092</b>	<b>23,243</b>	<b>--</b>	<b>--</b>	<b>4,688</b>	<b>--</b>	<b>125,023</b>
<u>Channel for Assistance</u>							
Public Sector	92,135	18,743	--	--	4,688	--	115,566
Private Sector	4,957	4,500	--	--	--	--	9,457
<b>TOTAL</b>	<b>97,092</b>	<b>23,243</b>	<b>--</b>	<b>--</b>	<b>4,688</b>	<b>--</b>	<b>125,023</b>

FY 1990

LOCAL CURRENCY UTILIZATIONS  
( \$000 )

	SOURCES						TOTAL
	ESF	PL 480 I	PL 480 II	PL 480 III	SEC. 416	OTHER	
<u>Uses</u>							
HG Budget General	28,952	--	--	--	--	--	28,952
HG Budget Sector	--	--	--	--	--	--	--
HG Contribution to AID Projects	12,304	242	--	--	--	--	12,546
HG Contribution to Other Donor Projects	17,399	726	--	--	--	--	18,125
HG-Managed L/C Project (Govt. or Private)	--	14,078	--	--	4,688	--	18,766
AID Program Trust Fund	5,457	--	--	--	--	--	5,457
AID OE Trust Fund	4,375	--	--	--	--	--	4,375
Section 108	--	4,500	--	--	--	--	4,500
Other	--	--	--	--	--	--	--
<b>TOTAL</b>	<b>68,487</b>	<b>19,546</b>	<b>--</b>	<b>--</b>	<b>4,688</b>	<b>--</b>	<b>92,721</b>
<u>Channel for Assistance</u>							
Public Sector	63,030	15,046	--	--	4,688	--	82,764
Private Sector	5,457	4,500	--	--	--	--	9,957
<b>TOTAL</b>	<b>68,487</b>	<b>19,546</b>	<b>--</b>	<b>--</b>	<b>4,688</b>	<b>--</b>	<b>92,721</b>

FY 1991

LOCAL CURRENCY UTILIZATIONS  
(\$000)

	SOURCES						TOTAL
	ESF	PL 480 I	PL 480 II	PL 480 III	SEC. 416	OTHER	
<u>Uses</u>							
HG Budget General	27,600	--	--	--	--	--	27,600
HG Budget Sector	--	--	--	--	--	--	--
HG Contribution to AID Projects	10,400	242	--	--	--	--	10,642
HG Contribution to Other Donor Projects	13,300	726	--	--	--	--	14,026
HG-Managed L/C Project (Govt. or Private)	--	18,578	--	--	3,596	--	22,174
AID Program Trust Fund	2,196	--	--	--	--	--	2,196
AID OE Trust Fund	5,746	--	--	--	--	--	5,746
Section 108	--	4,500	--	--	--	--	4,500
Other	--	--	--	--	--	--	--
TOTAL	59,242	24,046	--	--	3,596	--	86,884
<u>Channel for Assistance</u>							
Public Sector	57,046	19,546	--	--	3,596	--	80,188
Private Sector	2,196	4,500	--	--	--	--	6,696
TOTAL	59,242	24,046	--	--	3,596	--	86,884

### 3. Women in Development (WID)

A number of policy, institutional and other constraints continue to inhibit the participation and contribution of Guatemalan women in their country's development. USAID/Guatemala has worked with a variety of public and private organizations in the last two years to identify those constraints and to assure that Mission planning and project designs appropriately address them. The recently updated Country Development Strategy Statement (CDSS) as well as sector strategies and related programs/projects were developed with such constraints in mind and demonstrate that the Mission has made substantial progress on the gender issue.

The Mission incorporated gender considerations as one of eight cross-cutting issues in its CDSS update. A WID strategy has been finalized which establishes separate WID objectives for each of the Mission's principal Action Plan objectives, and a separate WID Action Plan for accomplishing these has been developed. Mission personnel participated in a LAC Regional WID Workshop to increase the USAID's WID knowledge/skills base. Further, a Mission WID Committee was established in FY 1988. It is now fully functioning and dealing with all WID issues in a systematic manner. Many of these efforts benefited from extremely knowledgeable external assistance from such organizations as ICRW and MUCIA.

The Mission's recently completed WID two-year Action or Work Plan, submitted under separate cover to the LAC Bureau, deserves special mention. Following the outline of the Mission's WID strategy, it summarizes the most critical actions that need to be undertaken. Of highest priority is completion of a comprehensive inventory of existing WID organizations, with their strengths, weaknesses and growth needs. Next is the establishment of gender disaggregated data bases with indicators to measure progress and a project-by-project portfolio review to develop a recommended WID assistance program. The Mission will utilize external technical assistance to complete those tasks within a reasonable time frame.

Specific WID achievements during the past year include the following:

-- Within the productive sectors, the major activities having a significant impact on women continued to be those of the Micro-Business Promotion project (520-0377) carried out in conjunction with ACCION/AITEC, and the Private Sector Coordination project (520-0337) carried out through two Guatemalan PVOs, the Technical Foundation (FUNTEC) and the Development Foundation (FUNDAP).

In the former, Accion/AITEC made 37 percent of its loans (a total of 1,300) during the last six months to women microentrepreneurs. Since women make up an estimated 55 percent of the some 356,000 microentrepreneurs in the informal sector, more work needs to be done in this area. In the latter, FUNTEC continued to train women as seamstresses while also providing them with guaranteed jobs in the maquila (drawback) or other industries. Under an A.I.D.-financed Fish Pond Development project with CARE, a pilot WID grant was obtained during the past year to increase training and technical assistance to women microentrepreneurs.

-- Within the social sectors, the Mission's Guatemala Peace Scholarship (CAPS I) program continues to provide substantial numbers of both short and long term scholarships to Guatemala's socially and economically disadvantaged population, especially its indigenous population. In FY 1988, more than 400 women went to the U.S. for training under the CAPS program, more than 40 percent of all Peace Scholars. Such educational opportunities expand the potential for such people to contribute to the growth and development of their communities after they return. Education also played a significant part in the implementation of improved family health activities. The Mission financed a pilot female education program through the Guatemalan Family Welfare Association (AGES) as part of its family planning program. Small stipends were provided to 500 families in six communities to allow young Mayan women to stay in school.

### III. MANAGEMENT

#### A. Management Strategy

##### (1) Administrative Management

Many of the key decisions needed from AID/W to support Mission management needs have been made over the last year. Particularly important was the decision to construct a new office building. The pending actions which may require additional assistance are the remodeling and equipping of another annex to house ROCAP staff until the new building is completed. An issue of continuing concern is the lack of local currency support for ROCAP from other regional bilateral Missions. USAID/Guatemala continues to provide virtually all such support (except for the Costa Rica operation). The longer term concern must be whether the Guatemalan Government will continue to agree with this when ESF levels begin to drop sharply in FY 1991.

Highlights of administrative management actions over the last year which will carry over through the Action Plan period are as follows:

##### (a) New Office Building

As of February 14, 1989 a Letter of Intent was signed with a local developer to construct a new office building to house the staff now located in three separate buildings. This should resolve a number of problems related to the present lack of space: the dispersion of personnel into three separate and scattered locations, inadequate telephone services, the cost of frequent messenger service between the three locations, computer access and many more.

A twenty-four month construction period should have the new building available for occupancy in early 1991. Assuming adequate funding, we are required to install lighting, electrical and computer wiring, partitions, carpeting and all office furnishings. The procurement plans for FY 1990 and FY 1991 include anticipated expenses for the new office building.

In the interim, many offices have "doubled up" and some internal space has or will soon be modified. We have, for example, remodeled an employee lunch room to expand the Controller's Office and the conference room in the main building into three additional offices.

(b) Leases

Since the new office building will not be completed until 1991, all current office leases (5) will have to be extended. The Main Building, which currently is covered by three separate leases, will be combined into two leases. To date, the leases for Annex I (part of the Main building) and Annex II (housing EXO and Contracts and Procurement) have been renegotiated. A third, for the remainder of the Main Building, is under consideration by the owner which leaves only Annex III to be renegotiated.

While we anticipated a 300% increase in the leases in last year's Action Plan, we are hopeful that we will be reporting in the near future a far lower increase in all of our leases.

(c) Staffing

During FY 1988 we obtained both Bureau and Ambassadorial approval for two additional USDH positions for Health and Education Officers. In addition, we subscribed very heavily to the International Development Intern Program and currently show five (5) IDI's on our staffing pattern. One, however, was placed on the Honduran Task Force and will not join the Mission's staff.

During the past eighteen months, the Government of Guatemala has approved two major pieces on environmental legislation. The first created a presidential commission on the environmental, Comision Nacional del Medio Ambiente (CONAMA), with far reaching environmental oversight responsibilities. The second created forty-four new protected areas and established a commission, Comision Nacional de Areas Protegidas (CONAP), responsible for management of fauna and flora within and outside these protected areas. Responding to these concerns as well as the findings of the recently completed Biodiversity and Tropical Forest Assessment, natural resource conservation has become a top priority for the U.S. Country Team in Guatemala. The Mission is now designing a broader program of assistance in natural resources and environmental protection, and will seek approval from the U.S. Ambassador for an additional USDH Natural Resource/Environment Officer position. If approval is received, the Mission will request that AID/W allocate one additional USDH position ceiling for this purpose.

Our Guatemalan professional complement has increased by eleven (11) from FY 1988 and the Guatemalan Development Intern Program (modeled after the IDI Program) has



gotten off the ground with an influx of five (5) professionals in the fields of education, health, the private sector, an attorney and an economist.

(d) Vulnerability Assessment

As reported in the FY 1989-FY 1990 Action Plan, a comprehensive vulnerability study was conducted. Initially, it was believed that the problems encountered were minor. It was later discovered, however, that the NXP inventory contained glaring errors. SER/EOMS was contacted for assistance and responded by sending a two-man team to train staff and conduct a complete physical inventory. The inventory is complete and the necessary reconciliation has been made between AID/W, Controller and EXO records. Action was taken decisively and quickly. Reconciliation has occurred earlier than anticipated.

(e) EXO Reorganization

A newly arrived Executive Officer has reorganized this office resulting in transfers, decreased use of overtime, reduced off-shore procurement utilizing Trust Funds (e.g., for residential furnishings and appliances), promotions from within, training programs, lease renegotiations and other changes in the interest of providing better service to USDH, FSN and contractor staffs.

The Contracts Officer now operates under the guidance of the Deputy Director who also serves as the Misson's Competition Advocate.

(f) OE Trust Fund

The FY 1989 ESF negotiations call for \$6.95 million in local currency to replenish the OE Trust Fund. In addition to providing local currency OE support for ROCAP, this fund also continues to support local audit needs. Two major IQC contracts for both non-federal audits and financial reviews were signed in FY 1988 and to date two audits and six financial reviews have been initiated. For FY 1989, six additional financial reviews are planned.

(2) Portfolio Management

Expenditure rates continue to demonstrate strong implementation progress across the portfolio. For FY 1988, total project expenditures were some \$42 million versus \$31 million net obligations. For FY 1989, first quarter actual disbursements were \$6.5 million versus \$5.8 for the first

quarter FY 1988 and \$11.4 million for the second quarter versus \$9.7 million in FY 1988. Total expenditures for the first two quarters of FY 1989 were \$20.8 million compared to \$19.3 million for the like period in FY 1988. FY 1989 obligations of new project assistance funds through the second quarter are 37 percent of the total planned for the year. A transfer of implementation responsibilities for all training (including CAPS) and democratic initiatives from the Program Office to the Human Resources Development office has been completed with no loss in implementation momentum.

With respect to the pipeline, the Mission has established an excellent track record, increasing expenditures by 50 percent in FY 1988 over those of FY 1987, with a similar projected increase in FY 1989 and similar favorable levels over the full Action Plan period.

As a result, the Mission's pipeline is projected to decline from 58 percent of cumulative obligations at the end of FY 1988 (exclusive of cash transfers but inclusive of continuous activities such as PD&S) to 45 percent at the end of FY 1989 and 35 percent at the end of FY 1990.

In light of the above trends, coupled with anticipated host country improvements in the execution rate of the Core Development Budget, related administrative improvement in support of donor projects (especially those of USAID), the need for a long term commitment of substantial funds for development in Guatemala, the Mission requests that AID/W begin to plan for higher DA levels for the Guatemala program as was discussed in the January 1989 CDSS Update review.

MISSION HUMAN RESOURCE TABLE  
ALLOCATION OF HOURS/YEARS TO ACTIVITIES  
ACTUAL FOR FY 1988

ACTIVITY	U S D H OE	FN/DH OE/TF	US PSC		FN PSC		IPA/JCC/DET		RWS/PASA		MAN PWR COST		TOTALS		No. OF ACTIVE PROJECTS	
			OE/TF	PROG	OE/TF	PROG	OE/TF	PROG	OE/TF	PROG	OE/TF	PROG	OE/TF	PROG		
<b>MISSION MANAGEMENT</b>																
EDUC DIRECTION	2		4		1	1			1				2	4	6	1 a/
PROG PLANNING	5.2	4.0	0.1	0.7									10.3	2.7	13	
PARTICIPANT TRAINING																
FINANCIAL MGT	2.9	10			9								21.9	0	21.9	
ADMINISTRATIVE MGT	1.5	7	0.5		2.6								11.6	0	11.6	
CONTRACT MGT	.3	2			4.4								6.7	0	6.7	
CLERICAL SUPPORT		10			44.1						5	2.5	59.1	2.5	61.6	
OFFICE OPERATIONS			0.2								45	34.5	45.2	34.5	79.7	
SUPPORT																
RESIDENTIAL OPS			0.3								2.0	0.3	2.0	2.0	2.3	
SUPPORT																
LEGAL ANALYSIS																
ECONOMIC ANALYSIS	2		1	2.1									3	2.1	5.1	b/
AUDIT																
INVESTIGATIONS																
SUB-TOTAL	13.9	33.0	2.1	6.8	61.1	1	1			1	50	39.0	160.1	47.8	207.9	1

PROGRAM/PROJECT MANAGEMENT	U S D H OE	FN/DH OE/TF	US PSC		FN PSC		IPA/JCC/DET		RWS/PASA		MAN PWR COST		TOTALS		No. OF ACTIVE PROJECTS	
			OE/TF	PROG	OE/TF	PROG	OE/TF	PROG	OE/TF	PROG	OE/TF	PROG	OE/TF	PROG		
ESF - PROJECTS	0.2 b/		b/	0.5	0.5	1							0.5	1.5	2.0	7 c/
ESF - NON-PROJECT	3.7	3.2		1.0	0.5	15			4.0				0.2	0	0.2	5
AG/ED/NUTRITION a/	0.7	0.5		0.8									7.4	20	27.4	10
POPULATION				0.2									1.2	0.5	1.7	1
AIDS													0	0.2	0.2	
HEALTH a/	0.6												0.6	0	0.6	3
CHILD SURVIVAL	0.8	2.5		0.7		0.5							3.3	1.2	4.5	1
EDUC & HUMAN RESOURCES	0.2	3.0			0.4								3.6	0	3.6	6
FWTS/TECH/ENVIRONM a/	2.0	2.1	1.3	1.0	1.5			1.0					6.9	2.0	8.9	9
PVT SITE DEV LOAN FUND	0.4												0.4	0	0.2	
HOUSING - GUARANTEE	0.2												0.2	0	0.2	
HOUSING - NON-GUARANTEE																
FL-480 TITLE II				0.2									0	0.2	0.2	1
FL-480 ALL OTHER	0.1	0.1		0.1									0.1	0.1	0.2	1
DISASTER ASSISTANCE													0.1	0	0.1	1
CENTRALLY-FUNDED PROJECTS													0.1	0	0.1	1
REGIONALLY-FUNDED PROJECTS																2
OTHER (TRADE CREDIT																
INSURANCE PROGRAM)	0.1												0.1	-	0.1	1
SUB-TOTAL	8.3	12.1	1.3	4.5	2.9	16.5			5.0				24.6	25.7	50.3	49
TOTAL	22.2	45.1	3.4	14.3	64.0	17.5	-	-	6.0	50	39	184.7	73.5	258.2	50	

**NOTES**

a/ Includes PMS only; infrastructure projects managed by PMSO Office shown below under functional accounts.

b/ Activities managed by Economics Analysis Office shown below under ESF Project/Non-Project category (with regard to project category this includes economic studies and fiscal administration improvement activities).

c/ ESF projects include Ag. Business Development project jointly managed by ORO/OPED offices, four Democracy Initiative projects managed by ORO office, and two projects managed by the Economics office (Fiscal Administration Improvement and Economic Studies).

USAID/Guatemala  
 Letter April 7, 1969

MISSION HUMAN RESOURCE TABLE  
 ALLOCATION OF HOURS TO ACTIVITIES  
 ACTUAL FOR FY 1969

ACTIVITY	U S D H CE	FINR CE/TF	US PBC CE/TF	IN PBC CE/TF	IPA/JCC/DET CE/TF	MARA/PMSA CE/TF	MAN PAR COST CE/TF	TOTALS CE/TF	GRAND TOTAL	NO. OF ACTIVE PROJECTS
<b>MISSION MANAGEMENT</b>										
EXEC DIRECTION	2							2	0	2
PROG PLANNING	5.6	3.0	0.7	1.2	2.0			11.3	1.6	12.9
PARTICIPANT TRAINING						0.4				
FINANCIAL MGT	3	14	0.8	15.2				33	0	33
ADMINISTRATIVE MGT	2	5	1.1	4.4	1			12.5	1	13.5
CONTRACT MGT	1	2						3	0	3
CLERICAL SUPPORT		7	0.6	60.7	4.1		5	72.7	4.1	76.8
OFFICE OPERATIONS				0.3			32	32.9	0	32.9
SUPPORT							2.6	3.1	0	3.1
RESIDENTIAL OPS										
SUPPORT										
LEGAL ANALYSIS										
ECONOMIC ANALYSIS	2		1		3			6	0	6
AUDIT										
INVESTIGATIONS										
SUB-TOTAL	15.6	31	4.7	1.2	65.6	5.1	39.6	176.5	6.7	183.2

**PROGRAM/PROJECT MANAGEMENT**

ESF - PROJECTS	0.3				1.1	1		2.1	3	5.1
ESF - NON-PROJECT	5.6	4.4			0.5	14		10.5	19.1	29.6
AG/RO/INTEGRATION a/	0.7	0.5						1.2	0.7	1.9
POPULATION								0	0.2	0.2
AIDS								0	0.2	0.2
HEALTH a/	1.5				0.3			1.8	0	1.8
CHILD SURVIVAL	0.2				0.7			2.4	1	3.4
EDUC & HUMAN RESOURCES	1.3				0.5	1		4.3	1.2	5.5
PLANS/ENERGY/ENVIRONMENT a/	2.7	2	3	1.6	2.8			10.5	1.9	12.4
PVT SECTR DEV LOANS FUND	0.4							0.4	0	0.4
HOUSING - GUARANTEE	0.2							0.2	0.3	0.5
HOUSING - NON-GUARANTEE								0	0.1	0.1
PL-480 TITLE II								0	0.2	0.2
PL-480 ALL OTHER	0.1							0.1	0.1	0.2
DISASTER ASSISTANCE	0.1							0.2	0	0.2
CENTRALLY-FUNDED PROJECTS		0.4						0.4	0	0.4
ROTICALLY-FUNDED PROJECTS								0.1	0.1	0.2
OTHER (TRADE CREDIT								0.2	0	0.2
INSURANCE PROGRAM)										
SUB-TOTAL	12.5	13.1	3	8.5	5.9	16	3.3	34.5	27.8	62.3

TOTAL	28.1	44.1	7.7	9.7	91.5	21.1	3.7	21.1	34.5	245.5
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**NOTES**

- a/ Includes PMS only; Infrastructure projects managed by Project Development and Support Office shown below under functional accounts.
- b/ Activities managed by Economics Analysis Office shown below under ESF Project/Non-Project category (with regard to project category this includes economic studies and fiscal admin improvement activities).
- c/ ESF projects include Ag. Business Development project jointly managed by OED/OED offices, four Democracy Initiative projects managed by OED office, and two projects managed by the Economics Office (Fiscal Administration Improvement and Economic Studies).

UNAI/QUINTEVALA  
DATE: April 7, 1989

MISSION HUMAN RESOURCE TABLE  
ALLOCATION OF WORKYEARS TO ACTIVITIES  
ACTUAL FOR FY 1990

ACTIVITY	U S D H		FNUH		US PSC		FN PSC		IPA/JCC/DET		RASA/PASA		MAN PWR COST		TOTALS		GRAND TOTAL		No. OF ACTIVE PROJECTS	
	CE	CE/TF	CE/TF	PROG	CE/TF	PROG	CE/TF	PROG	CE/TF	PROG	CE/TF	PROG	CE/TF	PROG	CE/TF	PROG	CE/TF	PROG		CE/TF
<b>MISSION MANAGEMENT</b>																				
EXEC DIRECTION	2																			1 a/
PROG PLANNING	6.2	3.0	1	1.7	4						1				2	0	2	2	2.7	16.9
PARTICIPANT TRAINING																				
FINANCIAL MGT	3	14	1		17										35	0	35			
ADMINISTRATIVE MGT	2.5	5	0.5		5		1								13	1	14			
CONTRACT MGT	1	2													3	0	3			
CLERICAL SUPPORT		6			68		4								79	4	83			
OFFICE OPERATIONS			0.5		1										46.5	0	46.5			
SUPPORT																				
RESIDENTIAL OPS	0.5														4	0	4			
SUPPORT																				
LEGAL ANALYSIS																				
ECONOMIC ANALYSIS	2		1		3										6	0	6			b/
AUDIT																				
INVESTIGATIONS																				
SUB-TOTAL	17.2	30	4	1.7	98	5		54		203.2	7.7	210.9								1

**PROGRAM/PROJECT MANAGEMENT**

ESF - PROJECTS	0.4	1	2.5	0.5	1										1.5	3.5	5.0			5 c/
ESF - NON-PROJECT	5.9	4.3	2		0.5	6					2.7				0.4	0	0.4			4
AG/RO/NUTRITION	0.7	0.5			0.7										10.7	10.7	21.4			9
POPULATION															1.2	0.7	1.9			1
AIDS															0	0.2	0.2			-
HEALTH	1.5				0.5										2	0	2			1
CHILD SURVIVAL	0.2	1.5	1		0.5	1									2.2	2	4.2			1
EDUC & HUMAN RESOURCES	2	2.5			1.2	1.5									6.0	1.2	7.2			6
PVTSCR/ENERGY/ENVIRONMENT	2.5	2		3	1	2.5					1				10	2	12			9
PVT SCIR DEV LOAN FUND	0.4	0.4													0.4	0	0.4			-
HOUSING - GUARANTEE	0.2				0.6										0.2	0.6	0.8			1
HOUSING - NON-GUARANTEE					0.3										0	0.3	0.3			1
FL-480 TITLE II					0.2										0	0.2	0.2			1
FL-480 ALL OTHER	0.1				0.1										0.1	0.1	0.2			1
DISASTER ASSISTANCE	0.1														0.2	0	0.2			-
CENTRALLY-FUNDED PROJECTS															0.4	0	0.4			2
REGIONALLY-FUNDED PROJECTS															0.1	0.1	0.2			1
OTHER (TRADE CREDIT															0.2	0	0.2			-
INSURANCE PROGRAM)															0.4	0	0.4			1
															0.1	0	0.1			1
SUB-TOTAL	13.4	43	3	9.8	6	8		3.7		35.4	21.5	56.9								43
TOTAL	30.6	43	7	11.5	104	13		4.7		238.6	29.2	267.8								44

**NOTES**

- a/ Includes PAs only; Infrastructure projects managed by Project Development and Support Office shown below under functional accounts.
- b/ Activities managed by Economics Analysis Office shown below under ESF Project/Non-Project category (with regard to project category this includes fiscal admin improvement projects).
- c/ ESF projects include four democracy projects managed by QIRD office and Fiscal Administration Improvement Project managed by Economics Office.

USAID/GUNTAPALA  
DATE: April 7, 1989

MISSION HUMAN RESOURCE TABLE  
ALLOCATION OF WORKDAYS TO ACTIVITIES  
ACTUAL FOR FY 1991

ACTIVITY	U S D B CE	FMSH CE/TF	US PSC CE/TF	EN PSC CE/TF	IPA/JCC/DET CE/TF	FMSH/PASA CE/TF	MAN PAR COST CE/TF	TOTALS		GRAND TOTAL	NO. OF ACTIVE PROJECTS
								CE/TF	PROG		
<b>MISSION MANAGEMENT</b>											
EXEC DIRECTION	2.0							2.0	0	2.0	-
PROG PLANNING	5.4	3.0	1.0	4.0		1.0		13.4	2.7	16.1	1 a/
PARTICIPANT TRAINING											
FINANCIAL MGT	3.0	14.0	1.0	17.0				35.0	0	35.0	-
ADMINISTRATIVE MGT	2.5	5.0	0.5	5.0	1.0			13.0	1.0	14.0	-
CONTRACT MGT	1.0	2.0					5	3.0	0	3.0	-
CLERICAL SUPPORT		6.0		68.0	4.0			79.0	4.0	83.0	-
OFFICE OPERATIONS											
SUPPORT			0.5	1.0			45.0	46.5	0	46.5	-
RESIDENTIAL OPS											
SUPPORT	0.5						4.0	4.5	0	4.5	-
LEGAL ANALYSIS											
ECONOMIC ANALYSIS	2.0		1.0	3.0				6.0	0	6.0	b/
AUDIT											-
INVESTIGATIONS											-
<b>SUB-TOTAL</b>	<b>16.4</b>	<b>30.0</b>	<b>4.0</b>	<b>98.0</b>	<b>5.0</b>	<b>1.0</b>	<b>54.0</b>	<b>202.4</b>	<b>7.7</b>	<b>210.1</b>	<b>1</b>

**PROGRAM/PROJECT MANAGEMENT**

ESP - PROJECTS	0.4	1.0		2.5	0.5	1		1.5	3.5	5.0	4
ESP - NON-PROJECT	5.9	4.3		2.0	0.5	6		10.7	11	21.7	4
AGI/NO/NUTRITION	0.7	0.5		0.7				1.2	0.7	1.9	7
POPULATION				0.2				0	0.2	0.2	1 d/
AIDS					0.5			2	0	2	-
HEALTH	1.5			1.0	0.5			2.2	2	4.2	1 d/
CHILD SURVIVAL	0.2	1.5		1.5	1.5	1		6.0	1.5	7.5	5
EDUC & HUMAN RESOURCES	2	2.5		4.0	2.5			10	5	15.0	6
F/ACTS/ENERGY/ENV/PRMT	2.5		3					0.4	0	0.4	-
FVT SCTA DEV LOW FUND		0.4		0.6				0.2	0.6	0.8	-
HOUSING - GUARANTEE		0.2		0.3				0	0.3	0.3	1
HOUSING - NON-GUARANTEE				0.2				0	0.2	0.2	1
PL-480 TITLE II				0.1				0.1	0.1	0.2	1
PL-480 ALL OTHER	0.1							0.1	0	0.1	-
DISASTER ASSISTANCE								0.4	0	0.4	1
CENTRALLY-FUNDED PROJECTS								0.1	0	0.1	1
REGIONALLY-FUNDED PROJECTS								0.1	0	0.1	1
OTHER (TRADE CREDIT INSURANCE PROGRAM)	0.1							0.1	0	0.1	1
<b>SUB-TOTAL</b>	<b>13.3</b>	<b>13.0</b>	<b>3.0</b>	<b>13.1</b>	<b>6.0</b>	<b>8.0</b>	<b>4.0</b>	<b>35.3</b>	<b>25.1</b>	<b>60.4</b>	<b>35 d/</b>

<b>TOTAL</b>	<b>29.7</b>	<b>43</b>	<b>7.0</b>	<b>14.8</b>	<b>104</b>	<b>13</b>	<b>5.0</b>	<b>237.7</b>	<b>32.8</b>	<b>270.5</b>	<b>36</b>
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**NOTES**

- a/ Includes FMS only; infrastructure projects managed by Project Development and Support Office shown below under functional accounts.
- b/ Activities managed by Economic Analysis Office shown below under ESP Project/Non-Project category (with regard to project category this includes fiscal admin improvement projects).
- c/ ESP projects include three democracy projects managed by OFED office and Fiscal Administration Improvement Project managed by the Economic Office.
- d/ Consolidated effort through Improved Family Health Project in FY 1991.

FUNCTION CATEGORY	FUNC OBJ	UNIT CLASS	FY 1988 ACTUAL				FY 1989 ESTIMATED				FY 1990 REQUEST				FY 1991 REQUEST			
			DOLLARS	UNITS	COST	UNIT	DOLLARS	UNITS	COST	UNIT	DOLLARS	UNITS	COST	UNIT	DOLLARS	UNITS	COST	UNIT
U.S. DIRECT HIRE	U100		170.7	126.4	297.1	176.4	158.0	334.4	176.4	181.0	454.1	199.5	163.5	353.0				
S. CITIZENS BASIC PAY	U101A	110	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
WEEKS U.S. BASIC PAY	U102A	112	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DIFFERENTIAL PAY	U103A	113	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RES. AID/W. FUNDED CODE 11	U104A	119	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RES. MISSION FUNDED CODE 11	U105	119	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LOCATION ALLOWANCES	U106	126	3.3	56.2	59.5	37.0	1.6	37.0	3.3	135.0	42.0	3.2	135.5	43.0	3.2			
TIREMENT-U.S. DIRECT HIRE	U107A	120	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
VING ALLOWANCES	U108	128	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RES. AID/W. FUNDED CODE 12	U109A	129	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PER MISSION FUNDED CODE 12	U110	129	11.3	37.7	49.0	12.5	37.0	49.5	11.3	46.0	53.2	4.5	28.0	32.5				
ST ASSIGNMENT - TRAVEL	U111	212	21.3	1.4	22.7	5.0	4.5	13.0	21.3	40.0	40.0	4.4	24.0	5.0	4.8			
ST ASSIGNMENT - FREIGHT	U112	220	85.3	28.5	113.8	53.0	22.8	53.0	85.3	110.0	110.0	12.2	56.5	5.0	11.3			
RE LEAVE - TRAVEL	U113	212	28.4	1.0	29.4	16.0	1.8	23.0	28.4	46.0	46.0	1.3	34.0	3.0	1.8			
RE LEAVE - FREIGHT	U114	220	8.0	1.4	9.4	16.0	0.6	19.5	8.0	37.5	36.0	1.0	25.5	0.0	1.3			
LOCATION TRAVEL	U115	215	5.4	0.0	5.4	3.0	1.8	5.0	5.4	3.0	3.0	1.0	1.0	1.0	1.0			
AID R TRAVEL	U116	215	5.2	0.0	5.2	23.0	0.2	30.4	5.2	11.4	11.4	1.3	34.0	0.0	27.0			
RES. CODE 215 TRAVEL	U117	215	2.5	0.0	2.5	5.0	0.5	20.0	2.5	20.0	20.0	4.0	20.0	5.0	4.0			
F. N. DIRECT HIRE	U200		0.0	585.4	585.4	0.0	831.5	831.5	0.0	976.6	976.6	0.0	1,156.6	1,156.6				
SIC PAY	U201	114	0.0	499.3	499.3	42.3	11.8	42.3	0.0	777.1	777.1	42.0	932.6	932.6	42.0	22.2		
SETIME, HOLIDAY PAY	U202	115	0.0	17.9	17.9	2.5	7.2	16.0	0.0	18.0	18.0	2.5	7.6	0.0	2.5	8.9		
RES. CODE 11 - FN	U203	119	0.0	2.2	2.2	0.0	0.0	0.0	0.0	10.0	10.0	0.0	10.0	0.0	10.0			
RES. CODE 12 - FN	U204	129	0.0	66.0	66.0	0.0	156.2	156.2	0.0	187.4	187.4	0.0	188.8	188.8				
WEFTIS FORMER FN PERSONNEL	U205	130	0.0	0.0	0.0	0.0	1.0	1.0	0.0	1.0	1.0	0.0	1.2	1.2				
CONTACT PERSONNEL	U300		225.4	796.0	1,021.4	201.3	1,106.6	1,307.9	191.1	1,273.5	1,464.6	291.1	1,507.9	1,709.0				
SA TECHNICIANS	U301	259	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
SA TECH. EMPLOY BENEFITS	U302	113	225.4	49.9	275.3	9.0	30.6	270.3	191.1	54.0	245.1	30.6	201.1	240.0	8.0	33.1		
SA TECH. U.S. PSC COSTS	U303	255	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
SA TECH. SALARY BENEFITS	U304	113	0.0	571.3	571.3	134.0	5.5	857.6	8.2	1,019.5	1,019.5	104.0	9.8	0.0	1,223.9	1,223.9	114.0	114.0
SA TECH. P.M. PSC COSTS	U305	255	0.0	5.3	5.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
SA TECH. CONTRACTS	U306	259	0.0	169.5	169.5	38.0	4.5	180.0	4.7	200.0	200.0	38.0	5.3	0.0	220.0	38.0	5.8	5.8
SA TECH. SAID BY AID/W	U307A	113	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
HOUSING	U400		3.3	473.2	476.5	80.4	467.3	547.7	33.0	558.8	591.8	30.8	590.6	621.4				
RESIDENTIAL RENT	U401	235	0.0	18.1	18.1	1.0	18.1	0.0	25.0	30.0	30.0	1.0	30.0	35.0	1.0	35.0		
RESIDENTIAL UTILITIES	U402	235	0.0	1.9	1.9	0.0	2.3	2.3	0.0	2.8	2.8	0.0	3.4	3.4				
INTERSTATE AND RENOVATION	U403	259	0.0	1.0	1.0	0.0	1.2	1.2	0.0	1.5	1.5	0.0	1.8	1.8				
STATE ALLOWANCE	U404	127	0.0	259.1	259.1	28.0	9.3	374.4	13.4	404.5	404.5	27.5	14.7	0.0	392.4	27.5	14.3	14.3
RESIDENTIAL FURNITURE/REPAIR	U405	211	0.5	159.6	160.1	62.0	24.4	86.4	24.0	72.0	98.0	20.0	100.0	100.0				
SALARY BENEFIT - CODE 311	U406	220	0.0	0.3	0.3	15.5	0.0	15.5	6.0	6.0	6.0	6.0	7.2	7.2				
CURRY GOOD SERVICES	U407	259	0.0	33.2	33.2	0.0	40.0	40.0	0.0	48.0	48.0	0.0	56.0	56.0				
FEDERAL RESERVE ALLOWANCE	U408	254	0.4	0.0	0.4	0.5	0.0	0.5	0.6	0.0	0.6	0.7	0.0	0.7				
PRESIDENTIAL ALLOWANCES	U409	252	2.4	0.0	2.4	2.4	0.0	2.4	2.4	0.0	2.4	2.4	2.9	2.9				
OFFICE SERVICES	U500		650.6	757.3	1,407.9	261.9	859.8	1,121.7	220.8	1,364.9	1,605.6	298.6	2,327.7	2,626.3				
OFFICE RENT	U501	234	0.0	135.8	135.8	0.0	232.0	232.0	0.0	421.0	421.0	0.0	640.0	640.0				
OFFICE UTILITIES	U502	234	0.0	27.2	27.2	0.0	32.7	32.7	0.0	39.2	39.2	0.0	47.0	47.0				
LOADING MAINT./RENOVATION	U503	259	0.0	45.0	45.0	0.0	16.0	16.0	0.0	20.0	20.0	0.0	40.6	40.6				

FUNG OBJ	FUNCTION CATEGORY	FY 1988 ACTUAL				FY 1988 ESTIMATED				FY 1990 REQUEST				FY 1991 REQUEST				
		DOLLARS	FUNDS	UNITS	COST	DOLLARS	FUNDS	UNITS	COST	DOLLARS	FUNDS	UNITS	COST	DOLLARS	FUNDS	UNITS	COST	
US04 310	OFFICE EQUIPMENT	7.3	48.8	37.1	12.0	5.0	15.0	20.0	20.0	6.0	19.0	24.0	24.0	7.2	58.8	40.0	40.0	
US05 312	VEHICLES	38.3	0.0	38.3	3.2	64.0	0.0	64.0	64.0	3.2	64.0	64.0	64.0	64.0	0.0	64.0	3.2	64.0
US06 319	OTHER EQUIPMENT	291.3	69.6	360.9	29.9	39.9	58.1	98.0	98.0	22.2	261.8	281.0	281.0	25.6	314.2	25.8	25.8	
US07 220	TRANSPORTATION / FREIGHT	27.5	1.0	28.5	1.0	1.0	0.0	16.0	16.0	8.5	0.0	5.1	5.1	1.0	1.0	1.0	1.0	
US08 259	POST OFFICE REPAIR/MAINT.	0.9	24.5	25.4	0.0	0.0	30.0	30.0	30.0	0.0	26.0	26.0	26.0	0.0	42.0	42.0	42.0	
US09 230	COMMUNICATIONS	0.0	125.5	125.5	0.0	0.0	162.0	162.0	162.0	0.0	194.0	194.0	194.0	0.0	274.0	274.0	274.0	
US10 259	SECURITY GUARD SERVICES	0.0	73.2	73.2	0.0	0.0	80.0	80.0	80.0	0.0	94.0	94.0	94.0	0.0	115.0	115.0	115.0	
US11 240	PRINTING	0.0	28.2	28.2	0.0	0.0	43.0	43.0	43.0	0.0	45.0	45.0	45.0	0.0	54.0	54.0	54.0	
US13 210	SITE VISIT-MISSION PERSONNEL	6.2	6.3	12.5	60.0	0.0	20.0	20.0	20.0	60.0	0.0	20.0	20.0	0.0	20.0	20.0	60.0	0.0
US14 210	SITE VISIT-AID/ PERSONNEL	44.3	0.0	44.3	32.0	34.0	4.0	68.0	68.0	32.0	34.0	4.0	68.0	34.0	16.0	50.0	32.0	16.0
US15 210	INFORMATION MEETINGS	14.1	2.8	16.9	18.0	0.9	38.0	5.0	43.0	18.0	2.4	38.0	2.4	38.0	12.0	50.0	18.0	2.8
US16 210	TRAINING ATTENDANCE	21.3	3.9	25.2	15.0	1.7	27.0	5.0	32.0	15.0	2.1	27.0	2.1	27.0	13.0	40.0	15.0	2.7
US17 210	CONFERENCE ATTENDANCE	19.8	0.7	20.5	16.0	1.3	10.0	5.0	15.0	16.0	0.9	10.0	0.9	10.0	5.0	15.0	16.0	0.9
US18 210	STAFF OPERATIONAL TRAVEL	0.7	0.0	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
US19 240	SUPPLIES AND MATERIALS	125.0	89.9	214.9	0.0	16.0	60.0	76.0	76.0	0.0	110.0	110.0	110.0	25.0	133.0	133.0	110.0	25.0
US20 259	FFAS	0.0	14.6	14.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
US21 259	CONSULTING SVCS. - CONTRACTS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
US22 259	POST./OFF. SVCS. - CONTRACTS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
US23 259	OPER. STAFF/SALARIES - CONTRACTS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
US24 259	ALL OTHER CRCE 25	33.7	68.3	102.0	0.0	12.0	60.0	72.0	72.0	11.2	80.8	92.0	92.0	56.7	35.3	92.0	92.0	56.7
TOTAL G.E. EXPENSE BUDGET		1,650.0	2,738.3	3,788.3	4,143.2	326.0	3,423.2	4,143.2	4,143.2	720.0	4,374.7	5,094.7	5,094.7	752.0	5,746.2	6,476.3	6,476.3	
RECONCILIATION		0.0	14.6	14.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
SECTION 626(c) (Net-Add)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OPERATING EXPENSE REQUIREMENTS		1,050.0	2,723.7	3,773.7	4,143.2	720.0	3,423.2	4,143.2	4,143.2	720.0	4,374.7	5,094.7	5,094.7	750.0	5,746.2	6,476.3	6,476.3	
OBJECT CLASS 210 TRAVEL		124.6	13.7	140.3	109.0	61.0	150.0	150.0	150.0	109.0	41.0	150.0	150.0	109.0	65.0	175.0	175.0	
Dollars Required for Local Currency Expend		159.6	0.0	159.6	28.0	0.0	0.0	0.0	0.0	28.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Exchange Rate Used (March 20, 1988)		2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	

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EVALUATION PLAN

<u>Project Number &amp; Title</u>	<u>Date Last Evaluation Completed</u>	<u>FY 1990</u>		<u>FY 1991</u>		<u>Reasons/Issues</u>
		<u>Start (Qtr.)</u>	<u>To AID/W (Qtr.)</u>	<u>Start (Qtr.)</u>	<u>To AID/W (Qtr.)</u>	
I. <u>Program/Cross-Sectoral Evaluations</u>						
Private Sector	None	--	--	1st	2nd	Evaluate impact of Mission's private sector strategy and program in contributing to Mission's objectives in this and other areas (education, agriculture, etc.).

<u>Project Number &amp; Title</u>	<u>Date Last Evaluation Completed</u>	<u>FY 1990</u>		<u>FY 1991</u>		<u>Reasons/Issues</u>
		<u>Start (Qtr.)</u>	<u>To AID/W (Qtr.)</u>	<u>Start (Qtr.)</u>	<u>To AID/W (Qtr.)</u>	

II. Project Evaluations

DEVELOPMENT ASSISTANCE

ARDN

520-0274 Highlands Ag. Dev.	3rd 88	3rd	--	--	1st	Evaluation to determine progress to date against objective and effectiveness of implementation.
520-0276 Agribusiness Development	3rd 88	2nd	3rd	--	--	Final evaluation to determine impact of project on such areas as agribusiness development, nontraditional exports, income.
520-0363 Ag. Production and Marketing (AIFLD)	1st 89	--	--	1st	1st	Final evaluation to determine overall impact of project on strengthening of farmer unions in providing agricultural services to its members.

<u>Project Number &amp; Title</u>	<u>Date Last Evaluation Completed</u>	<u>FY 1990</u>		<u>FY 1991</u>		<u>Reasons/Issues</u>
		<u>Start (Qtr.)</u>	<u>To AID/W (Qtr.)</u>	<u>Start (Qtr.)</u>	<u>To AID/W (Qtr.)</u>	
<u>PN/HE/CS</u>						
520-0288 Expansion of Family Planning Svcs.	3rd 88	--	--	1st	3rd	Final evaluation to assess achievements in accomplishing objectives, determine lessons learned and provide the basis for an Improved Family Health Project in FY 1991.
520-0339 Immunization/ORT	None (Special assessment of project status instead)	3rd	--	--	1st	A final evaluation to assess achievements in accomplishing objectives in coverage of immunization, use of oral salts, management and administration, and to lay the foundation for an integrated improved family health project in FY 1991.
<u>EHR</u>						
520-0282 Primary Education Improvement	3rd 87	--	--	1st	3rd	Final evaluation to assess achievements in accomplishing project objectives, lessons learned, etc.
520-0304 Altiplano Higher Education	1st 89	--	--	1st	3rd	Process evaluation to determine progress to date vis-à-vis project's objectives.
520-0364 Private Sector Education Initiative	None	2nd	4th	--	--	Mid-term evaluation as part of overall evaluation of nonformal education projects with special focus on financial viability/sustainability.

Project Number & Title	Date Last Evaluation Completed	FY 1990		FY 1991		Reasons/Issues
		Start (Otr.)	To AID/W (Otr.)	Start (Otr.)	To AID/W (Otr.)	
520-0384 Development, Training & Support	None	--	--	1st	2nd	First evaluation to determine progress to date in achieving project's objectives and effectiveness of implementation arrangements.
<u>PSEE</u>						
520-0341 Private Enterprise Development	None	4th 1/ 89	1st	--	--	First evaluation to assess overall accomplishments in terms of project objectives and assesment to determine the appropriateness of project strategy and of implementation arrangements.
520-0348 ASINDES PVO Dev. Program	2nd 88	3rd	--	--	1st	Final evaluation to assess achievement of project's objectives, lessons learned and recommendations for future.
520-0377 Micro-Business Promotion (PVO)	None	4th 1/ 89	1st	--	--	Mid-term evaluation of PVO to assess impact of project activities in increasing income, productive employment and productivity by urban microenterprises.

Project Number & Title	Date Last Evaluation Completed	FY 1990		FY 1991		Reasons/Issues
		Start (Otr.)	To AID/W (Otr.)	Start (Otr.)	To AID/W (Otr.)	

ECONOMIC SUPPORT FUND

520-0376	Guatemalan Judicial Development	4th 89 2/	4th	1st	--	Final evaluation of both projects to determine achievement of project objectives, lessons learned, etc.
520-0386	Strengthening of Guatemalan Democracy 3/	4th 89 2/				

NOTES:

- 1/ FY 1989 evaluations but reports won't be sent to AID/Washington until FY 1990.
- 2/ Planned to be completed at this time.
- 3/ Split funded ESF/DA.

F. Country Training Plan

1. Restatement of Mission Training Objectives

a. Participant Training in General

USAID's overall training objective is to provide relevant training to an increasing number of private and public sector individuals in areas which will serve to further the social, economic and political development of Guatemala. To accomplish this, USAID set forth a strategy for increasing non-CAPS participant training which took into consideration the reprogramming of projects to include more participant training, the design of new projects which include participant training components and finally the design of a new development training project which covers areas not impacted by other Mission programs.

b. Central America Peace Scholarship Program

The CAPS program seeks to improve the human resource base of Guatemala and strengthen democratic processes and institutions by providing U.S.-sponsored training opportunities for socially and economically disadvantaged and leadership-quality individuals. Strengthening the mutual ties of friendship between Guatemala and the United States via "Experience America" activities which expose Guatemalans to U.S. values and institutions and Americans to Guatemalan values and culture is also an important project component. Peace Scholars are selected based on their leadership potential, vulnerability to Soviet Bloc, Cuban and similar influences and on their membership in special concern groups such as the historically disadvantaged, the rural poor, women, etc.

To achieve program objectives, USAID will continue its highly successful short-term training program and reinforce it through follow-on reinforcement training in Guatemala. We will also continue with long-term training, providing for over 900 new starts (27% of the program excluding Georgetown University scholars) from FY 90-94. To date, all training has been done through PIO/P's using the Agency's contractor P.I.E.T. In FY 89, a limited amount of long-term training will be programmed by an 8(a) contractor on a pilot basis.

2. Summary of Training Program under CAPS

From FY 1985 - FY 1988 about two thousand eight hundred (2,800) Peace Scholars have been trained in our short-term program in the following fields: small and medium enterprise,

primary health care, community development, training of trainers, training of rural youth, tourism, and education. This training consists of five weeks in the United States during which time the Peace Scholars receive technical training, practical on-the-job experiences and direct-contact "Experience America" activities. From FY 1989-FY 1991, USAID estimates providing short-term training to approximately 1,300 additional Guatemalans in fields of study similar to those listed above.

After three years of virtually no long-term programming, long-term training was initiated in FY 1988, with a total of 268 Guatemalan recipients of training. During FY 1988, 24 students and FY 1989, 21 students under the Del Valle University Program terminated their university study program in Guatemala and went to the U.S. for training to complete their undergraduate degrees. Moreover, during the period FY 1989-FY 1991, there will be approximately 750 new starts in various academic and technical fields such as tourism, financial administration/computer science, community health, etc. Of the 750 new starts, approximately one-half will be recipients of the Junior Year Abroad Program, a 9 - 12 month non-degree U.S. training program at U.S. universities and technical institutions. The above-mentioned programs are designed to strengthen Guatemalan higher education institutions as well as enhance individual skills.

3. Groups to be Targetted in FY 1990 Guatemalan Peace Scholarship Program and Types of Training to be Given

FY 1990 marks the beginning of the Mission's CAPS-II Program, or the Guatemalan Peace Scholarship Program. Under the new Program, training has been scheduled as follows:

Short-term five-week training is programmed for approximately 400 Peace Scholars (10 short-term groups of around 40 Peace Scholars each) in similar fields as in previous years. This training will be complemented by in-country follow-on seminars and programmed instruction activities designed to reinforce the U.S. short-term training received by the CAPS scholars.

Long-term training has been programmed for 150 Peace Scholars under the Junior Year Abroad Program.

4. Progress to Date (CAPS)

USAID sent some 3,100 Guatemalans to the U.S. under the Peace Scholarship Project through FY 1988. The program has been evaluated and judged to be successful in both its training

and "Experience America" aspects by several independent, objective evaluation contractors. CAPS I is also viewed by the GOG and the U.S. Country team as having an important impact in the development and strengthening of democratic institutions and process in Guatemala.

a. Increased Participation by Women

USAID'S program has exceeded the CAPS program mandate to provide training to 40% women. According to Aguirre evaluation data, 46% of Guatemala's 3,102 trainees have been women. In FY 1988 alone, 46% of the trainees were women. The Mission plans to increase this percentage to approximately 50% in future years.

b. Increased Participation in HBCUS

USAID has greatly exceeded the 10% target. From FY 1986 thru FY 1988, 20% of the 2,804 short-term CAPS scholars were trained in HBCUS. During FY 1988 10% of the 298 long-term trainees were placed in HBCUS.

5. Long-Term Training

USAID/Guatemala has significantly increased long-term training under CAPS from 99% short-term/1% long-term training for the FY 1985, 1986, 1987 program to 82% short-term/18% long-term for the FY 1988, 1989 program. It is anticipated that the program mix for the period FY 1990-1994 will be 73% short-term/27% long-term.

Following, is an update of programs under our long-term training activities:

During FY 1988, the Junior Year Abroad (JYA) Program component provided 9 - 12 months of non-degree U.S. undergraduate training to 54 Guatemalan university students. In FY 1989 approximately 150 JYA Scholars will be placed in higher education institutions across the U.S.

During FY 1988, under the Del Valle University Program component, 24 Guatemalan university students went to the United States to complete two or more years of university training and will receive U.S. undergraduate degrees. Twenty two additional students were placed in U.S. universities under this program in FY 1989.

The Merit and Zamorano Scholarship Programs were transferred out of the CAPS Program in FY 1989 and are being continued under the Mission's new Development Training and Support Project.



## 6. Target for Disadvantaged

USAID continues to exceed the 40% disadvantaged target. All CAPS trainees in Guatemala's short-term program are within our economic need criteria (e.g., they are below the GOG'S minimum income level for tax payment purposes). They are therefore categorized as economically disadvantaged. Many of our trainees have been and continue to be indigenous Guatemalans or women. These trainees are by the CAPS project paper definition, socially disadvantaged.

## 7. Experience America

Our CAPS Scholars continue to have significant quality contacts and first-hand experiences with North Americans during their U.S. training. Evidence shows that the short-term trainees possess positive attitudes about the U.S. before they leave for their training and that these attitudes are strongly reinforced during their five weeks of U.S. training. CAPS Scholars return to Guatemala with a greater understanding of and first-hand experience in democratic principles and their relation to popular participation and development.

Based on the results of the Vargas evaluation (March 15, 1988), the "Experience America" component has achieved the political impact it was designed to have. Furthermore, upon the return of CAPS Scholars to Guatemala, "Experience America" is now being emphasized during in-country meetings and will also be an integral part of our follow-on/reinforcement training programs for all short-term returnees, scheduled to begin during the third quarter of FY 1989.

## 8. Follow-on

The Mission CAPS follow-on program consists of the following activities:

a) CAPS Alumni Association: To date, membership has reached 2,900 returned participants. The Association became a registered PVO with legal status in Guatemala in FY 1988 and has been awarded funding through a PVO umbrella organization, to implement various special community development projects developed by CAPS alumni. The Association's quarterly newsletter continues to be distributed to all returned CAPS Scholars.

b) CAPS Job Information Service: This Alumni Association activity will begin the fourth quarter of FY 1989 and will act as an outreach opportunity for the returned scholars and the public and private sectors. In addition, the Mission

is working with Jovenes por Guatemala , a private sector-based organization, which also offers and is interested in expanding job information and placement services, including job fairs, matching individuals and firms prior to departure for U.S. training, maintaining contact with the students while in the U.S. and providing them with information on Guatemala (already a successful activity), and offering various job preparation and placement services upon the trainees' return.

c) CAPS Follow-On Program: This three year program, scheduled to begin during FY 1989, will provide reinforcement/follow-on in-country training to returned CAPS Scholars. This technical up-grading training will also include an "Experience America" component, English language and other related activities to meet our trainees' needs for continuing education.

#### 9. Cost Containment

The Mission is aware of the importance of the TCA and has insisted with the CAPS contractors to cut unnecessary costs without reducing the effectiveness and quality of the training program.

Because USAID/G has used only one contractor to date, and because that contractor does all cost negotiations for the Mission, cost containment is only indirectly controlled by the Mission. We have given explicit instructions to our contractor to negotiate best costs for us and we monitor to see that these instructions are being carried out. When they are not, we take action. For example, the Mission found that the contractor was paying out-of-state tuition for our trainees located in Florida. Knowing that LAC/DR worked to get a Florida bill passed that exempted USG-sponsored trainees from out-of-state fees, we insisted that our contractor renegotiate the training programs. Substantial savings were achieved by this one measure alone.

Cost containment measures introduced in FY 1987 and 1988 continue to be successful and in addition, several new measures have been recently introduced. For example, we are insisting that when training programs are repeated using the same institution as training provider, that our contractor negotiate reductions in the per trainee cost.

#### 10. Lead Time Policy

The Mission realizes the need for adequate lead time in processing training documentation, and will continue to comply with the CLASP policy guidance of three months advanced written notification for short-term training and six months advanced written notification for long-term training.

We are working on a major-revision of our PIO/P documentation for CAPS II which will not only provide more concrete information on our technical requirements, experience American English language and complementary training/observation packages, but will also provide for substantial lead-time and involvement of the U.S. institutions in in-country preparation, orientation and course design. The new PIO/P format will also specify a evaluation criteria for each program.

#### 11. Training for the elite

The Guatemala CAPS Program carefully complys with the CLASP Guidance of avoiding the selection of the elite for training opportunities. All CAPS short-term trainees are economically disadvantaged. Our long-term trainees, while coming from a higher socio-economic group than the short-termers, all fall within our economic needs criteria for long-termers. They all come from the lower class or lower ranges of Guatemala's small middle class. Elites are not funded.

#### 12. Major Changes in Training Plan from Approved Country Training Plan

There has been a change in the CAPS program mix in order to increase long-term training from only 1% of total trainees (an average of 16 trainees per year for FY 85-87) to approximately 20% per year average for FY 88-92. In view of the high rate of success which our broad-based short-term training program has achieved, the Mission was granted AID approval via State 414567 to adjust downward our long-term targets to approximately 20%, meaning a ratio of 80% short-term to 20% long-term.

Even with this change in the program mix, we surpassed our FY 1988 short-term target of 500 by 100, bringing the total to 600 and 222 Guatemalans were recipients of long-term training during FY 1988.

Long-term activities, while not reaching planned levels in all cases, has nevertheless been carefully programmed with a particular concern for recruiting within the disadvantaged target group and for assuring high quality U.S. programs.

#### 13. Non-CAPS Training

The Mission's Development Training and Support Project (DT&S) was obligated at the end of FY 1988. Its purpose is to strengthen the economic, social and political development of Guatemala. Training activities under DT&S complement our CAPS program. DT&S permits the Mission to recruit from all levels

of society, but with an emphasis on people in decision-making positions. The project has an institutional development rather than individually focused goal and is designed to strengthen public sector/private sector interface in many of its components.

The project has a unique approach to training which brings the U.S. training institution into the process as an active partner with a Guatemalan counterpart institution. Rather than serve as a mere training provider, DT&S selects U.S. institutions that are willing to invest their time and resources in strengthening a Guatemalan institution. Often, U.S. institutions are selected that have already demonstrated this commitment. DT&S funds enables a deepening and acceleration of this commitment, is designed to provide multi-year program of institutional contact and to develop an environment for continued institutional contact after AID funding is exhausted.

The training model established under the DT&S project is one which starts with the U.S. institution and its Guatemalan counterpart institution offering in-country training in a selected field. Based on this collaboration, specific individuals are selected from those in-country trainees who have shown the interest, ability and commitment to receive further training in the U.S. The U.S. and local institution jointly selects the U.S. training candidates and jointly works out a training curriculum and study plan. This active involvement of the two institutions "in situ" results in the identification of the best possible candidates and in the design of the most relevant U.S. training package for the particular situation being addressed.

Finally, the U.S. training is designed and implemented in a way that prepares the trainees to return and carry out multiplier activities in-country. This explicit programming of follow-on training guarantees a wider-sharing of the benefits of the U.S. training. In many cases, the participation of the U.S. institution in the initial in-country training is funded by the U.S. institution, not by AID. This has worked well to date and is extremely cost effective. In most cases however, the in-country follow-on training is supported by AID funds so as to assure that it takes place in a timely manner.

Long-term training under DT&S focuses on the placement of Guatemalan university level professors in MA/MS and PhD. programs. The target for FY 1989 is 46 while the target for FY 1990 is 31. In addition, there are two long-term undergraduate programs which were transferred from CAPS:

a. Merit Scholarship Program provides an in-country five year university level training program to 100 academically talented and economically disadvantaged high school graduates; and,

b. Zamorano Scholarship Assistance Program provides 44 academically talented Guatemalans a three year scholarship to the Pan American Agricultural School in Honduras.

U.S., in-country and third-country short-term training under DT&S focuses on establishing and/or strengthening communication between the private/public sectors in policy areas and to support programs and priorities in fields such as management and labor; management and government; and, labor and government. Other priorities are in the Environment, tourism, institutional strengthening and other areas of mutual and high interest for the Guatemalan public and private sectors on the one hand and the U.S. Country Team on the other. In FY 1989 there will be 54 recipients of short-term U.S. or third-country training, and in FY 1990, there will be 73 recipients of U.S. or third-country training. The majority of short-term training will take place in-country. In one program alone, the in-country follow-up activity is expected to reach some one-thousand Guatemalans.

TABLE 1  
CLASP TRAINING

FY 1990 COUNTRY TRAINING PLAN  
NUMBER OF NEW STARTS

PROGRAM: CAPS

COUNTRY OF ORIGIN: GUATEMALA

FY 1990 OYB (\$000): 7,000

<u>TYPE OF TRAINING</u>	<u>FY 86</u>	<u>FY 87</u>	<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>	<u>FY 91</u>	<u>TOTAL</u>
<u>TECHNICAL</u>							
<u>1-27 days</u>							
Female	--	--	--	--	--	--	--
Male	--	--	--	--	--	--	--
<u>28-180 days</u>							
Female	186	581	377	330	250	250	1,974
Male	612	418	284	270	250	250	2,084
<u>181-269 days</u>							
Female	--	8	--	--	--	--	8
Male	--	30	--	--	--	--	30
<u>9 months or more</u>							
Female	--	--	105	120	25	90	340
Male	--	--	131	99	25	90	345
<u>TOTAL CLASP TECHNICAL</u>	<u>798</u>	<u>1,037</u>	<u>897</u>	<u>819</u>	<u>550</u>	<u>680</u>	<u>4,781</u>
<u>ACADEMIC</u>							
<u>Undergraduate 1 year (JYA)</u>							
Female	--	--	3	90	50	--	153
Male	--	--	37	70	50	--	147
<u>Undergraduate 2 years (Del Valle)</u>							
Female	--	--	12	6	--	--	18
Male	--	--	12	15	--	--	27
<u>Undergraduate 3 years or more</u>							
Female	2	--	--	--	--	--	2
Male	6	--	--	--	--	--	6
<u>Graduate level 1 year</u>							
Female	--	--	--	--	--	--	--
Male	--	--	--	--	--	--	--
<u>Graduate level 2 years</u>							
Female	--	--	--	--	--	--	--
Male	--	--	--	--	--	--	--
<u>TOTAL CLASP ACADEMIC</u>	<u>8</u>	<u>--</u>	<u>64</u>	<u>181</u>	<u>100</u>	<u>--</u>	<u>353</u>

TABLE 1  
(Continued)

CLASP

S U M M A R Y

<u>TYPE OF TRAINING</u>	<u>FY 86</u>	<u>FY 87</u>	<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>	<u>FY 91</u>	<u>TOTAL</u>
<u>CLASP TRAINEES</u>							
<u>ACADEMIC</u>							
Female	2	--	15	96	50	--	163
Male	6	--	49	85	50	--	190
<u>TECHNICAL</u>							
Female	186	589	482	450	275	340	2,322
Male	612	448	415	369	275	340	2,459
<u>LONG TERM</u>							
Female	(2)	--	(120)	(216)	(75)	(90)	(503)
Male	(6)	--	(180)	(184)	(75)	(90)	(535)
<u>SHORT TERM</u>							
Female	(186)	(589)	(377)	(330)	(250)	(250)	(1,982)
Male	(612)	(448)	(284)	(270)	(250)	(250)	(2,114)
<u>TOTAL CLASP TRAINEES</u>	<u>806</u>	<u>1,037</u>	<u>961</u>	<u>1,000</u>	<u>650</u>	<u>680</u>	<u>5,134</u>

TABLE 2  
NON-CLASP TRAINING

FY 1990 COUNTRY TRAINING PLAN  
NUMBER OF NEW STARTS

PROGRAM: Project Related Training - U.S.                      COUNTRY OF ORIGIN: GUATEMALA  
Project Related Training - Third Country

<u>TYPE OF TRAINING</u>	<u>FY 86</u>	<u>FY 87</u>	<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>	<u>FY 91</u>	<u>TOTAL</u>
<b>A. TRAINING IN UNITED STATES</b>							
<b><u>TECHNICAL</u></b>							
<u>1-27 days</u>							
Female	--	3	18	29	44	15	109
Male	--	6	29	49	68	22	174
<u>28-180 days</u>							
Female	--	--	36	32	59	8	135
Male	--	7	64	31	18	88	208
<u>181-269 days</u>							
Female	--	--	--	--	--	--	--
Male	--	--	--	71	--	--	71
<u>9 months or more</u>							
Female	--	--	--	2	2	--	4
Male	--	--	--	4	4	--	8
<b><u>TOTAL U.S. TECHNICAL</u></b>	<b>--</b>	<b>16</b>	<b>147</b>	<b>218</b>	<b>195</b>	<b>133</b>	<b>709</b>
<b><u>ACADEMIC</u></b>							
<u>Undergraduate 1 year</u>							
Female	--	--	--	--	--	--	--
Male	--	--	--	--	--	--	--
<u>Undergraduate 2 years</u>							
Female	--	--	--	1	--	--	1
Male	--	--	--	24	--	--	24
<u>Undergraduate 3 years or more</u>							
Female	--	--	--	1	--	--	--
Male	--	--	--	18	--	--	18
<u>Graduate Level 1 year</u>							
Female	--	--	--	--	10	--	10
Male	--	--	--	2	11	--	13
<u>Graduate Level 2 years</u>							
Female	--	--	--	1	6	2	7
Male	--	--	1	2	7	3	15
<b><u>TOTAL U.S. ACADEMIC</u></b>	<b>--</b>	<b>--</b>	<b>1</b>	<b>49</b>	<b>34</b>	<b>5</b>	<b>89</b>



TABLE 2  
(Continued)

NON-CLASP

<u>TYPE OF TRAINING</u>	<u>FY 86</u>	<u>FY 87</u>	<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>	<u>FY 91</u>	<u>TOTAL</u>
<b>B. <u>THIRD COUNTRY TRAINING</u></b>							
<b><u>TECHNICAL</u></b>							
<b><u>1-27 days</u></b>							
Female	2	14	73	5	51	11	156
Male	4	7	83	7	76	16	193
<b><u>28-180 days</u></b>							
Female	--	5	8	23	--	--	36
Male	--	13	49	24	--	--	86
<b><u>181-269 days</u></b>							
Female	--	--	--	--	--	--	--
Male	--	--	--	--	--	--	--
<b><u>9 months or more</u></b>							
Female	--	--	--	1	--	3	1
Male	--	--	8	27	15	12	65
<b><u>TOTAL TECHNICAL</u></b>	<b>6</b>	<b>39</b>	<b>221</b>	<b>89</b>	<b>142</b>	<b>42</b>	<b>539</b>
<b><u>ACADEMIC</u></b>							
<b><u>Undergraduate 1 year</u></b>							
Female	--	--	--	--	--	--	--
Male	--	--	--	--	--	--	--
<b><u>Undergraduate 2 years</u></b>							
Female	--	--	--	--	--	--	--
Male	--	--	--	--	--	--	--
<b><u>Undergraduate 3 years or more</u></b>							
Female	--	--	--	--	--	--	--
Male	--	--	--	--	--	--	--
<b><u>Graduate Level 1 year</u></b>							
Female	--	--	--	2	--	--	2
Male	--	--	--	7	--	--	7
<b><u>Graduate Level 2 years</u></b>							
Female	--	--	--	--	--	--	--
Male	--	3	2	1	1	1	8
<b><u>TOTAL ACADEMIC</u></b>	<b>--</b>	<b>3</b>	<b>2</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>17</b>

TABLE 2  
(Continued)

NON-CLASP

S U M M A R Y

<u>TYPE OF TRAINING</u>	<u>FY 86</u>	<u>FY 87</u>	<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>	<u>FY 91</u>	<u>TOTAL</u>
<u>UNITED STATES TRAINING</u>							
<u>ACADEMIC</u>							
Female	--	--	--	3	16	2	19
Male	--	--	1	46	18	3	70
<u>TECHNICAL</u>							
Female	--	3	54	63	105	23	248
Male	--	13	93	155	90	110	461
<u>LONG TERM</u>							
Female	--	--	--	(5)	(18)	(2)	(23)
Male	--	--	(1)	(50)	(22)	(3)	(78)
<u>SHORT TERM</u>							
Female	--	(3)	(54)	(61)	(103)	(23)	(244)
Male	--	(13)	(93)	(151)	(86)	(110)	(453)
<u>TOTAL U.S. TRAINING</u>	--	16	148	267	229	138	798
<u>THIRD-COUNTRY TRAINING</u>							
<u>ACADEMIC</u>							
Female	--	--	--	--	--	--	2
Male	--	3	2	8	1	1	15
<u>TECHNICAL</u>							
Female	2	19	81	29	51	14	193
Male	4	20	140	58	91	28	344
<u>LONG-TERM</u>							
Female	--	--	--	(3)	(0)	(3)	(3)
Male	--	(3)	(10)	(34)	(16)	(13)	(79)
<u>SHORT-TERM</u>							
Female	(2)	(19)	(81)	(28)	(51)	(11)	(102)
Male	(4)	(20)	(132)	(31)	(76)	(16)	(279)
<u>TOTAL THIRD C. TRAINING</u>	6	42	223	97	143	43	554

TABLE 2  
(Continued)

NON-CLASP

S U M M A R Y

<u>TYPE OF TRAINING</u>	<u>FY 86</u>	<u>FY 87</u>	<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>	<u>FY 91</u>	<u>TOTAL</u>
<u>TOTAL NON-CLASP TRAINEES (U.S. &amp; THIRD COUNTRY TRAINING)</u>							
<u>ACADEMIC</u>							
Female	--	--	--	5	16	2	23
Male	--	3	3	54	19	4	83
<u>TECHNICAL</u>							
Female	2	22	135	92	156	34	441
Male	4	33	233	213	181	141	805
<u>LONG TERM</u>							
Female	--	--	--	(8)	(18)	(5)	(31)
Male	--	(3)	(11)	(84)	(38)	(16)	(152)
<u>SHORT TERM</u>							
Female	(2)	(22)	(135)	(89)	(154)	(34)	(436)
Male	(4)	(33)	(225)	(182)	(116)	(126)	(686)
<u>TOTAL NON-CLASP TRAINEES</u>	<u>6</u>	<u>58</u>	<u>371</u>	<u>364</u>	<u>372</u>	<u>181</u>	<u>1,352</u>

USAID

	<u>TOTAL DA</u>	<u>FUNDS AVAILABLE FOR U.S. PROCUREMENT</u>	<u>G.A. TYPE CONTRACTS</u>	<u>% OF AVAILABLE D. A. AWARDED TO G.A. FIRMS</u>
FY 1988	31,300,000	4,059,760.00	930,542.62	23%
FY 1989 (est)	33,995,000	5,000,000	1,000,000.00	20%

USAID GUATEMALA

REPORT OF GRAY AMENDMENT PROCUREMENT

FISCAL YEAR 1988

DEVELOPMENT ASSISTANCE FUNDS

<u>CONTRACTOR</u>	<u>PURCHASE ORDER/ CONTRACT No.</u>	<u>PROJECT TITLE</u>	<u>DATE</u>	<u>TYPE OF BUSINESS</u>	<u>AMOUNT</u>
1 Rodney Tsuji	0343-O-8116	Commercial Land Markets II	12-15-87	Minority	9,926.00
2 Tumi International	0378-O-8126	Election System Support	12-17-87	Small, Minor.	7,057.53
3 Ruben Mejia-Robleda	0000-S-7292	P. D. & S.	12-07-87	Minority	14,500.00
4 Ruben Mejia-Robleda	0000-S-7292-06	P. D. & S.	03-16-88	Minority	43,364.00
5 Rodney Tsuji	0343-O-8283	Commercial Land Markets II	04-06-88	Minority	9,707.00
6 Rodney Tsuji*	0343-S-8378	Commercial Land Markets II	05-19-88	Minority	229,800.00
7 Jayne Lyons	0288-S-4100	Expansion of Family Planning Services	06-15-88	Women Owned	5,063.00
8 Tumi International	0378-O-8134	Election Systems Support	04-05-88	Min. Small	50.00
9 National Enterprises	0332-C-8495	Farm to Market Access Roads	07-14-88	SB/Minority	191,490.00
10 Exodus Import & Export	0000.3-O-8592	P D & S	07-18-88	SB - WO	2,405.00
11 Technical International	0332-C-8510	HAADS Access Roads Component	07-18-88	SB/Minority	130,294.00
12 Miami Institutional Technology	0339-C-8329	Immuniz. & Oral Rehydration Therapy services	05-25-88	Min. Small	170,779.31

<u>CONTRACTOR</u>	<u>PURCHASE ORDER/ CONTRACT NO.</u>	<u>PROJECT TITLE</u>	<u>DATE</u>	<u>TYPE OF BUSINESS</u>	<u>AMOUNT</u>
13 Franklin Export Trading	0339-O-8360-01	Immuniz. & Oral Rehydration Therapy services	09-23-88	Min. SB. WO	14,627.00
14 Laura Lindskog	0000.4-S-8415	SDA/PD&S	09-30-88	WO	35,736.92
15 Ed Export	597-0035-	CA Regional Development of Environmental Management Systems	09-30-88	SB - Minor.	8,400.00
16 Ruben Mejia-Robleda	0000-S-7292-07	Private Enterprises Development	09-30-88	Minor.	32,982.86
17 ISTI	DPE-3024-2-7079	0000.50	09-30-88	Minor.	18,750.00
18 Texas Tech University	LAC-0000-I-3046	PD&S .10	09-09-88	Minor.	<u>5,610.00</u>
TOTAL					\$930,542.62
					=====

GRAY AMENDMENT - \$930,542.62 (23 % of Total Amount of Mission issued procurement FY' 88)  
D.A. Funds Obligated/Committed - \$4,059,760.00