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# GUATEMALA

## FY 2010 Implementation Plan

### U.S. Government Working Document

The Feed the Future (FTF) FY 2010 implementation plans are working documents outlining U.S. government planning for the first year of the Global Hunger and Food Security Initiative. These plans represent a transition towards the development of multiyear strategies and are targeted at investments that lay the foundation for a new country-level and coordinated approach with a diversity of partners. Multiyear strategies are under development that will span development and diplomatic actions across multiple USG agencies.

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## Table of Contents

PI. INTRODUCTION .....	5
2. FY 2010 OBJECTIVES .....	6
3. TARGET GROUPS BY LOCATION AND INCOME .....	8
4. CORE INVESTMENT AREAS.....	10
5. KEY ISSUES AND ANALYTICAL ACTIVITIES LOOKING TOWARD FY 2011 .....	19
6. PARTNERSHIP PLAN .....	24
7. FY 2010 CAPACITY BUILDING PLAN.....	30
8. MANAGEMENT PLAN.....	31

## Abbreviations and Acronyms

<b>AIEPI AINMA-C</b>	Guatemala's Community-Based Integrated Health Care Strategy
<b>ANACAFE</b>	National Coffee Association
<b>AGEXPORT</b>	Guatemalan Exporters Association
<b>APHIS</b>	Animal Plant and Health Inspection Service
<b>ASDI</b>	Swedish International Development Cooperation Agency (aka SIDA)
<b>ASIES</b>	Association of Research and Social Studies
<b>ASAZGUA</b>	Sugar Cane Association
<b>AVANCSO</b>	Association for the Advancement of Social Sciences in Guatemala
<b>BCIE</b>	Central American Bank for Economic Integration (aka CABEL)
<b>CAFTA-DR</b>	Central American Free Trade Agreement – Dominican Republic
<b>CAMAGRO</b>	Chamber of Agroindustry and Farming/Livestock
<b>CATIE</b>	Tropical Agricultural Research and Higher Education Center
<b>CCAD</b>	Central American Commission on Environment and Development
<b>CDC</b>	Centers for Disease Control
<b>CENOC</b>	National Center of Community Organizations
<b>CIEN</b>	Center for National Economic Research
<b>COBIGUA</b>	Banana Association
<b>CONASAN</b>	National Council on Food and Nutritional Security
<b>CONCYT</b>	National Council of Science and Technology
<b>CUC</b>	Committee of Campesino (farmer) Unity
<b>DANIDA</b>	Danish International Development Assistance
<b>DOD</b>	U.S. Department of Defense
<b>DOI</b>	U.S. Department of the Interior
<b>EC</b>	European Commission
<b>E-CAM</b>	USAID Central America Regional Program
<b>ENCA</b>	National School for Agriculture
<b>ENRDC</b>	National Strategy to Reduce Chronic Malnutrition
<b>ENSMI</b>	National Survey on Maternal and Infant Health
<b>ERS</b>	USDA Economic Research Service
<b>EU</b>	European Union
<b>EWS</b>	Early Warning System
<b>FANTA</b>	Food and Nutrition Technical Assistance
<b>FAO</b>	Food and Agriculture Organization
<b>FAS</b>	Foreign Agriculture Service
<b>FFE</b>	Food for Education
<b>FFP</b>	Food for Peace
<b>FPA</b>	Food for Peace Act (previously PL 480)
<b>FLACSO</b>	Latin American Faculty of Social Sciences
<b>FONAPAZ</b>	National Fund for Peace (of the Presidency)
<b>FUNDAZUCAR</b>	Sugar Association
<b>GHFSI</b>	Global Hunger and Food Security Initiative
<b>GOG</b>	Government of Guatemala
<b>IARNA</b>	Institute for Agriculture and Natural Resources
<b>ICTA</b>	Institute for Science and Agricultural Technology
<b>IDB</b>	Inter-American Development Bank
<b>IFAD</b>	International Fund for Agricultural Development
<b>IICA</b>	Inter-American Cooperation Institute for Agriculture
<b>INCAE</b>	Central American Institute of Business Administration

<b>INTECAP</b>	Technical Institute of Training and Productivity
<b>JICA</b>	Japan International Cooperation Agency
<b>M&amp;E</b>	Monitoring and Evaluation
<b>MAGA</b>	Ministry of Agriculture, Livestock, and Food
<b>MARN</b>	Ministry of Agriculture and Natural Resources
<b>MDG</b>	Millennium Development Goals
<b>MFEWS</b>	Mesoamerican Food Security Early Warning System
<b>MINECO</b>	Ministry of Economy
<b>MINEDUC</b>	Ministry of Education
<b>MOF</b>	Ministry of Finance
<b>MOH</b>	Ministry of Health
<b>MOSCAMED</b>	Mediterranean Fruit Fly Program in Central America
<b>MSPAS</b>	Ministry of Public Health and Social Assistance
<b>MYAP</b>	Multiple Year Assistance Program
<b>NASS</b>	USDA National Agricultural Statistics Service
<b>OAS</b>	Organization of American States
<b>OBSAN</b>	Observer of Food Security and Nutrition
<b>PAHO</b>	Pan-American Health Organization
<b>PAO</b>	Public Affairs Office (of the U.S. Embassy in Guatemala)
<b>PDER</b>	Rural Economic Development Project
<b>PESAN</b>	Strategic Plan for Food Security and Nutrition
<b>PL 480</b>	Public Law 480 (Food for Peace Act)
<b>PM2A</b>	Preventing Malnutrition in Children under Two
<b>PRONACOM</b>	National Competitiveness Program
<b>PRORURAL</b>	National Program for Rural Development (of the Presidency)
<b>SEGEPLAN</b>	Planning and Programming Secretariat (of the Presidency)
<b>SEPREM</b>	Presidential Secretariat for Women
<b>SES</b>	Socioeconomic Status
<b>SESAN</b>	Secretariat for Food Security and Nutrition (of the Presidency)
<b>SINASAN</b>	National System for Food Security and Nutrition
<b>SIECA</b>	Central American Secretariat for Economic Integration
<b>SICA</b>	Central American Integration System
<b>SOUTHCOM</b>	United States Southern Command
<b>SPS</b>	Sanitary and Phytosanitary
<b>SYAP</b>	Single Year Assistance Program
<b>TA</b>	Technical Assistance
<b>Title II</b>	Emergency and Private Assistance (of the Food for Peace Act)
<b>UNICEF</b>	United Nations Children's Fund
<b>UNFPA</b>	United Nations Population Fund
<b>UPIE</b>	Policy and Strategic Information Unit of MAGA
<b>USDA</b>	U.S. Department of Agriculture
<b>USAID</b>	U.S. Agency for International Development
<b>URL</b>	Universidad Rafael Landivar
<b>USAC</b>	Universidad de San Carlos
<b>USG</b>	U.S. Government
<b>UVG</b>	Universidad del Valle
<b>WB</b>	World Bank
<b>WFP</b>	World Food Program
<b>WHO</b>	World Health Organization

## I. INTRODUCTION

Guatemala's levels of food and nutritional insecurity are among the worst in the world. Guatemala has the highest national levels of chronic malnutrition (43.4 percent)<sup>1</sup> in the Western Hemisphere, levels that are higher than many African nations.

The Government of Guatemala (GOG) declared a food security state of emergency in September 2009. This ongoing crisis is due to a number of factors including climatic changes, the economic crisis, reduction in remittances of 10 percent, and a poverty rate of 51 percent.<sup>2</sup> Drought conditions caused by the El Niño effect resulted in crop losses (particularly corn) of \$23 million between January and September 2009. The crisis is anticipated to expand from the Dry Corridor<sup>3</sup> to the Highlands (Altiplano)<sup>4</sup> within the next several months.<sup>5</sup>

Food and nutritional insecurity is endemic in Guatemala. Lack of access to assets (land, capital, education) has resulted in a persistent state of chronic malnutrition, especially in rural Guatemala. Such malnutrition is exacerbated by poor food utilization.

The GOG<sup>6</sup>, the United States Government

<sup>1</sup> National Survey on Maternal and Child Health (ENSMI), 2009. Percentage of children between the ages of 3 to 59 months with chronic malnutrition (height-for-age).

<sup>2</sup> World Bank, World Development Indicators, 2008. Poverty rate for less than \$2/day.

<sup>3</sup> The Dry Corridor is a region of Guatemala running from its eastern border with Honduras to its western border with Mexico.

<sup>4</sup> The Guatemalan Highlands or Altiplano are comprised of high-elevation, mountainous areas in the northwest of the country.

<sup>5</sup> MFEWS. Guatemala, September 2009 to March 2009. [www.fews.net/FoodInsecurityScale](http://www.fews.net/FoodInsecurityScale)

<sup>6</sup> Public expenditure in the rural economy remains a large percentage of the budget (over 20%) even if levels are low (\$28 per capita) and resources have been redirected away from the Ministry of Agriculture toward special rural initiatives. See, Evaluation and Strategic Framework of Public

"Guatemala has the third highest rate of stunting in the world – higher than the average for Sub-Saharan Africa"

**Table 1: % OF UNDER-FIVES SUFFERING FROM STUNTING, 2003-2008**

Afghanistan	59
Yemen	58
Guatemala	54
Timor-Leste	54

Source: UNICEF- The State of The World's Children - Special Edition, November 2009

(USG), other donors and the private sector have worked for several years toward reducing malnutrition in Guatemala. Malnutrition rates have declined from 49 percent in 2002 to 43.4 percent in 2008/2009. With more resources and attention of the GOG and USG, further declines in malnutrition could be realized. As part of the new Global Hunger and Food Security Initiative (GHFSI), the USG will move to address directly the needs of Guatemala's most vulnerable. In doing so, the USG will take a strong stand to support the GOG's concrete actions to address the food security crisis, including an update of the GOG's Strategic Plan for Food Security and Nutrition (PESAN) and the establishment of a public-private sector roundtable for donor, government, and civil society coordination.

The USG approach to development of a new, comprehensive strategy to build food security in Guatemala will begin by identifying areas where the USG has a comparative advantage and a strategic interest in supporting GOG objectives.<sup>7</sup>

In the following implementation plan, the USG proposes to build the capacity of Guatemala to implement a country-led, comprehensive food

Expenditures for Agricultural Development in Guatemala, 2009.

<sup>7</sup> See the Key Focus Areas and USG Goals sections of the Global Hunger and Food Security Initiative guidance.

security strategy aimed at addressing the underlying causes of chronic malnutrition and curtailing the onset of hunger crises. In doing so, the USG proposes an increased focus on rural development. Priorities include market-led interventions that generate jobs and incomes for the vulnerable populations, nutrition, coordinated humanitarian assistance and efforts to improve both agriculture and non-agricultural rural incomes. In FY 10, the USG will identify synergies between USAID and other USG programs, initiate broad consultation with stakeholders, and conduct analyses that will contribute to the overall success of the GHFSI and support progress toward the Millennium Development Goals to eradicate extreme poverty and hunger by 2015.<sup>8</sup>

## 2. FY 2010 OBJECTIVES

This document outlines the USG implementation plan for food security and nutrition in Guatemala. The goal of the plan is to help reduce rural poverty and malnutrition in specific geographic areas of the country. In close coordination with the GOG and other donors, the USG will work to achieve this goal by focusing on objectives in three key areas: 1) market-led agricultural development; 2) prevention and treatment of under-nutrition; and 3) improvements to humanitarian food assistance and social safety nets. These objectives will support the GOG's country-led food security plan (2009-2012) goal to: "implement inter-institutional coordination mechanisms for approaching interventions in an integrated and sustainable form – oriented

toward reducing the risk for food and nutritional insecurity and chronic malnutrition, targeting the most vulnerable populations in priority municipalities."

### 2.1. COUNTRY-LED COMPREHENSIVE STRATEGY

Guatemala's national development plan includes the commitment to sustainable economic development, poverty reduction, and the development of rural communities and indigenous peoples. The current administration of President Alvaro Colom has also developed a country-led food security strategy that forms the basis for wider donor community engagement and support. The GOG's *Strategic Plan for Food and Nutritional Security (PESAN) 2009 – 2012* was released in June 2009 and commits to an action plan to ameliorate conditions of food and nutrition insecurity and chronic malnutrition, focusing on the most vulnerable populations in priority municipalities. PESAN's priorities and objectives are set forth in Table 2.

PESAN is a positive step forward country-led strategy for Guatemala as it responds to the crisis, determines priorities for the country, and organizes stakeholders. The primary cause of malnutrition and periodic hunger crises is access to food. Access to food is limited by the poor's inability to either cultivate or buy sufficient nutritious food to meet their nutritional needs. The secondary issue is proper food utilization. The USG will further dialogue and refine the plan with key GOG lead partners, including Guatemala's Secretariat for Food Security and Nutrition (SESAN) and Secretariat for Planning and programming SEGEPLAN.

The USG has initiated a stock-taking process in Guatemala to respond to the L'Aquila Joint Statement on Global Food Security adopted at the G-8 Summit on July 10, 2009. In FY 2010, the USAID will build the capacity of the GOG to lead this initiative and make its strategy more comprehensive and actionable. To ensure continuity of this initiative beyond the next change of GOG administration in early 2012,

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<sup>8</sup> According to the GOG's "2010 Progress Report on the Millennium Development Goals," Guatemala's MDG goals include: 1) reducing the % of the population living on less than \$1/day (PPP) from 20% in 1989 to 10% in 2015, and 2) the % of children under five with chronic malnutrition from 57.9% in 1987 to 28.95% in 2015. To date, the pace of progress towards the MDGs in Guatemala has been lower than what will be necessary to achieve these 2015 objectives. See <http://mdgs.un.org/unsd/mdg/data.aspx>.

the USG will build the capacity of Guatemala's civil society and academic community to analyze and advocate for strong policies. USAID will

also support the GOG's transition team to further ensure continuity of interventions

Table 2: GOG "Strategic Plan for Food and Nutritional Security PESAN 2009 – 2012"		
Strategic Objective 1	Increase food availability with emphasis on basic grains to provide for food self-sufficiency in the country.	Operative goals include the production and storage of basic grains, research and production of local improved seeds, and technical assistance.
Strategic Objective 2	Promote access to a basic food basket.	Operative goals include income generation at the local level, consumer education, and supporting development and economic growth.
Strategic Objective 3	Promote education and communication on food and nutrition by improving the consumption of food, promoting exclusive maternal breast-feeding and contributing to a reduction in chronic malnutrition.	Operative goals include a GOG program entitled the "My Family Learns" ( <i>Mi Familia Aprende</i> ) and a School Feeding Program, and the strengthening of communal homes for integral attention to children under-6 years of age.
Strategic Objective 4	Widen coverage and quality of public services in health, water, sanitation and family hygiene to reduce chronic malnutrition.	Operative goals include improving the quality and access to health services by strengthening components of the ENRDC <sup>1</sup> ; strengthening the provision of health services within the ENRDC framework; and increasing coverage of services and infrastructure in water and basic sanitation.
Strategic Objective 5	Strengthen the institutional capacity of SINASAN <sup>1</sup> and of civil society to contribute to a reduction in food and nutritional insecurity of the population.	Operative goals include the creation of information, planning, monitoring and evaluation systems for food security; the development of food contingency plans for communities where food and nutritional insecurity are high; and strengthening the capacity of civil society to provide social auditing of the food security system.

## 2.2. GUATEMALA CAPACITY BUILDING

Rural development and social programs to alleviate rural poverty are a priority of the Colom Administration. More emphasis has recently been placed on improving productive capacity and economic opportunities in the rural economy, through new GOG programs such as *Mi Comunidad Produce*.<sup>9</sup> In FY 2010, the USG will help build GOG capacity to lead a comprehensive, multi-stakeholder food security initiative involving several GOG institutional counterparts (e.g., SEGEPLAN, SESAN, PRORURAL, Ministry of Health, National Institute of Statistics). The USG will also use FY

2010 funds to strengthen the capacity of private and public food security partners through technical assistance delivery, dialogue, and training. (See Section 7 Capacity Building Plan for full list of key partners).

## 2.3. REQUISITE CONDITIONS AND PRIORITY INVESTMENTS

The USG will build on the success of previous programs in diversifying to high-value agricultural products (see Section 4.4). However, the focus will shift from the CAFTA-DR trade paradigm focused on easing the transition of small farmers to more open markets to a rural growth model that creates jobs and income opportunities for small farmers and the rural poor and promotes value-added processing in rural areas. Several key conditions will be necessary for the success of this initiative.

<sup>9</sup> "My Community Produces" is an initiative under the First Lady's leadership for increasing the productive capacity of small producers in the rural economy, access to markets and market linkages, and competitiveness.



### 2.3.1. Requisite Conditions

- Political will of the GOG to take ownership of the initiative as part of a country-led process
- GOG establishment of a coordination mechanism
- Creation of a true multi-stakeholder initiative that receives support and fresh resources from both bilateral and multilateral donors working in coordination
- External factors, including external demand for agricultural exports, weather and climatic conditions, crop production, and remittances
- The USG provides the resources pledged at L'Aquila for this priority initiative in Guatemala.

### 2.3.2. Priority Investments

The 2010 implementation plan will focus on the below set of priority investments to lay the foundation for a longer-term food security initiative. The USG will work with the GOG to identify areas of missing statistical information, build on existing analyses, and coordinate with other donors to avoid duplication, leverage efforts, and identify gaps for additional analysis.<sup>10</sup> The USG will work with the government and other stakeholders to outline a policy and capacity building partnership that will prioritize policy issues/constraints and provide a roadmap for implementation. In FY 2010 the USG will:

- Fill critical analytical gaps through rapid assessments and technical assistance in food security, rural finance, infrastructure (irrigation, rural roads, packing sheds, cold chains), research and extension, competitiveness analysis and marketing studies, off-farm rural income, as well as gender, environmental, and rural poverty reduction analyses

<sup>10</sup> For instance, the USG will coordinate and not replicate analyses, such as the European Commission's ongoing evaluation of agricultural input subsidies under the Food Facility project nor the Public Expenditure Review.

- Consolidate coordination mechanisms with the GOG and with other donors: 1) taking the lead donor role in the Rural Development Working Group; and 2) identifying a forum for engaging key GOG stakeholders
- Design a Monitoring and Evaluation project to establish baseline analyses, analyze GOG statistical capacity and monitoring systems, and monitor food security projects to assess long-term sustainability and impact
- Support policy and advocacy work to provide continuity to the food security initiative throughout changes of government administrations and elections.
- Complete USAID staff hiring for the food security initiative and begin the hiring process for 2010 and 2011.

## 3. TARGET GROUPS BY LOCATION AND INCOME

The underlying cause of food and nutritional insecurity in Guatemala is social and economic inequality. Access to productive assets, including land, and basic services, such as health, education, water, and sanitation, is highly skewed, making Guatemala one of the most unequal countries in the world.<sup>11</sup> Rather than focusing at the national level, the USG proposes to concentrate its resources strategically on five to seven departments in the Western Highlands and Verapaces, where poverty rates, malnutrition, and food insecurity are greatest.<sup>12</sup> These departments will be targeted based on evidence from a mapping exercise that overlays Meso-American Famine Early Warning System

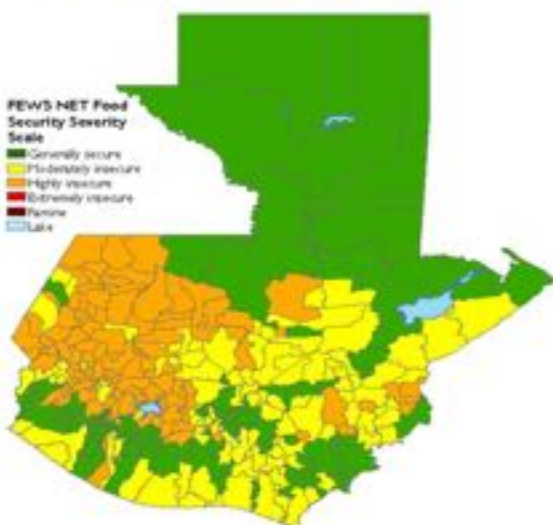
<sup>11</sup> The UNDP's 2009 Human Development Report, using data from the World Bank's World Development Indicators, reports only 12 countries with GINI income coefficients higher than Guatemala.

<sup>12</sup> The Departments with the highest poverty according to INE are: Quiche, Alta Verapaz, Solola, Totonicapan, and Huehuetenango. The Departments with the highest stunting according to ENSMI are: Totonicapan, Quiche, Huehuetenango, Solola, and Chiquimula.



(MFEWS) data, sub-national poverty indicators, and stunting data from the Third School Height Census.

**Map 1: Current Estimated Food Security Conditions, June 2009**



USG agricultural programs in the area of “access” will focus predominantly on the Highlands, based on the IARNA job generation model and municipal data from the National Statistical Unit.<sup>13</sup> The Highlands has the highest rates of poverty but also great agricultural potential. In 35 percent of the municipalities of the Highlands, at least 42.6 percent of the inhabitants live in conditions of extreme poverty.<sup>14</sup> Agricultural investment in this area has great potential for a multiplier effect on poverty reduction. Policy-level interventions will be national in scope.

USG humanitarian programs will target areas of greatest food insecurity, based on MFEWS data. According to the USAID/MFEWS 2009 study on livelihoods, the highest food insecurity zones are in El Quiché and Huehuetenango (zone 5) and Ch'ortí (zone 8). Families in these zones purchase 80 percent and 70 percent of their

food, respectively, which makes them vulnerable to regular food price increases.<sup>15</sup>

USG nutrition programs (“utilization”) will target municipalities with the highest rate of stunting in children under two years of age, based on the 2009 Third School Height Census (February 2009). Chronic malnutrition among children is persistent and has strong ethnic and geographic dimensions. Malnutrition levels are 58.6 percent in indigenous populations compared to 30.6 percent in non-indigenous. A 2008 height census of first grade students showed that more than 51 percent of elementary students in half of the country’s 333 municipalities suffered from both moderate and severe stunting which is a clear indicator of chronic malnutrition.

**Map 2: Zones Where Purchase Represents over 50% of Food Source for Poor Households**



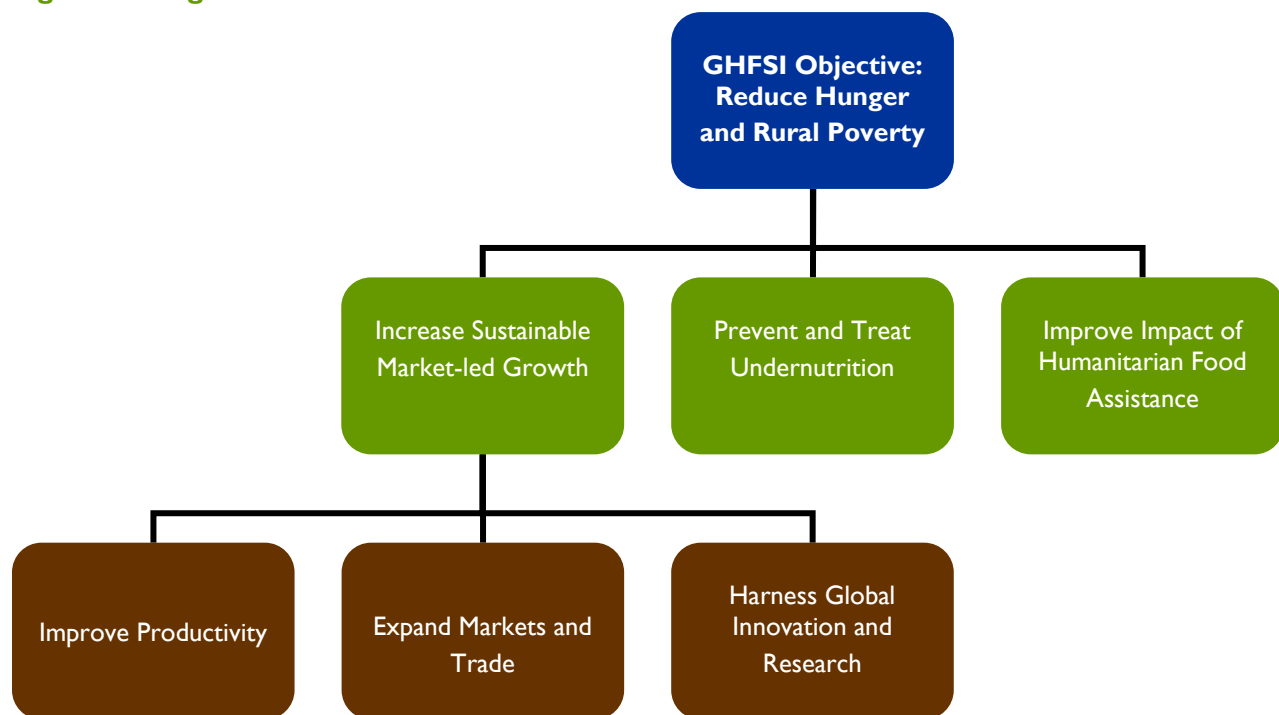
<sup>13</sup> National Statistics Institute, Extreme Poverty, National Survey on Living Conditions, ENCOVI-2006

<sup>14</sup> Sectoral Distribution of Employment Growth in the Guatemalan Highlands, Institute for Agriculture, Natural Resources, and the Environment, Universidad San Rafael, September 2006.

<sup>15</sup> *Livelihoods in Guatemala*. USAID/MFEWS. 2009. <http://www.fews.net/pages/countrylivelihood.aspx?gb=gt>

## 4. CORE INVESTMENT AREAS

Figure 1: Diagram of Core Investment Areas



Guatemala's comprehensive approach will advance the key objectives of the Food Security Initiative shown in the results framework chart above.

In Guatemala, chronic malnutrition is the result of structural problems of inequality and exclusion. A recent UNICEF study<sup>16</sup> reports Guatemala having the third highest prevalence of moderate to severe stunting among children under five years old. At 54 percent, this prevalence trails only Afghanistan and Yemen.<sup>17</sup>

Access to food is the main cause of malnutrition in Guatemala. However, utilization is also an important factor (micronutrient deficiencies). Inadequate food access is directly related to poverty as well as the lack of income generation opportunities for rural communities. As such, USG interventions will target issues that

improve the access and utilization of food.

To lay the foundation for full implementation of the Global Hunger and Food Security Initiative, the USG expects that both FY2010 and FY2011 resources will be used for: completion of analyses; coalition building; overall stocktaking; capacity building; implementation of programs in sustainable market-led growth; prevention and treatment of under-nutrition; and humanitarian assistance required for effective full-scale GHFSI Phase II implementation starting with FY2012 funding.

Necessary elements that will be addressed during these two years of Phase I foundational investments include developing an evidence base supported by surveys and baseline studies to inform all institutions supporting the GOG food and nutritional security national plan. Much of what has been written on Guatemala's food security profile, causes, and potential solutions is scattered and does not cover, in sufficient depth, issues of primary importance for USG objectives under the GHFSI.

<sup>16</sup> UNICEF, November 2009, "Tracking Progress on Child and Maternal Nutrition: A Survival and Development Priority"

<sup>17</sup> Ibid.

#### 4.1. INCREASE SUSTAINABLE MARKET-LED GROWTH

##### Current/Potential USG/Donor Partners:

The World Bank, IFC, IADB, European Commission, IICA, IFAD, DANIDA, JICA, Canada, FAO, USDA/FAS, USDA/APHIS, the MIL Group, PAO, Peace Corps.

Guatemala's abundant natural resources and labor force offer tremendous potential for developing a competitive advantage in agriculture and horticulture, coffee, tourism, handicrafts, and sustainable forestry. However, constraints and bottlenecks in infrastructure, rural finance, social organization (value chains), sanitary and phytosanitary (SPS) standards, and research and extension impede the rural economy from its full production potential and from generating jobs and reducing poverty for the rural poor.

Addressing these bottlenecks will help Guatemalans harness their potential and build lasting food security. In FY 2010, USAID will address these constraints and bottlenecks for "increasing sustainable market-led growth" through the implementation of the new Institute for Agriculture and Natural Resources (IARNA) job generation model.<sup>18</sup> This model of agricultural sector development in Guatemala is based on the premise that small farmer agriculture has the potential to serve as the driving force for development, job creation, and poverty reduction in the Highlands (Altiplano), a region of the country suffering greatly from food insecurity. This model focuses on small farmers in the Highlands, demonstrating that agricultural development has the greatest potential for employment generation and for lifting large numbers of the poor (not just farmers) out of rural poverty due to its "multiplier effect."

The Highlands has high productivity of

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<sup>18</sup> Sectoral Distribution of Employment Growth in the Guatemalan Highlands, Institute of Agriculture, Natural Resources, and the Environment, (IARNA), Universidad Rafael Landívar, Researchers: MSc. Jose Miguel Barrios Gonzales, IARNA/URL, Dr. John Mellor, USAID Trade Competitiveness and Assistance Project, Sept. 2006.

agricultural resources, land divided into small parcels, a high percentage of poor, and a high density of poor. The IARNA model leads to a rural growth strategy that concentrates on four principle program areas: 1) expanding and restoring road infrastructure; 2) developing rural financial markets to improve access to credit; 3) promoting social organization around

**Table 3: The IARNA model**

The model will serve as the basis for market-led agricultural programs. USG programs will expand to address all four components of the model.

	FY 09 USG Programs	FY 10 USG Programs
Rural Infrastructure		X
Rural Finance		X
Social Organization	X	X
Research and Extension		X

agricultural production, and 4) strengthening public and private entities specializing in agricultural-technology research and extension, processing and markets, as well as creating and strengthening technology transfer and extension services. The use of this model for USG agricultural programs under the food security initiative could have significant impact on "access" to food in Guatemala given the powerful multiplier effect the agriculture sector has on employment growth in the rural economy.. This model will build on Guatemala's abundant natural resources and labor force to stimulate market-led growth.

##### 4.1.1. Improve Productivity

Agricultural production is important to rural inhabitants, particularly the poor, and for the Guatemalan economy as a whole.<sup>19</sup> Increased productivity within the agricultural supply chain would boost the income of producers and help

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<sup>19</sup> Agricultural products constitute approximately 34% of Guatemala's gross domestic product and 36% of the population are employed in the agricultural sector. See, Central Bank (Banco de Guatemala): International Trade statistics 2008.

them diversify into high-value, labor-intensive products, contributing in turn to more rapid growth in the other sectors of the Guatemalan economy. Expanding beyond the USG's previous focus on private sector value chains, USAID proposes moving into new areas under the IARNA model (research and extension, finance, infrastructure, such as irrigation and packing facilities) to spur agricultural productivity. USAID will commission a series of sub-sector analyses in areas such as rural finance, rural infrastructure, research and extension, to inform and guide the strategic approach in these new areas of engagement for the USG in Guatemala. Together, the USG will also explore models and help build capacity for creating a functioning research and extension system; SPS standards; and an adequate rural infrastructure policy that includes rural roads, irrigation, packing sheds, cold storage facilities, credit, organization, product diversification, pesticide regulations, fertilizer use, and seed improvement. Good Agricultural Practices and sustainable land, water, and soil conservation and management practices will be promoted to help mitigate against environmental damage.

#### Targets and Expected Results:

- GOG capacity to lead a concerted food security effort improved through identification of a coordinating mechanism for a rural development group that can engage effectively with the National Council on Food and Nutritional Security
- Existing initiatives (including potential public-private models) regarding the design of national SPS system, design of a pilot model for agricultural research and extension, design of a national, irrigation policy evaluated.
- Variety of export products increased through agricultural infrastructure and the , development of new technologies
- Public-private partnerships to provide irrigation to small-scale producers explored
- The existing regulatory framework for rural development effectiveness evaluated.
- A permanent body established for coordination among donors working in rural development to avoid duplication of efforts and take advantage of complementary

actions

- Good Agricultural Practices (GAP) adopted in productive private sector value chains, including those to mitigate against the adverse effects of climate change.

#### 4.1.2. Expand Markets and Trade

The greater trade openness provided by Guatemala's free trade agreements – in particular CAFTA-DR – presents an opportunity and an incentive to expand and diversify the rural economy. In 2009, Guatemala's trade freedom score, a measure of trade liberalization, was above average at 78.4, although the Heritage Foundation cites non-tariff barriers, including non-transparent administration of regulations, inconsistencies in customs valuation, and infrastructure limitations.<sup>20</sup> Guatemala must become more competitive in regional and local markets. To compete in these markets, farmers must improve their productivity in producing high quality products to meet international market standards, especially food safety. They must have physical access to markets through roads. Increased rural incomes will strengthen food access for the large portion of the population that depends on agriculture for income generation. Under this core investment area, the USG will: a) link small farmers to markets; and b) expand trade in Guatemala.

##### Link small farmers to markets

Since 2005, USAID economic growth interventions in high-value horticulture, handicrafts, community based tourism, and forestry have produced more than \$100 million in sales and 54,000 jobs. Linking small farmers to markets through the provision of physical infrastructure, social organization, and technical assistance will have a significant impact on incomes and poverty reduction in Guatemala. The USG will broaden its scope of interventions to include more small-scale producers at the lower end of the value chain, including women and indigenous groups. This more inclusive approach will help smaller producers incorporate into value chains and help them

<sup>20</sup> Guatemala ranked 110 out of 183 in the 2010 World Bank Doing Business "ease of doing business" indicator.

obtain better prices for their agricultural products. Additionally, the new food security strategy will assist those groups that depend on agriculture for subsistence to produce a surplus and will help incorporate these groups into value chains. This new agriculture/food security program will also include the construction of small-scale infrastructure (such as packing sheds, cold storage facilities, farm-to-market roads, and small irrigation systems) and coordination with the GOG, private sector institutions, other donors and banks on the development of needed, large-scale infrastructure.

## Trade

Guatemala has significant potential for agricultural trade, particularly in the area of non-traditional exports. GHFSI resources will permit the USG to expand strategically its support to new priority areas of reform in the trade enabling environment. In FY 2010, USG capacity building assistance will help improve the trade enabling environment and assist in the provision of public goods for agricultural producers, including: 1) supporting for GOG efforts to streamline custom procedures to reduce time and costs of international transactions; 2) strengthening of the SPS system; 3) identification of an irrigation policy and priority needs in small-scale infrastructure, 4) supporting for the Ministry of Economy to design the national commercial policy; and 5) establishment/strengthening of mechanisms of coordination among key actors of civil society, and private and public sectors involved in the development of value chains. The USG would also support public-private alliances for value chains, helping producers transition from subsistence to surplus farming. USAID will engage in consultation with partners to explore opportunities for leveraging, such as the GOG's Rural Development Project (PDER), supported with World Bank and IDB funds, and International Fund for Agriculture and Development (IFAD) and the Danish International Development Assistance (DANIDA) value chain projects.

### Targets and Expected Results:

- Business climate related to trade improved through:
  - Identification of policies or procedures

that could be reformed to reduce costs and improve competitiveness.

- Training of technical customs staff on customs procedures
  - Agreement among all sectors (public and private) on proposal of a commercial policy
  - Strengthening of at least one private sector institution related to trade.
- Value chain program expanded to include more producers and incorporation of those that are ready to start surplus production
    - Number of agriculture value chains increased
    - Parameters defined for incorporating producers that are in the subsistence phase to become surplus producers and be part of the supply chain
    - New private sector organizations and companies interested in participating as USAID partners in new value chains identified
    - New credit facility designed to increase access to loans for seed capital
    - Markets and groups identified and trained in good agricultural and management practices to comply with market requirements.

### 4.1.3. Harness Global Innovation and Research

Innovation, research, and technology transfer in agriculture are necessary to promote and sustain the growth of competitive agricultural production and increase incomes for rural producers and their families. However, under strict budgetary constraints, public investment in research and extension has significantly deteriorated over the past decade in Guatemala. To overcome this limitation, new structures and systems for research and technology must be put in place, including public-private models involving active private sector and community participation.

### Targets and Expected Results:

- Focused policy briefs developed on food security to capture attention of policy-makers; impact evaluations completed of GOG programs and special initiatives; and



quantitative modeling of agricultural policies supported

- Public-private sector models for research and extension analyzed
- Opportunities analyzed for supporting the validation of genetically modified organism (GMOs) technology that are specific to Guatemala's food security and malnutrition context (e.g., drought-resistant varieties in the Dry Corridor or micro-nutrient rich varieties to tackle malnutrition).
- USDA Food for Progress grant with Universidad del Valle on agricultural research.
- PAO academic exchanges of agricultural schools supported.

#### 4.2. PREVENT AND TREAT UNDER-NUTRITION

##### **Current/Potential USG/Donor Partners:**

Pan-American Health Organization, World Food Program, FAO, UNICEF, Center for Disease Control

Guatemala suffers from very high level of chronic malnutrition and stunting.<sup>21</sup> Both are primarily caused by lack of access to food and poor utilization of food. The former is caused by low income and dependence on low-yield, small-scale agriculture. The latter is the result of low levels of education, low socioeconomic status, and poor family planning.<sup>22</sup> The National Survey on Maternal and Infant Health (2009) cites a chronic malnutrition rate of 43.4 percent for Guatemala (height-for-age), one of the highest in the entire world. This rate is even higher for the indigenous population (58.6 percent) overall and exceeds 64 percent in such areas as Totonicapan, Huehuetenango, Quiché, and Solola. As in past years, in times of drought or other stresses, the high rate of chronic malnutrition tips over into acute malnutrition, demonstrating the extremely precarious position in which almost half of all Guatemalans

find themselves.<sup>23</sup>

While the GOG has demonstrated a commitment to tackling undernutrition at the highest political levels, tight fiscal constraints limit its ability to execute the large-scale, multi-sectoral response that would be required to effectively prevent and treat undernutrition.<sup>24</sup> As such, the USG response in this area will seek to complement GOG activities in areas of concentrated need.

The USG nutrition program will develop a *long-term* response to micronutrient and protein deficiencies through a focus on children of less than two years of age and on pregnant and lactating women in close coordination with the P.L. 480 Title II program to Prevent Malnutrition in Children under Two (PM2A). USG activities will focus on preventative services to children under the age of two, low birth weight babies, and pregnant women; behavior change through education and awareness campaigns; capacity building support for policy institutions and official; and improved diets through purchased or produced foods. These activities will help reduce the prevalence of chronic malnutrition. Based on census data<sup>25</sup> and input from the MOH, MOE, and SESAN, USG activities will focus on the municipalities with the highest rate of stunting in children under two years' of age, based on the 2009. The USG's assistance could complement the *Mi Familia Progresá* conditional cash transfer. USAID humanitarian assistance

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<sup>23</sup> Action Against Hunger (2009) recently evaluated 10 municipalities in the Dry Corridor and reported a loss of 37% of first crops and estimated a 73% loss of second crops and a rate of acute malnutrition of 7.7%

<sup>24</sup> Actions in support of this priority include the development of the National Strategy for the Reduction of Chronic Malnutrition, the formation of the multi-sector Secretariat for Food Security and Nutrition (SESAN), the passing of the Food and Nutrition Security Law of 2005, and the launching of the extension of coverage NGO model for the Guatemalan Integrated Health Care System (AIEPI-AINM-C) program. In addition, the GOG established the "*Mi Familia Progresá*" conditional cash transfer program for 453,622 families in 143 of the poorest municipalities to provide a social safety net for the poor.

<sup>25</sup> Third School Height Census (February 2009)

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<sup>21</sup> Reynaldo Martorell, Rafael Flores, Morgan Hickey, Emory University, "Stunting in Guatemala: analyses of change over 15 years," August 2002.

<sup>22</sup> See UNICEF, State of the World's Children, 2000-2007 and National Maternal and Child Health Survey, 2009.



programs are currently focused in the Dry Corridor but the food security crisis is predicted to expand to the Highlands within the next few months. The nutrition program will complement P.L. 480 efforts for greater impact.

#### Targets and Expected Results:

- Assistance provided to the GOG, especially the Institute for National Statistics (INE) and the Ministry of Health for development of a nutritional surveillance system.
- Support provided for promotional campaigns, behavior change, counseling to help mothers with breastfeeding practices, and compliance with performance standards of the WHO Baby-Friendly Hospital Initiative.
- Awareness raised and approaches explored to reduce severe diarrhea among infants and young children (rota-virus vaccination and water and sanitation practices).
- Policy reform assistance provided and an effective monitoring and evaluation system developed for high quality implementation of Guatemala's Community-Based Integrated Health Care Strategy (AIEPI AINM-C). The program focuses on breastfeeding and complementary feeding practices, maternal nutrition, care of the sick/malnourished child, Vitamin A and iron supplements, integrated with family planning, and health services.
- Strategy, logistics systems, and public-private alliances developed for micronutrient supplementation in infants and young children (including iron-rich micronutrient powders such as "sprinkles") for fortifying weaning foods.
- Local capacity and advocacy in the health sector strengthened. (This includes distance learning on food security and nutrition, sustainable training on food security and nutrition to auxiliary nurse midwives/NGOs that implement the extension of coverage health care program.)
- Comprehensive, results-based monitoring and evaluation plan developed.

While FY 2010 will focus on capacity building, training, and awareness campaigns, the USG expects to reduce malnutrition in children

under five; develop sustainable food security and nutrition capacity systems for health workers, NGOs, and municipalities; develop municipal food security and nutrition plans; improve logistics system for delivery of Vitamin A, iron/folic acid or iron, and zinc; establish national norms for iron supplements and prevention of anemia in children under 24 months of age; increase exclusive breastfeeding; and improve nutritional surveillance systems.

### **4.3. INCREASE THE IMPACT OF HUMANITARIAN FOOD ASSISTANCE AND SOCIAL SAFETY-NETS**

**Current/Potential USG/Donor Partners:**  
World Food Program, FAO, European Commission, UNICEF, WHO, UNFPA, USDA, Italian cooperation

An estimated 1.8 million people are food insecure in Guatemala. The majority of these, about 1.7 million, receive food aid although not on a permanent or sufficiently regular basis to meet their nutritional needs. Nearly 500,000 children benefit from government school feeding programs.

These food insecure populations are affected, among other factors, by recurrent drought and flooding, as well as other natural and man-made disasters. Droughts and floods have not only adversely affected the production of staples and cash crops, but they have also disrupted and diverted resources away from longer-term developmental initiatives. Despite recent successful GOG initiatives to improve national food security, the country retains the potential to rapidly backslide into food insecurity, hunger, and malnutrition. Continued and sustained efforts are required to identify and support this highly food insecure and vulnerable population.

The USAID Food Security Program is one of the largest and most developed P.L. 480 Title II food security programs in the Western Hemisphere. The current program addresses all three pillars of food security (utilization, access, and availability). The program reduces food insecurity in target municipalities with the highest chronic childhood malnutrition. The program follows a highly integrated model,

providing targeted communities with health, education, job training, and food distribution in areas with the highest food insecurity. It coordinates heavily with other USG programs in health, local governance, enterprise, and trade as well as with GOG entities (SESAN, and the Ministry of Health (MOH)), international organizations (United Nations Food and Agriculture Office and World Food Program) and NGOs to reduce food insecurity among at-risk Guatemalans. The program also addresses periodic hunger crises like the current one in the Dry Corridor through single-year programs.

This integrated, highly-coordinated approach has been developed over decades and has produced significant, long-term improvements within targeted communities. However, the USAID program combined with those of USDA, the GOG<sup>26</sup> and other donors (e.g., the World Food Program<sup>27</sup>) are insufficient to meet the needs of all Guatemala's food insecure.

The GOG has taken several recent actions in response to the food crisis, especially in the Dry Corridor, including: a) the development of a national strategy for food security and nutrition (PESAN, 2009); b) the implementation of an emergency plan to provide food in priority areas; c) the declaration of a state of emergency in September 2009; d) requests to international donors for emergency assistance; and e) the establishment of a Roundtable for Food Security and Nutrition to create a forum for coordination and implementing actions related to food security for the GOG, donors, civil society, and the private sector. In FY 2010, the USG will build on GOG efforts to expand coordination efforts between donor and GOG programs that maximize reductions in chronic

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<sup>26</sup> Since 2008, the GOG has supported a \$1.4 million food aid program (*bolsas solidarias*) to provide food (rice, beans, and oil) to 50,000 families in the Western part of the country and in the capital.

<sup>27</sup> The United Nations Emergency Response Fund (CERF) is providing \$5 million to the five UN agencies operating in the country in 2009, including FAO, UNFPA, UNICEF, WFP, and WHO to provide assistance to 65,000 families to implement agriculture, food, nutrition, and health programs. The World Food Program supports 350,000 through school feeding, productive projects and activities, pre-school feeding, and mother and child healthcare.

malnutrition. USAID will also analyze and map the nature and depth of food insecurity in Guatemala to better identify the root causes that may exist along geographic and population divisions. The USG will also investigate ways of improving existing GOG social safety net programs to assist the GOG in identifying problems and improving program effectiveness.

To effectively mitigate against further acute hunger crises and foment humanitarian response coordination, USAID through its bilateral and regional programs will investigate ways to improve food security monitoring and early warning systems (EWS). To date, the information required for an EWS has been provided primarily by the MFEWS, and supported by other players in Guatemala – SESAN, Ministry of Agriculture (MAGA), FAO, WFP, and other NGOs. Ensuring a strong, reliable Early Warning System is in place in Guatemala will make great strides toward preventing and protecting the poorest population from unexpected shocks. This will help the USG proactively anticipate crises and develop programming responses if new crises emerge, such as the anticipated crisis expansion from the Dry Corridor to the Highlands.

#### Targets and Expected Results:

- Impact of humanitarian assistance increased through continued support for MFEWS. Food security early warning information provides trade monitoring, vulnerability assessment, training, and technical support to various partners and GOG units. MFEWS activities will continue to be integrated with and complement PL 480 Title II agricultural activities and planned GHFSI projects to target some of the most vulnerable populations in the country.
- Opportunities investigated for improving existing MAGA agriculture programs, assisting them in identifying problems and improving program effectiveness.
- Participation by MAGA and other agricultural actors improved within the framework of SINASAN.
- Opportunities analyzed for helping underserved farmers in the rural economy transition from subsistence to surplus

production, complementing PL 480 programs. These farmers are not currently served by PL 480 programs as they are neither in crisis nor commercial farmers.

- Opportunities investigated for moving farmers covered by the Title II program into higher-productivity agriculture, building upon existing PL 480 Title II funded programs.
- USAID's on-the-ground participation in current USDA Food for Progress and Food for Education projects (such as school feeding) enhanced.
- Social safety net targeting, effectiveness, and transparency improved through coordination with the USAID Health and Education Office on the GOG "Mi Familia Progresá" conditional cash transfer program.

#### **4.4. NEW AREAS BUILD ON EARLIER INVESTMENTS**

This Global Hunger and Food Security Initiative marks a *new paradigm shift* for USG programs toward poverty and hunger reduction. Previously, USG/USAID programs largely were designed to support CAFTA-DR implementation and the Portman-Bingaman directive to ease the transition of small farmers to more open markets. This value chain program promoted linkages between producers and buyers in partnership with the private sector in order to expand into local, regional, and international markets, as well as attract new buyers for Guatemalan products. In FY 2009, USAID supported 197 agriculture and 27 forestry producer organizations, which improved the livelihoods of 11,931 rural households, generated 9,256 jobs, and produced \$28.6 million in sales. Similarly, USDA programs through the Foreign Agricultural Service and APHIS also supported policy reform to improve agricultural practices, such as inspection/certification of export products and trade capacity building. USG agricultural programs under the FY 2010 food security program will therefore build on the success of the value chain model but will incorporate previously unaddressed areas of rural finance, infrastructure, and research and extension under the IARNA model.

USG nutrition programs will build on and complement existing nutrition programs for sick or malnourished children and for communities covered by the PL 480 Title II program by ramping up *long-term efforts* to prevent micronutrient and protein deficiencies. This too marks a significant new focus for USG/USAID programming. However, the USG will build on productive relationships and past program successes to achieve the planned expansion of nutrition programs. The main health and nutrition strategy for Guatemala has been integrated management of sick or malnourished children, which complements the Ministry of Health's ongoing NGO extension of coverage model. The USG supported operational research of micronutrients in powder form (sprinkles) and soluble zinc tablets for the treatment of pneumonia and diarrhea; distance education training for health personnel; the logistics of micronutrients within the public sector; and the promotion of breastfeeding. As a result of these efforts, the Ministry of Health is now scaling up this strategy of home micronutrient-fortification in several poor, isolated rural communities.

USG programs will complement PL 480 programs. GHFSI resources will help underserved farmers in the rural economy transition from subsistence to surplus production. These farmers are not currently served by USAID agricultural or PL 480 programs as they are neither in crisis nor commercial farmers. USAID will also investigate ways of moving farmers covered by the Title II program into higher-productivity agriculture. In doing so, the program builds on existing PL 480 Title II funded programs. In FY 2009, 13,254 households benefited directly from USG agriculture interventions through the Title II Multi-Year Assistance Plan (MYAP) Program. A total of 14,228 individuals received USG supported short term agricultural sector productivity training. This year, a new Single Year Assistance Program (SYAP) also began a program to address growing acute malnutrition in the Dry Corridor, which will benefit 27,000 families. In 2009, USAID and Mercy Corps also launched a new five-year initiative called Preventing Malnutrition in Children under Two (PM2A) that targets all pregnant, lactating women, infants and children up to age two.

This program improves the nutritional and health status of 189,000 women and children in Alta Verapaz with high levels of chronic malnutrition.

On the regional level, the USG has been assisting CAFTA-DR implementation in Guatemala through its bilateral and E-CAM regional programs for several years. With CAFTA-DR now largely implemented, the focus of USG assistance will turn toward broader and deeper integration through addressing regional constraints to improved trade facilitation, food security, and environmental stewardship. Three areas under consideration for the regional program that will complement bilateral efforts include: 1) harmonization and integration of regional policies, legislation, and standards; 2) information sharing and knowledge management; and 3) capacity building and strengthening of key institutions and regional partners. Multiple programs will support regional integration: 1) MFEWS, 2) SERVIR for geospatial mapping of climate change, 3) harmonization of customs reform consistent with CAFTA-DR, and 4) building capacity of regional institutions (such as SIECA or ZAMARANO).

## **4.5. CROSS-CUTTING ISSUES**

### **4.5.1. Engaging the Underserved in Agriculture-Led Growth**

#### **Gender**

Women have lower levels of educational achievement and literacy, lower earnings in formal sector employment and less property ownership, and high levels of gender-based violence and maternal mortality. Extra care will be taken in project design to ensure that the multiple roles of women as caretakers and mothers are addressed, including training in nutrition for mothers and their participation in agricultural activities. USAID will also support gender analysis and research to expand the IARNA model for sustainable rural development to include a stronger focus on women's role in small-scale agriculture and the implications of gender dimensions in the flow of remittances. The USG will also work with women's groups which may have been left behind by other income generation programs that seek

established groups with capacity to generate high levels of jobs and sales quickly. The USG will investigate options with INE for collecting and reporting gender disaggregated data on agriculture as the basis for developing and tracking changes in economic activity and income. The USG will collaborate with SEPREM in this discussion.

#### **The Extremely Poor**

Most low-income people in Guatemala depend on the agriculture sector for their livelihoods. Many small-scale farmers raise subsistence crops on marginal lands with low productivity and limited profit margins. This limits their ability to participate in dynamic, high-value marketing chains that would enable them to increase their incomes. Many of these producers live in areas where there is a concentration of extreme rural poverty and a large indigenous population. Currently, USAID/Guatemala's Economic Growth office provides assistance in an integrated manner covering: (a) policy and regulations, (b) direct technical assistance to rural small and medium enterprises, (c) promoting access to financial services, and (d) the promotion of sustainable natural resource management. The Title II PL 480 program works in the Highlands and the Dry Corridor with the most food insecure communities in that region through programs that integrate nutrition, animal husbandry, microenterprise, health, education, improved local governance, and sustainable environment practices.

#### **The Indigenous**

According to the 2002 census, around 41% of the population identified themselves as indigenous. The Mayan populations were the main victims of a long-running internal conflict between military dictators and guerrilla groups. Guatemala suffered more than 36 years of internal conflict, which formally ended with the signing of the Peace Accords at the end of 1996. However, social conditions have been slow to improve. Income inequality remains extreme. Two-thirds of the rural population remains poor, and Guatemala ranked near the bottom of a new index measuring opportunity inequality in Latin America published by the World Bank last year. USG efforts must address the root causes of chronic hunger and food insecurity explicitly focusing on these ethnic inequalities. The USG

proposes one or a series of in-depth anthropological analyses to arrive at practical mechanisms to guide Phase II GHFSI implementation. These analyses will necessitate the full engagement of the GOG and other donors, to ensure that the conclusions and program orientations are fully shared and committed to by all participants and supporters of the over-arching food security national plan.

#### **4.5.2. Climate Change and Natural Resource Management**

The frequency of severe weather events in Central America, including Guatemala, has increased dramatically in recent decades as climate change continues to advance in the region. The GOG Ministry of Environment's (MARN) "National Policy for Climate Change" (March 2009) cites the negative impact this past decade of Hurricane Mitch (1998) and Tropical Storm Stan (2005), as well as negative impacts in the early months of 2008 on crops loss and domestic and rural infrastructure in Peten, Izabal, and Alta Verapaz. These climate changes are aggravated by poor agricultural practices and land use, which exacerbate and deteriorate the quality of life of the residents, the quality and quantity of hydrological goods and services, loss of biological diversity, increase in epidemiological illnesses, reduction in the production of basic grains, and as a consequence, food insecurity. The USG GHFSI provides a unique opportunity to design and implement best practices to help poor rural Guatemalans adapt to the changing conditions in their physical environment. Harnessing USG FY2010 and FY2011 resources will require working with academia, the private sector, the GOG and other donors to design interventions that best help Guatemala's rural poor and food insecure populations to mitigate the adverse impacts of climate change as they strive to increase the value of their food crops.

## **5. KEY ISSUES AND ANALYTICAL ACTIVITIES LOOKING TOWARD FY 2011**

### **5.1. OVERVIEW**

Guatemala's levels of food and nutritional insecurity are among the highest in the world. Chronic malnutrition rates are 43.4 percent<sup>28</sup>. Guatemala's per capita income of \$2,680<sup>29</sup> masks extreme inequalities between urban, largely ladino versus rural, indigenous populations. The major underlying factor in food and nutritional security in Guatemala is lack of "access" caused by high rates of poverty, lack of income, and inequality. Fifty-one percent of the population lives on less than two dollars per day, and 15.2 percent lives in extreme poverty, earning less than one dollar per day.<sup>30</sup> "Utilization" or nutrition is also a major factor affecting food security. The third dimension of "availability" or supply of food is not a major driver of food insecurity in Guatemala.

Chronic malnutrition among children is persistent and has strong ethnic and geographic dimensions – it is concentrated in rural communities of indigenous populations where stunting rates reach nearly 60 percent for children under five. The highest levels of chronic malnutrition and poverty are concentrated in the Western Highlands (see Map 1 and Map 2 below).

Poverty levels are as high 70-80 percent in most departments in the Highlands (e.g., 81 percent in such areas as Quiche). Meanwhile, stunting levels exceed 64 percent in such areas as Totonicapan, Huehuetenango, Quiche, and Solola. Education levels have a dramatic impact on malnutrition; children of mothers without an education have an incidence of chronic malnutrition of 62.9 percent.

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<sup>28</sup> National Survey on Maternal and Child Health (ENSMI), 2009. Percentage of children between the ages of 3 to 59 months with chronic malnutrition (height-for-age)

<sup>29</sup> World Bank, World Development Indicators, 2008, GNI per capita, Atlas Method, Current US\$

<sup>30</sup> Instituto Nacional de Estadística (INE)/ENCOVI 2006



Guatemala's chronic state of food insecurity has been aggravated by an increase in the price of the basic food basket by 19 percent between 2006 and 2009, as well as reductions in employment and remittances due to the economic crisis. In September 2009, President Colom declared an acute food security crisis in the eastern zone (the Dry Corridor). This zone suffers from recurrent drought and non-irrigated agriculture faces severe obstacles. While acute malnutrition is generally marginal in Guatemala at 0.9 percent (weight-for-age), the Dry Corridor has suffered an increase, with rates of up to 7.7 percent.<sup>31</sup> In addition, MFEWS predicts that this situation will extend to the Highlands beginning in late February 2010 and last up until the August/September harvest. Title II partners are already reporting acute malnutrition rates of up to 12 percent for children under 36 months of age in some areas of the Highlands.<sup>32</sup>

Agricultural production constitutes only 13 percent of GDP in Guatemala (with services at 59 percent, manufacturing at 18 percent, other at 7 percent).<sup>33</sup> However, it is a significant source of income and employment generation for the rural poor. As for the characteristics of rural producers (see chart below), the vast majority of rural producers in Guatemala are subsistence farmers (53 percent) or landless laborers (16 percent). In the focus area of the Highlands, subsistence agriculture is a major source of livelihoods. Most families are poor, with around half of the economically active population (52 percent) working in agriculture, with the rest in services, commerce, and industry and manufacturing.<sup>34</sup> Non-farm income thus occupies a central role for poverty and food security in Guatemala.

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<sup>31</sup> Action Against Hunger (2009) recently evaluated 10 municipalities in the Dry Corridor and reported a loss of 37% of first crops and estimated a 73% loss of second crops and a rate of acute malnutrition of 7.7%.

<sup>32</sup> MFEWS Guatemala Food Security Alert, December 15, 2009.

<sup>33</sup> BANGUAT (2009). Statistics for 2008.

<sup>34</sup> IARNA. Sectoral Distribution of Employment Growth in the Guatemalan Highlands, Sept. 2006, Figure I, p. 8.

The poorest of the poor in Guatemala are landless, female-headed indigenous households suffering from social and economic exclusion. Given the lack of productive assets such as land, the very poor buy the bulk of their food. The extremely poor purchase 50 percent of their rice and 60 percent of their beans, with only a small portion of their needs being met by agricultural production on either rented property or land they own.<sup>35</sup> The main source of income for 95 percent of the extremely poor is agricultural day labor, and for the remaining five percent, the informal sector, with sales of agricultural products virtually absent as a source of income. In this context, other sources of income generation could boost their livelihoods, including artisanal work, sustainable tourism, and other informal enterprises.

Production and export of non-traditional and higher-value agriculture and forestry products have tremendous potential for spurring rural income growth, thus advancing rural development and alleviating poverty. Such agricultural products include high-value horticulture, including mini-vegetables, snow peas, French beans, baby carrots, and summer squash. The forestry sector and coffee production also hold tremendous potential if they use sustainable land, water, and soil conservation and management practices and Good Agricultural Practices. Guatemalan producers must improve product standards for quality, volume, and delivery to penetrate local, regional, and international markets and to be more competitive.

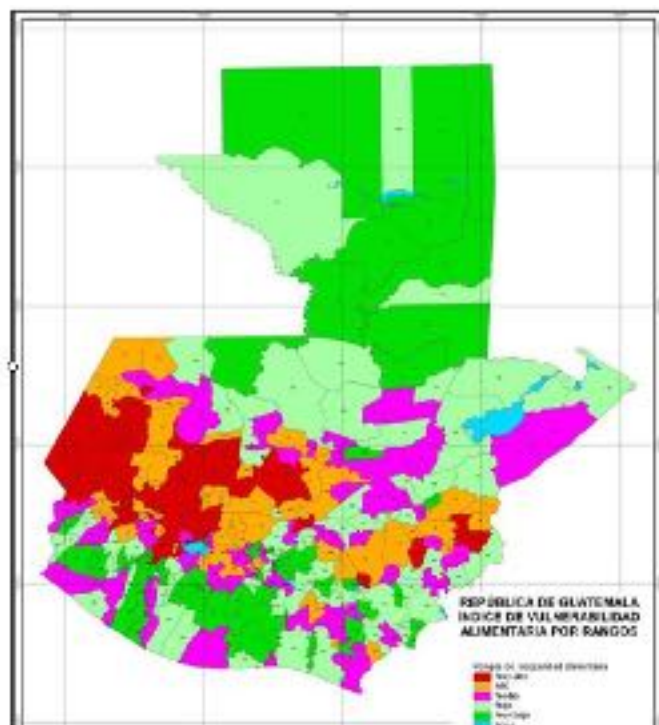
A more dynamic economy can generate needed jobs, especially in rural areas which are characterized by low productivity in the agriculture sector and a lack of the necessary infrastructure to increase market access. Consistent high levels of growth are needed over several years to significantly reduce Guatemala's high poverty rates and to keep up with high rates of population growth. By some estimates, Guatemala must sustain agricultural growth rates of 8.9 percent from 2009 to 2015 to meet the Millennium Development Goals of reducing poverty and hunger in half by 2015.

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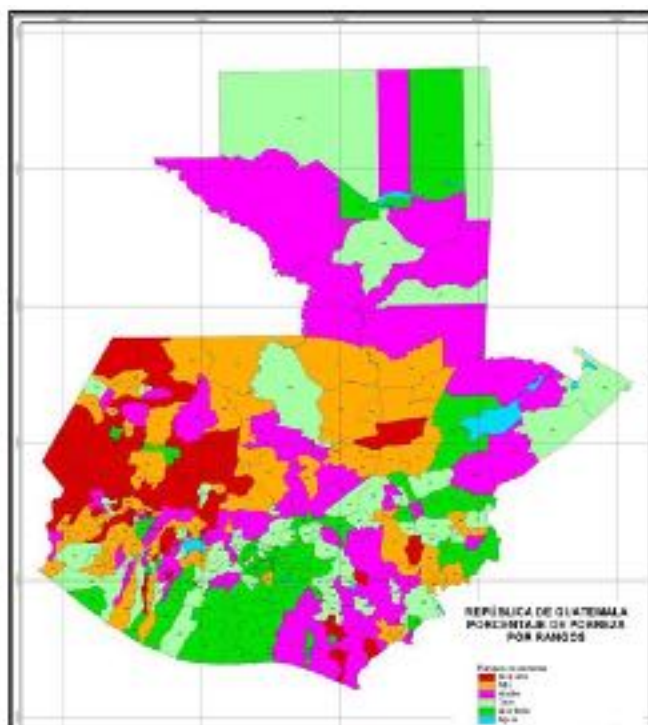
<sup>35</sup> MFEWS, Guatemala: Livelihoods Study, 2009, pp. 40-41.



**Map 3: Food Vulnerability Index**



**Map 4: Poverty at the Municipal Level**



Source: SEGEPLAN (2008).

Table 4: Characteristics of Rural Producers in Guatemala			
Definition	Principal characteristics	No. Homes	%
Landless	No land ownership for production; employed in agriculture	190,388	16
Subsistence Farmers	Produce basic grains in plots of less than 1.68 acres; produce for self-consumption; do not contract external labor to the home	659,922	53
Surplus Farmers	Possess less than 8.4 acres of land; sell their production but conserve for self-consumption; contract external labor.	295,854	24
Medium-sized commercial farmers	Possess less than 53.8 acres of land; produce for the market; contract external labor.	66,752	5
Large commercial farms	Possess more than 53.8 acres.; produce traditional export products.	26,129	2
<b>Total</b>		<b>1,239,045</b>	<b>100</b>

Source: Taylor et al. (2006), based on ENCOVI 2000

## 5.2. PUBLIC EXPENDITURE REVIEW

Public expenditures in rural areas have constituted about 26 percent of the public budget, or equaled 3 percent of GDP, since 1996. To better focus public spending on rural development, the GOG Ministries of Agriculture and Finance supported a January 2009 Public Expenditure Review entitled “Evaluation and Strategic Framework of Public Expenditure for Agricultural Development in Guatemala.” The comprehensive GOG study covers a wide range of findings and suggestions to improve the efficiency of public expenditure in the sector, including the following which coincide with USG objectives as expressed in the GHFSI:

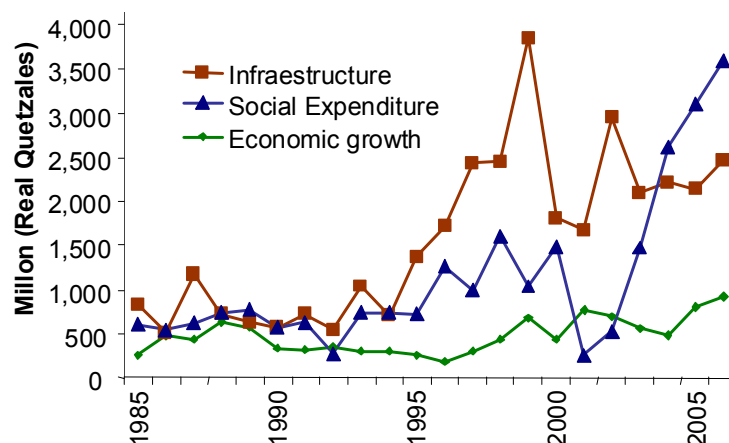
1. The analysis concludes that public spending on private goods (including fertilizers) results in a crowding-out of private investment. The authors recommend a rationalization and reorientation of agricultural sector spending toward public agricultural goods to reduce poverty and promote equity. GOG programs subsidizing agricultural inputs, mostly fertilizers, amount to \$30 million per year alone.
2. The composition of GOG spending in agriculture from 1998 to 2008 was primarily focused on road infrastructure and related works (51 percent), followed by Ministry of Agriculture expenditures (48 percent) for a wide array of projects and programs.<sup>36</sup>
3. Subsidies averaged \$90 million/year over the period 2002-2005. The authors observed declining public spending on private goods, and recommend a public financing strategy to gradually replace

<sup>36</sup> This relatively high percentage for road expenditures should be taken in the context of an extremely low tax level, decline in road expenditures in recent years, and great scale of needs. In terms of the number of kilometers of roads per municipal area, 50 percent of the 45 poorest municipalities have very low levels of rural roads (IARNA 2009).

subsidies for spending on public goods, including research, SPS, land titling and productive infrastructure.

The public expenditure review identified needs for coordination at the inter-ministerial, national, and sub-national levels, and also a need to redirect the priorities, composition and efficiency of public spending in agriculture to become more strategic for greater impact. These challenges are all areas where USG support for capacity building can provide significant achievements.

**Figure 2: Composition of the Public Rural Expenditure in Guatemala, 1985 - 2006**



Source: IARNA Presentation, November 12, 2008

## 5.3. GAP ANALYSIS

The USG has conducted a stocktaking exercise to identify gaps in support of the Global Hunger and Food Security Initiative. Several studies have been commissioned and others reviewed. In November 2009, the USG commissioned a rapid review of the food security situation in Guatemala to form a basis for the implementation plan. This review assessed the state of the agricultural sector, the role of the public sector, international donors, universities, and indigenous and farmer groups.

The USG also commissioned: 1) an assessment of local institutional capacity and data availability; and 2) a framework analysis of the

critical constraints. A review also took place of existing literature, including the GOG's Strategic Plan for Food and Nutritional Security (2009-2012), the MFEWS Livelihoods Study on Guatemala (2009), and the Institute of Agriculture and Natural Resources (IARNA) agriculture and job generation model, previous sectoral studies, and other donor projects.

A review was also conducted of the GOG PESAN matrix of objectives and indicators (lacks baselines and targets) and existing national data sets, including stunting data from the National Study on Child and Maternal Health (ENSMI 2009), national and sub-national poverty data from the National Survey on Living Conditions (ENCOVI), MFEWS early warning reports, the Third School Height Census, and Millennium Development Goal indicators.

While more work is needed in this area to identify gaps and fully coordinate efforts, the USG identified a number of key needs to support the development of an evidence-based food security initiative:

- Studies and surveys to fill gaps in existing datasets, e.g., the Millennium Development Goal data is spotty and inconsistent;

periodicity of malnutrition data from the ENSMI study (once every six years) and the ENCOVI poverty indicators (once every four years).

- A household-level study on food consumption behaviors to better understand nutritional practices (last study was in the 1960s).
- Establishment of a nutritional surveillance system for monitoring nutritional status
- Sustainable adoption and use of MFEWS in coordination with such partners as SESAN, UN World Food Program (WFP), and UN Food and Agriculture Organization (FAO)
- Impact analysis of special initiatives and quantitative modeling of agricultural policies, e.g., the World Bank and the IDB are conducting impact assessments of the *Mi Familia Progreso* cash transfer program.
- Support for SESAN in the development of an M&E matrix of objectives and indicators for PESAN to include baselines, targets, and results.
- Establishment of baselines and disaggregated data by sex, indigenous and non-indigenous populations, and target geographic areas.

## 6. PARTNERSHIP PLAN

Robust coordination will be maintained under FY 2010 activities. Current engagement among the USG, Government of Guatemala, donors, private sector, and civil society is summarized in the tables below. A more thorough mapping exercise will take place in FY 2010 planning to align donor activities into an investment plan supportive of GOG country-led plans.

**Table 5: Current Engagement among Institutions in Guatemala Regarding Food Security**

Partners		Core Investment Areas										
		Sustainable Market-led Growth Across Entire Food Production and Market Chain						Nutrition	Humanitarian Assistance.	Cross-Cutting Themes		
		Agricultural Productivity	Link Small farmers to Markets	Agri-business /Private Sector Growth	Spur Regional Integration	Agricultural Trade	Harness Global Innovation and Research	Nutrition	Efficiency of Humanitarian Assistance	Women in Rural Economic Growth	Extreme Poor in Rural Economic Growth	Climate Change and NRM
USG	USAID	x	x	x	x	x	x	x	x	x	x	x
	USDA						x		x			
	PAO						x					
	Peace Corps	x						x			x	
	DOD							x			x	
	DOI											x
Government of Guatemala	SEGEPLAN		x						x			
	SESAN							x	x		x	
	MAGA	x	x	x	x	x	x	x		x	x	x
	PRORURAL	x	x	x						x	x	
	MOF	x										
	PDER	x	x	x		x						
	MOH							x	x			
	Commission de Seg. Alimentaria							x	x		x	
	ICTA	x					x					
	INTECAP	x					x					
Multilaterals	World Bank	x	x	x		x						
	IFAD	x	x	x								
	FAO							x	x			
	WFP							x	x			
	EC	x	x						x			
	UNICEF							x				
	UNFPA							x				
	PAHO							x				

		Agricultural Productivity	Link Small farmers to Markets	Agri-business /Private Sector Growth	Spur Regional Integration	Agricultural Trade	Harness Global Innovation and Research	Nutrition	Efficiency of Humanitarian Assistance	Women in Rural Economic Growth	Extreme Poor in Rural Economic Growth	Climate Change and NRM
Regional	IDB		x	x								
	BCIE			x	x							x
	SIECA				x							
	SICA				x							
	OAS											
	IICA	x			x	x						
	CATIE	x			x		x			x		x
	CCAD				x							x
	MFEWS						x	x	x			
Other Donors	Japan	x					x					
	EU	x										
	Ital. Coop.							x			x	
	ASDI	x	x									
Universities	UVG						x					x
	USAC						x			x	x	
	ENCA	x					x					
	URL						x			x	x	
	U. Rural						x					
	IARNA						x					x
Think Tanks	CIEN						x					
	Incidencia Amb.						x					x
	FLACSO				x		x			x		x
Private Sector	AGEXPORT	x	x	x	x	x						
	Wal-Mart	x	x	x			x					
	CAMAGRO					x						
	ANACAFE	x	x	x		x	x	x				
	Monsanto					x	x					
	PIONEER	x	x	x								
	Duwest	x	x	x								
	Yara	x	x	x								
	Citibank	x	x						x			
Civil Society	OBSAN							x	x			
	Indigenous Groups							x	x	x	x	
	Campeño Groups							x	x	x	x	

## **6.1. USG INTERAGENCY CONSULTATION AND COORDINATION**

USG coordination will be primarily handled through two coordinating groups. USAID proposes a USG Global Food Security Initiative working group to meet monthly at the Embassy. The working group will cover technical-level implementation issues. This group will be spun off from the existing USG Food Security Task Force (chaired by the Deputy Chief of Mission) that coordinates food security programs at the agency level.

In the preparation of this implementation plan, USAID consulted all relevant agencies at post, including State, USDA FAS and APHIS, Peace Corps, and the MIL Group to brainstorm and discuss Guatemala's action plan within the GHFSI. The ideas suggested for coordination and comparative advantage are summarized below.

USDA/FAS has in-house expertise and has built in-country key networks with public, private, and academia sectors, with expertise in science-based improvements in agricultural productivity, post-harvest handling, and marketing, in a manner that supports Guatemala's market-based economy and mitigates agro-environmental damage. Under the Food for Progress (FFPr) program, USDA provides U.S. agricultural commodities on a donation basis (either for direct feeding or monetization) through private voluntary organizations to support agricultural development in Guatemala consistent with USG priorities. A USDA FY 2010 Food for Progress grant (\$3.9 million) of monetization proceeds to Universidad del Valle will support three agricultural projects: 1) developing options for food sustainability through food products with high nutrient value; 2) increasing forestry and agricultural products through good agricultural practices, science and technical transfer, and community education; and 3) developing and expanding agribusinesses by providing training on business development, trade fairs, and local marketing. The McGovern-Dole International Food for Education and Child Nutrition (FFE) program

provides school feeding and maternal and child nutrition projects for the poor. A USDA FY 2010 Food for Education grant (\$5.12 million) of monetized proceeds to Project Concern International will support direct feeding to promote improved school attendance and nutrition. In addition, FAS manages several fellowship programs that provide technical and academic experts access to agricultural training and facilities in the United States, including Cochran Fellowships to bring technical experts to the United States for short-term training and the Faculty Exchange Program to allow agricultural academics the opportunity to work in the United States for 4-5 months.

USDA/APHIS has two primary missions in Guatemala: SPS management and Fruit Fly eradication and suppression. This pest is a considerable obstacle to the development of the fruit and horticulture industries in Guatemala. The Mediterranean Fruit Fly (MOSCAMED) program works to reduce the risk of Medfly outbreaks and to increase exports from newly eradicated areas. In 2009, APHIS worked cooperatively with Mexico and Guatemala on this program. Since 1976, USDA has invested \$266 million in the MOSCAMED program in Guatemala, the three cooperators, including the United States, have invested a total of \$365.9 million in the cooperative effort. APHIS proposes to continue to work on improving SPS and inspection systems.

The Peace Corps will have 225 volunteers in the Guatemalan countryside as of January 2010, with significant projected growth over the coming years. The Sustainable Agriculture technical program is comprised of a Food Security track, Agricultural Marketing track, and a Healthy Schools team. These programs support family and school vegetable gardens; sustainable farming and environment conservation practices; training on nutritional content and the preparation of home grown vegetables; efficient agricultural marketing practices; environmentally sustainable value-added practices; and cooking lessons on nutrition. Creative community-level use of volunteers intersecting with USAID programs will be explored.



The Public Affairs Office (PAO) will leverage its public diplomacy programs to support the GHFSI. PAO is actively seeking opportunities to bring speakers on food security-related topics under the Strategic Speaker Initiative. To the extent possible, PAO will utilize its exchange programs, such as the International Visitor Leadership Program, Voluntary Visitor Program, the Fulbright Program, Fulbright Senior Specialist Program, and the Community College Initiative, to develop relationships with key policymakers, professionals, and students who have an interest in agriculture and food security. PAO will take advantage of its broad roster of alumni to organize programs, roundtables, and other meetings on the topic of food security.

Finally, the MIL Group has limited SOUTHCOM resources for Humanitarian Assistance Projects (HAP), such as infrastructure in community potable water which would complement the initiative's nutrition objectives.

## 6.2. DIPLOMATIC STRATEGY

The Chief of Mission will continue the strategy of engagement with the President, Congressional leadership, influential members of the private sector, and the media to advance food security priorities in Guatemala. The Post will also deepen high-level engagement with senior government policymakers (e.g., SEGEPLAN, SESAN, MAGA, Ministry of Health, MINEDUC, Ministry of Finance) to help build political momentum and support broad GOG strategic direction in:

- Encouraging GOG leadership to adopt the GHFSI and food security issues as a major priority
- Advocating for agricultural investments and rationalized funding in the Ministry of Agriculture
- Encouraging broad policy reform and identifying policy and legal constraints (such as the pending Rural Development Law)
- Enhancing coordination and dialogue between ministries, NGOs, and donors involved in agriculture and nutrition by

advocating for the establishment of a rural development roundtable

- Discussing with the GOG creative engagement and consultation of civil society and private sector stakeholders to improve the domestic lobby for policy change
- Leveraging the Public Affairs Section (PAS) public diplomacy programs to support the GHFSI as previously mentioned.

## 6.3. CONSULTATION AND COORDINATION WITH GOVERNMENT

The Secretary of SESAN has the lead for the implementation of the food security initiative. The Secretary of SESAN coordinates with the Secretary of SEGEPLAN and the deputy in charge of *Cohesion Social*. These three entities will be responsible for guiding and coordinating the diverse efforts of line ministries in the executive branch to reach shared objectives, in this instance to reduce food insecurity. A formal structure has not yet been identified although there are existing and proposed GOG-coordination “*mesas*” in the areas of food security and rural development. For instance, there is an existing “*mesa*” for food and nutrition security. This “*mesa*” also has a sub-group for production. USAID will work with GOG partners to identify an appropriate forum for coordination.

Lead GOG institutions and initiatives that will be key partners moving forward include:

- SESAN
- SEGEPLAN
- Cohesion Social
- The Ministry of Agriculture (MAGA)
- A presidential initiative created under the current administration – PRORURAL – financed by a government trust fund and proposed under the proposed new Rural Development Law to become a government ministry.

The “Program for Economic Development from the Rural Sector” (PDER) is a GOG initiative administered by the National Competitiveness Program (PRONACOM) in the Ministry of

Economy. PDER is financed by the World Bank and IDB. It brings public and private institutions together under one umbrella and will replicate the USAID Value Chain model at the national level.

Prior to the Global Hunger and Food Security Initiative, USAID/Guatemala provided support to the GOG in its efforts to formulate a long-term national rural development policy to provide a framework for enhancing the competitiveness of Guatemala's rural sector. A key objective for the USG has been focusing on the distribution of the benefits of the CAFTA-DR trade agreement to include historically underserved segments of the population. During 2004 – 2007, USAID provided assistance to SEGEPLAN to review the Rural Development Policy and draft an action plan and strategic agenda to be presented to the incoming GOG administration.

Given the integrated nature of the GHFSI, USAID/Guatemala proposes to work with the GOG to help establish the larger coordinating structures that will be needed to ensure country leadership and effective wider donor coordination moving forward through the pre-implementation phase into full implementation. USAID also plans on hiring additional short- and long-term staff to support coordination between the USG and the GOG on this initiative.

The following table synthesizes the intersection between the core investment areas of the USAID/Guatemala Global Hunger and Food Security implementation plan, the GOG “Strategic Plan for Food and Nutritional Security: PESAN 2009 – 2012,” and the USG goals of the “Global Hunger and Food Security Initiative.”

**Table 6: USG and GOG Alignment of Food Security Programs**

USG GHFSI Plan	GOG Food Security Plan (PESAN)
Increasing agricultural productivity (including natural resources management)	Stimulate the production of basic and certified seed for improved corn, bean and local ( <i>criolla</i> ) corn seed
	Provide technical assistance for production
	Develop technology transfer (technological packages) for production
	Implement the Rural Extension Program
Linking small farmers (including coffee, tourism, and handicrafts) to markets and encouraging private sector growth	Support controlled production of vegetables and fruits for best economic return
	Support milk and fish (tilapia) producers in rural areas
	Support the production of coffee, cocoa and cardamom
Increasing agricultural trade	Support productive chains for commercial production
Improving nutrition	Promote the development of hygiene, health and environmental practices in rural households, through household trainers
	Provide funding to school groups to prepare nutritive menus for pre-school and school aged children
	Strengthen integral attention to children in Community Home Programs in health, education, food, nutrition and protection
	Train staff to implement new growth protocols and coordinate actions to procure weight and height equipment

	Improve health service infrastructure
	Provide complementary food
	Clean drinking water for homes
	Strengthen regulations the management and disposal of sewage and solid waste
	Provide basic sanitation in rural communities in poverty or extreme poverty
	Construct aqueducts in prioritized rural communities to improve environmental and health conditions
Improving the efficiency of humanitarian assistance	Provide food assistance to populations at risk or affected by external events
N.B. Engaging underserved populations, particularly women and the very poor, in rural economic growth overlaps repeatedly with preceding sections, particularly that of improving nutrition. This is one of the reasons USAID/Guatemala has categorized this core investment area as cross-cutting.	

#### **6.4. MULTILATERAL AND BILATERAL DONOR CONSULTATION AND COORDINATION**

In response to the priority that the Colom Government gave to rural development, the formal donor coordination organization (G-13) asked USAID to take the lead on donor discussions on this national priority. As a result, the USAID-chaired Rural Development Working Group has been established with the purpose of coordinating activities, identifying priorities as opportunities to coordinate programs among donors and within the framework of government priorities. This working group of 14 donors, meets monthly, and serves as a natural platform for donor coordination to work together on the GHFSI. USAID is the lead donor and chair of this group. USAID convened a special session of a core group of regional and multilateral donors to discuss institutional plans for the GHFSI. In addition, the November 2009 Rural Development Working Group session focused on the GHFSI with participation of the GOG. USAID will continue to build awareness, support, and coordination in this forum for this

initiative. SEGEPLAN and SESAN have confirmed that the USG is the first donor to communicate a concrete commitment to the food security initiative.

#### **6.5. CIVIL SOCIETY AND PRIVATE SECTOR CONSULTATION AND COORDINATION**

Key private sector and civil society partners in Guatemala are listed below. USAID has direct relationships with several of these partners through existing projects, such as the Association of Guatemalan Exports (AGEXPORT), ANACAFE, WalMart, and IARNA. With FY 2010 resources,

USAID expects to fund a think tank project (Center of Excellence) in order to establish a policy platform incorporating private sector concerns that would provide continuity throughout successive changes of government administration. In addition, USAID proposes inviting key civil society partners to present at Rural Development Working Groups sessions on food security topics (monthly meeting chaired by USAID).

**Table 7: Important Institutions and Area of Specialization**

Institutions	Area
<b>Private Sector/Alliances</b>	
Agexport (Exporters Association) Anacafe (National Coffee Assoc) Asazgua (Sugar-cane Assoc) Cobigua (Banana Assoc) CAMAGRO (Chamber of Agriculture) Private companies: WalMart, Monsanto, Yara, Duwest-Dupont, Disagro, Syngenta)	Food Access: Agriculture productivity and quality, value chains to connect producers with markets
<b>Academia</b>	
Universidad de San Carlos (USAC), Universidad del Valle (UVG), Universidad Rafael Landivar (URL) Universidad Rural	Research & Development, Technology
<b>Regional Institutions</b>	
INCAE, FHIA, CATIE, Zamorano Panamerican Agricultural School	Research & Development, Training
<b>Think Tanks</b>	
IARNA, FLACSO, ASIES, AVANCSO, CIEN	Increase public awareness, monitor and evaluation of progress, further policy agenda
Technical Institutions INTECAP, ICTA	Vocational skills (training)
<b>Civil Society</b>	
Indigenous organizations Peasant organizations (CUC, CENOC) OBSAN ( <i>Observadora de Seguridad Alimentaria y Nutricion</i> )	Functions as “observatory” for food security needs in the country
<b>Civil Society</b>	
Migrants in US	Food access and availability: remittances use in productive activities

## 7. FY 2010 CAPACITY BUILDING PLAN

FY 2010 funds will support strengthening the capacity of food security implementing partners with public, private sector, academic, and civil society partners to receive short-term training on policy issues; budget formulation; strategic planning; monitoring and evaluation; statistical analysis; information management; agribusiness value chains; SPS and quality standards; early

warning systems and nutrition surveillance; nutrition education and awareness; climate change adaption; and models for safety nets and outreach to vulnerable groups.

USAID will help build GOG capacity to participate more effectively in this initiative. USAID may support a think tank project to build local capacity, a policy platform, and continuity for this initiative. USAID will coordinate with the U.S. Embassy’s Public Affairs Office on identifying the potential for

study tours and academic exchanges in agriculture and food security and for engaging interested local agricultural Fulbright alumni in the food security initiative. USAID will consider strengthening Guatemalan agricultural training institutes for longer-term, more sustainable impact for current and future generations of leaders in food security.

In the immediate term, the USG will also leverage these capacity building efforts with other donors. These efforts are highly complementary to the USG.

## 8. MANAGEMENT PLAN

### 8.1. WHOLE OF GOVERNMENT COORDINATION STRUCTURE

USAID leads the USG effort on food security in Guatemala, under the Ambassador's direction. A strong base for coordination exists from which the USG can accelerate coordination. The USG Food Security Task Force coordinates the interagency food aid response to the immediate food security crisis in Guatemala. This is the logical platform for spinning off a specialized group for this initiative. Therefore, a "whole of government" response will be coordinated through a sub-group chaired by the DCM that has been formed specifically for the GHFSI to coordinate and leverage efforts between State, USAID, USDA, Peace Corps, and the MIL Group in such areas as USDA research, statistics, and capacity building programs, the APHIS Med Fly program, Peace Corps volunteers in agriculture and food security, and the MIL group initiatives for infrastructure. In addition, PAO will leverage this initiative through academic exchanges and visits between agricultural schools in the U.S. and Guatemala. The post will also coordinate with Washington headquarters and other Washington-based agencies with relevant expertise, such as USTR on CAFTA-DR trade capacity building concerns (e.g., SPS and Portman-Bingaman compliance) and the Department of the Interior on forestry and environmental issues.

USAID works closely with the regional El Salvador-Central American Mission (E-CAM) on regional trade issues, benefiting from an interagency agreement with USDA for SPS and trade capacity building. Under the new strategy, regional programs will complement Guatemala's programs in information sharing, harmonization, and capacity building of key regional institutions in such areas as Mesoamerican Early Warning System, SERVIR for geospatial mapping of climate change, and harmonization of customs reform consistent with CAFTA-DR.

### 8.2. MONITORING, REVIEW AND EVALUATION SCHEDULE

USAID is planning on designing a new Monitoring and Evaluation (M&E) mechanism in support of the Global Hunger and Food Security Initiative. The M&E project will serve as the mechanism for monitoring the GHFSI. USAID envisions creating a long-term M&E mechanism to conduct baselines, monitor the implementation of projects, and conduct monitoring after the project closes out to assess sustainability and impact. In the first year, the project could conduct stocktaking to assess the statistical capacity and availability of data in the government. USAID could consider monitoring the food security initiative as a whole, including the impact of GOG and other to have a joint donor-government evidence-based monitoring and evaluation system to ensure maximum results. The GOG already has an M&E framework of objectives and indicators for PESAN. USAID could build on these efforts and help refine the matrix to include baselines, targets, and results.

### 8.3. STAFFING REQUIREMENTS

To achieve the initiative's objectives and ensure the proper management of funds, USAID/Guatemala will require increases in staff beyond those already envisioned and approved in its FY 2010 and FY 2011 staffing pattern. USAID/Guatemala undertook an initial analysis of staffing needs, based on two budget scenarios and on the areas of initiative focus. This analysis was based on manage-to-budget principles,

existing staffing plans, agency needs for DLI positions, and office space considerations.

Recent USAID/Guatemala experience suggests an overall staff to budget ratio and a technical staff to budget ratio that can be used as a parameter for appropriate initiative staffing increases. The analysis suggests an overall increase in staff from between 7-9 full-time equivalent positions (FTEs) for the low scenario

and 16-18 FTEs for the high scenario.

To build upon in-country expertise and ensure program continuity, the staffing pattern will comprised principally of Foreign Service Nationals. However, U.S. Direct Hires and Personal Services Contractors will be proposed where there is a need to attract international or broader USAID experience