

## Data Sheet

<b>USAID Mission:</b>	Guatemala
<b>Program Title:</b>	Economic Freedom
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	520-022
<b>Proposed FY 2004 Obligation:</b>	\$6,000,000 DA; \$10,000,000 PL 480
<b>Prior Year Unobligated:</b>	\$0
<b>Proposed FY 2005 Obligation:</b>	\$3,000,000 DA; \$10,000,000 PL 480
<b>Year of Initial Obligation:</b>	FY 2004
<b>Year of Final Obligation:</b>	FY 2008

**Summary:** Guatemala's already large economy (\$23.3 billion) and strategic location within Central America positions it to be the greatest "winner" of all the Central American countries through a free trade agreement with the United States (CAFTA). Yet to enjoy fully the benefits and meet the challenges of an agreement, the new Berger Administration that takes office in 2004 must move aggressively on a range of long-standing issues that make Guatemala the least competitive of all of the Central America countries. USAID will help Guatemala meet this challenge, lending technical support to improve the policy environment for investment, facilitate business development, and improve producers' abilities to meet the quality standards of specialty markets. Because much of Guatemala's competitive advantage lies in its rich biological diversity and cultural assets, USAID's program will focus on the policies, market linkages, and business skills that the agricultural, tourism, and forestry sectors need to succeed in highly competitive, specialized markets. In the early years of the program, USAID will also provide assistance to enhance land tenure security, improve customs administration, and extend financial services to small- and medium-sized enterprises in rural areas.

### Inputs, Outputs, Activities:

#### FY 2004 Program:

More competitive, market-oriented, private enterprises (\$4,000,000 DA). Activities will focus on high-value horticulture products, sustainable tourism, and forestry sectors through the forging of more competitive business clusters and improved business linkages. Support to 4,000 small-scale producers will allow them to engage in higher value production that meets market requirements. Assistance will be provided to 10 communities to manage cultural and natural resources. Forty business alliances will be developed to leverage resources and to access technology and markets. The Mission's recently established alliances window with the Guatemalan Nontraditional Agricultural Exporters Association (AGEXPRONT), which leveraged a 2 to 1 match for USAID funding, will be expanded as a means of leveraging more resources from the private sector for activities that enhance trade capacity and strategic business cluster development. Principal Contractors, Grantees, or Agencies: AGEXPRONT and Michigan State University.

Laws, policies, and regulations that promote trade and investment (\$2,000,000 DA). Assistance will be provided to the Government of Guatemala to help resolve land conflicts and improve land tenure in exconflictive rural areas. Assistance also will be provided in customs administration to improve the efficiency and security in moving imports and exports through ports and to adopt and implement fiscal policies supportive of investment and trade. Principal Contractors, Grantees, or Agencies: To be determined.

PL 480 Title II. Food Assistance will provide essential support to cooperatives and producer associations to improve and diversify agricultural production, contributing to higher family income and greater food security. Food for Work activities are implemented for important infrastructure that generates income such as small-scale irrigation or farm-to-market roads that facilitate community access to markets and

health services. Principal Contractors, Grantees, or Agencies: CARE, SHARE Guatemala, Catholic Relief Services, and Save the Children.

**FY 2005 Program:**

More competitive, market-oriented, private enterprises (\$2,500,000 DA). Activities will focus on high value horticulture products, sustainable tourism, and forestry sectors through the forging of more competitive business clusters and improved business linkages. Support to small-scale producers will allow them to engage in higher value production that meets market requirements. Assistance will be provided to selected communities to manage cultural and natural resources. Business alliances will be promoted to leverage resources and to access technology and markets. Principal contractors, grantees, or agencies: AGEXPRONT and Michigan State University.

Laws, policies, and regulations that promote trade and investment (\$500,000 DA). Assistance to the Government of Guatemala will help resolve land conflicts and improve land tenure in exconflictive rural areas. Assistance in customs administration will improve the efficiency and security in moving imports and exports through ports and will help Guatemala adopt and implement fiscal policies supportive of investment and trade. Principal contractors, grantees, or agencies: To be determined through a competitive process.

PL 480 Title II assistance will provide essential support to cooperatives and producer associations to improve and diversify agricultural production, contributing to higher family income and greater food security. Food for Work activities will provide important infrastructure to generate income such as small-scale irrigation or farm-to-market roads that facilitate community access to markets and health services. Principal contractors, grantees, or agencies: CARE, SHARE Guatemala, Catholic Relief Services, and Save the Children.

**Performance and Results:** This new program will help Guatemala meet the challenges and take advantage of new opportunities under CAFTA, providing support for laws, policies, and regulations that promote trade and investment. It will help make Guatemala a more effective trading partner with the United States, the world, and the rest of Central America. Results expected include a greater contribution of selected industry clusters (e.g., high-value horticulture, forestry, and sustainable tourism) to the economy, greater revenue generated from the responsible use of environmental resources, and improved rural farm family income and food security.

## US Financing in Thousands of Dollars

Guatemala

520-022 Economic Freedom	DA	PL 480
<b>Through September 30, 2002</b>		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
<b>Fiscal Year 2003</b>		
Obligations	0	0
Expenditures	0	0
<b>Through September 30, 2003</b>		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
<b>Prior Year Unobligated Funds</b>		
Obligations	0	0
<b>Planned Fiscal Year 2004 NOA</b>		
Obligations	5,878	5,654
<b>Total Planned Fiscal Year 2004</b>		
Obligations	5,878	5,654
<b>Proposed Fiscal Year 2005 NOA</b>		
Obligations	2,501	10,000
Future Obligations	9,000	15,000
Est. Total Cost	17,379	30,654