

## 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>Status:</b>	New in FY 2004
<b>Planned FY 2005 Obligation:</b>	\$5,272,000 DA
<b>Prior Year Unobligated:</b>	\$0
<b>Proposed FY 2006 Obligation:</b>	\$3,632,000 DA
<b>Year of Initial Obligation:</b>	2004
<b>Estimated Year of Final Obligation:</b>	2008

**Summary:** The USAID economic freedom program utilizes a balanced, strategic selection of enterprises, business clusters, national-level activities, and policy reforms to help improve Guatemala's competitive position. This will allow Guatemala to take advantage of regional and global market opportunities in sustainable tourism, high-value horticultural and specialty coffee exports, and certified forest products. The Government of Guatemala's national competitiveness program (PRONACOM) will be the principal collaborator, and will help identify priorities, design and coordinate activities, and oversee implementation. Principal program elements will support: improved laws, policies and regulations that promote trade and investment; more competitive, market-oriented private enterprises; and broader access to financial markets and services. USAID will emphasize public-private alliance principles which will be the cornerstone for implementing efforts aimed at improving private sector growth. Since Guatemala's competitive and development future is inextricably linked to its natural environment, investments in the tourism and forestry clusters will specifically incorporate mechanisms which help ensure the sustainable management of natural resources and biodiversity conservation.

### **Inputs, Outputs, Activities:**

**FY 2005 Program:** Increase Participation in Global Trade and Investment (\$350,000 DA). USAID will provide technical assistance and training to initiate activities that build public and private sector capacity to respond to - and benefit from - opportunities created by the U.S. - Central America Free Trade Agreement (CAFTA), and increase both foreign direct and gross domestic investment. Principal contractors, grantees, and agencies are PRONACOM and others to be selected.

Improve Economic Policy and Governance (\$650,000 DA). USAID will focus on helping the Government of Guatemala (GOG) design and implement a new Rural Development Policy, which will provide the framework for future activities aimed at improving rural economic competitiveness. In addition, USAID will support the GOG's implementation of environmental policies, laws and regulations critical to ensuring sustainable utilization of the natural resource base. USAID will provide technical assistance and training to help the Government of Guatemala improve trade policy, implement customs reform, and improve the regulatory framework. These activities will increase Guatemala's competitiveness, and facilitate regional and international trade. Principal contractors, grantees, and agencies are International Resources Group, Abt Associates, the National Protected Areas Council, PRONACOM, and others to be selected.

Increase Private Sector Growth (\$3,272,000 DA). Activities will be targeted to support increased growth in the tourism, agro-industrial, and forestry clusters. These activities will emphasize alliance principles in order to leverage significant private funding and encourage the involvement of new implementing partners that will be selected based on a competitive process in collaboration with the PRONACOM. These activities will be targeted to support increased growth in the tourism, agro-industrial, and forestry clusters. Principal contractors, grantees, and

agencies are the Nontraditional Agriculture Export Association (AGEXPRONT), Counterpart International, Citizens Development Corps, and others to be selected.

Improve Sustainable Management of Natural Resources and Biodiversity Conservation (\$1,000,000 DA). Guatemala's competitive and development future is inextricably linked to the sustainable use and management of its natural resource base. Therefore, USAID's support for policy activities, and investments in the tourism and forestry clusters, will specifically incorporate efforts to ensure the sustainable management of natural resources and biodiversity conservation. Principal contractors and grantees are Counterpart International, Rainforest Alliance, and others to be selected.

Increase Food Security of Vulnerable Populations. P.L. 480 Title II assistance is a key component to increase food availability and income for rural families. USAID will train farm families in soil management, land conservation, and agriculture such as high-value horticultural production. Principal grantees are CARE, SHARE, Save the Children, and Catholic Relief Services.

**FY 2006 Program:** Increase Participation in Global Trade and Investment (\$363,000 DA). USAID would expand its support for building public and private sector capacity to respond to and benefit from opportunities created by CAFTA, and increasing both foreign direct and gross domestic investment. Principal contractors, grantees and agencies are: PRONACOM and others yet to be determined.

Improve Economic Policy and Governance (\$624,000 DA). USAID would continue support for the implementation of the new Rural Development Policy, and the implementation of environmental policies, laws and regulations that ensure sustainable utilization of the natural resource base. In addition, USAID would expand its support for the Government of Guatemala's efforts to improve trade policy, reform customs, and improve the regulatory framework. These efforts would help establish the enabling environment for increasing Guatemala's competitiveness, as well as increasing regional and international trade. Principal contractors, grantees, and agencies are PRONACOM, National Protected Areas Council, and others to be selected.

Increase Private Sector Growth (\$1,645,000 DA). Activities would continue to leverage private sector resources and support efforts to increase growth in the tourism, agro-industrial, and forestry clusters. Principal contractors and grantees have not yet been selected.

Improve Sustainable Management of Natural Resources and Biodiversity Conservation (\$1,000,000 DA). USAID support for private sector growth in the tourism and forestry clusters would specifically incorporate efforts to ensure the sustainable management of natural resources and biodiversity conservation. Principal contractors and grantees have not yet been selected.

Increase Food Security of Vulnerable Populations. USAID will continue supporting P.L. 480 Title II activities to increase food availability and income for rural families by improving production and marketing activities. Principal contractors and grantees have not yet been selected.

**Performance and Results:** This is a new program with no performance data to report yet. Since FY 2004 was the initial year of obligation, efforts focused on program design and the development and procurement of implementation instruments. The principal results expected to be achieved by the end of the strategy are: an advance of five positions for Guatemala in the Growth Competitiveness Index Score (World Economic Forum); a \$100 million increase in sales (volume and value) of goods and services; and the creation of 70,000 new jobs.

## US Financing in Thousands of Dollars

Guatemala

520-022 Economic Freedom	DA
<b>Through September 30, 2003</b>	
Obligations	0
Expenditures	0
Unliquidated	0
<b>Fiscal Year 2004</b>	
Obligations	5,878
Expenditures	17
<b>Through September 30, 2004</b>	
Obligations	5,878
Expenditures	17
Unliquidated	5,861
<b>Prior Year Unobligated Funds</b>	
Obligations	0
<b>Planned Fiscal Year 2005 NOA</b>	
Obligations	5,272
<b>Total Planned Fiscal Year 2005</b>	
Obligations	5,272
<b>Proposed Fiscal Year 2006 NOA</b>	
Obligations	3,632
Future Obligations	3,218
Est. Total Cost	18,000