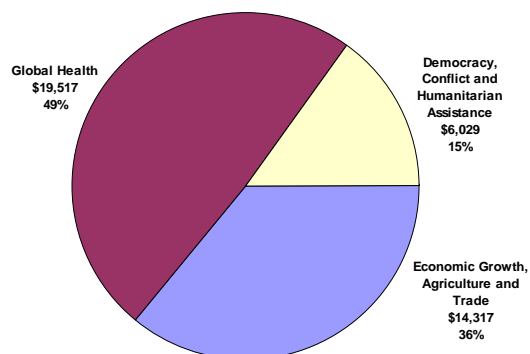
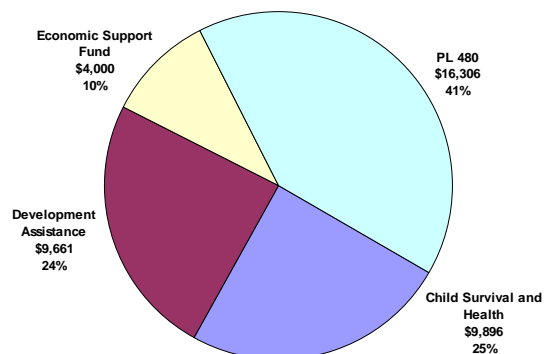


Guatemala

FY 2006 Assistance by Sector



FY 2006 Assistance by Account



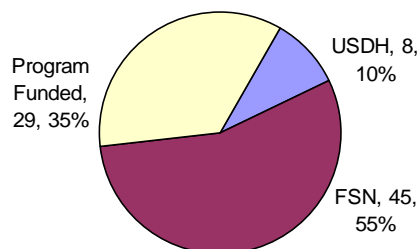
Objectives and Budget

| Objective | SO Number | FY 2004 | FY 2005 | FY 2006 |
|--|-----------|---------------|---------------|---------------|
| Ruling Justly | 520-021 | 8,056 | 7,614 | 6,029 |
| Economic Freedom | 520-022 | 5,878 | 5,272 | 3,632 |
| Investing in People | 520-023 | 14,799 | 15,562 | 13,896 |
| PL 480 Title II | | 14,723 | 18,033 | 16,306 |
| Total (in thousands of dollars) | | 43,456 | 46,481 | 39,863 |

Administrative Expenses and Workforce

| Administrative Expenses | FY 2004 | FY 2005 | FY 2006 |
|--|--------------|--------------|--------------|
| Mission Allocation | 4,282 | 3,812 | 3,574 |
| USDH Salaries & Benefits | 2,384 | 1,134 | 1,158 |
| Program Funds | 2,826 | 2,518 | 2,254 |
| Total (in thousands of dollars) | 9,492 | 7,464 | 6,986 |

FY 2006 Workforce



Mission Director: Glenn Anders

Guatemala

The Development Challenge: There is a growing sense that Guatemala today faces an important window of opportunity. After Guatemala's third free and most highly participatory presidential election since the signing of the 1996 Peace Accords, the peaceful assumption of power by the Berger Administration brings renewed optimism and even greater expectation about the prospects for progress in Guatemala's persistent struggles with political divisiveness, poverty, and social discontent. The new government appears to recognize the multi-faceted challenge ahead and is appointing capable people, developing creative approaches and, in some cases, implementing new programs to combat crime, reinvigorate the economy, and meet the needs of the rural indigenous population. With the closing of the United Nation's ten-year Verification Mission of the 1996 Peace Accords, growing hemispheric trade opportunities, and advances in the free movement of Central American people and products, the current administration has the context and mandate to further strengthen Guatemala's democratic institutions and make sustainable material changes that will benefit the entire population.

The challenges the country faces are complex and entrenched. The Berger administration inherited a crumbling tax base, enormous social and infrastructure needs in rural areas, rampant corruption, and skyrocketing crime in the face of a neglected judicial system. For most Guatemalans, crime is their primary concern and its alarming growth threatens to undercut the development agenda. The majority of the population has little patience for incremental change, and the Berger administration, perceived as not moving fast enough one year into its term, faces fluctuating popular support. Guatemala's 11.2 million population and \$26.7 billion economy are the largest in Central America, yet the country is hampered by a lethargic economic growth rate. Guatemala's progress since the 1996 Peace Accords is laudable, yet the dynamic created by social inequity, corruption, and sluggish economic growth serve to perpetuate its enduring fragility. Guatemala also suffers from the region's lowest public investment in social services and lowest tax collection base (under 10% of gross domestic product) from which to support these investments. Massive inequality in incomes, as well as in access to health care and education, mirrors the urban/rural, non-indigenous/indigenous divide. Guatemala's per capita income of \$2,008 (2003) in contrast with its low social equity indicators highlights the paradox of a country that has substantial resources, and yet struggles to transform these into widespread increases in the standard of living. Over 56% of Guatemala's population lives in poverty and 17% live on less than one dollar a day. Of the countries of Central and South America, Guatemala ranks lowest in the United Nation's Human Development Index and other key indicators including: life expectancy (66 years); infant mortality (39 per 1,000 births); chronic malnutrition for children under the age of 5 (49%); and literacy (70%).

Strong leadership, bolstered by growing trade opportunities, a renewed fiscal and institutional reform effort, and international donor support, can help Guatemala embark on a new trajectory. The pending U.S. - Central American Free Trade Agreement (CAFTA) might in the short term result in the loss of revenue and displacement of small farmers; however in the long term it will allow Guatemala's economy to compete effectively in the global market place and produce the needed economic prosperity to invest in services and infrastructure in rural areas, thus reducing poverty. Guatemala continues to rebound successfully from the 2000 coffee crisis by focusing on specialty coffee and high quality markets. The country's rich cultural and biological diversity also offer unlimited opportunity for sustained rural economic growth in two high growth global markets, tourism and high-value natural products. Remittances now surpass \$2 billion a year and have become the largest source of foreign exchange. The administration's moves to re-launch the Peace Accords and downsize the military demonstrate an important commitment to redress human rights violations of the past. The government is also taking steps to combat endemic corruption as illustrated by their prosecution of corrupt officials from the former Portillo administration.

U.S. national interests in Guatemala include the containment of illegal migration, reducing organized crime and narcotrafficking, building trade capacity, and strengthening of democratic institutions. Based on a strong partnership with the Berger administration, USAID programs respond to Guatemala's priorities and have helped to improve the lives of millions of Guatemalans, paying special attention to the needs of the indigenous and rural populations. Shared gains in economic growth based on open trade and sound fiscal policy are the best way to address chronic poverty. In addition, strong and transparent democratic institutions that are responsive to citizens' needs and based on the rule of law will consolidate

economic prosperity and translate it into higher standards of living. Better educated and healthier Guatemalans will not only be able to contribute to a growing economy, but more importantly, enjoy its benefits as well.

The USAID Program: USAID's bilateral Country Plan for Guatemala is consistent with the three performance objectives of the Millennium Challenge Account and the Central America and Mexico Regional Strategy: Ruling Justly, Economic Freedom, and Investing in People. USAID's Program is helping Guatemala to build on the gains of the Peace Process and concentrates on promoting just, representative governance, increasing rural economic diversification and growth, and increasing and improving investments in health and education. It also supports the cross-cutting themes of increased food security, and greater transparency and accountability, and gives special attention to youth, indigenous peoples and conflict prevention. The achievement of these objectives will better help Guatemala fulfill its potential as Central America's largest economy and trading partner of the United States. USAID also strives to maximize the impact of reduced funding levels by increasing leveraging of our assistance through alliances with private sector organizations and other "high leverage" arrangements.

Other Program Elements: USAID's Office of Regional Sustainable Development is supporting the CAFTA Trade and Commercial Assessment. USAID's Bureau of Latin America and the Caribbean (LAC) regional health initiatives for infectious diseases, maternal and neonatal health, health sector reform, and a health information system are implemented through a regional grant to the Pan American Health Organization. The Global Health Bureau manages a regional contraceptive security activity as well as population and environment work in the Peten, and funds child survival grants. Medical Missions for Children has a Global Development Alliance activity that is developing satellite communications and distance learning applications. USAID's LAC regional program funds several activities to increase access to and the quality of primary education. USAID, through Basic Education Policy Support, funded an important background study of teachers' unions and a situational analysis of private education. The Minister of Education utilized the studies to guide the installation of a private education office within the Ministry and serve as input into new education legislation. USAID manages a five-year program called the Training, Advocacy and Networking Program to strengthen Guatemalan NGOs. The American Schools and Hospitals Abroad office manages a program that constructs and equips libraries and laboratories. USAID is undertaking a women's legal rights initiative in Guatemala.

Other Donors: Official development assistance to Guatemala in 2003 was \$247 million. USAID and Japan (health, education, and agriculture) are Guatemala's first and second largest bilateral partners. Other major donors and their principal areas of focus include: Germany (education and health); Canada (rural development and education); Sweden (social sectors); the Netherlands (Peace Accords and environment); and Norway (social sectors). Multilateral donors, listed in order of program size include: the Inter-American Development Bank (IDB) (infrastructure, social sector, tourism, competitiveness, and financial reform); the Central American Bank for Economic Integration (infrastructure); the World Bank (WB) (financial reform, basic education, competitiveness, and infrastructure); the European Union (Peace Accords and decentralization); and the United Nations systems and agencies, including the World Food Program, the United Nations Development Program, the United Nations Children's Fund, the Pan American Health Organization, and the Food and Agriculture Organization.

USAID participates in the Decentralization Donors Working Group. In the area of rule of law and crime prevention, the IDB and World Bank have made major investments. They also have programs to make government expenditure and procurement processes more transparent. In the competitiveness area, key activities include the WB's competitiveness program; the USAID/IDB/WB working group on competitiveness policy; and IDB tourism investments. USAID participates in and has had significant influence on the Inter-Agency Working Group on Rural Development. USAID is the largest bilateral donor in health and education in Guatemala and has successfully encouraged other donors to build on its pioneering pilot programs in these areas.

Guatemala PROGRAM SUMMARY

(in thousands of dollars)

| Accounts | FY 2003 Actual | FY 2004 Actual | FY 2005 Current | FY 2006 Request |
|---|-------------------|-------------------|--------------------|--------------------|
| Child Survival and Health Programs Fund | 12,017 | 11,400 | 11,562 | 9,896 |
| Development Assistance | 14,810 | 12,362 | 10,934 | 9,661 |
| Development Credit Authority | [530] | 0 | 0 | 0 |
| Economic Support Fund | 6,500 | 4,971 | 5,952 | 4,000 |
| PL 480 Title II | 16,673 | 14,723 | 18,033 | 16,306 |
| Total Program Funds | 50,000 | 43,456 | 46,481 | 39,863 |

STRATEGIC OBJECTIVE SUMMARY

| | | | | |
|---|--------|--------|--------|-------|
| 520-001 Democracy | | | | |
| DA | 1,000 | 0 | 0 | 0 |
| 520-002 Better Educated Rural Society | | | | |
| DA | 4,550 | 0 | 0 | 0 |
| 520-003 Better Health for Women and Children | | | | |
| CSH | 12,017 | 0 | 0 | 0 |
| 520-004 Increased Rural Incomes | | | | |
| DA | 4,792 | 0 | 0 | 0 |
| DCA | 530 | 0 | 0 | 0 |
| 520-005 Natural Resource Management | | | | |
| DA | 3,468 | 0 | 0 | 0 |
| 520-006 Support the Implementation of the Peace Accords | | | | |
| DA | 1,000 | 0 | 0 | 0 |
| ESF | 6,250 | 0 | 0 | 0 |
| 520-021 Ruling Justly | | | | |
| DA | 0 | 3,085 | 1,662 | 2,029 |
| ESF | 0 | 4,971 | 5,952 | 4,000 |
| 520-022 Economic Freedom | | | | |
| DA | 0 | 5,878 | 5,272 | 3,632 |
| 520-023 Investing in People | | | | |
| CSH | 0 | 11,400 | 11,562 | 9,896 |
| DA | 0 | 3,399 | 4,000 | 4,000 |

Mission Director,
Glenn Anders

Data Sheet

| | |
|--|---|
| USAID Mission: | Guatemala |
| Program Title: | Ruling Justly |
| Pillar: | Democracy, Conflict and Humanitarian Assistance |
| Strategic Objective: | 520-021 |
| Status: | New in FY 2004 |
| Planned FY 2005 Obligation: | \$1,662,000 DA; \$5,952,000 ESF |
| Prior Year Unobligated: | \$0 |
| Proposed FY 2006 Obligation: | \$2,029,000 DA; \$4,000,000 ESF |
| Year of Initial Obligation: | 2004 |
| Estimated Year of Final Obligation: | 2008 |

Summary: USAID will support the Government of Guatemala's (GOG) and private sector efforts to improve Justice sector/legal framework; promote and protect human rights and equal access to justice; promote and support anticorruption measures; and support democratic local government and decentralization.

Inputs, Outputs, Activities:

FY 2005 Program: Improve Justice Sector/Legal Framework (\$2,582,000 ESF). USAID will promote the expansion of more efficient procedures in pre-trial proceedings with emphasis on institutionalizing oral procedures. Technical assistance will be provided to justice sector institutions to properly conduct oral hearings and solidify mechanisms of coordination between key justice sector institutions (police, prosecutors, courts, and public defenders) through USAID-supported Justice Centers and a central coordinating entity. Crime prevention activities will be implemented in areas with Justice Centers that have developed links with civil society organizations (CSOs) and local governments. USAID will promote improvements to recreation programs and public services to provide good lighting, better parks, crime awareness activities, and other local anti-crime initiatives. Also, USAID will provide sub-awards to CSOs to promote and oversee reform efforts. The Human Rights Ombudsman's Office (HRO) and selected HRO regional offices will be strengthened to improve their ability to investigate and report on violations of due process guarantees. Principal contractor is Checchi and Company Consulting, Inc.

Promote effective and democratic governance of the security sector (\$1,350,000 ESF). USAID plans to support the development of effective community-based policing and crime prevention efforts. Technical assistance, training and non-lethal equipment will be provided to develop and implement community crime prevention plans, promote improved coordination between the police and local community organizations, and improve the ability of local police to respond to emergencies and analyze information to improve patrols and overall performance. USAID assistance will include programs for youth at risk that increase their awareness of how the law relates to their lives and provide alternatives to involvement with gangs. Technical assistance will be provided to government officials to: 1) develop crime prevention policies and programs; 2) improve the capacity of national and local police leadership to understand and embrace the principles of community-based policing and respect for human rights; and 3) improve their ability to optimally manage scarce resources. USAID will coordinate community-based policing efforts with other agencies at post, including the Law Enforcement Development program of the Narcotics Affairs Section, through the Rule of Law Committee chaired by the Ambassador. Principal contractors/grantees: Checchi and Company Consulting, Inc. and others to be determined (TBD).

Promote and Support Anticorruption Reforms (\$600,000 DA, \$1,300,000 ESF). Technical assistance will be provided to key state institutions that work on transparency and accountability issues. This assistance will focus on: the promotion of a National Transparency/Anti-Corruption Agenda; greater Guatemalan compliance with the Inter-American Convention against Corruption (IACC); and strengthening congress as a key oversight entity. Technical and financial support will be provided to key civil society and private sector partners to develop oversight activities, in conjunction with mass media. Once the Access to Information Law is in place, special activities will be developed to promote transparency of public expenditures. USAID will also provide critical follow-up to systemic issues that arise out of the USAID-

financed vulnerability assessments in key Ministries. Principal contractor/grantee to be determined.

Support Democratic Local Government and Decentralization (\$1,062,000 DA, \$720,000 ESF). USAID will help strengthen at least ten selected local government's ability, through improved taxation methods, to improve basic service provision and increase municipal income. USAID will enhance collaboration between local governments and the private sector. USAID will provide support to the government to implement and follow-up on the national decentralization process and will promote greater dialogue between national and local actors for the passage and implementation of the Municipal Tax Code. USAID will also support implementation of the Integrated Municipal Financial Management System (SIAF-muni) and the consolidation of Municipal Financial Management and Audit Units in target municipalities. USAID will support participation of the national municipal associations in public policy discussions and decision making. Principal contractor/grantee to be determined.

Promote and Protect Human Rights and Equal Access to Justice. USAID will support the exhumations of clandestine cemeteries stemming from the 36-year internal armed conflict and related community health services. Principal contractor/grantee to be determined.

FY 2006 Program: Improve Justice Sector/Legal Framework (\$1,900,000 ESF). USAID would continue to promote and improve: oral arguments held in pre-trial stages of the proceedings; the coordination of efforts through justice centers; management, monitoring and disciplinary systems; and institutionalized professional career structures. Crime prevention programs and CSO's involvement will be strengthened to decrease crime. The HRO would receive technical assistance. Principal contractor is same as above.

Promote Effective and Democratic Governance of the Security Sector (\$1,350,000 ESF). USAID would continue to work in select jurisdictions to promote community-based policing, and improve police ability to work and respond to citizens concerns as well as coordinate with other justice sector actors. Refinement and implementation of national crime prevention and police policies would be supported. Principal contractors/grantees would not change.

Promote and Support Anticorruption Measures (\$829,000 DA, \$550,000 ESF). USAID would continue to strengthen efforts to monitor public expenditure and investment and implement concrete transparency measures. Assistance would be provided to implement the recommendations of the Organization of American States/Inter-American Convention against Corruption Committee of Experts. CSOs and the private sector would be supported to fully implement the Access to Information Law. Continued assistance would be provided on follow-up to systematic reform efforts, strengthening key oversight agencies, and greater public awareness. Principal contractor/grantee to be selected in FY 2005.

Support Democratic Local Government and Decentralization (\$1,200,000 DA, \$200,000 ESF). USAID will continue technical assistance focused on improving basic services and investment provided to local governments. USAID will promote ongoing dialogue and collaboration among the social funds to improve efficiency in social investment. These funds provide significant public investment in productive, social and infrastructure projects throughout the country, Congress, and municipalities. USAID technical assistance continue to support the implementation of the financial management system, introduced in FY 2005, to increase their participation in decision making on national policy. Principal contractors/grantees will be selected in FY 2005.

Promote and Protect Human Rights and Equal Access to Justice. USAID would continue to support exhumations and mental health services. Principal contractor/grantee to be selected in FY 2005.

Performance and Results: This is a new program with no performance data to report. In FY 2004, the focus of work was in designing new activities and undertaking procurement for the implementation of activities. By program completion, USAID expects that Guatemala will have a stronger, reliable system of rule of law, reduced crime in key areas and strengthened, more fiscally sound local governments.

US Financing in Thousands of Dollars

Guatemala

| 520-021 Ruling Justly | DA | ESF |
|---------------------------------------|-------|--------|
| Through September 30, 2003 | | |
| Obligations | 0 | 0 |
| Expenditures | 0 | 0 |
| Unliquidated | 0 | 0 |
| Fiscal Year 2004 | | |
| Obligations | 3,084 | 4,971 |
| Expenditures | 58 | 12 |
| Through September 30, 2004 | | |
| Obligations | 3,084 | 4,971 |
| Expenditures | 58 | 12 |
| Unliquidated | 3,026 | 4,959 |
| Prior Year Unobligated Funds | | |
| Obligations | 0 | 0 |
| Planned Fiscal Year 2005 NOA | | |
| Obligations | 1,662 | 5,952 |
| Total Planned Fiscal Year 2005 | | |
| Obligations | 1,662 | 5,952 |
| Proposed Fiscal Year 2006 NOA | | |
| Obligations | 2,029 | 4,000 |
| Future Obligations | 0 | 0 |
| Est. Total Cost | 6,775 | 14,923 |

Data Sheet

| | |
|--|--|
| USAID Mission: | Guatemala |
| Program Title: | Economic Freedom |
| Pillar: | Economic Growth, Agriculture and Trade |
| Strategic Objective: | 520-022 |
| Status: | New in FY 2004 |
| Planned FY 2005 Obligation: | \$5,272,000 DA |
| Prior Year Unobligated: | \$0 |
| Proposed FY 2006 Obligation: | \$3,632,000 DA |
| Year of Initial Obligation: | 2004 |
| Estimated Year of Final Obligation: | 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 |
| Through September 30, 2003 | |
| Obligations | 0 |
| Expenditures | 0 |
| Unliquidated | 0 |
| Fiscal Year 2004 | |
| Obligations | 5,878 |
| Expenditures | 17 |
| Through September 30, 2004 | |
| Obligations | 5,878 |
| Expenditures | 17 |
| Unliquidated | 5,861 |
| Prior Year Unobligated Funds | |
| Obligations | 0 |
| Planned Fiscal Year 2005 NOA | |
| Obligations | 5,272 |
| Total Planned Fiscal Year 2005 | |
| Obligations | 5,272 |
| Proposed Fiscal Year 2006 NOA | |
| Obligations | 3,632 |
| Future Obligations | 3,218 |
| Est. Total Cost | 18,000 |

Data Sheet

| | |
|--|----------------------------------|
| USAID Mission: | Guatemala |
| Program Title: | Investing in People |
| Pillar: | Global Health |
| Strategic Objective: | 520-023 |
| Status: | New in FY 2004 |
| Planned FY 2005 Obligation: | \$11,562,000 CSH; \$4,000,000 DA |
| Prior Year Unobligated: | \$0 |
| Proposed FY 2006 Obligation: | \$9,896,000 CSH; \$4,000,000 DA |
| Year of Initial Obligation: | 2004 |
| Estimated Year of Final Obligation: | 2008 |

Summary: USAID will support the Government of Guatemala's and private sector efforts to improve basic education and enhance health systems' capacity; improve maternal and child health and nutrition; reduce unintended pregnancy and improve healthy reproductive behavior; reduce HIV/AIDS; and promote public-private alliances.

All family planning assistance agreements will incorporate clauses that implement the President's directive restoring the Mexico City Policy.

Inputs, Outputs, Activities:

FY 2005 Program: Improve the Quality of Basic Education and Build Health Systems Capacity (\$2,000,000 CSH, \$4,000,000 DA). USAID will support policy reform to increase public investment in education and health, and to make resource allocation more equitable, cost effective, and efficient. USAID will provide technical assistance to build consensus and improve the capacity of stakeholders to mobilize resources and to ensure effective and transparent social sector investments. USAID will also fund analytical work and strengthen the Ministry of Education's (MOE) and the Ministry of Health's (MOH) financial and administrative systems. With USAID assistance, the MOE will develop and implement policy reforms to increase accountability and improve basic education efficiency, quality, and equity. USAID will promote national content and performance standards and a transparent national research and evaluation system to better monitor the progress of the nearly two million children who attend public primary schools. USAID will assist with curricular and classroom reforms, and finance training for improving performance in the early grades. USAID will also provide university scholarships for populations underrepresented in Guatemalan universities or for indigenous students. Principal contractors, grantees, and agencies are MOH, MOE, Juarez and Associates, Academy for Educational Development (AED), Guatemalan Family Welfare Association (APROFAM), Management Sciences for Health (MSH), and Abt Associates (Abt).

Improve Maternal Health and Nutrition and Improve Child Survival, Health, and Nutrition (\$3,000,000 CSH). Funding will support training and health and nutrition education materials, equipment and supplies, and grants to nongovernmental organizations (NGOs) to extend health care coverage to more than one million people in rural areas. These NGOs will expand an integrated maternal child health and nutrition program to train and equip 5,000 health promoters to join the 12,000 promoters already on the job. The promoters will conduct growth monitoring and promotion for approximately 156,000 children under two years old, and educate their mothers on better health and feeding practices. P.L. 480 Title II assistance is a key component, which will help families maintain adequate nutritional status, and carry out productive activities to increase food security. USAID will work with the MOH on a new service delivery model to place skilled health personnel closer to families to attend deliveries in rural areas with high maternal mortality, including 60 scholarships for professional midwife training for Mayans. Principal contractors, grantees, and agencies are MOH, APROFAM, the University Research Corporation (URC), CARE, SHARE, Save the Children (STC), Catholic Relief Services (CRS), and AED.

Support Family Planning Programs (\$5,766,000 CSH). USAID will provide training and technical assistance for family planning services in all 1,295 Ministry of Health facilities, and to approximately 110 NGO health care providers who will also receive contraceptives. The Guatemalan Family Welfare

Association (APROFAM) will work to increase its self-sufficiency with USAID assistance at its 30 clinics and with 3,350 rural promoters. USAID will support civil society organizations in their efforts to promote women's health advocacy and help key Government of Guatemala institutions develop and implement a population policy, and better implement the Social Development Law, which guarantees access to reproductive health information and care. Principal contractors, grantees, and agencies are MOH, APROFAM, and URC.

Reduce Transmission and Impact of HIV/AIDS (\$500,000 CSH). USAID will provide assistance to eight MOH clinics to train and equip health technicians to treat sexually transmitted infections in groups with high HIV prevalence. USAID will also continue assisting NGOs working with high HIV prevalence groups to offer improved voluntary HIV counseling and testing (including kits) and behavior change communication services. The principal contractor is Family Health International (FHI).

Promote Public-Private Alliances as a Principal Business Model (\$300,000 CSH, \$30,000 DA). USAID will assist a private sector partner to forge partnerships to leverage USAID funding for basic health, nutrition and education services, at a 2:1 ratio, with cash and in-kind contributions. Principal grantee to be determined by a competitive process.

FY 2006 Program: Improve the Quality of Basic Education and Build Health Systems Capacity (\$1,524,000 CSH, \$3,859,000 DA). Technical assistance, training and support to the MOH, the MOE, and civil society organizations would continue the FY 2005 activities above. Principal contractors/grantees are MOH, MOE, Juarez, AED, APROFAM, MSH, and Abt.

Improve Maternal Health and Nutrition and Improve Child Survival, Health, and Nutrition (\$3,510,000 CSH). USAID would continue FY 2005 activities, providing technical assistance, training, P.L. 480 Title II food aid, and financial support to increase access to maternal and child health and nutrition services in the rural highlands. Principal contractors/grantees are MOH, AED, APROFAM, URC, CARE, SHARE, STC, and CRS.

Support Family Planning Programs (\$3,906,000 CSH). USAID would provide technical assistance, training, contraceptives, educational materials, and equipment to increase access to reproductive health care in MOH and affiliated NGO facilities, as well as at APROFAM. Principal contractors/grantees are MOH, APROFAM, and URC.

Reduce Transmission and Impact of HIV/AIDS (\$500,000 CSH). USAID funding would continue to focus on the most at-risk populations in selected geographic areas, bringing integrated services (HIV testing, counseling and treatment of sexually transmitted infections) to more health facilities in areas with high HIV prevalence. Principal contractor/grantee is FHI.

Promote Public-Private Alliances as a Principal Business Model (\$456,000 CSH, \$141,000 DA). USAID would continue to assist a private sector partner to forge partnerships to leverage USAID funding. Principal grantee will be determined through a competitive process.

Performance and Results: This is a new program with no performance data to report yet. By completion, the program anticipates an increase of 50% in public health and education expenditures and of 25% in primary completion nationally plus a 25% reduction in first grade student failure. Approximately 14,000 infant lives will be saved; the infant mortality rate will be reduced from 39 to 29; the total fertility rate will be reduced from 4.4 to 4.0; an additional 135,000 women will be practicing family planning; and approximately one million people who currently do not have access to health services will be covered by an expanded public-NGO partnership program.

US Financing in Thousands of Dollars

Guatemala

| 520-023 Investing in People | CSH | DA |
|---------------------------------------|--------|--------|
| Through September 30, 2003 | | |
| Obligations | 0 | 0 |
| Expenditures | 0 | 0 |
| Unliquidated | 0 | 0 |
| Fiscal Year 2004 | | |
| Obligations | 11,400 | 3,399 |
| Expenditures | 27 | 0 |
| Through September 30, 2004 | | |
| Obligations | 11,400 | 3,399 |
| Expenditures | 27 | 0 |
| Unliquidated | 11,373 | 3,399 |
| Prior Year Unobligated Funds | | |
| Obligations | 0 | 0 |
| Planned Fiscal Year 2005 NOA | | |
| Obligations | 11,562 | 4,000 |
| Total Planned Fiscal Year 2005 | | |
| Obligations | 11,562 | 4,000 |
| Proposed Fiscal Year 2006 NOA | | |
| Obligations | 9,896 | 4,000 |
| Future Obligations | 20,442 | 4,801 |
| Est. Total Cost | 53,300 | 16,200 |