Guatemala

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Draft Country Programme Document for Guatemala (2005-2008)

(original in Spanish)

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[1] This document includes comments made at the Executive Board - September Session 2004.

INTRODUCTION

1. This first Country Programme Document – CPD has been prepared with input from the government of Guatemala, from civil society and from the Agencies, Funds and Programmes of the United Nations System. The Common Country Assessment – CCA was the starting point for the identification of expected outcomes and outputs, consistent with the United Nations Development Assistance Framework – UNDAF agreed upon with the government of Guatemala.

PART I: SITUATION ANALYSIS

2. According to INE[2], based on the 2002 census, the population of Guatemala is 12,087,014 and is characterized by being mainly poor, rural, young and Indigenous.

3. The Indigenous Peoples, including Xincas, Garífuna, and Mayas, the latter being the largest group, is officially 41% of the total population. Nevertheless, this percentage varies significantly depending on the geographical region, and the Indigenous are in the majority in the northern and westerns regions of the country. Twenty-three languages are spoken in Guatemala with Spanish being the official language.

4. In 2002 the gross domestic product (GDP) was US$ 23,252 million, 37.7% of which corresponds to the service sector, 24.8% to trade, 24.4% to agriculture, 12.8% to industry, and 2.3% to other sectors. In this same year, exports totalled US$ 2,227 million and imports US$ 6,078 million. This negative balance has been partially compensated for by the remittances from the more than one million Guatemalans who live outside the country; the value of these remittances is 8% of the GDP. In recent years, macroeconomic policies have succeeded in controlling inflation (6.3%) and the exchange rate, generating important monetary reserves.

5. Primary school attendance increased from 72% in 1991 to 84% in 2000. During the same period of time, the ratio of school attendance between boys and girls in primary and secondary school went from 0.88 to 0.92. The literacy rate (among those between the ages of 15 and 24) went from 75% in 1994 to 82% in 2002. The infant mortality rate decreased from 79 to 44 per thousand live births between 1987 and 2002, and the maternal mortality rate decreased from 219 to 153 per one hundred thousand live births between 1989 and 2000.

6. Nevertheless, the 2002 progress report[3] on the Millennium Development Goals indicates that the coffee crisis and the drought in 2001 contributed to the economic and social decline and that their impact impeded and even reversed progress made during the nineties. Extreme poverty increased by 5% between the years 2000 and 2002, reaching a level of 21%. The level in the rural areas reached 31%.[4] In this context, the school dropout rate increased at all levels, particularly from 8th to 12th grade. During this same time, the repetition rate in primary school remained high. Fewer than three out of every ten children who enter school were promoted to sixth grade.

7. In fact, there is a direct relationship between the highest indicators of poverty and the areas where the Indigenous Peoples are in the majority, as they are a population that has historically been excluded and exploited.

9. Guatemala is characterised by a high concentration of wealth, concentrating 64% of the income within 20% of the population. With a GINI coefficient of 58.3, it is the second most unequal country in Latin America; this situation becomes even worse if one takes into account the ratio of income between the tenth and first decile: 63.3.[5] At the same time, the country has one of the lowest indicators of human development in the continent (0.649).

10. Recent projections show that in order to reach the Millennium Development Goal of reducing extreme poverty by the year 2015 to half of what it was in 1990, it is necessary to combine an annual economic growth equal to 2.5% of the GDP, with a 6% reduction of inequality[6].

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[2] National Institute of Statistics

[3] See: **http://www.pnudguatemala.org**
[4] For more details see the Common Country Analysis(CCA)of the United Nations System
[5] *Inequality in Latin America,* The World Bank, Washington DC 2004
[6] See the VI National Human Development Report.http://www.pnudguatemala.org/informesdesarrollohumano/idh2003/index.asp

11. The Common Country Assessment (CCA) defines Guatemala's central problem in terms of a *complex transition towards becoming an equitable, participatory society that is respectful of human rights, that would make it possible to achieve the MDG and consolidation of peace in the framework of sustainable human development.*

12. In order for this transition to take place, it is necessary to establish improved conditions of democratic governance that allow for the complete deployment of the country's human potential and the generation of a climate of trust that favours the modernization and diversification of the economic system, reconciling competitiveness in the global market with a respect for labour standards, equity, and environmental sustainability in a multicultural context.

13. One of the most dramatic legacies of the internal armed conflict is the unravelling of the social fabric and the dichotomic, confrontative dynamics within society as well as in State-society relations. In addition, systematic elimination and repression of leadership coupled with the fragile institutional framework of the State have left deep wounds that are still evident in the high degree of impunity and low level of citizen participation in the social and political life of the country.

14. Within this framework, the persistent discrimination, in various forms and for various reasons (ethnic, cultural, gender, political, sexual orientation, etc…) continues to fuel a climate of distrust and frustration towards a State that still lacks the capacity to guarantee fundamental rights.

15. A socio-political and economic analysis of the country cannot be made without taking into account the pluri-ethnic, multicultural, and pluri-lingual nature of Guatemala. The consolidation of peace and human development in Guatemala can be seen to be positioned between two fundamental variables: one of an ethno-cultural nature, and the other of a socio-economic nature. In other words, the terms of the problem swing back and forth between recognition of and respect for the various cultural identities, and social justice.

16. All of this requires significant social and physical investment and a series of structural reforms, particularly to the taxation system, the administration of justice, citizen security, the education system and the decentralization of public administration, among others.

PART II: PAST COOPERATION AND LESSONS LEARNED

17. UNDP has almost twenty years' experience in the construction and consolidation of peace in Guatemala. An independent evaluation describes the UNDP programme as "an effective model for United Nations involvement in countries in post-conflict transition."[7]

18. During this time UNDP has provided technical advisory and financial assistance and played an important role as mediator and advisor to the government and civil society in their development processes. Its efforts have centred on facilitating the overall process of transition to a State where peace and democracy are guaranteed, from a human development perspective:

 (a) Support during the peace negotiations beginning in 1986.

 (b) Support during the demobilization and socio-economic reintegration of the former guerrillas.

 (c) Support of the institutional framework of peace and the national reconciliation process including, among other initiatives, psycho-social treatment for victims of the armed conflict, analysis, and generation of proposals for solutions to the agrarian conflict.

 (d) Recognition of the Indigenous People's Rights and their cultural identity, promoting respect and appreciation of their cultural practices, within the framework of ILO Convention 169 and the AIDPI (initials in Spanish)[8].

 (e) Support to the process of State reform and modernization with particular emphasis on the judicial administration

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[7] A summary of the evaluation is available at http://www.undp.org/exbrd/pdf/crrgua.PDF

[8] Indigenous People's Rights and Identity Agreement http://www.minugua.guate.net (Proceso de PAZ

system and the consolidation of the rule of law.

(f)   Reweaving of the social fabric and economic reactivation at the local level.

(g)   The creation of citizenship through the strengthening of civil organizations, as well support of democratic dialogue in the representative bodies and in mechanisms for consensus building.

(h)   The systematic generation of information on and statistical analysis of the national reality through the National Human Development Report. In its sixth edition, the NHDR represents an important starting point for engendering consciousness and visibility of the problems and challenges facing the country and how these change over time.

19.   Relevant lessons learned from this experience are related to:

(a) The need to adopt a historical perspective focused on medium- and long-term programs and policies rather than on short-term interventions.

(b) The construction and development of strategic alliances, thereby generating synergy among the various national and international stakeholders. It is also necessary to have monitoring and evaluation systems that go beyond describing the efficiency and efficacy with which individual projects are implemented, in order to generate lessons learned about the effectiveness of programs and policies.

(c) The technical and political ownership of processes by the national stakeholders is essential for sustainability and effectiveness. Within this framework, close and systematic cooperation among the three branches of State and with governmental entities responsible for the planning and execution of public policies is an indispensable condition, as is the active involvement of civil society in harmony with the State.

(d) A greater degree of coordination and internal complementarity of the United Nations System and the international community in general.

(e)   A more proactive role for UNDP in proposing alternative models of productive economic development.

PART III: PROPOSED PROGRAM

20. The high quality of strategic and policy advisory, based on its capacity to capitalize on and manage knowledge acquired through its international networks, is the value added of UNDP.

21. Given its unique position as a trusted partner amongst national institutions, UNDP will broker national processes between the different national actors. The proposed program is focused primarily on supporting the country in its national processes specifically in the consolidation of peace and democracy as essential conditions for human development and the achievement of the MDGs.

22. On the one hand, UNDP will contribute the achievement of the MDGs by supporting the reforms prioritised by the government of Guatemala in the framework of the Peace Accords and the principles of human development. On the other, it will propose and strengthen opportunities, mechanisms, and capabilities that lead to the creation of an aware, participatory citizenry that is essential for the consolidation of democracy and the rule of law.

23. The various lines of work are linked by the five expected UNDAF outcomes that draw from: the national priorities, the MDGs, the Peace Accords, and the corporate strategic objectives defined in the Multy Year Funding Framework – MYFF, prepared by the UNDP administrator.

24. The table of results in Attachment I gives details of the direct outcomes and of the expected programme outputs with their corresponding baselines and targets.

25.   UNDAF OUTCOME 1: A more sustainable, diversified production within the framework of social and economic public policies that promote sustainable economic growth in an environment that is equitable, inclusive, and respectful of labour standards.

26. Within the framework of the national priorities, UNDP will focus its efforts on helping the government design sound public policies based on human development concepts that generate conditions that favour

the reduction of poverty and the achievement of the MDGs.

27. On the one hand, UNDP's efforts will focus on generating national and local capacity to process and analyse information that will help design policies and make effective decisions that respond to the needs of the population.

28. On the other hand, it will work to support the commencement of sustainable local development processes that will generate income locally. Special attention will be given to areas where the majority are Indigenous Peoples.

29. Lessons learned from the local experience will generate input and proposals to enrich the national political debate.

30. Both courses of action are aimed at helping the country face the challenges that globalization and, in particular, the Free Trade Agreement (FTA) present.

31. UNDAF OUTCOME 2. To contribute to the elimination of all forms of discrimination against the Indigenous Peoples, women, and other disadvantaged, vulnerable groups by promoting inclusive public policies, awareness building of human rights and their full exercise, and a civic culture of tolerance and respect for diversity.

32. UNDP's contribution will concentrate on the issues of multiculturalism and gender. Considering that non-discrimination and respect for diversity are basic elements of democratic governance, these issues are of fundamental importance to the entire country programme.

33. All UNDP initiatives will include strategic and methodological elements that seek to promote and affirm non-discrimination, in terms of access to and full use of public services, as a fundamental human right. There will also be specific initiatives to promote political and economic empowerment of women, gender mainstreaming, and the Indigenous Peoples. The latter are tied in to

the implementation of productive projects and development of leadership.

34. Moreover, to promote the assurance and exercise of the right to non-discrimination, the following courses of action will be developed:

(a) Searching for a model of judicial conflict resolution that harmoniously and functionally articulates the principles and practices of the State with those of the Indigenous Peoples within the framework of ILO Convention 169 and the Indigenous People's Rights and Identity Agreement, a component of the Peace Accords.

(b) Helping define methodological guidelines and tools for the full institutionalisation and progressive implementation of the *Policy for the Promotion and Development of Guatemalan Women.* Mechanisms will be developed for auditing and monitoring the policy during implementation.

(c) Strengthening the capacity of civil society to monitor and supervise access to and the quality of public services.

35. UNDAF OUTCOME 3. Improved government capacity to guarantee the full exercise of human rights and to implement a policy of democratic security.

36. UNDP will provide technical and financial assistance to support a more efficient and more effective judicial system and to promote democratic security, supporting the generation of improved operative capabilities, strategic management, and coordination. Increased access to the system itself from certain segments of the Guatemalan population, particularly the Indigenous Peoples and women, will be investigated.

37. Another specific line of work will be the strengthening of the National Civil Police Force in order to increase their technical and operative capacity in the framework of respect for human rights.

38. Regarding State reform and modernization, support will be provided for the strengthening of the strategic management capacity of the Executive Branch and for the modernization of Congress, as well as for a proposal for civil service system reform.

39. Lastly, support will be given to SEGEPLAN (for the initials in Spanish – General Secretariat for Programming and Planning) in introducing results based management in the central and decentralized State entities. Specifically, technical support will be provided for the design and progressive implementation of a system for monitoring and evaluating the effectiveness of public policies.

40. UNDAF OUTCOME 4. Increased coverage, access to, and quality of the basic social services, with particular attention to those in greatest need.

41. There are other agencies, funds, and programmes of the United Nations System, such as UNICEF, UNFPA, and UNESCO, among others, that have specific mandates directly related to this issue. Nevertheless, UNDP can still play an important role in favouring the correct and transparent administration of public funds destined to the delivery of basic services.

42. There will therefore be a focus on strengthening the administrative capacity of government agencies and in developing mechanisms of control and transparency in handling funds to contribute to greater efficiency in the services. This work will be carried out with funds from the Guatemalan government as well as with those coming from International Financial Institutions.

43. UNDAF OUTCOME 5. The population, especially the marginalised, have more opportunities for effective social and political participation, impacting their own human development, in a context of progress towards a culture of peace and reconciliation.

44. In order to continue supporting the national reconciliation process and the consolidation of peace, UNDP will work to help rearticulate State-society relations in a more democratic and inclusive manner.

45. To accomplish this, it will take on all of MINUGUA's responsibilities that fall within its mandate.

46. The Development Council System and other spaces for consensus building will be strengthened in an effort to foster leadership and citizen participation in local development planning, with special attention given to the Indigenous Peoples and women.

47. Emphasis will also be placed on facilitating a greater degree of continuity in the achievement of the Peace Accords. Follow-up will be given to the Shared National Agenda in terms of multi-party dialogue and support will continue to be provided for the institutionalisation of peace, particularly the Peace Secretariat (SEPAZ) and the recently-created National Commission for the Peace Accords.

48. Finally, UNDP will continue to directly support psycho-social treatment as well as compensation for the victims of the armed conflict. Thus we hope to contribute to their dignification and to generate conditions of greater trust both within the society itself and in State-society relations.

Strategic Guidelines

49. The *modus operandi* of UNDP Guatemala is to generate national capacities that will allow for technical and political ownership of the processes. This implies that the technical advisory programmes are developed with an aim of finding a balance between attention to the technical quality of the outputs and attention to the social and political dynamics of processes through which these outputs can be achieved.

50. The creation, development and consolidation of strategic alliance networks are considered to be key elements for the achievement and effectiveness of the outputs. Here, work will be done to strengthen the complementarity and internal synergy of the United Nations System. Likewise, support will be given to SEGEPLAN in consolidating mechanisms for coordination with the

international community. Finally, communication and coordination among the three branches of State will be supported and facilitated.

51. In this regard, depending on the areas and issues of cooperation, work will be carried out with a diverse group of public and private stakeholders:
(a) State Agencies; (b) Agencies, Funds and Programmes of the United Nations System; (c) Civil Society Associations; (d) Bilateral and Multilateral Donors; (e) the Private Sector; (f) Universities and Research Centres.

PART IV: MANAGEMENT, MONITORING, AND EVALUATION PROGRAMME

52. Office management will be based on three programme areas, an area of monitoring and evaluation to support the programme areas, and an area of operations, including ITC[9] and ABS,[10] also to support the programme areas. In addition, there will be an internal and external client service centre.

53. The challenge faced by the office is to improve communication and increase complementarity among the areas.

54. To this end, the administrative processes are being reengineered and management and follow-up tools for projects and programmes redefined and simplified.

55. The office's capacity for rapid response, its flexibility, creativity, technical quality, and political sensitivity are the bases for the delivery of high quality services.

56. National execution will be privileged so as to foster national ownership and generate strengthen management capabilities for human development.

57. For substantive advisory assistance, UNDP will continue to channel a significant portion of the disposable resources, regular or other resources, to make the most highly qualified national or international human resources available to its clients.

58. Monitoring and evaluation will be concentrated on the analysis of the advances and contributions of the office in relation to the strategic results matrix agreed upon with the government of Guatemala and in accordance with corporative priorities. The *MYFF*, the *SRF*, and this *Country Programme Document* will be the three main instruments used as guidelines for the work and as the basis for an analysis of office performance and effectiveness.

59. The Office will implement adequate programme monitoring procedures. The outcome monitoring system is based on three pillars:
1. Periodic self-evaluation by area and by programme
2. Regularly-scheduled field visits
3. Periodic workshops to analyse the overall country context

60. The analysis of qualitative and quantitative substantive data will be supplemented by a financial analysis from an integrated management perspective. This will allow an ongoing critical review of the work hypothesis, eventually leading to strategic and methodological adjustments in order to optimise resources and be more effective.

61. The evaluations will focus on progresses towards outcomes and, occasionally, on the efficiency and efficacy of specific projects. The main focus will be to generate information and lessons learned in terms of a greater or lesser degree of public policy effectiveness.

62. The monitoring of poverty and the analysis of trends in national development will be done by means of the National Human Development Reports and progress reports on the achievement of the Millennium Development Goals.

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[9] Information and Communication Technology
[10] Acquisition of Goods and Services