ANNEX

MID-TERM REVIEW

and

NATIONAL INDICATIVE PROGRAMME

2011 – 2013

GUATEMALA
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LIST OF ACRONYMS

AAP – Annual Action Programme
CICIG – Comisión Internacional contra la Impunidad en Guatemala
CSP – Country Strategy Paper
EC – European Communities
FDI – Foreign Direct Investment
GDP – Gross Domestic Product
GSP – Generalized system of preferences
ILO – International Labour Organization
LA – Local Authorities
MDG – Millennium Development Goals
MTR – Mid-Term Review
NGO – Non-governmental organization
NIP – National Indicative Programme
NSA – Non-State Actors
SEGEPLAN – Secretaría de Planificación y Programación de la Presidencia
SME – Small and medium enterprises
UNDP – United Nations Development Programme
UNE – Unidad Nacional de la Esperanza
VAT – Value Added Tax
WB – World Bank
1. EXECUTIVE SUMMARY

Developments in the country

Guatemala is slowly moving away from a post-conflict stage, and sharing the problems that are common to Latin American transitional democracies, such as a fragile rule of law, weak institutions, corruption and organized crime, weak political parties, widespread poverty and marked income inequality.

At this stage, Guatemala is going through a crucial political phase in which the new administration, led by President Alvaro Colom, is striving to implement a rather ambitious plan focusing on social cohesion policies, the fight against violence, impunity, poverty and the exclusion of indigenous peoples. In order to lay down the basis for financing such policies in a sustainable way and to help the State to improve its "redistributive" prerogatives, President Colom envisaged a fiscal reform. However, this key initiative - aimed at increasing social investments and fiscal revenues as a percentage of GDP - has been the target of fierce opposition both from the private sector and various political forces in the Congress, and is also affected by the impact of the global economic crisis.

More than 50% of population lives in poverty and 16% in extreme poverty; 73% are indigenous people and 70% live in rural areas. Moreover, Guatemala has one of the highest GINI coefficients (0.55) in Latin America. The situation of young people is particularly relevant, as they represent by far the majority of the population. More than half of them live in poverty, many are unemployed (52% of those aged 15-29 years) or work for the informal sector. Secondary school attendance is poor and juvenile delinquency is spreading. The funding of social programmes still remains one of the lowest in Latin America. The government has launched a package of new initiatives and programmes under the auspices of the Council for Social Cohesion.

The security situation has seriously worsened. This includes higher levels of criminality, organized crime and a high rate of impunity (98%). Discrimination against the indigenous population is still endemic in society; human rights, and in particular those who defend human rights, are threatened. Violence against women continues to be a widespread problem. President Colom is engaged in reforming and purging the security forces, and his "National Accord on the Advancement of Security and Justice" was signed by the political forces in April 2009. The UN-sponsored International Commission Against Impunity in Guatemala (CICIG) was created in 2007 for a two-year period, which was extended in 2009 to help national institutions investigate crimes related to clandestine groups and security forces that had infiltrated the State. CICIG has managed to consolidate its credibility and produce some initial tangible results.

Increases in the price of oil and of food in 2007/2008, as well as the international financial and economic crisis, had a negative impact on GDP growth, trade, tourism and FDI, as well as reducing the levels of remittances and causing job losses.

There is increased pressure on Guatemala’s high - but fragile - environmental potential (forest, biodiversity, water) and its vulnerability to natural disasters has increased. Even if Guatemala has ratified major conventions, the implementation of these conventions is limited,
as the administration lacks the resources to carry out the tasks related to environmental protection and to address environmental delinquency.

**EC Cooperation, implementation of CSP/PIN1 2007-2010**

A total of €87.9 million was earmarked, of which €47.3 million for Social Cohesion and Human Security and €40.6 million for Economic Growth and Trade. One project on Support to Budget Management (€11 million, AAP 2007) began in 2008. Another project on Institutional Strengthening of the Youth Sector in Guatemala (€5.3 million) is due to start in 2009. Two other projects were launched in 2009: Support the Food Security and Nutrition Policy and Strategic Plan of Guatemala (€33.8 million, sectoral budget support) and Facilitate Guatemala’s Participation in Regional Integration and the Association Agreement process (€6.8 million). An amount of €2 million has been contributed to support the CICIG. Finally, due to the growing violence and alarming level of impunity, a project has been scheduled for 2010 (€29M) in response to the compelling need to foster a comprehensive reform and to support the efforts spelled out in the "National Accord on the Advancement of Security and Justice".

Implementation of the NIP 2007-2010 has been delayed due to elections and the change of government in 2007/2008, as well as the weakness and instability of institutions and the escalating insecurity in Guatemala.

**Conclusion**

The priorities of the CSP 2007-2013 are still valid. Guatemala continues to confront the challenges of poverty reduction, income inequalities, economic development and insecurity. These challenges have increased as a result of the current international crisis and the deteriorating security situation in the country. Bilateral and also regional and thematic projects/programmes will contribute to supporting Guatemala's efforts to face this challenge. Guatemala should also be able to take advantage of the opportunity offered by the EU-Central America Association Agreement. As elections are due to be held in late 2011, the activities planned as part of the NIP 2011-2013 might need to be adapted on the basis of dialogue with the new government.
THE NATIONAL INDICATIVE PROGRAMME (NIP) 2011-2013 (47.1€M)

Insecurity and its adverse impact on the consolidation of democracy and on economic development require particular attention, involving alignment with the priorities of the government and of donors. Moreover, it is necessary to continue with actions that contribute to reducing poverty and to support economic and social development, addressing youth employment and vocational training in particular.

1) Priority Area “Social Cohesion and Human Security” - Justice and Security- €16.1 million

The aim is to support the efforts made by the government in the fight against impunity in all its facets, in line with the priorities of the "National Accord on the Advancement of Security and Justice", building on existing and new projects and the knowledge acquired by other donors and the CICIG. This includes supporting the design and implementation of state policies on Justice and Security and reforming the administration of justice; the development of a proper civil service career structure in the area of Justice and Security; fostering the development of more efficient and effective criminal investigation; developing prevention strategies in the area of violence and juvenile delinquency; supporting enhanced involvement of civil society organisations and the integration of gender, indigenous people and environment-related issues. The project should also contribute to strengthening defenders of human rights.

2) Priority Area “Economic Growth and Trade” - Youth Employment and Vocational Training - €31 million. The objective is to create more quality employment for Guatemalans, particularly for young people, building on a current project on youth which includes a component on the integration of young people into the labour market, and recently completed projects on support for SMEs and trade promotion. This includes the creation of employment opportunities, especially for young indigenous people in rural and marginal urban areas with identified productivity and/or competitiveness potential: to increase the number of SMEs, improve the business environment and the entrepreneurial capacities of the economically active population, especially young people, focusing on the traditionally excluded segments of the population (indigenous people, women, etc); to improve the conditions of economic units and workers in the informal sector and provide an indirect stimulus for formalizing these conditions; to assist the authorities in formulating and implementing a National Employment Policy; and to improve the Guatemalan vocational training system.
2. THE MID TERM REVIEW

2.1. ANALYSIS OF THE POLITICAL, ECONOMIC, SOCIAL AND ENVIRONMENTAL SITUATION

2.1.1. Political situation

Guatemala is slowly moving away from the post-conflict stage, sharing the common problems of Latin American transitional democracies, such as a fragile rule of law, weak institutions, corruption and organized crime, weak political parties, widespread poverty and marked income inequality.

At the same time, Guatemala is going through a crucial political phase in which the new administration led by President Álvaro Colom is striving to implement a rather ambitious plan centred on social cohesion policies, and combating violence, impunity, poverty and the exclusion of indigenous peoples.

Following his victory in the presidential runoff on 4 November 2007, Mr. Colom became the first moderate social democrat Head of State of the post internal conflict era. However, his administration has faced a structural and political backlash from the very beginning. The failure of the party (Unidad Nacional de la Esperanza – UNE) to secure an absolute majority and the consequent need to look for strategic alliances in Congress have presented a major obstacle to effective government action. Moreover, in less than 18 months there were several changes of Ministers, Presidential Secretariats and other high level officials, which contributed to political instability.

Nevertheless, President Colom's administration has already generated some tangible results in tackling extreme poverty and has launched successful initiatives in poor regions, coordinated by the recently established Council of Social Cohesion. In order to finance such programmes and other policies, the President proposed a fiscal reform aimed at modernizing the country's fiscal system and increasing tax revenues from 12% to 13.2% of GDP by 2010 (the target of the 1996 Peace Accords). Although the reform is modest in relation to the investments needed in the social sectors, so far it has met with strong opposition from the private sector and also from some political forces in Congress. This resistance has been strengthened by the impact of the international economic and financial crisis, which has profoundly affected Guatemala's public finances in the form of decreased fiscal revenues and remittances. The government of Guatemala maintains the fiscal reform as a priority and aims at achieving a compromise in Congress by 2011.

The positive results achieved in tackling extreme poverty, which political opponents have often criticised or downplayed, have been overshadowed by the worsening security situation. It is in this crucial field that analysts and detractors have pointed out the most apparent Achilles' heel of President Colom's administration, despite efforts to purge and re-structure key relevant institutions. The changes have involved the Interior Ministry, the National Police, the Attorney General's Office, the Defence Ministry and the Chief of Staff. However, the security situation has continued to degenerate and the administration's failure to combat violence and curb impunity has severely damaged President Colom's credibility. Furthermore, it is important to highlight that the lack of a proper career path for civil servants not only represents a major constraint on the effectiveness of the government, but also contributes to the country's institutional weakness.
2.1.2. Security and Human Rights situation

The reform of Guatemala's justice system was an important objective of the December 1996 Peace Accords and was also inherently linked to the promotion of democracy, the promotion of the Rule of Law and respect for Human Rights.

The "Accord on the Strengthening of Civil Society and the Role of the Army in a Democratic Society" acknowledged that one of the greatest structural weaknesses of the Guatemalan State was its justice system. The most notable achievements of this process were the establishment of a new National Civilian Police, an independent Public Prosecutor’s Office and a Public Defender's Office. However, the implementation of the accord has been partial and its effectiveness rather limited. Despite a radical reform of the Penal Code in 1994, which replaced the inquisitorial procedure with a "prosecutorial" system, the country's justice system still suffers from huge deficiencies and an alarming impunity rate.

The overall situation of the criminal justice system presents serious deficiencies, in particular with respect to the prison system, arrest and arbitrary detention, the role of the police and security apparatus, organised crime and illegal groups, independence of the Judiciary in the administration of justice and criminal investigation. Guatemala does not have a Ministry of Justice and lacks an autonomous body to represent judges, which would ensure proper independence of the judiciary power. Criminal investigations are carried out by both the Attorney General's Office and the National Civilian Police. This shared responsibility, together with the lack of proper coordination and poorly trained personnel, often results in ineffective and unreliable investigation of crimes.

These structural weaknesses have resulted in widespread popular mistrust in the whole justice system and a worsening of the security situation.

In fact, twelve years after the signing of the Peace Accords, the security situation in Guatemala has deteriorated significantly. More than 6000 murders were committed in 2008 (17 per day), while the country is suffering massively from increases in kidnapping, social cleansing, and youth gangs (maras) often operating on behalf of organized crime, and a very ineffective and deeply infiltrated justice system (98% rate of impunity). Corruption is rife, and there has been a major infiltration of drug-related criminal groups, including by Mexican cartels. In a way this is also linked to the unresolved legacy of the internal armed conflict, with clandestine groups acting on behalf of individuals or groups (so-called "hidden powers") who profit from a variety of illegal activities with little fear of arrest or prosecution. That contributes to the undermining of the justice system and perpetuates a climate of insecurity for citizens.

Fundamental human rights are threatened, including the right to life, security and justice, as well as the rights of indigenous peoples and the right to land. Discrimination against the indigenous population is still endemic in Guatemalan society. Violence against women continues to be a widespread problem, in spite of a new law which criminalizes femicide. Human rights defenders and trade union representatives are targeted in particular, with continuous threats and more than 100 attacks and 20 murders in 2008.

Under pressure from public opinion, opposition parties and the international community, President Colom has undertaken to carry out a structural reform of the security and justice...
sectors and he presented a "National Accord on the Advancement of Security and Justice” on 15 April 2009.

A major role in the fight against impunity and combating widespread crime is being played by the UN-sponsored International Commission against Impunity in Guatemala (Comisión Internacional contra la Impunidad en Guatemala - CICIG). The CICIG was established in September 2007 for a period of two years to help national institutions investigate crimes related to clandestine groups and security forces that had infiltrated the State. The EC and EU Member States support CICIG politically and financially, and have pledged to extend the mandate for a further two years. This extension was approved on 21 April 2009 by the signatory parties (i.e. the Guatemalan Government and the Office of the UN Secretary-General) and subsequently ratified by Guatemala's Congress on 16 July 2009. So far, CICIG has managed to consolidate its credibility and produce tangible results, investigating highly sensitive cases, proposing legislative reforms and providing technical assistance to the institutions of the justice system.

2.1.3. Economic situation

Increases in the prices of oil and food in 2007/2008 and the recent international financial and economic crisis have already had a significant impact on Guatemala. In 2008 these effects included a significant increase in the cost of living and the loss of thousands of jobs, owing to a reduced demand for exports, especially in light industries such as clothing and textiles. Inflation showed an upward trend in 2008 and ended the year at a cumulated rate of 9.4%.

In 2009, the weakening of demand from Guatemala's main commercial partners (USA, Central America) and the overall slowing of economic activity have had an impact on trade and growth. Both exports and imports recorded negative growth in the first months of 2009. The Bank of Guatemala forecast falls of between 0.4% and 1.2% (4% in 2008, 6.3% in 2007) for GDP growth in 2009, and any recovery in 2010 will depend largely on the economic situation in USA, Central America and Europe. The slowdown in growth is also aggravated by falling levels of remittances from Guatemalans abroad (down 9.5% in the first seven months of 2009), lower revenues from tourism and lower levels of FDI.

The reduction in imports has been a serious blow, severely reducing Government tax incomes (customs duties and VAT) which, added to the slowdown in economic activity, had already prompted the Government to revise the taxation rate from the forecast 11.8% to 10.5% and the public deficit from 2.0% to 2.8%.

Nevertheless, disciplined macroeconomic management by the Guatemalan authorities has contributed, on one hand, to avoiding financial panic and de-capitalization and, on the other, to helping the private sector maintain a positive outlook with regard to its possibilities for recovery. An example of this is the reduction in the accumulated rate of inflation to less than 3% during the first half of 2009, due in part to the strict monetary policy.

In response to the international crisis, the Government launched an Economic Emergency and Recovery National Programme and a package of socio-economic programmes early in 2009. The Economic Emergency and Recovery National Programme is based on four main priorities: employment generation, social protection, control of inflation, and public and private investment. Job creation, in particular, will be implemented through public
infrastructure and private investment, with a view to avoiding a contraction of the economy and a further increase in unemployment.

2.1.4. Social situation

Even though Guatemala has adopted all the relevant international instruments on economic, social and cultural rights and has incorporated these standards into its legislation, it still faces a situation of structural poverty and inequality due to the lack of practical measures to implement these commitments.

According to the national surveys, overall poverty was reduced from 56% in 2000 to 51% in 2006, while extreme poverty remained unchanged (at 15%-16%). However, during that period the number of poor people rose by 140,000 (and a corresponding increase of 200,000 for those in extreme poverty). The WB estimated that the dual impact of high food prices and the global crisis had already cancelled out the 5% improvement in the reduction of poverty, which mainly affects rural zones (70%) and indigenous peoples (73%). Moreover, Guatemala has one of the highest GINI coefficients in Latin America (0.55) and the fourth highest child chronic malnutrition rate in the world (49% of children under 5 years old), while illiteracy is still as high as 25% (40% in rural areas). For some indicators the situation has improved between 2000 and 2006: the net rates of registration for elementary and secondary school were up by 8% and 44% respectively, with life expectancy growing by a further two years and child mortality down by 22%.

The situation of young people is particularly relevant to the calculation of socio-economic indicators, as they account for the vast majority of the population (70% of the population are under 30 years old). More than half live in poverty, many are unemployed (52% of people between 15-29 years) or work for the informal sector; few attend secondary school and juvenile delinquency among young people is spreading.

Although public social investment as a share of GDP rose from 3.5% in 1996 to 6.4% in 2006, the allocation of such investment to social programmes remains one of the lowest in Latin America. Within the social programmes, half of the budget is allocated to education, but the situation for health and social protection is affected by the lack of resources and difficulties in accessing medical facilities, mainly for the poorest in the population.

The government has launched a package of new initiatives and programmes under the auspices of the Council for Social Cohesion, including programmes for conditional cash transfers (Mi Familia Progresa), provision of a food basket (Bolsa Solidaria), subsidized people's diners (Comedores Solidarios), youth education and recreation activities to prevent juvenile delinquency (Escuelas Abiertas), subsidies to farmers and other schemes for the poor. Other programmes, Mi Familia Aprende and Bonus Nutricional, were launched to complement the Mi Familia Progresa programme. Moreover, the spending earmarked for education and health was increased in the 2009 budget.
2.1.5. Environmental situation

There is growing pressure on Guatemala’s high but fragile environmental potential (forest, biodiversity, water) and that pressure is increasing the country's vulnerability to natural disasters. Only 4% of water is treated, 75,000 ha are deforested each year (offset by just 2,000 ha of reforestation) and the plans to expand the production of bio-fuel from sugar pose an additional threat both to the environment and to food security.

Media and civil society regularly report complaints against mining activities, mismanagement of hazardous wastes and protected areas being threatened by drug trafficking (narcotrafico). Legal proceedings have been initiated by local communities, for example against mining concessions authorized by the Government. The view of NGOs is that no concrete environmental initiatives have been taken since the signing of the Peace Accords, that Governments have done little to reduce conflicts relating to land issues and that environmental impact assessments are not being conducted seriously, as there is insufficient consultation of indigenous communities.

In spite of that, the Ministry for Environment is endeavouring to implement its environmental policy and there is an increased awareness of climate change and its impacts on natural disasters and on the economic development of the country. However, even if Guatemala has ratified all major conventions, the implementation of those conventions remains limited, as the administration lacks sufficient resources to fulfil the tasks related to environmental protection and to tackle environmental delinquency.

2.2. NEW EC/EU POLICY OBJECTIVES AND COMMITMENTS

2.2.1. Relevance of new EC/EU policy objectives

New EC/EU policy objectives - such as climate change, food security, migration, drugs, regional cooperation and aid for trade - are becoming more and more relevant for Guatemala. Increased awareness of climate change and its impact has prompted the new government to put it high on the policy agenda, with the clear intention to play a leadership role at regional level. Food security is a major concern in Guatemala, as demonstrated by the dramatic situation of child malnutrition. Migration is also a key issue for Guatemala, as more than 10% of Guatemalan nationals work in the USA. Remittances are a main source of revenue for the country (especially in the border regions with Mexico) and migrants from other Central American countries cross the territory of Guatemala to reach the USA. Trafficking in drugs has increased dramatically in recent years, contributing to the worsening of the security situation and threatening the very foundation of state institutions. The regional integration process is a key element for the development of Guatemala and is encouraged by the Association Agreement with the EU. In this context, aid for trade is becoming an essential instrument to allow Guatemala to profit fully from the implementation of the new EC-CA Association Agreement and from the regional integration process.

It is assumed that these issues are better dealt with at regional level (except for food security) and are or will be the focus of CA regional projects. Support at national level is intended only to complement the efforts at regional level. Nevertheless, bilateral projects on food security, trade assistance and regional integration are being implemented or developed. Concerns
related to climate change, drugs or migration can be integrated into the design of future programmes.

2.2.2. Aid effectiveness agenda

During the last two years, Guatemala has made some progress towards the harmonization and alignment of aid. This was done under the leadership of International Cooperation Council (Consejo de la Cooperacion Internacional) and the Presidency's Planning Secretariat (SEGEPLAN) with strong support from Guatemala's main international donors, within the so-called G13/Dialogue Group (Grupo de Dialogo). Some efforts were made to improve the ownership and harmonization of aid and to align it with the Government priorities, to introduce sector based approaches, medium-term planning and result oriented management, as well as the development of working groups consisting of Government and donors (Mesas de Donantes) in selected sectors, with strong Government ownership. That process, known locally as the "Antigua Process", focused initially on education, health, justice and security, and is now expanding into rural development, environment and water, and also food security. This makes for greater sector concentration and a more effective division of labour among donors, as well as better planning and monitoring of the Government policies in those sectors. Mid-term sectoral action plans and road maps are being developed and discussed between Government and donors, both within those working groups and at a more technical level (Petits Comités, Grupos de Trabajo). Moreover, the G13 donors group has adopted a Code of Conduct, partially based on the EU Code of Conduct. However, beyond regular consultations, few efforts have been made by either Government or donors as regards joint programming. The EC is nonetheless working together with other donors to identify and formulate new projects on food security and justice system reform.

2.2.3. Non-State Actors (NSA), Local Authorities (LA) and National Parliaments

Civil society in Guatemala is highly fragmented by a range of different causes, including the aftermath of the armed conflict which has led to a polarization of organisations and encouraged competition for international cooperation resources. This situation makes it difficult to organise a properly representative and structured mechanism for dialogue with civil society organisations. The current relationship with civil society in Guatemala mainly takes the form of coordination for the mainstreaming of gender and indigenous issues. This space has made it possible to exchange information between projects, providing feedback on cooperation issues.

Relations with local authorities are more systematic. Local authorities are relevant partners in EC cooperation in Guatemala: municipalities have benefited from and are important counterparts in projects on decentralization, rural development, support to civil society and youth.

The Congress is also more involved: recent projects on management of public finances, trade aid and youth include technical assistance to and consultations with the Congress.

In spite of the frequent contacts and close relations with these actors, the development of a more structured and strengthened mechanism of dialogue with civil society and the
strengthening of involvement of local authorities and the Congress still present a challenge. As regards civil society organisations, a mapping exercise is being carried out and can be used as a tool to improve their representative status and dialogue mechanisms.

2.3. RESULTS, PERFORMANCE AND LESSONS LEARNT

2.3.1. Country performance

In the context we have described, the major challenges are still security, and also social and economic development, given the persistent inequalities of income and high poverty rates that constrain economic, political and democratic development. In spite of the efforts made by the current administration, the impacts of the global financial and economic crisis and the inability to raise the necessary resources for social investments will not permit significant improvements. Thus, the most fragile sectors of the population, namely children, young people and women - in particular indigenous peoples and living in rural zones - will continue to suffer the most.

2.3.2. Implementation of NIP 2007-2010

For the first National Indicative Programme (NIP) 2007-2010 an amount of €87.9 million was earmarked, of which €47.3 million were for Social Cohesion and Human Security and €40.6 million for Economic Growth and Trade. One project on Support to the Budget Management (€11 million, AAP 2007), which had been carried over from the previous CSP 2002-2006, began to be implemented in late 2008. Another project on Institutional Strengthening of the Youth Sector in Guatemala (€5.3 million, AAP 2008) started its activities in 2009. Two other projects, Support the Food Security and Nutrition Policy and Strategic Plan of Guatemala (€33.8 million, sectoral budget support) and Facilitate Guatemala’s participation in Regional Integration and the Association Agreement process (€6.8 million) will be part of the AAP 2009, together with a €2 million contribution to support the CICIG. In addition, support to the justice system reform is included under the AAP 2010 (€29 million are estimated for that purpose).

Implementation of the NIP 2007-2010 was delayed due to elections and the change of government in 2007/2008, the weakness and instability of institutions and the escalating insecurity in Guatemala. This situation did not help the formulation of new projects. Moreover, the envisaged shift to the budget support procedure encountered serious difficulties while preparing sector budget support concerning youth and indigenous people, which were the sectors prioritised in the NIP 2007-2010: besides the lack of strong government coordinating bodies and medium-term planning, these are not traditional sectors for launching a budget support mechanism. Although the process has been helped by a decision to merge the allocations earmarked for 2008 and 2009 focusing on indigenous youth, the persistent lack of a government coordinating body for youth, the very weak inter-institutional coordination and concerns expressed by MS on using such procedures in such conditions, have led to the planned budget support being postponed and replaced by a project on institutional strengthening of the youth sector. This project will reinforce institutional capacities and skills within institutions responsible for policies and plans aimed at young people, including medium-term planning and effective inter-institutional coordination. The preparation of a
budget support programme for food security turned out to be an easier task, as this is a more traditional sector with a comprehensive and sound legal, policy and institutional framework, including mid-term planning and inter-institutional coordination.

Furthermore, in order to provide Guatemala with the tools to benefit from regional integration and the implementation of the Association Agreement, a project was designed to strengthen relevant institutions and increase awareness and knowledge of regional integration among civil society. Finally, the growing levels of violence in 2008 and 2009, and the alarming rate of impunity, prompted the donor community to increase its support to justice and security. Support scheduled for the AAP 2010 responds to the compelling need to foster a comprehensive reform and support the efforts carried out by the government and spelled out in the "National Accord on the Advancement of Security and Justice".

2.3.3. Lessons learnt

Difficulties and delays in the implementation of current and terminated projects, as well as in the formulation of new projects, not only confirm the lessons learnt included in the CSP 2007-2013, but also raise a few other issues that need to be mentioned:

- Consistency with the national priorities and policies remains essential;
- Persistent difficulties with project implementation due to the lack of budget allocations and counterpart funds in the national budget, as well as constant changes in government and in national project implementation units, demand a permanent dialogue with the authorities but also confirm the limitations of a traditional project approach;
- A project approach is still necessary for capacity-building and institutional strengthening, whenever the conditions for budget support are not met or as preparatory step prior to the introduction of budget support;
- Cross-cutting issues, such as gender, indigenous people and environment, are very important in Guatemala, but they must be fully integrated into new projects/programmes, rather than being the main focus of an action;
- The next NIP should concentrate more on fewer projects/programmes;
- Due to the lack of deep involvement of government counterparts during the electoral process and the need to make sure there is sufficient time for the proper start-up of the new administration, it is not appropriate to identify and formulate new projects/programmes during an election period;
- The escalating insecurity in Guatemala is a major obstacle to the development of the country, which in turn requires further attention to justice and security issues.

2.4. QUALITY IMPROVEMENTS

Concentration on fewer interventions is essential to achieving better results with the resources available. Closer alignment with the Government priorities and the country’s reforms, and provision of adequate resources in the national budget, are also essential.
Priority will be given to budget support, whenever the conditions are met in terms of the sector policy, medium-term planning, macro-economic stability and progress with public finance management.

Cross-cutting issues need to be integrated more systematically, starting with the identification phase of the new projects/programmes.

Lastly, it is also important to increase synergies with the thematic and the regional programmes.

2.5. CONCLUSIONS

The priorities of the CSP 2007-2013 are still valid. The basis on which the CSP was designed remains relevant and no modifications to the CSP are necessary. Guatemala continues to confront the challenges of poverty reduction, income inequalities, economic development and security. The importance and potential impact of such challenges are increased due to the current global economic crisis and the deteriorating security situation in the country. Bilateral as well as regional and thematic projects/programmes will contribute to supporting Guatemala's efforts to confront these challenges. Guatemala should also take advantage of the opportunity offered by the signature of the EU-CA Association Agreement. Due to elections in late 2011, activities programmed for the NIP 2011-2013 will need to be adjusted on the basis of dialogue with the new government.

Priorities for the NIP 2011-2013: The dramatic deterioration of the security situation and its negative impact on the consolidation of democracy and on economic development requires special attention, in order to align with the priorities of the government and the priority given by other donors, particularly the Member States. Support can be given under the Social Cohesion and Human Security priority area to continue activities related to the reform of the justice and security systems, building on existing and new projects as well as the knowledge acquired by other donors and the CICIG. Moreover, it is necessary to continue actions contributing to poverty reduction and to support economic and social development. The focus should be on the most vulnerable sections of the population, in particular young people, by pursuing projects from the NIP 2007-2010 and addressing youth employment and vocational training in particular. Cross-cutting issues, such as environmental protection, gender, indigenous people, and respect for Human Rights and core labour standards, should be integrated into these actions. The focus on two priority areas and close cooperation with the MS and the other donors within the established Government-donors working groups during the identification and formulation of the actions will contribute to aid effectiveness, together with further consideration of budget support procedures and delegation of cooperation to the MS for the implementation of the actions.

2.6. CONSULTATIONS

Consultations were held with relevant government ministries and institutions at the end of March 2009, in particular with the Ministries of Finance, Economy, External Relations and Interior, the Presidential Planning Secretary (SEGEPLAN), the Head of the National Security Council, and the Heads of the Supreme Court and the Justice Coordination body. Further
consultations on the draft NIP 2011-2013 were held in May, with the International Cooperation Council supporting the proposed approach.

An initial consultation with the Member States took place on 26 March 2009. At that meeting the participants expressed concern at the growing situation of insecurity, the institutional weakness of the state, the absence of a civil service law, the impact of the international crisis, the human rights situation, indigenous people and the young, as well as the deterioration of the environment, water consumption and energy supply. Furthermore, there was a broad consensus on the need to support the reform of the justice and security sector. A second round of consultations on the draft MTR document and the NIP 2011-2013 carried out in May showed support for that analysis and the choices made.

A meeting with civil society representatives was held on 26 March 2009. Those attending the meeting stressed the following points in particular:

- The complex situation of impunity (taking into account the role of drug trafficking and organized crime) and the institutional weakness of the state;
- The challenges presented by the global financial economical crisis, in particular the effects on the economic activity and the reduction of remittances;
- The importance for the strategy of key structural reforms such as: fiscal reform, agrarian reform, electoral reform and recognition of indigenous peoples;
- The fragmentation of civil society and the need for a more structured consultation and dialogue with the EC, as well as an enhanced dialogue with the government;
- The need to take measures against impunity, strengthen state institutions, including at the local level, support young people by improving skills and vocational training, and address the issues of gender and indigenous people in a more integrated manner.
- The need to launch an overall evaluation of EC cooperation with Guatemala and to include mechanisms for social auditing when developing budget support programmes.
3. THE NATIONAL INDICATIVE PROGRAMME (NIP) 2011-2013

3.1. MAIN PRIORITIES AND INDICATIVE ALLOCATIONS

The allocation to be made by the EC for the Guatemala National Indicative Programme in the period 2011-2012 will be €47.1 million, divided into two priority areas as follows:

*Social Cohesion and Human Security*

- Justice and Security – €16.1 million

*Economic Growth and Trade*

- Youth Employment and Vocational Training – €31 million

3.2. PRIORITIES AND ACTIONS

3.2.1. Priority Area “Social Cohesion and Human Security” – Justice and Security

- **Background and justification**

After the signing of the Peace Accords in 1996, and especially since 2000, the security situation has been steadily deteriorating - reaching its peak in 2008 with more 6000 murders officially reported to the police. This widespread violence is coupled with alarming rates of impunity, as high as 98%. CICIG has reiterated that the alarming impunity rate in Guatemala, considered as corruption as far as the justice system is concerned, represents a major threat to the country’s democratic development and the consolidation of the Rule of Law.

This has also had a considerable negative impact on the economy. UNDP estimated the economic costs of violence in 2006 at $US 2,386 million (7.3% of GDP). It leads to decreased production and increased security costs. It also leads to decreased FDI and income from tourism, and to a decrease in the number of healthy years of life of the economically-active population.

Critically assessed, the overall situation of the criminal justice system still presents serious deficiencies and is a source of major concerns. These concerns mainly relate to six main areas: the prison system; arrest and arbitrary detention; role of the police and Security apparatus; organised crime and illegal groups; independence of the Judiciary in the administration of justice; and investigation of crime.

Unlike most Latin American countries, Guatemala does not have a Ministry of Justice and it lacks an autonomous body to represent the judges, which would ensure proper independence of the Judiciary power. During his various visits to the country, the UN Special Rapporteur on the independence of magistrates and lawyers has repeatedly drawn attention to these deficiencies and also made reference to the need for a radical change in the rules governing the election and appointment of Supreme Court members in order to avoid political cooptation.
Under the present arrangements, criminal investigations are carried out by both the Attorney General's Office and the National Civilian Police. This shared responsibility, the lack of proper coordination and the poor training of the personnel often result in very ineffective and unreliable criminal investigation for trial purposes. The UN special Rapporteur has highlighted the need to create a dedicated and competent police force to carry out criminal investigations.

The recently signed "National Accord on the Advancement of Security and Justice" represents a step forward towards a comprehensive and better coordinated approach to curb crime and combat impunity.

EC support to this key sector will complement current actions, such as the Programa de Apoyo a la Reforma de la Justicia (to be closed by the end of 2009) and those to be implemented from 2010 onwards (major support is earmarked for the AAP 2010). This further assistance is essential in order to guarantee continued and coherent support and to allow the enhanced sustainability of aid. Furthermore, such future actions are in line with the priority areas of the above-mentioned "National Accord on the Advancement of Security and Justice".

- **General objective**

Consolidate the results of previous EC and international aid assistance, as well as support the efforts made by the government in the fight against impunity in all its components, in line with the priorities identified in 2009 by the "National Accord on the Advancement of Security and Justice".

- **Specific objectives**

  - Support the design and implementation of state policies on Justice and Security;
  - Foster the development of a more efficient and effective criminal investigation;
  - Support the reform of the administration of justice, including enhanced coordination among relevant institutions and the establishment of a proper civil servant career path in the area of Justice and Security;
  - Develop prevention strategies in the field of violence and juvenile delinquency;
  - Support enhanced involvement of civil society organisations and integration of gender, indigenous people and environment-related issues.
  - Enhance awareness of justice and security-related issues among the press community.

- **Expected results**

  - Comprehensive and coherent public policies designed and implemented and relevant institutions strengthened. Particular emphasis will be placed on the implementation of the "road map" envisaged by the "National Accord on the Advancement of Security and Justice";
  - Scientific quality and reliability of criminal investigation is improved;
• Effective, transparent and accountable justice system compliant with international standards is established. Separation between administration of justice and the independent body of magistrates is implemented;

• Prevention of juvenile delinquency and access to justice of indigenous people are enhanced;

• Role of Human Rights civil society organizations is strengthened and there is greater awareness, and concrete initiatives to tackle violence against defenders of human rights, women and young people, as well as in relation to environmental crimes.

• Public opinion is informed in a more balanced and comprehensive manner, and members of the press are more aware of and sensitive to issues of justice and security.

In terms of timeframe, it is to be expected that the first phase of this action will focus on support to national institutions for the implementation of the National Accord according to the priorities and timetable identified by the relevant Road Map. This effort will be carried out in close consultation and cooperation with other international donors. As the action will extend beyond the current presidential mandate, the second phase may result in consolidating the initiatives previously carried out, contributing to institutional stability and effective sustainability in the framework of the new administration which will take office in 2012.

- Indicators

• Number of state policies approved and implemented, with legislative backing from Congress.

• Establishment of a new Criminal Police tasked with carrying out criminal and scientific investigation.

• (possible) Establishment of a Ministry of Justice and a "Council of the Judicial Power" out of the current Organismo Judicial.

• Number of coordinated actions aimed at crime prevention and labour integration implemented by the government. Particular emphasis will be placed on the model established by the pilot project "Escuelas Seguras";

• Number of criminal cases of abuse/violence against human rights defenders, women, young people, indigenous peoples and the environment, presented and resolved by relevant institutions.

• Number of ad hoc training programmes and other related information and awareness raising activities targeting professional members of the press and columnists.

- Cross-cutting issues

Gender: the issue of access to justice, the fight against femicide and illegal human trafficking (covered by two existing laws) will consider women as a priority target group.

Indigenous peoples: the issue of a justice system that is more accessible to and aware of the instances of diverse indigenous groups living in the country will be given special attention.

Youth: prevention of juvenile crime will be a priority and complement in a coherent manner the other actions implemented in the framework of this NIP 2011-2013.
Environment: investigation and criminal prosecution of groups dedicated to illegal logging or arson for the purposes of animal breeding, as well as illicit use of natural resources, will be promoted.

- Assumptions and risks

- The new Guatemalan government taking office in 2012 considers the sector as a key priority
- There is a political consensus in Congress to pass the relevant legislative reforms
- Adequate funding in terms of budget allocations is available.

3.2.2. Priority Area “Economic Growth and Trade” – Youth Employment and Vocational Training

- Background and justification

The lack of employment and of income generation opportunities has been identified as one of the main issues that Guatemala needs to deal with in order to improve the poverty situation.

The shortage of quality job opportunities directly limits the scope for development of the largest segment of the Guatemalan population: namely young people, who make up to half of the country's labour force and do not have the necessary skills, vocational guidance and training, or entrepreneurial abilities.

Although Guatemala has a well-established private sector and there is a trend towards increasing exports and improving competitiveness, the country has neither a national employment policy, nor a clear unified strategy for job creation and vocational training and orientation. It also lacks a reliable and continuously updated labour statistics system that would allow a planning process that is more consistent with market trends.

The high level of informality and the failure to incorporate young people sufficiently into formal employment also produce a negative result: namely the almost total lack of respect for and supervision of core labour standards (despite the fact that Guatemala is signatory to all the ILO Core Labour Standards Conventions), including with respect to child labour. The EU has expressed concern about this situation, which it is observing closely as part of the GSP+ system, and about the negotiation of the Association Agreement with CA. It is also worth mentioning the issue of Decent Labour, which is a priority of European cooperation.

A project starting in 2009 that will work on strengthening state institutions and other organisations responsible for or concerned with young people, focusing on education, health, justice and security and the integration of young people in the labour market, will contribute to the design and implementation of this action. Results from other projects supporting SME and trade promotion will also be used.

- General objective
To increase the number of quality employment opportunities for Guatemalans, particularly young people.

- **Specific objectives**

  - To increase the number of young Guatemalans actively engaged in employment and/or entrepreneurial activities
  
  - To increase the number of SMEs, improve the business environment and the entrepreneurial capacities of the economically active population, especially young people, focusing on the traditionally excluded segments of the population (indigenous people, women, etc)
  
  - To improve the conditions and the level of productivity and income of economic units and workers in the informal sector in order to promote their modernisation and, indirectly, incorporate them in a formal way
  
  - To assist the Guatemalan authorities in formulating and implementing a National Employment Policy that includes vocational training, orientation, career guidance, employment services and sustainable labour market information systems, and promotes the respect of labour standards
  
  - To improve the relevance, efficiency and equity, as well as the institutional and financial sustainability, of the Guatemalan vocational training system.

- **Expected results**

  - A significant number of Guatemalans have well-paid jobs, poverty indexes are reduced, and living standards are improved
  
  - Micro, Small and Medium-sized Enterprises owned and/or operated by young people are created and/or their number is increased, and a sustainable Public-Private Partnership oriented towards quality job creation, employability and entrepreneurship is in place
  
  - The capacity of the authorities to implement social and labour legislation (e.g. minimum salary, social security, fight against child labour, non discrimination, occupational safety and health, etc) is strengthened
  
  - An inclusive and effective National Employment Policy has been created, approved, funded and implemented by the Guatemalan Government and includes a reliable and continuously updated labour market information system.
  
  - The Guatemalan vocational training system is reinforced and the employability and entrepreneurship of young people, in selected sectors with identified potentials, is improved as a result.

It is expected that the first part of this intervention will include a sustained dialogue with relevant stakeholders, such as Government, Civil Society (including the Private Sector) and other donors to be carried out in order to contribute to the creation of a platform for the approval, funding and implementation of an inclusive and effective National Employment Policy. In parallel to the discussion on the National Employment Policy, this intervention will focus on developing specific, targeted programmes to stimulate the creation of jobs for young people. The first part of the intervention is likely to consist of an analysis of potential sectors
and partners to be developed, while the remainder of the intervention will be used to implement programmes, and periodically monitor the results.

- **Indicators**

  - Number of young people employed, broken down by age groups and gender, and levels of poverty
  - Number of small businesses created, active and participating in productive activities
  - Number of young people benefiting from Social Security as a result of their incorporation into the formal employment system, levels of income, and instances of application of labour legislation
  - Existence of a National Employment Policy and application of that policy through the proper Government authorities, including the installed capacity in the field of labour statistics and monitoring
  - Number of young people, both male and female, benefiting from vocational training and orientation. Integration rate of graduates of the vocational training system into the formal labour market broken down by age group, gender and geographic area.

- **Cross-cutting issues**

  **Gender**: Opportunities are created for women, with an emphasis on rural populations. As an added result, occurrence of teen parenthood is reduced, thus increasing the possibility for young girls to be incorporated into the formal employment and entrepreneurial market, thereby improving their living conditions.

  **Environment**: The programme will favour the creation of new employment opportunities in activities directly linked to the preservation of the environment, such as environmental services, alternative agriculture (including organic), forestry, recycling, sustainable and eco-tourism, and others, with special emphasis on rural areas.

  **Indigenous Populations**: Emphasis will be placed on support for the involvement of indigenous youth, especially from rural and marginal urban areas, in productive activities. Regional and cultural potentials for the creation of employment opportunities will be identified and used, adopting a respectful approach to cultural diversity and the way of life.

- **Assumptions and risks**

  - The new government and the Private Sector are willing to work with each other in creating employment opportunities, both in the city and in rural areas.
  - The Guatemalan Government continues to have employment creation as a priority.
  - Central America continues to be explored as a potential market for Guatemalan exports.
## Multi annual programming 2007-2013 (€135 Million)

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<thead>
<tr>
<th>Focal Sectors/programmes</th>
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<td>Support the Food Security and Nutrition Policy and Strategic Plan of Guatemala</td>
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LIST OF ANNEXES

1. Summary table for the country ("Country at a Glance") including MDGs
3. Description of the MTR document drafting process
4. Donor matrix
Annex 1: Country at a Glance including MDGs

ANNEX 2: GUATEMALA AT A GLANCE

Guatemala at a glance

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<thead>
<tr>
<th>Key Development Indicators</th>
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<td>Birth rate (per 1000)</td>
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<td>Life expectancy at birth</td>
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<td>Employment (% of workforce)</td>
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<td>Manufacturing (%)</td>
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<td>11</td>
<td>11</td>
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<td>11</td>
</tr>
<tr>
<td>Industry (%)</td>
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<td>15</td>
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<tr>
<td>Services (%)</td>
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<tr>
<td>Manufacturing (%)</td>
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<td>11</td>
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<tr>
<td>Industry (%)</td>
<td>15</td>
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<tr>
<td>Services (%)</td>
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<tr>
<td>Net foreign direct investment</td>
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</tbody>
</table>

Note: Figures are per 1000 people and figures in brackets are per GDP.
Millennium Development Goals

Guatemala

With selected targets to achieve between 1990 and 2015

Goal 1: Eradicate extreme poverty and hunger

- Target 1.1: Halve the proportion of people living on less than $1 a day
- Target 1.2: Halve the proportion of people living on less than $1 a day (on current prices)
- Target 1.3: Reduce by half the proportion of people who suffer from hunger

Goal 2: Achieve universal primary education

- Target 2.1: Ensure that all boys and girls complete primary school
- Target 2.2: Eliminate gender disparity in primary and secondary education

Goal 3: Promote gender equality and empower women

- Target 3.1: Eliminate gender disparity in primary and secondary education
- Target 3.2: Achieve gender equality in primary and secondary education
- Target 3.3: Register at least a 50% increase in the proportion of women in managerial positions

Goal 4: Reduce child mortality

- Target 4.1: Reduce by two-thirds the under-five mortality rate
- Target 4.2: Reduce by two-thirds the under-five mortality rate (on current prices)

Goal 5: Improve maternal health

- Target 5.1: Reduce by three-quarters the maternal mortality rate
- Target 5.2: Reduce by three-quarters the maternal mortality rate (on current prices)

Goal 6: Combat HIV/AIDS, malaria, and other major diseases

- Target 6.1: Reverse or begin to significantly reduce the HIV/AIDS pandemic
- Target 6.2:Reverse or begin to significantly reduce the malaria pandemic

Goal 7: Ensure environmental sustainability

- Target 7.1: Achieve a significant improvement in environmental sustainability
- Target 7.2: Achieve a significant improvement in environmental sustainability (on current prices)

Goal 8: Develop a global partnership for development

- Target 8.1: Mobilize resources from all sources
- Target 8.2: Mobilize resources from all sources (on current prices)

Note: Figures are in terms of 2000 international dollars for all countries

Development Data, Development Data Group (2000)

Executive Summary of the Country Strategy Paper 2007-2013

Guatemala, overwhelmed by high levels of poverty and social inequalities, was severely hit by tropical storm “Stan” in October 2005. This natural disaster underlined structural deficiencies as well as policy and institutional shortcomings, in particular in relation to the management of the country’s environmental resources. The poor – an estimated 56% of the population – have very limited access to health and education services and are exposed to food insecurity. Slow economic progress and a weak and inequitable fiscal system are preventing any real improvement in the well-being of the majority of the population. Although Guatemalan society has seen positive developments since the end of the internal conflict, in particular in relation to democratization, the rule of law remains fragile. Institutions are weak and do not have the means to fight impunity or to efficiently combat the heightened insecurity. The political context is not conducive to full reconciliation and the Government has to extend much effort in building trust in its National Development Plan, based on the 1996 Peace Accords. In order to be fully successful, these require the continued support of the international community in general and the European Union in particular. Guatemala will only be able to meet its Millennium Development Goals (MDGs) if there is continued and serious commitment by all parties towards peace and reconciliation. The European Commission intends to support Guatemala in its endeavours through this Country Strategy Paper (CSP) which provides a framework for EC cooperation during the period 2007-2013.

The CSP highlights social cohesion, human security, economic growth and trade as the main themes for cooperation. Emphasis will be on the promotion of a well governed democracy, respectful of the indigenous people and their rights, as well as effective implementation of pro-youth and rule of law related policies contributing to improved citizen security. The CSP also underlines the importance of regional integration which will also receive attention under the EC Regional Strategy for Central America. Cross-cutting themes which will be mainstreamed throughout the implementation of the CSP include the environment, gender equality, and human rights. Special consideration will be given to the situation of the indigenous peoples in all aspects of cooperation. The CSP is a key element in the improved programming process introduced as part of the reform of the management of EC external assistance and subscribes to the principles of the “European consensus on Development”, which focuses in particular on reducing poverty and on the MDG. The CSP was drawn up following a multi-stakeholder consultation process involving state and non-state actors, as well as other bodies from the international community, to ensure the complementarity and effectiveness of EC cooperation. The strategy will be implemented on the basis of two successive indicative programmes. Where possible, and if the necessary conditions are met, consideration will be given to sector programme support and budget support. An indicative allocation of € 135 million has been earmarked for Guatemala in the period 2007-2013 under the financing instrument for development cooperation (DCI). These resources will be supplemented by projects funded from specific EC budget lines and programmes financed under the Central American and Latin American regional programmes.
Table of focal/non focal areas and the multiannual financial breakdown

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<tr>
<th>Focal Sectors</th>
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Annex 3: MTR document drafting process

A concept note was posted beginning March 2009 on the web site of the EC delegation in Guatemala. The document tabled a number of questions in relation to the situation of the country, pertinence of the strategy and to possible developments in EC cooperation in the country.

At the end of March 2009, the EC organized several meetings with Member States, government and representatives of civil society. On this basis, the EC prepared a draft MTR which was consulted with government and Member States.

Reunión de consulta con organizaciones de sociedad civil, evaluación de medio término Estrategia de País Guatemala 2007-2013. 26 de marzo del año 2009

Participantes: Comisión Europea (delegación y sed) y ONGs : Fundación Guillermo Toriello; Plataforma Holandesa; Asociación Guatemalteca de Alcaldes y Autoridades Indígenas ;Foro de ONG’s Internacionales; CEIBA; Mesa de Concertación de Sociedad Civil en Quetzaltenango; Asociación Participa; Movimiento Tzuk Kim Pop; Confederación de Cooperativas de Guatemala –CONFECOOP--; Plataforma Agraria; FLACSO; Coordinadora de ONG’s y Cooperativas de Guatemala ; Consejo de Organizaciones Mayas de Guatemala –COMG--;Comité de Unidad Campesina; AGEXPORT; Fundación Myrna Mack ;Asociación de Investigación y Estudios Sociales; Interpeace/ FOSS; IEPADES

La reunión de consulta a organizaciones de sociedad civil se llevó a cabo en el marco del proceso de evaluación de medio término del Documento de Estrategia de País 2007-2013, que prevé encuentros con el Gobierno de Guatemala, otros donantes y sociedad civil. El propósito de este ejercicio ha sido evaluar los resultados, así como identificar los retos para la estrategia de cooperación en el futuro, incluyendo posibles cambios necesarios en el documento. Las reflexiones surgidas durante la consulta se articularon con base en las preguntas guía publicadas previamente en la página web de la Delegación de la Comisión Europea. Resaltamos las principales ideas:

1. ¿Cuáles son los principales retos actuales de Guatemala?
   ¿Qué novedades hay desde la definición de la programación 2007-2013?
   ¿Cuáles son las necesidades principales y posibles nuevas prioridades en términos de apoyo?

   - Dentro de los retos y novedades más importantes se enfatizó en los impactos de la crisis económica mundial y el agravamiento de la violencia en el país, debido a la debilidad del Estado, la fuerte presencia del crimen organizado y la casi absoluta impunidad.
   - Se valora positivamente la priorización de la justicia y seguridad en la estrategia. El trabajo en seguridad es estratégico para la cohesión social al nivel comunitario. Las
municipalidades tienen un rol importante en prevención en materia de seguridad. El apoyo a CICIG también es estratégico pero debe considerarse temporal, dado que la responsabilidad por la lucha contra la impunidad es de las instituciones nacionales.

- Se considera clave la presencia de la Unión Europea en Centroamérica, pues por primera vez hay un interlocutor (UE) que puede balancear la situación de la inseguridad hemisférica, ya que en el discurso contra el terrorismo la noción de seguridad se ha llegado a separar de la persona y el respeto a las garantías. Asimismo, por la importancia de su aporte a la integración regional.

- Aunque el tema juventud está relacionado con el de seguridad, es necesario darle a juventud un enfoque de desarrollo integral. La investigación, la promoción de la participación de las municipalidades en la prevención del conflicto y en la posibilidad de ocupación para jóvenes, así como la capacitación en el ámbito local, son claves para evitar la migración de los jóvenes. Un obstáculo es que la institucionalidad, las políticas y la legislación al respecto sigan rezagadas.

- Es indispensable aumentar los impuestos directos, a través de una reforma fiscal.

- En términos de estrategia, las prioridades de apoyo deberían considerar necesidades como la Reforma Fiscal, Reforma Agraria, Reforma Electoral y Pueblos Indígenas.

2. ¿Cuál es su apreciación del papel de la cooperación europea y más concretamente de los programas ya financiados, en relación con los retos actuales?

- Se lamentó la falta de una evaluación de la estrategia pasada en su conjunto, que hubiera podido servir de herramienta para la programación futura.

- Sobre el Programa Tinamit –incluido en la estrategia pasada- el representante de la Mesa de Concertación de Quetzaltenango, manifestó que tuvo la consecuencia negativa de atomización de la sociedad civil, pues derivó en una competencia por recursos que generó conflictos entre las organizaciones, incluyendo a las de jóvenes. El representante de la Coordinadora Juventud por Guatemala expresó que hubo intromisión por parte del programa en las agendas municipales de la juventud (Caso Sololá, p.ej.). Por otro lado, la representante de IEPADES opinó que CONJUVE necesita fortalecer su capacidad y condiciones para poder administrar y aprovechar estratégicamente los recursos que le han sido asignados desde el programa Tinamit.

- El programa municipios democráticos –incluso en la estrategia pasada- ha sido criticado por no haber contribuido efi cazmente al fortalecimiento de los gobiernos locales y su rol estratégico en la descentralización, proceso que actualmente ha avanzado más hacia la privatización que hacia la construcción e instalación de competencias, recursos y capacidades en las municipalidades.

- Se manifestó que, para tener sostenibilidad, el actual programa de Desarrollo Rural, como el futuro programa de Seguridad Alimentaria, deberían considerar el acceso a medios de producción como tierra, crédito, etc. para los campesinos.

3. ¿Cuáles son los principales problemas y debilidades que dificultan la programación e implementación de la cooperación de la Comisión Europea y cuáles son sus fortalezas?
Las debilidades institucionales en el gobierno han provocado una desviación de la naturaleza de los programas de cooperación, que generalmente han derivado en el fortalecimiento de la estructura del partido político de turno.

Se recomendó no abandonar y fortalecer el diálogo con el gobierno para garantizar el respeto a los derechos humanos, tanto en la relación de cooperación como en las negociaciones del Acuerdo de Asociación.

No existe un mecanismo concreto, sistemático y de permanente diálogo y consulta con sociedad civil desde que finalizó el “Mesodiálogo”. Este mecanismo ayudaría en la programación y seguimiento de la estrategia de cooperación, así como en complementar la representación de las organizaciones sociales en el CCSICA, que es el interlocutor desde sociedad civil en el proceso de negociación del Acuerdo de Asociación.

Se expresó preocupación por la posibilidad que la estrategia de cooperación quede sujeta a las negociaciones del Acuerdo de Asociación. Además, por la posibilidad que las alianzas publico-privadas deriven en la confrontación de las empresas con las organizaciones sociales. Se expresó preocupación también por el rol de las empresas europeas, cuyos intereses eventualmente entran en conflicto con los derechos de las comunidades indígenas en donde tienen presencia.

Preocupa el hecho que las organizaciones de base se han quedado aisladas de la posibilidad de acceso a los recursos de la cooperación.

Se expresó preocupación sobre el mecanismo de apoyo presupuestario por las debilidades institucionales en el gobierno. Es necesario establecer, tanto para la ciudadanía como para la Comisión Europea, mecanismos de fiscalización de los fondos de cooperación que recibe el gobierno. Se considera que el apoyo presupuestario debería dar la posibilidad de abordar la cuestión tributaria y del pacto fiscal en el diálogo con el Gobierno por parte de la Comisión Europea.

Como insumo elemental para la definición de las prioridades, se considera necesario evaluar los programas de cooperación pasados.

4. ¿La estrategia de cooperación sigue siendo válida y pertinente o necesitaría ajustes?

Es necesario tomar en cuenta los cambios en el contexto, desde la formulación de la estrategia al día de hoy. La lectura de contexto en el documento de la estrategia es bastante estructural, sin embargo, es importante hacer ajustes en algunos aspectos:

- Hacer una consideración más explícita sobre las debilidades institucionales y el riesgo de que el Estado se convierta en un Estado fallido. Considerar la ausencia del Estado y su sustitución por el crimen organizado en determinadas zonas del país.
- Tomar en cuenta la situación de la crisis económica mundial y sus impactos en el país. Atender en esta época sectores como el mercado interno (no solo la producción de bienes sino también la venta y exportación de servicios), economía campesina local, agroecología y defensa de los territorios.
- Promover la creación de espacios vinculantes para la participación de los pueblos indígenas en las decisiones que les afectan, tales como las relativas a sus territorios.
- Considerar el fortalecimiento de la institucionalidad que trabaja por los pueblos indígenas. Se recomienda que la estrategia tenga una visión específica de los pueblos indígenas. No categorizar a los indígenas como grupos sino como pueblos.
Es necesario definir indicadores claros orientados a la transformación de un Estado caracterizado como patriarcal, racista y con altos niveles de concentración de la riqueza y centralización del poder. La asignación de recursos también debe focalizarse.

Finalmente, es importante el fortalecimiento de los mecanismos de coordinación regional, así como de integración centroamericana. El CCSICA no es considerado representativo de la sociedad civil centroamericana.

Es importante armonizar la cooperación de la UE con las prioridades de Naciones Unidas sobre lucha contra la impunidad y derechos humanos. Tomar en cuenta las recomendaciones del informe de la OACNUDH y las de CICIG.

5. Las respuestas de la Comisión Europea a las reflexiones de la sociedad civil:

- En primer lugar, se destacaron como lecciones aprendidas: 1. Existe una fuerte necesidad de fortalecimiento institucional, dada la debilidad del Estado. La ausencia de legislación para el desarrollo de una carrera dentro de la administración pública afecta fuertemente; 2. Los esfuerzos se han diseminado en los últimos años, por lo que existe necesidad de concentrar esfuerzos en sectores clave.
- Una de las principales preocupaciones es que el Estado parece ser más débil en ésta época que cuando se definió la estrategia de cooperación.
- Estamos conscientes que no ha mejorado la situación de la juventud. Por ello, el programa juventud prioriza alternativas sociales, como el empleo para los jóvenes.
- El documento de Estrategia de País es el marco de cooperación bilateral con el gobierno. Existen además otras vías de cooperación –las líneas temáticas Actores no Estatales y Derechos Humanos, entre otras– donde se canaliza la cooperación con la sociedad civil.
- Se expresó la preocupación por las críticas a los programas bilaterales, especialmente por Tinamit y Municipios Democráticos, ya que éstos tenían el objetivo de fortalecer a la sociedad civil y los gobiernos locales.
- La evaluación de la estrategia pasada no se ha llevado a cabo, dado que existen proyectos que aún están en implementación. Sin embargo, se ha evaluado los proyectos terminados.
- Se comprende la preocupación expuesta por organizaciones de sociedad civil sobre el apoyo presupuestario. Sin embargo, este mecanismo es considerado como una oportunidad de mejorar la sostenibilidad y apropiación de los procesos por el Estado, de fortalecer sus instituciones y de fortalecer el diálogo político entre el gobierno y la Comisión Europea, ya que éste brinda la posibilidad de hacer mayor presión política. La Comisión Europea está consciente que es necesario definir indicadores de proceso y de impacto para posibilitar el monitoreo.
- No tenemos una temporalidad precisa para finalizar el proceso del Acuerdo de Asociación. Desde la perspectiva de la Comisión Europea, no hemos abandonado el diálogo político y quizá éste es más importante que los asuntos comerciales.
- El diálogo con sociedad civil en el marco de las negociaciones del Acuerdo de Asociación es, en primera instancia, entre los gobiernos nacionales y la sociedad civil. La Comisión Europea ha promovido que se favorezca este diálogo por parte de los gobiernos centroamericanos.
- El Acuerdo de Asociación tiene diferentes pilares, incluyendo cooperación, comercio y diálogo político. La posibilidad de contar con el monitoreo de la sociedad civil para el cumplimiento de los estándares sociales y ambientales se está negociando actualmente con los gobiernos centroamericanos.
• El diálogo político con el gobierno es también desarrollado a través de los Estados Miembros de la Unión Europea. Algunas veces es llevado a cabo de manera bilateral, por razones estratégicas y otras veces se desarrolla mediante gestiones conjuntas de alto nivel (*demarches*) en diferentes asuntos: lucha contra la impunidad, pena de muerte, ley de adopciones etc.

• La Delegación de la Comisión Europea participa además en los espacios de coordinación europeos y en el Grupo de Diálogo (G13).

• El ejercicio de mapeo de sociedad civil que se está llevando a cabo en la Comisión Europea ofrece la posibilidad de tener un mecanismo más elaborado y sistemático de diálogo con la sociedad civil.

• La Reforma Fiscal es una prioridad para la Comisión Europea, debido a su importancia en la facilitación de políticas sociales. El nuevo proyecto de Apoyo a la Gestión del Presupuesto es considerado el principal apoyo a la reforma fiscal

• Las debilidades institucionales están tratando de ser disminuidas mediante medidas específicas de apoyo institucional en todos los nuevos programas (Ej.: Programa de Apoyo a la Gestión Presupuestaria, Juventud y Seguridad Alimentaria).

• Solicitamos que los aportes respecto a debilidades conceptuales concretas en el Documento de Estrategia de País sean entregadas por escrito. La página web es un canal para entregar insumos al documento desde la sociedad civil
### Annex 4: Donor matrix (Member States)

Matriz Donantes - Programas y proyectos en implementación (€1,000)

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(1) Diferenciado entre cooperación técnica (CT) / cooperación financiera (CF)

(2) Puede ser usado para proyectos en Guatemala o Belize