

برنامج
الأغذية
العالمي



Programme
Alimentaire
Mondial

World
Food
Programme

Programa
Mundial
de Alimentos

Executive Board
First Regular Session

Rome, 4 - 6 February 1998

COUNTRY PROGRAMMES

Agenda item 6



Distribution: GENERAL
WFP/EB.1/98/6
23 December 1997
ORIGINAL: ENGLISH

GUATEMALA - 1998-2002

ABSTRACT

Under the proposed Country Programme, the Board is requested to approve, subject to the availability of resources, 15.7 million dollars for basic activities and 4.1 million dollars for supplementary activities. Of the 15.7 million dollars, 8.9 million represents allocations against approved ongoing projects. The Government has committed itself to contributing 38.9 million dollars towards basic activities. WFP's target group for basic programme activities averages 122,700 direct beneficiaries a year.

Guatemala is a low-income, food-deficit country (LIFDC). It recently emerged from a 36-year internal conflict, ended by peace agreement signed at the end of 1996. Eighty percent of the population live below the poverty line and 60 percent in extreme poverty. Health and education indicators are among the lowest in Latin America. Government revenues from taxes are currently only eight percent of the gross domestic product (GDP). At a meeting of the Consultative Group on Guatemala held in Brussels in early 1997, the donor community committed itself to assisting Guatemala in its efforts to build a new society. An amount of 1.9 billion dollars was promised as a contribution to the peace process, provided that the Government comply with the peace agreement and undertake a tax reform to generate revenues to cover the cost of social investments. At a second Consultative Group meeting in Guatemala in September 1997, it was reported that 28 percent of this amount had been disbursed. Donor representatives indicated their intention to continue supporting the peace process.

The Country Programme's strategy will focus on improved food security through increased productivity, the establishment of social and productive infrastructure, and human development through assistance to women and children. Food aid will be targeted to the poorest households in areas which have suffered most from conflict and environmental degradation. These families practise subsistence farming on small over-exploited plots (0.3 – 1.0 hectare). Coordination among United Nations agencies and bilateral donors will be a high priority. Guatemala was chosen as one of the pilot countries for the preparation of the United Nations Development Assistance Framework (UNDAF). Community participation is the basis of the programme, together with partnership with other United Nations agencies and non-governmental organizations (NGOs).

This document is produced in a limited number of copies. Delegates and observers are kindly requested to bring it to the meetings and to refrain from asking for additional copies.

NOTE TO THE EXECUTIVE BOARD

This document contains recommendations for review and approval by the Executive Board.

Pursuant to the decisions taken on the methods of work by the Executive Board at its First Regular Session of 1996, the documentation prepared by the Secretariat for the Board has been kept brief and decision-oriented. The meetings of the Executive Board are to be conducted in a business-like manner, with increased dialogue and exchanges between delegations and the Secretariat. Efforts to promote these guiding principles will continue to be pursued by the Secretariat.

The Secretariat therefore invites members of the Board who may have questions of a technical nature with regard to this document, to contact the WFP staff member(s) listed below, preferably well in advance of the Board's meeting. This procedure is designed to facilitate the Board's consideration of the document in the plenary.

The WFP focal points for this document are:

Regional Director: J.F. Conway tel.: 6513-2207

Programme Coordinator: A. Kapoor tel.: 6513-2041

Should you have any questions regarding matters of dispatch of documentation for the Executive Board, please contact the Documentation and Meetings Clerk (tel.: 6513-2641).



STRATEGIC FOCUS: FOOD SECURITY AND THE HUNGRY POOR

1. The Country Strategy Outline (CSO) for Guatemala was presented to the Executive Board at its Second Regular Session of 1997. The Board endorsed the strategy contained therein and recommended that the following be taken into consideration in formulating a Country Programme: a) focusing on the most vulnerable groups; and b) developing and applying indicators to assess the impact of activities. The Board also requested that the Government make efforts to guarantee the long-term sustainability of WFP activities by allocating sufficient counterpart resources. The proposed strategy focuses WFP assistance primarily on reducing extreme poverty, promoting sustainable food production and organizing the exploitation of natural resources. This is expected to contribute to the process of peace and national reconciliation. The strategy includes gender analysis of all programme activities in order to increase women's decision-making power in their communities. The Country Programme (CP) covers a five-year period and is generally in line with the programming cycles of other United Nations agencies. For the period 1996 to 2000, WFP follows the Government's planning cycle. The CP will be adjusted to correspond to the subsequent government cycle.

The hungry poor: priorities in addressing their needs

2. Guatemala is classified as a low-income, food deficit country (LIFDC), with an aggregate household food security index of 80.9. According to the latest socio-economic survey (1997), 80 percent of its 10.5 million people live below the poverty line and 60 percent face extreme poverty. Per capita income is 1,340 dollars¹ (World Bank, 1995). The per capita annual availability of basic grains is 169 kilograms. According to the Government's Social Development Plan (PLADES) for 1996-2000, social investment will be targeted to those areas with the most critical poverty indicators, i.e., Zone 1: Totonicapán, Quiché, Jalapa, Baja Vera Paz and Jutiapa; Zone 2: Huehuetenango, Petén, San Marcos, Solola, Quetzaltenango, Chimaltenango and Chiquimula; Zone 3: Alta Vera Paz and Suchitepequez; and Zone 4: Retalhuleu. The Government's budget allotment for education and health as a percentage of GDP is 1.6 and eight percent, respectively.

The context of food insecurity, poverty and vulnerability

3. The peace and reconciliation process ended 36 years of civil war. It brought a large number of Guatemalan refugees back to their homeland. These families, together with groups of internally displaced persons, are resettling in their former communities or in new areas provided by the Government. Poverty and food insecurity are structural and linked to the country's high rate of under-employment. Low wages and very low productivity are characteristic of Guatemala's labour force. This results from a low schooling rate, poor achievements in the education sector and an inadequate capacity of the national vocational training system. The last two socio-demographic surveys, conducted by the National Institute of Statistics (INE) in 1986-87 and 1989, revealed that 35 percent of the labour force had no formal schooling and 25 percent of the economically active population had not completed primary school. Fifty percent of the country's workforce is occupied in subsistence farming on small plots, which are characterized by a level of production

¹ All monetary values are expressed in United States dollars, unless otherwise stated. One United States dollar equalled 6.06 quetzales in October 1997.



insufficient to meet the food needs of these families. Land is distributed unevenly: 65 percent belongs to 2.2 percent of the population, and less than 10 percent of all land belongs to women.

4. Many farmers supplement their income with temporary migration to areas where cash crops are produced. In rural areas, there is a high percentage of households headed by women. Twenty-five percent of the female population are part of the economically active population, and mainly employed in the informal sector. The significant participation of women in farming activities - involving working days sometimes as long as 15 hours - is neither fully recognized nor recorded. Fifty-six percent of Guatemalan women are illiterate (compared to 38 percent for men), representing the highest rate of illiteracy in Latin America. In rural areas, where the overall illiteracy rate is 77 percent, the gender gap is even wider. The low level of education of the rural indigenous population is one of the most serious problems in Guatemala. According to the 1994 Demographic Census, of the total illiterate population, 81.8 percent belong to this group.
5. The nutritional situation is a matter of great concern. In 1995, INE reported an infant mortality rate of 57 for every 1,000 live births, and an under-five mortality rate of 79 per 1,000 live births. Malnutrition is the third cause of mortality (over five percent), and is associated with intestinal infections and bronchopneumonia. The 1995 Maternal and Child Health Survey showed that 26.6 percent of children under five are affected by severe malnutrition (weight-for-age deficit), 49.7 percent by chronic malnutrition (height-for-age deficit), and 3.3 percent by acute malnutrition (weight-for-height deficit). Malnutrition also affects women, as is evident from the low weight of new-borns. In 1990, 14 percent of new-borns presented low weight at birth, the fourth highest figure in Latin America.
6. The 1992 Survey on Food Consumption showed that the average daily diet of Guatemalans did not meet minimum energy, vitamin A and iron requirements. The average daily per capita consumption of calories is 2,047, compared to an estimated minimum requirement of 2,225 calories. As regards vitamin A deficiency, data obtained from the National Questionnaire on Micronutrients, conducted by UNICEF, the European Union (EU), and the Ministry of Health in 1995, indicated that 15.8 percent of children under five showed vitamin A deficiency. Indigenous groups have the highest rates of population growth in the country (higher than the national average of 2.8 percent). As a consequence, the problems of food insecurity are chronic and more severe among these groups.
7. Environmental conditions have deteriorated in the last three decades as a result of interaction between various social, economic and cultural factors. The major environmental problems include deforestation, soil erosion and air pollution. It is estimated that the annual deforestation rate of the country is five percent of the total forest cover, and that 45 percent of the farm land is eroded.
8. Because of its geographic and climatic features, Guatemala is susceptible to periodic natural disasters, which cause the loss of human lives, material goods and food products. The presence of the phenomenon "El Niño" in this part of the continent causes periodic variations in the climate and the occurrence of natural disasters such as drought and floods.
9. Prices in the grain market are determined by monopolies, and small producers depend on middle-men to sell their products. National institutions established to regulate grain prices have not fulfilled their mandate in the past. Others are being created, such as the National Chamber of Agriculture, which is in a position to play an important role in the marketing of agricultural products.



Government strategies for food security, poverty eradication and disaster mitigation

10. The Government's Plan for 1996-2000 provides the main policy framework for poverty reduction and the achievement of food security. It enumerates a series of basic commitments to facilitate national reconciliation, fight poverty and support investment in productive activities. To meet these commitments, in 1997 the Government created the National System of Food Security and Nutrition (SNAN), responsible for supervising the implementation of the National Nutrition and Food Security Policy. It is composed of the Vice-ministers of relevant ministries and chaired by the country's Vice-President. There is also a technical unit attached to SNAN - the National Council on Food Security and Nutrition (CONASAN).
11. The National Nutrition and Food Security Policy is part of the Government's social policy to ensure integrated human development. It is in line with the national strategy for fighting poverty and becomes operational in the Social Development Plan (PLADES) for 1996-2000. This policy outlines the objectives and strategies of the Government and its institutions, and focuses on improving the living conditions of the population in a sustainable and productive way. The mechanisms established by the Government to transfer resources to the poorest population groups are implemented by social development funds, such as the Social Investment Fund (FIS), the National Peace Fund (FONAPAZ) and the Guatemalan Development Fund for Indigenous Populations (FODIGUA).
12. The Government's gender policy for 1996-2000 is contained in PLADES and advocates the basic goals of gender equality and access of women to all types of resources.

Government food aid policies

13. The Government has incorporated food aid into its development plans, with the aim of targeting the poorest groups in key sectors such as school feeding, mother and child nutrition support, and sustainable food production. Food aid programmes and projects have been given their own budget lines. The Government has urged WFP to consider local purchases and monetization as ways of reducing logistic costs, ensuring an appropriate supply of local staples, stimulating local production, and guaranteeing the compatibility of rations with the local population's consumption habits.

Relationship to the Country Strategy Note (CSN) process

14. United Nations agencies active in Guatemala have made a commitment to support actively the efforts of building a bridge between a society in conflict and one fostering integrated human development. This is reflected in the CSN. The Government has established four priority areas for the 1996-2000 period, which form part of the CSN as adopted in February 1996. Geared towards the implementation of the Peace Agreement, the priorities are: i) support to the demobilization of former combatants and reintegration of displaced people; ii) integrated human development to fight poverty and ensure food security for the entire population; iii) investment in sustainable productive development; and iv) strengthening and modernization of a democratic society with full access to human rights and social justice. The proposed Country Programme responds to priorities i), ii) and iii).



Programmes of the United Nations, donors and NGOs that address hunger and poverty

15. Various agencies of the United Nations, development banks, bilateral agencies and NGOs address the problem of poverty and hunger in Guatemala. NGOs assist vulnerable groups through projects in agricultural development, basic infrastructure, rehabilitation, and productive activities and training of women's groups.

ASSESSMENT OF WFP'S PAST AND ONGOING ACTIVITIES

16. From July 1971 to September 1996, WFP aid totalled approximately 156 million dollars, most of it (100 million dollars) provided since 1985. Support to project execution also included non-food items for a value exceeding 2.5 million dollars. Since 1991, the focus has been on support to productive activities of women's groups, conservation of natural resources, rehabilitation of infrastructure and school feeding.

Effectiveness and efficiency of targeting food aid to the hungry poor, particularly women

17. Food aid in the context of WFP-assisted projects has been effective in increasing food availability and intake for food-insecure families living in the poorest areas of the country. The shift in WFP assistance from emergency support to more complex activities in human development and food production has allowed more sustainable alternatives, and has enhanced the presence and participation of women in the development process. Women now account for 42 percent of total beneficiaries. The goal is to increase this figure to meet WFP's Commitments to Women. The following issues have been incorporated into all WFP projects: a) equal access to resources; b) control over food distribution; c) participation in all aspects of project design and implementation; and d) monitoring and evaluation with the use of gender-disaggregated data to determine women's involvement. Technical support and community involvement in resource management enhance the sustainability of activities in agriculture and natural resource conservation. Project Guatemala 2581.01 - "Promotion and establishment of women's associative enterprises in rural areas" - has made great progress in training women and developing their entrepreneurial skills. However, so far only 34 percent of project beneficiaries have reached enough self-sufficiency to operate with their own resources. The sustainability of project Guatemala 2705.02 - "Feeding of primary schoolchildren and vulnerable groups" - is difficult to determine, as it is connected with the beneficiaries' future productive contribution to society.

Effectiveness and efficiency in preparing for and mitigating disaster-related food shortages

18. Guatemala is periodically affected by hurricanes, earthquakes, drought, floods and volcanic eruptions. In 1997, the Government set up the National Coordinating Unit for Disaster Mitigation (CONRED) in order to prevent or minimize damage and provide timely relief assistance. Coordinated by the Minister of Defence, CONRED replaces the previous National Emergency Commission (CONE). It has laid down the foundations for a more integrated institutional approach, with a technical focus on disaster prevention activities.



Experiences of other food aid donors and partners supporting objectives and interventions similar to those of WFP

19. Food aid to Guatemala has been diminishing in recent years, from a high level of nearly 200,000 tons a year in the mid-eighties to under 60,000 tons in 1996. Donors generally channel their contributions through NGOs. A large proportion of food aid is monetized to generate funds for activities similar to those assisted by WFP, i.e., assistance to vulnerable groups, environmental protection, rural development and basic infrastructure. Experiences in these areas have been positive. There is coordination among the major partners. Given the limited capacity of the government counterpart agencies, NGOs had to develop independent implementation, and monitoring and evaluation (M&E) mechanisms, which have not always been sustainable once donor support ceased.

Implications of past experiences for the proposed Country Programme - Lessons learned

20. Based on the experience gained during execution of various projects supported by WFP and other donors, some common elements have emerged for developing the future strategy of WFP activities in Guatemala: food aid should continue to target those municipalities and beneficiaries at the highest risk of food insecurity, and should be accompanied by collateral investments and permanent technical assistance to support concrete work plans, in order to avoid beneficiary dependency on food aid. The activities should have clear and measurable objectives, specific goals, and comprise participatory schemes that will ensure sustainable results. Food aid is more effective when delivered directly to women, as they have a leading role in intra-family distribution of food resources. Food aid should be provided during periods of food scarcity. Inter-institutional coordination, impact assessment mechanisms, as well as logistic food management and M&E activities are indispensable elements which should be carefully developed during the design and execution stages of the programme. More emphasis should be placed on activities related to the development of women's potential, community organization, local government participation and beneficiary intervention in the design, implementation and evaluation of activities. In view of the limited capacity of the Government to meet its counterpart commitments, it is necessary to seek new alliances and partnerships with other donors or entities working in the same areas, and with similar objectives and work methodologies.

Goals and objectives of the Country Programme

21. The broad goals, in line with the core policies and strategies, of WFP's Mission Statement, are to support the Government's efforts in ensuring food security for the population in extreme poverty, through a process of training and community organization that will ensure integrated human development.
22. The objectives are to: a) improve basic social and productive infrastructure of the communities affected by the internal conflict; b) increase land productivity; c) strengthen community organizations; and d) increase the access of women to adult education and training.

Target groups and regions, including key areas and types of assistance

23. The beneficiaries of the Country Programme will be men and women subsistence farmers in the poorest rural families with no access to credit, most of whom have been affected by the armed conflict. Their social structure is characterized by a low level of organization resulting from a lack of formal education. Homogeneous areas will be selected in 15



departments and 76 municipalities. As indicated in the poverty map, prepared by SEGEPLAN/FONAPAZ/FIS (see attached), regions identified as disaster-prone areas by the Government are also included.

24. The key sectors of the CP are: education, training, community organization, soil management and conservation, and construction and improvement of basic social and productive infrastructure, particularly in areas inhabited by returnees. The CP will also comprise activities to prevent natural disasters.
25. The various activities will be undertaken in close coordination, in accordance with the “concerted action” approach in microbasins. New community homes will be established in those microbasins where women are involved in productive activities. Productive infrastructure will be rehabilitated around those microbasins where soil conservation works are carried out.

Cooperation with the United Nations and donors

26. WFP collaborates with other United Nations agencies, under the coordination of the United Nations Resident Coordinator. The United Nations Centre for Human Settlement (HABITAT) will give technical assistance in the design and construction of basic infrastructure. Assistance to the population affected by the conflict is coordinated with UNHCR. As regards rural development, WFP coordinates with IFAD, the United Nations Office of Project Services (UNOPS), UNDP, FAO, and bilateral donors such as Canada, European Union, Japan, the Netherlands and Switzerland. UNICEF will assist in the production of fortified commodities for feeding activities. Within the framework of UNDAF, it is envisaged that activities of the different United Nations agencies will be even better coordinated as a result of joint programming. This may occur already in the first phases of CP implementation, since Guatemala has been chosen as one of the pilot countries for UNDAF implementation. NGOs such as Caritas, Catholic Relief Services (CRS), CARE, and the Italian NGO Association (MOLISV/MOVIMONDO) will join in supplementing national capacities and implementing food-for-work (FFW) projects.



Country Programme activities

27. The following table shows the basic and supplementary activities of the Country Programme.

| Basic activities | Supplementary activities |
|---|--|
| 1. Infrastructure building in areas affected by the civil war | 1. Provision of food assistance for a rehabilitation programme for returnees and displaced persons |
| 2. Soil and water conservation, and agro-forestry activities for subsistence farmers in depressed areas | 2. Disaster prevention in areas affected by environmental degradation |
| 3. Basic education and training for women | 3. Food assistance to pre-school-age children and education and training for mothers |

COUNTRY PROGRAMME RESOURCES

28. The resource requirement estimated in the CSO was 50.7 million dollars. The CP proposes a potential resource level of 15.7 million dollars for basic activities and 4.1 million dollars for supplementary activities; 8.9 million dollars is funded as core allocation from ongoing projects. Food security can be attained only by increasing productivity. Food assistance for soil conservation systems, reforestation, and training will prevent the migration of a significant number of beneficiaries towards the southern coast in search of better living conditions. International assistance is required to support the Government and civil society in fulfilling the commitments of the Peace Agreement, in view of the Government's limited revenues. The Government of Guatemala expects to generate additional local resources through tax reforms aimed at increasing its contribution to the peace process. A considerable proportion of these expected additional funds would be used for social investment (health and education).

Resource allocation for basic and supplementary programme activities

29. The breakdown of resource allocation is given in the annex.

Co-funding (Government, United Nations, NGOs, and other partners) and implementation capacity

30. The Government is the main source of co-funding for the implementation of programme activities; it will cover staff costs, operational expenses, food transport, storage and handling, and capital expenditures. Counterpart funds for the rehabilitation of basic social infrastructure will be provided by the World Bank, the Inter-American Development Bank (IDB), the Overseas Economic Cooperation Fund (OECF) and the Central American Bank for Economic Cooperation (BCIE). The participation of NGOs is funded by their own sponsors, such as USAID and European Union.

31. Implementation capacity exists at all levels through the relevant government ministries and departments. As a result of the decentralization process, the capacity in most of the rural areas is also adequate.



COUNTRY PROGRAMME PREPARATION PROCESS

32. A fully participatory process has been followed in the preparation of the CSO and CP. A national working group was organized at an early stage, with representatives of all government institutions involved. A series of formal consultations were held with government representatives, United Nations agencies, NGOs, donor country representatives and civil society. The draft programme was discussed in the National Food Security Council, chaired by the Vice-President. The National Food Security Technical Committee served as a Consultative Advisory Group. The Regional Office in Managua (for Central America and the Caribbean) gave substantial assistance, backstopped by the Bureau for Latin America and the Caribbean at headquarters.

BASIC ACTIVITIES

Basic activity one: Infrastructure building in areas affected by the civil war

33. The **strategic focus** is to support food-insecure people - particularly women - in high-risk areas who have suffered a great deal in the armed conflict, and facilitate their access to basic social and productive infrastructure.
34. **Problem analysis.** Poverty affects 83.5 percent of the population in the project area. Land tenure is precarious and characterized by the *minifundios* (smallholdings under 0.5 hectare). The overexploitation of natural resources is alarming. The peasants' harvest provides enough food for seven to eight months; this forces small farmers to migrate to the southern coastal areas to integrate their food supply. Calorie and micronutrient intake in these areas is far below the minimum requirement, as mostly maize is consumed. After the war, the basic social and productive infrastructure is almost entirely destroyed, with a detrimental effect on the development of the area, particularly as concerns the activities of women. Poor sanitary infrastructure causes health problems in the communities, and the lack of access roads restricts school attendance. The peace and reconciliation process brought a large number of Guatemalan refugees back to their homeland. These families are resettling in their former communities.
35. **Objectives and expected outputs.** The long-term objective of the activity is to improve the living conditions of displaced and most vulnerable population groups settled in the areas of conflict (ZONAPAZ).¹ The immediate objectives are to: a) improve the communities' basic social and productive infrastructure; b) participate in efforts to reduce seasonal food deficits; and c) support community organization.
36. The expected outputs are:
- a) 30,000 houses constructed or rehabilitated and connected to water-supply and other services;
 - b) 350 km of access roads constructed and 750 km rehabilitated;
 - c) 500 hectares of land rehabilitated with soil conservation infrastructure, and 600 hectares reforested;

¹ Huehuetanango, San Marcos, Totonicapán, El Quiché, Solola, Chimaltenango, Alta Vera Paz, Baja Vera Paz and El Petén.



- d) 1,000 production-supporting projects implemented;
 - e) 150 community buildings constructed; and
 - f) 300 women's committees for food distribution organized.
37. **Role and modalities of food aid.** Locally purchased food aid will act as an incentive to ensure community participation in the construction of infrastructure, provide an income transfer to participating workers, act as a catalyst for other community development programmes to invest resources in the activity, and complement the efforts of rural communities to raise their standard of living.
38. **Implementation strategy.** Although returnee communities will be the main target areas, assistance will be provided also to neighbouring communities. Infrastructure will be built through the FFW modality. The value of FFW rations is equivalent to 88 percent of the daily rural wage of 2.14 dollars for an eight-hour working day. The activity will be implemented through commodity exchange and/or local purchases. One commodity (maize) will be provided by WFP and monetized at the port of entry. The funds will be used by women's organizations, who will buy local food items and distribute them to participants and their families.
39. **Participants and intended benefits.** Some 40,000 displaced persons and returnees will participate in this activity for 100 days a year for a period of two years. The duration will be five years. WFP will ensure that women constitute at least 25 percent of FFW participants.

Support, coordination, and M&E arrangements

40. The Government has designated FONAPAZ as executing agency. The latter will implement the activity with the assistance of the National Commission for Assistance to Refugees and Returnees (CEAR), FIS and some selected NGOs. The executing unit will collect field information within the framework of the M&E system and pass it on to WFP and SEGEPLAN. The latter will analyse and interpret this information through the National System of Information and Follow-up on Projects (SINISEP).
41. **Cost estimate.** This activity will require 52,200 tons of maize, worth 8.9 million dollars. The Government will contribute an amount of 36.6 million dollars in loans for supplies, equipment and operational expenses.

Basic activity two: Soil and water conservation, and agro-forestry activities for subsistence farmers in depressed areas

42. The **strategic focus** is to increase productivity through the implementation of soil conservation works and the establishment of small irrigation systems for subsistence farmers.
43. **Problem analysis.** In rural areas, nine out of 10 persons make a living by farming on plots that are too small to provide an income sufficient to meet family needs. Most of these people practise subsistence and high-risk farming, producing basic grains, which cover their needs for only seven to eight months. Traditional farming practices, reduced fallowing, overexploitation, overgrazing, and destruction of vegetal cover in steep areas not suitable for farming have resulted in severe soil erosion. Due to the overall degradation of natural resources and the continued fragmentation of lands, no increase in per capita production has been recorded. As a consequence, there is a growing migration of the rural population to urban zones or to cash crop areas in search of jobs.



44. **Objectives and expected outputs.** The long-term objectives are to reverse the process of natural resource deterioration and increase food security. The immediate objectives are to: a) increase production and productivity by soil and water resource conservation; b) curb environmental degradation through reforestation and agro-forestry activities; and c) improve agricultural output by introducing small irrigation systems.
45. **The expected outputs** are: a) rehabilitation of 18,000 hectares of farmland; b) construction of 300 dams/cisterns; c) implementation of 250 hectares of small irrigation systems; d) construction of 20,000 organic compost units; e) operation of 10,000 family tree nurseries; f) implementation of 7,000 agro-forestry modules; g) restoration of 1,500 forest hectares; and h) training of 12,500 farmers in soil conservation, reforestation and agro-forestry systems.
46. **Role and modalities of food aid.** The main function of food aid will be to ensure that a sufficient supply of food is available for the farmers' families during the lean period so that they can dedicate time to improving their farms.
47. **Implementation strategy.** Activities will be concentrated in microbasins, where they will be implemented in close coordination with Basic Activities 1 and 3 in order to maximize available resources from WFP and other agencies also working in the 200 targeted communities. The egalitarian participation of women, who will play a leading role and have access to equal opportunities and resources, will be an important strategic element. WFP will ensure that women constitute 25 percent or more of FFW participants. Beneficiaries will be involved in the identification of needs and solutions to problems through a highly participatory process.
48. **Beneficiaries and intended benefits.** An average of 62,500 participants will be involved during 134 days annually, and will receive food aid during three years. The project duration will be five years and other beneficiaries will be included gradually. The project is expected to result in an increase in land productivity.

Support, coordination, and M&E arrangements

49. The General Directorate of Agricultural Services (DIGESA) will be the executing counterpart for this activity, with technical and financial support from IFAD, the Government of the Netherlands, FIS and some NGOs. Follow-up and evaluation will be carried out by DIGESA with the support of WFP, and by SEGEPLAN through SINISEP, which will coordinate follow-up and evaluation.
50. **Cost estimate.** WFP plans to allocate five million dollars for the execution of this activity. The Government will contribute 1.8 million dollars in counterpart funds.

Basic activity three: Basic education and training for women

51. The **strategic focus** is to offer better income opportunities to women through education and training. Community homes will serve as day-care centres and give women more time for productive work.
52. **Problem analysis.** At 56 percent, the illiteracy rate of women is the highest in Latin America. Numerous household tasks (including the care of children) reduce women's opportunities to engage in social and productive activities. Women are unable to help their children with schoolwork, because of a lack of time and basic education. Moreover, the women do not have opportunities to improve their income, as they lack vocational skills.



53. **Objectives and expected outputs.** The long-term objective is to improve the access of women to the formal labour market. The expected outputs are: a) provide 90 person days of training and education to an annual average of 3,200 mothers who participate in training activities; and b) make daily care available at the community homes for their children under six.
54. **Role and modalities of food aid.** Food is considered an appropriate incentive for poor women to participate in training activities during working days, and for their children to attend community homes. The women will receive a family ration for 90 days a year in exchange for attending training courses. Children will receive a daily meal at noon for at least 240 days a year.
55. **Implementation strategy.** The Secretariat of Social Welfare of the First Lady will execute the project, through community homes. Training courses for women will be carried out through agreements with the National Literacy Commission (CONALFA), NGOs and other institutions.
56. **Beneficiaries and intended benefits.** The direct beneficiaries will be 3,200 women and 17,000 children. The intended benefits include more participation of the mothers in the educational process of their children and better opportunities for women to enter the labour market.

Support, coordination, and M&E arrangements

57. The coordination of the literacy programme is the responsibility of CONALFA. United Nations agencies and NGOs engaged in activities related to education and training will also support the programme. WFP will assist in the establishment of M&E systems, and government agencies will be responsible for M&E.
58. **Cost estimate.** WFP will allocate an amount of 1.4 million dollars over five years, covering 3,793 tons of food commodities. The Government's contribution to cover staff, equipment, maintenance and food logistics will be 500,000 dollars.

SUPPLEMENTARY ACTIVITIES

Supplementary activity one: Provision of food assistance for a rehabilitation programme for returnees and displaced persons

59. To provide aid to the 10,000 refugees who, according to CEAR, will return to the country in the near future, WFP foresees an allocation of one million dollars in food commodities for a period of 270 days, during which returnees should clear their land, build their homes and other infrastructure, improve access roads and reap the products of the first harvest. The Government will contribute 300,000 dollars. A number of other United Nations agencies, bilateral donors and NGOs will continue to assist the returnees.

Supplementary activity two: Disaster prevention in areas affected by environmental degradation

60. Because of extended and increasing deforestation, rain storms frequently cause severe flooding in areas on the Pacific coast. The overflowing of rivers causes damage to road



infrastructure, houses and agricultural land. The areas on the slopes of river basins are inhabited by small farmers who use traditional farming systems that cause environmental deterioration and some of the disasters that affect the lands along the basins. Beneficiaries will receive food rations to support the construction of protective infrastructure (dams, dikes, terraces, stone bunds, etc.). This supplementary activity will complement and interact with Basic Activity 2, and provide food aid to 20,000 beneficiaries. The total cost will be 1.6 million dollars over five years. The Government will contribute 300,000 dollars.

Supplementary activity three: Food assistance to pre-school children, and education and training for mothers

61. According to official statistics from the Ministry of Education, the repetition rate of children in the first grade of primary school is 68 percent, higher than the other grades of primary education. This is due to: a) lack of pre-school education during these children's first six years; and b) limited education of their parents. It is very important to provide an incentive for the enrolment of children in primary schools. The main objectives of this supplementary activity are to: a) support the Government's efforts to improve the education of 17,000 children under six years of age, prior to their enrolment in primary school; and b) improve the educational level of 3,200 parents a year over five years. The estimated cost of this activity is around 1.5 million dollars, including 3,793 tons of WFP-supplied food. The Government's contribution to cover costs related to staff, equipment and food logistics will be about 500,000 dollars.

KEY PROBLEMS AND RISKS

62. The privatization of DIGESA and the National Institute of Agricultural Trade (INDECA) is planned, following the recent restructuring of the Ministry of Agriculture, Livestock and Food (MAGA). Therefore, logistic services could suffer some delay, particularly during the transitional period. A number of alternatives for INDECA are mentioned in the logistic study carried out in the beginning of 1997.
63. Although DIGESA may cease to exist as a result of privatization, MAGA will continue to be responsible for assistance to small farmers, albeit in a supervisory role. Extension services may be delegated to NGOs. The allocation of resources to these executing entities may delay the provision of technical assistance. However, through the implementation of a tax reform system, the Government may gradually have more resources available for social investment.

PROGRAMME MANAGEMENT PROCESS

Appraisal

64. The appraisal of the planned activities will be undertaken under the general supervision of the WFP Country Director, in accordance with established procedures. Activities related to appraisal, review and evaluation will be carried out in consultation with the Secretary of Planning in order to guarantee a high standard in the review of CP activities.



Programme implementation

65. Based on past experience, it can be assumed that national counterpart staff, with some assistance from country office staff, will be able to draft annual plans of operation and progress and final reports, as well as undertake assessment, M&E and attend to logistic aspects related to project execution.
66. During the programme's implementation, the country office may require support in specific areas of expertise from consultants or experts of other specialized United Nations agencies.

Coordinating and executing authorities

67. SEGEPLAN, as the liaison agency between the Government and WFP, will coordinate food assistance and the CP's basic activities. This coordination will maximize the benefits of food aid by avoiding duplication. Activity management units have already been established. These are chaired by the relevant ministry and composed of representatives from participating agencies for Basic Activities 1 and 2. The Country Programme Advisory Committee is being established under the responsibility of SEGEPLAN. The Committee will comprise representatives from SNAN, CONASAN, line ministries, bilateral donors and NGOs and the United Nations Resident Coordinator and WFP Country Director.

Participation of beneficiaries, especially women

68. The incorporation of the gender approach into all basic activities is regarded as top priority among WFP's objectives and strategies. Consequently, the participation of women in decision-making with the aim of achieving food security for their families will be included in the drafting of the annual plans of operation. Under Basic Activities 1 and 2, 25 percent or more of FFW participants will be women, and at least 25 percent of assets created will be of direct benefit to and controlled by women.
69. A rapid rural appraisal (RRA) with community participation is envisaged for all activities in the early implementation stage. During this exercise, beneficiaries, assisted by technical staff, will identify their most urgent needs, look for alternative solutions, and define or revise impact indicators. This process will allow organized farmers to participate actively in the formulation of activities, and facilitate impact assessment.
70. As regards Supplementary Activity 3, most participants and beneficiaries are women and children. Efforts will be made to ensure women's access to health and nutrition services and training, as well as to transfer these trainees' knowledge to new beneficiaries.

Complementary inputs

71. The Government has planned a total contribution of 36.6 million dollars from the regular budget of FONAPAZ for the execution of Basic Activity 1. These funds will be obtained from external contributions to FONAPAZ and from WB/IDB/BCIE special funds to assist the Government. For Basic Activities 2 and 3, the Government's contribution will be 1.8 million and 500,000 dollars, respectively. For supplementary activities, the contribution will amount to 1.1 million dollars, bringing the Government's total contribution to 40 million dollars.
72. Non-food items amount to 280,000 dollars for Basic Activity 1; 100,000 dollars for Basic Activity 2; and 80,000 dollars for Basic Activity 3. Direct support costs will cover the non-food items which have not yet been delivered to the activities.



Food logistics

73. Food commodities enter the country through the ports of Santo Tomás de Castilla and Quetzal. At the point of entry, these goods are transferred to the Government which, through INDECA, undertakes from its budget customs clearance, storage at port, handling and inland transportation. Inland transport may involve delivery to the point of sale and transport of local purchases to the point of distribution. The commodity logistic cost is estimated at 480 quetzales a ton.

Arrangements for monetization and use of generated funds

74. Funds for local purchases will be generated through the monetization of maize. Monetization arrangements will be maintained only after a careful analysis to ensure cost-effectiveness. The type of food to be sold and the season in which to sell it will be important considerations. The National Agriculture and Livestock Exchange for basic grains could assist in making the process more transparent and keeping prices equitable. However, if monetization should not prove to be convenient, the possibility of commodity substitution or direct distribution will be considered.
75. The monetization of 52,500 tons of maize is envisaged under Basic Activity 1. The country office is responsible for making the necessary administrative and official arrangements to: a) identify the periods for monetization; b) arrange for adequate external logistics; and c) define the responsibilities of Activity Management Units in charge of monetization. The funds will be deposited into a local bank account at the best going interest rates.

Preparation of annual work plans, and allocation of resources

76. To facilitate the allocation of resources, annual plans of operation will be prepared for each activity, specifying the activities to be undertaken, number of beneficiaries and rations, required quantities of food items, and deadlines for delivery. These plans will be approved by the Country Director.

PROGRAMME MONITORING AND AUDIT

77. **Institutional arrangements.** Follow-up, monitoring and impact evaluation will be the responsibility of individual Activity Management Units. SEGEPLAN will participate through SINISEP. A Food Aid Coordination and Evaluation Committee, with representatives from all institutions and Activity Management Units, including CONASAN will be created. The Committee will collate data related to food-aid-assisted projects. SINISEP will coordinate this Committee, in order to ensure that unified criteria are applied in collecting field data. These data will be entered into the database that SINISEP will subsequently analyse.

Key indicators, and type and frequency of reports

78. A M&E system will be designed and implemented for each activity. The system will include: collection of basic data through the technique of RRA with community participation, identification of needs, consideration of alternative solutions, programming of activities and evaluation. The system includes the following indicators: resources, process, outcome, effects and impact. The first three are quantitative; the last two are



qualitative and gauge the effects of the activity on beneficiaries. The M&E system will comprise the following aspects: a) introduction of mechanisms to facilitate monthly, quarterly, semestral and yearly programming; and b) implementation of an information system to measure progress and goal achievement, and to detect constraints to the optimal execution of the Country Programme.

79. **Early warning indicators.** The CP has prioritized actions in the most depressed areas that lack basic infrastructure and report a higher degree of environmental degradation or risk of floods. Thus, beneficiaries include subsistence farmers that inhabit high-risk zones. An alert-reporting system, jointly managed by CONRED and the Activity Management Units, is envisaged, to prevent problems resulting from drought, floods, extensive deforestation, landslides; deterioration of roads; and crop loss from major plagues.
80. **Accountability arrangements.** Each executing agency will present annually to WFP the audited accounts of the activity, which will include details on the distribution of commodities. Locally generated funds will be handled through special interest-bearing bank accounts managed by the Government or, upon request, by WFP, on the basis of annual budgets agreed to by both parties. Separate accounts will be opened for funds generated under each Basic Activity; these will be managed by the Activity Manager. Simple accounting procedures established by the WFP country office will be followed to regulate the handling, recording, reporting and administration of funds thus generated. Accounts will be subject to periodic internal auditing by the Activity Management Units, and to an annual external auditing, at both the central and field levels.

Programme adjustments and supplementation of country activities

81. The WFP country office will follow up closely on all activities being implemented, analyse periodic reports, undertake field visits, request information from other United Nations agencies working in the Activity's geographical area, analyse information from co-executing entities, and obtain information directly from beneficiaries. After analysing this information, WFP will prepare reports to be discussed with SEGEPLAN. A summary of these data will be included in the Country Office Progress Reports (COPRs).
82. After being fully formulated, supplementary activities will commence once resources become available and the Government or NGO as implementing partner has given adequate information in a letter of readiness indicating the work plans and resources available for the first year of the activity. The country office, in consultation with WFP headquarters, will approve commencement of operations.
83. Should emergencies occur in areas for concentrated action, WFP will make an effort to include those affected in the current beneficiary population, using resources from the activity implemented in that area. In case of severe, large-scale emergencies, the Government would declare the area a national emergency zone and formally request emergency food aid from WFP for the families affected.

EVALUATION

84. Periodic internal evaluations are envisaged for each activity, based on the indicators previously identified. Improvement in food security should be assessed, together with the participation of women, community organization, increase in pre-school attendance, improvement in productivity level and community development. The implementation capacity of the executing agencies, the allocation of resources, and inter-institutional



coordination will also be assessed. Evaluations should be undertaken with the full participation of the Government, representatives of the beneficiaries, and other agencies and institutions participating in the CP.

85. Terminal evaluations will be made for each activity completed, to assess its impact on the respective area and sector. The CP will be the subject of a detailed formal evaluation early in the third year of its implementation (in 2000), in order to assess the impact on vulnerable groups, including women, children and the poor. Critical lessons learned will be highlighted in all evaluations.



ANNEX



GUATEMALA COUNTRY PROGRAMME COST BREAKDOWN 1998 - 2002 (in dollars)

| Obj. of expenditure | Basic Activity No.1 | | Basic Activity No.2 | | Basic Activity No.3 | | Supplementary Activity No.1 | | Supplementary Activity No.2 | | Supplementary Activity No.3 | |
|--------------------------------|---------------------|--------------|---------------------|--------------|---------------------|--------------|-----------------------------|--------------|-----------------------------|--------------|-----------------------------|--------------|
| No. of beneficiaries | 40 000 | | 62 500 | | 20 200 | | 10 000 | | 20 000 | | 20 200 | |
| Commodities (1,000 tons) | 52.0 | | 16.5 | | 4.0 | | 1.7 | | 4.5 | | 4.0 | |
| - total | | | | | | | | | | | | |
| 1998 | 10.4 | | 3.3 | | 0.8 | | 1.7 | | 0.9 | | 0.8 | |
| 1999 | 10.4 | | 3.3 | | 0.8 | | - | | 0.9 | | 0.8 | |
| 2000 | 10.4 | | 3.3 | | 0.8 | | - | | 0.9 | | 0.8 | |
| 2001 | 10.4 | | 3.3 | | 0.8 | | - | | 0.9 | | 0.8 | |
| 2002 | 10.4 | | 3.3 | | 0.8 | | - | | 0.9 | | 0.8 | |
| | Cost per ton | Total | Cost per ton | Total | Cost per ton | Total | Cost per ton | Total | Cost per ton | Total | Cost per ton | Total |
| Commodities | 132 | 6 890 400 | 197.2 | 3 262 666 | 287.4 | 1 090 218 | 267.4 | 430 580 | 200.9 | 942 233 | 287.4 | 1 090 218 |
| Freight | 33 | 1 722 600 | 49.3 | 815 666 | 71.9 | 272 555 | 67.0 | 107 653 | 50.2 | 235 558 | 71.0 | 272 555 |
| ITSH | | | | | | | | 99 603 | | | | |
| Direct support costs | | 280 000 | | 420 000 | | 80 000 | | 203 296 | | 230 000 | | |
| Indirect support costs (13.9%) | | | | 625 268 | | 200 545 | | 116 917 | | 195 683 | | 189 600 |
| TOTAL WFP | | 8 893 000 | | 5 123 600 | | 1 643 318 | | 958 049 | | 1 603 474 | | 1 643 318 |
| TOTAL GOVERNMENT | | 36 600 000 | | 1 800 000 | | 500 000 | | 300 000 | | 300 000 | | 500 000 |