

## Work Document

# ADVANCES IN THE COMPLIANCE OF THE COMMITMENTS DERIVED FROM THE PEACE AGREEMENTS

(Version 11.28.01)

## 1. INTRODUCTION

1. Guatemala is consolidating the democratic transition process started in the first half of the 1980's decade (1982). In this setting, the 1985 Political Constitution was promulgated and it re-established the State of Law and permitted the affirmation of the political party system and the respect of elections. The operation of new constitutional organizations stands out. Among these are the Constitutionality Court and the Office of the Human Rights Procurator, which were basic to prevent the coup d'état attempt in 1993. The transition to democracy established conditions for the peace negotiations with the Unidad Revolucionaria Nacional Guatemalteca, URNG, that ended in 1996 with the signing of the Firm and Lasting Peace Agreement that ended a long internal armed conflict.
2. The peace agreements outline deep changes and seek the establishment of a truly representative and democratic State. The peace agreements presuppose that the effort must involve successive governments and society in particular.
3. Even though many commitments have been complied with, the political, economic and social transformation programs are in the compliance process. The challenges that the peace agenda sets forth are more far-reaching than the political possibilities of one single government and must involve the Guatemalan population.
4. The work of institutionalizing peace is important and includes the Accompaniment Commission, the bipartite and non-bipartite commissions, the Departmental Consensus Bodies and the Women Forum. These organizations have permitted the creation of social participation spaces, so that the civil society organizations may participate in the pursuit of the peace commitments' compliance. Furthermore, in this institutionalized setting, it has been possible to shape a new style of social participation that is uncommon in Guatemala, where there have been displays of dialog and tolerance efforts, respecting ethnical, cultural and gender diversity.
5. In his inaugural speech, President Alfonso Portillo recognized that the peace agreements are State commitments and fundamental points on which to establish public policies, especially those of social impact. In several Cabinet meetings, the current government analyzed the way to integrate pending commitments to the government program.
6. According to the 1996-2000 timetable, numerous commitments are still pending or in the process of compliance. The Accompaniment Commission and Peace Secretariat agreed on a new timetable that incorporated the pending commitments and gave priority to those commitments considered strategic for the period 2000 – 2004. These commitments can be grouped in three agendas that correspond to the three State

Branches. Therefore, the Accompaniment Commission has defined the priority agendas corresponding to the Executive, the Legislative and the Judicial.

7. The Guatemalan government reiterates its commitment to give priority to the fight against poverty and extreme poverty that seriously affects the rural area, as mentioned in the peace agreements. In this context, the government has presented a *Strategy for the reduction of poverty* that decreases the effects of economic, social, political and cultural exclusion in the country. This strategy coincides with the peace commitments.
8. The peace process has faced different types of obstacles, some by omission and others for lack of political will on the part of many participants. The support of the United Nations Verification Mission in Guatemala, MINUGUA, has been significant in overcoming these obstacles and, therefore, a request was made to the international community to extend its mandate until the end of the government period.
9. Guatemala recognizes and appreciates the contribution of the international community in the peace process, from the accompaniment in the agreement negotiation to the assistance in the commitment implementation through technical and financial cooperation. The peace agreements imply deep structural changes and great financial resources difficult for a developing country like Guatemala, especially while the necessary minimum tax load is not achieved.
10. The Guatemalan government is making its best effort to obtain the fiscal resources that will allow compliance and sustainability of each one of the commitments. However, it needs the solidarity and financial support from the international community in order to face the challenges presented by the political, economic and social transition and to reinforce institutional mechanisms to consolidate the peace achievements.
11. The Peace Secretariat of the Presidency of the Republic is the entity that supports, counsels and coordinates the compliance with the government commitments originated in the peace agreements. During the meeting of the current Consulting Group it presented its estimations on the advances in the implementation of the agreements and the challenges yet to be met.
12. This document does not pretend to be a detailed analysis of the work done. It only intends to point out some of the actions taken during President Alfonso Portillo's administration that illustrate compliance with the commitments, especially regarding public policies. Almost all peace components are referred to, although in the macroeconomic, human rights, security and justice subjects it is done briefly because there are specific presentations for them.

## II. COMPLIANCE WITH THE PEACE AGREEMENTS PER BASIC SUBJECTS

13. A global and systematic vision of the peace agreement compliance process and of the specific advances is presented through the analysis of the four basic subjects defined in the *Agreement on the peace agreements' timetable*. These are **A. Re-settlement, incorporation and reconciliation.** **B. Integral human development.** **C. Sustainable productive development.** **D. Modernization of the democratic state.**

### A. RE-SETTLEMENT, INCORPORATION AND RECONCILIATION

14. Regarding the agreement for the re-settling of uprooted population and the incorporation to legality of the URNG, there have been advances in the purchase, regularization and legalization of land for population uprooted and demobilized by the war, as well as for rural groups and organizations, which have been subsidized by the Land Fund, FONTIERRAS. The National Forest Institute, INAB, is executing projects for agriculture and forest development that are financed by the international community through the PNUD. Furthermore, the INDE has started reforestation of its main basins. The Ministry of Agriculture has started a trust fund to implement programs to support sustainability of the uprooted population's production projects.
15. The incorporation and reconciliation process is being developed without discrimination for religious, ethnical or ideological reasons. Programs are being simultaneously developed for the economic and social reincorporation of ex-URNG's ex-combatants. The Assistance and Socioeconomic Reincorporation Program for the ex-Ambulant Military Police that was demobilized in compliance with the peace agreements is working through technical training, assistance to micro-entrepreneurs and incorporation to the work force. On the other hand, micro-corporations were implemented through the Program for Assistance to persons disabled by the armed conflict. The program of Integral Health Services to Disabled Persons is maintained in coordination with the Ministry of Health and Social Services, MSPAS.
16. The Guatemalan Housing Fund has granted housing subsidies and supervised the construction of houses for 6,601 families of the uprooted population. This project is now being executed. In the subsidy selection and assignment process, the participation of non-profit organizations, cooperatives and benefited communities has been outstanding.
17. The legal setting for the commission that follows the assistance to demobilized ex-guerrilla members was established through a government resolution. The program for exhumations of URNG members is underway.
18. The duration of the *Special Temporary Law of Personal Documentation* was extended for another year, so that internally uprooted and demobilized persons who still have no documents may obtain the necessary documentation to have access to credit, land, housing and other social benefits. Information is transmitted to undocumented people with the cooperation of mayors and civil registrars, so that they may regularize their situation. A new extension for this law is being requested.
19. In compliance with the recommendations of the Historic Elucidation Commission, the Peace Secretariat's *National Compensation Program* was started with the execution of pilot plans. Fifty-eight projects have been completed in the departments of Alta Verapaz, Chimaltenango, Huehuetenango and Quiché, for an amount of Q.14,662,064. The pilot plan will serve as a parameter for the design of the *National Reparation Plan* for the victims of human rights violations.
20. SEPAZ is developing sensitization, orientation and exhumation process accompaniment programs as part of this activity regarding compensation.
21. The government has recognized and accepted the State's responsibility for the omissions incurred regarding constitutional guarantees of the right to life. It is important to mention the recognition of responsibility in the case of Myrna Mack

Chang's homicide. The first instance sentence in the judicial process for the murder of Monsignor Juan Gerardi constitutes an advance in the respect for human rights and the fight against impunity.

22. The Presidential Commission of Human Rights, COPREDEH, together with a program of the Forensic Anthropology Foundation, is at present performing exhumations in the country. COPREDEH created the Follow-up and Search of Missing Persons Unit that has been able to give documented information on 364 persons reported missing.
23. COPREDEH has started the inter-institutional consultation process on the *Action Plan on Human Rights* that contains policies directed to further human rights protection in government departments, especially for the most vulnerable groups: children, women, indigenous peoples, disabled persons and senior citizens among others.

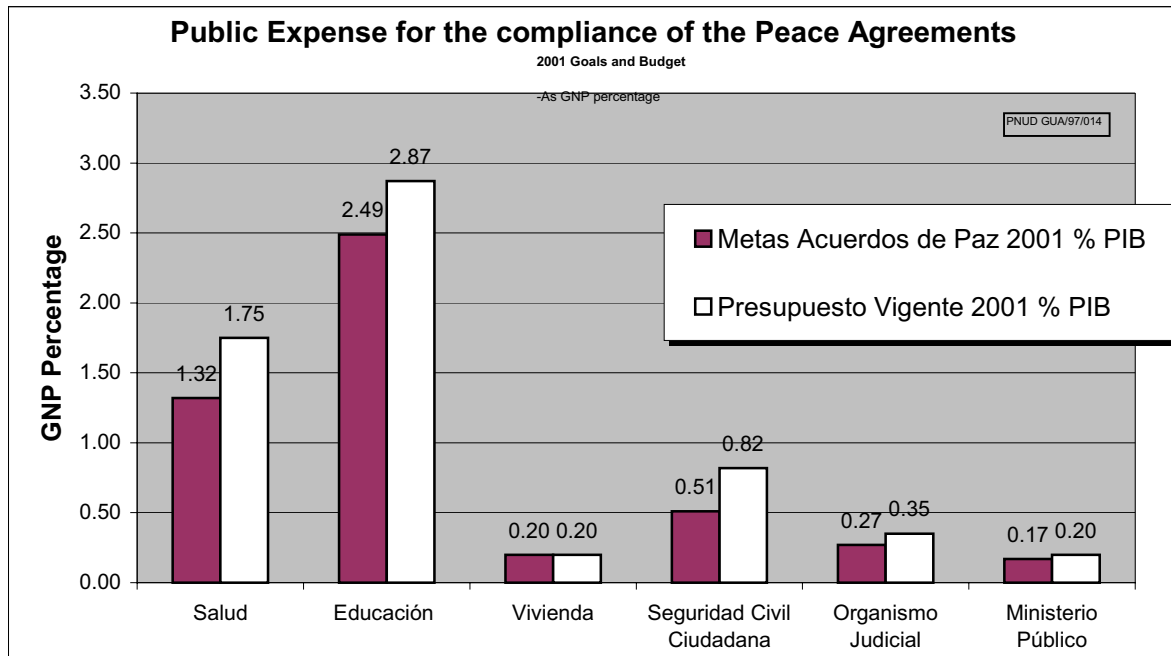
## **B. INTEGRAL HUMAN DEVELOPMENT**

24. The execution of public expense shows an increase in education and health. However, in housing the expense has been insufficient as a result of the low tax load. During the present government social expense represented 38% of the total budget execution. This is the highest participation of this expense in the State budget during the last decade. In the year 2001, the education expense increased over 10 percent in real figures, as compared to the previous year.

### **Education, culture and social welfare**

25. The 2000-2004 National Education Plan and the sociopolitical matrix demonstrate the government's concern with education. A special effort has been made in the consultation on the educational reform performed in the country. Among other objectives, this reform intends to promote respect of multi-culture and gender equality. Organized and committed participation of all sectors involved with educational development continues to be promoted through the departmental and municipal education commissions.
26. The National Literacy Program was started with the object of reducing illiteracy to 20% in a four-year period. This would benefit 1.92 million people (1.2 illiterates and 720,000 in post-literacy status). The program outlines the participation of different civil society sectors and cooperation between the Ministry of Education and the National Literacy Committee, CONALFA, as well as pilot experiences in bilingual teaching. A scholarship program for girls in the rural areas was started. It benefits 75 thousand girls of meager resources. This program has had a positive social impact that has been enlarged with the peace scholarships that include 175 thousand children. The National Program for Self-managed Educational Development, PRONADE, served 310151 children in 3,424 communities during 2001. With the application of educational reform and the literacy program it is expected to universalize primary education to a minimum of three years of children within the range of 7 to 12 years of age.
27. The coverage of the Active Methodology Training Program is of 5,217 teachers in 3,074 schools. The Ministry of Education seeks to professionalize and update 70 thousand teachers in order to upgrade the quality of education. During 2001 9,464 teachers and 2,164 school boards were trained in Mayan language reading and writing. At the same time, 19 thousand presidential libraries for peace were distributed to 19

thousand schools and 331 to municipalities, with a value of Q.15,622,300 that came out of the Presidential Budget.



Source: Prepared on the basis of data from the SIAF.

NOTE: The expense in housing is expressed as a proportion of the GNP, even though the commitment refers to 1.5% of tax income.

28. Twenty percent of schools in 18 linguistic communities develop bilingual education from pre-primary to third grade. A total of 605,373 bilingual texts were printed and distributed, covering Spanish, Mayan culture and mathematics in q'echi, mam, k'iche and kaqchiquel. Reading and writing teacher manuals were prepared in 12 Mayan languages. The linguistic policy for the country was also prepared (international language, Spanish and indigenous languages), as well as the development of the multi-cultural and inter-cultural aspects in curricular transformation and the inclusion of human rights as the basis for curricular transformation within the setting of the Educational Reform.
29. Normalization of education for uprooted population. Five hundred uprooted population communities have been covered. Seven hundred and twenty-seven educational promoters have been confirmed and 814 promoters have been hired as grade-school teachers.
30. The Ministry of Culture continues to train bilingual teachers and cultural promoters, and to develop educational programs with inter-cultural vision. Efforts to implement indigenous languages also continue.
31. During the second semester of 2001, the Social Welfare Secretariat increased its coverage of substitute homes in the whole country. Fifty percent of substitute homes

are monitored and evaluated monthly and at the same time substitute parents receive orientation.

32. The Social Investment Fund, FIS, and the National Fund for Peace, FONAPAZ, have maintained a program to build classrooms and equip schools and community libraries. They also maintain several physical projects to strengthen the educational and health infrastructure. Furthermore, FONAPAZ has promoted actions to design a permanent program for education and job training, and for the respect and identity of political, social and cultural rights of the indigenous peoples, as well as the re-incorporation of the uprooted population.

### **Health**

33. Pursuant to the peace agreements, the Ministry of Public Health and Social Welfare directs its policies to deconcentrate and decentralize the health network, in order to provide preventive and curative health services through simple methods, while promoting and supporting the *Municipal Pro-Health Associations* and training health promoters at that same level.
34. At the beginning of this year, it implemented the *National Program for Reproductive Health and the Integrated Assistance Program for Prevalent Children Illnesses*, as a benefit for the highly vulnerable population. The certification for poliomyelitis eradication was maintained.
35. The National Health Council was formed in March 2001 by the Guatemalan Institute of Social Security, the Ministry of Education and several other sectors of the civil society, whose function is to strengthen the coordination of health services and to counsel the Ministry. Also, the Multi-sector Commission for the implementation of the National Program for Reproductive Health was formed. Several efforts have been made in coordination with the Ministry of Education to take school food programs to 16 thousand schools. However, still present are the needs to reduce the high levels of malnutrition in children under five years of age and to intensify the nutritional programs for the pregnant woman.
36. In the area of vulnerable groups, the Social Welfare Secretariat has started programs for the promotion of breast-feeding as a preventive measure to avoid children's morbidity and mortality in national hospitals, health centers and the Guatemalan Institute of Social Security hospitals. Children are also being taken care of at the Integral Assistance Center, with preventive medicine, reproductive health orientation, family violence orientation and vaccines against polio and measles for children under one year of age.

### **Housing**

37. *The National Policy for Housing and Human Settlements* presented by the Vice-Ministry of Housing, were approved. This policy was prepared after consulting with several social sectors, with the object of establishing an integral housing policy that will give priority to the attention to lowest-income sectors. The government has ratified it as a State policy. Still pending is the definition of the inter-sector and inter-institutional mechanisms to be used in the preparation of programs and projects, so it may be adequately executed. However, it must be mentioned that the economic resources to

implement these programs will continue to be scarce as long as the tax load is not increased and the goal established by the peace agreements is not reached. This will require the commitment of the political will of the opposition parties represented in Congress.

### **Gender**

38. The government created the **Presidential Secretariat for Women** in order to strengthen the national mechanisms for women's development. After a consultation process, this institution presented the *National Policy for the Promotion and Development of Guatemalan Women* and the *Plan for Equal Opportunities 2001-2006*. It also prepared the *Project and Action Plan for the Guatemalan Women's Integral Health Program* and became part of the Multi-sector Commission for the implementation of the Reproductive Health National Program.
39. The Women's Forum has maintained its activities in the eight regions of the country where it is represented, presenting proposals that seek to influence in public policies and to generate new participation spaces, including the development councils. On the other hand, the Office for the Defense of the Indigenous Woman, which defines the rights of indigenous women, increased its coverage in the departments of Quetzaltenango, Huehuetenango and Petén.
40. An agreement between the Presidential Secretariat for Women and the National Women's Forum was signed in order to prepare a *Plan to Distribute Information on the Convention for the elimination of All Types of Discrimination against Women* and the *Facultative Protocol*. Both institutions contributed to the revision and validation of the "Investigation protocol on the measuring of the maternal mortality basal line, revision and validation of the national investigation on mother-child health", and prepared proposals to be included in the Reforms to the Labor and the Penal Codes.
41. The FIS began the process of granting 18,050 loans for women from community banks. All these matters, education, health, housing, gender, culture and sports, have been consulted with the civil society so that they can be used as input in the formulation of public policy.

### **C. SUSTAINABLE PRODUCTIVE DEVELOPMENT**

42. The peace agreements recognize the serious poverty condition and social exclusion in which most of the Guatemalan population lives. The government is taking action to soften unemployment generated by the coffee crisis, the decrease in tourism and in non-traditional exports motivated by the world crisis. In order to obtain financial resources that permit the support of producers, especially medium and small, it is very important to advance in fiscal policy to have available the national resources that allow the development of plans for economic reactivation.

### **Labor**

43. The increases to the bonus and minimum wage by economic activity are important. The improvement of workers' income was positively qualified by MINUGUA.

44. In April of this year the Congress of the Republic approved the reforms to the Labor Code, in order to adapt it to the regulations of the International Labor Organization Agreements. Among the approved reforms were changes to the organization and operation of unions and the strengthening of the labor supervision. It also returns to the Ministry of Labor the directing role in government policies related to labor. It is important to create the *Office for the Defense of Workers* and the *Department of Training, Professional Formation and Employment, DICAFORE*. The Ministry of Labor and Social Security has increased its national coverage and has facilitated the registration of union organizations.
45. During the present government the Ministry of Labor's budget has been increased proportionally more than any other government in the last 50 years, so that it may have the human resources and equipment it needs to cover the national territory. It must be noted that during the present administration the Ministry of Labor's programs to educate workers and make them more competitive, are being supported and reinforced.
46. It is also important to mention the reincorporation of the employer sector to the meetings of the International Affairs Tripartite Commission, the creation of the *Job Health and Security Tripartite Commission* and the organization of hygiene and security committees to assist vulnerable groups of workers.
47. The Labor Code was reformed in 2001 to increase union freedom and protection of the right to unionize, adapting the legislation to the ILO precepts. Among other advances, the agricultural workers prohibition to strike during harvesting season was eliminated.

### **Rural development**

48. The 2000-2004 timetable reprogrammed the priorities regarding rural development. The Ministry of Agriculture and Livestock, MAGA, and the Presidential Planning and Programming Secretariat, SEGEPLAN, made a request to United Nations and MINUGUA for technical assistance for the preparation of the terms of reference for an integral and inclusive rural development public policy that were delivered in December 2000. The National Coordination of Peasant Organizations, CNOC, recently finished its proposal. It is hoped that consensus will be obtained in order to continue with this program.
49. The MAGA implemented and started operations of the Strategic Information System, to monitor product prices and farming materials. It has implemented the *Geographic Information System, SIG*, to provide geographical information that may help the decision making process. It now has 20 thousand square kilometers of the national territory on digital cartography and a hydro-climactic, geological, natural or induced emergency plan, as well as several investment projects for rural development. One hundred and ninety-four legalization documents have been given in several Petén municipalities with the project MAGA-Proforest.
50. The MAGA has started a Sustainable Forest Management Plan with the program for rural development investments, paying special attention to the zones of uprooted population and highest poverty indices. They also began a *Pilot Program for Direct Forest Support*. The epidemiology surveillance system was implemented in the areas for returned population. On the other hand, the FIS is constructing mini-irrigation

systems and gathering and primary processing centers, and is training peasants and small farmers in community self-management and investment sustainability.

51. The Ministry of Agriculture created the Gender, Woman and Rural Youth Unit to promote the gender perspective in policies, programs and projects developed by the Ministry, that will help to eliminate inequalities due to gender and age, creating the conditions for women to have access to land ownership.
52. From 1999 to June 2001 the Land Fund has benefited 9,670 families, has granted financing for the acquisition of 127 farms with 63,735 hectares, and has granted loans for Q.322,240,065 and subsidies for Q.154,367,001. In the first semester of 2001, it delivered 36 farms with an extension of 19,790 hectares to benefit 3,495 families. During the same period, its Regularization Department delivered 2,019 deeds, regularized 36,752 hectares, 371 individual awards, 297 administrative resolutions and legalized 48 groups as Associative Agricultural Enterprises, ECAS.
53. Since April 2001 it is executing the loan agreement subscribed with the World Bank. This loan is being used to support 45 peasant groups with the execution/design of projects in their farms, including agricultural equipment, gathering centers, irrigation systems, bridges, roads, reforestation and a cattle project. At the same time, it has strengthened technical assistance in commerce and supported enterprise legalization.
54. The Land Fund is designing a guarantee fund for an amount of 300 million quetzals, that will be implemented in coordination with the Ministry of Public Finance and the Central Bank (Banco de Guatemala). This fund will serve as guarantee to achieve the incorporation of the national financial system to the granting of loans to purchase productive land through FONTIERRAS.
55. The awards made by the Land Fund have been evaluated through the development of studies that have detected the procedures of the land access model that need modifications or updates to guarantee the compliance of the institution's objectives. The evaluations have been directed to evaluate the situation of those who have benefited from loans after their transfer to new properties, as well as towards the loan applicant groups. The subject is so complex that it has motivated the establishment of an external monitoring unit in the second semester of 2001, that will operate permanently and allow the timely proposal of changes.
56. During the first semester of 2001, the Presidential Department for Legal Assistance and Conflict Resolution on Land, CONTIERRA, handled 390 cases of which it managed to finalize 108. It must be mentioned that significant agreements have been made in historical cases such as those of Santa María Xalapán, Jalapa; Santa Catarina Nueva Ixtahuacán-Nahualá, Sololá, and Chemal-Chancol in Huehuetenango.
57. CONTIERRA has submitted a proposal for a *Law for the compensation of agrarian rights due to conflicts*. CONTIERRA and UTJ-PROTIERRA established an agreement in support of the cadastre to regularize land ownership at a national level. Through this agreement they have worked in six municipalities of Petén.
58. In the first semester of 2001 the Directive Council of the Presidential Unit for Conflict Resolution, UPRECO, was integrated. Adjoined to the Executive Secretary of the

Presidency, and which is in charge of preparing an early alert system, analysis, prevention and intervention in conflicts and potentially conflictive situations.

59. Several pilot projects for the cadastre have been executed through UTJ-PROTIERRA. The UTJ has made official the technical regulations for the establishment of the cadastre, has trained 660 technicians in cadastre material and has done the survey in 39,166 pieces of land in 17 municipalities and eight departments.
60. The Rural Development Bank, managed by government and private sector representatives, significantly increased its loan portfolio for the agricultural sector. It went from 170 million quetzals in 1995 to one billion at the end of 2000, concentrating its activities in the departments that were most affected by the internal armed conflict.
61. In order to contribute to municipal and rural development, the Ministry of Communications, Infrastructure and Housing has installed five thousand telephones in 1,500 communities in eleven departments, thus helping commercial operations.
62. The Equality Commission on Land Related Rights for Indigenous Peoples, COPART, is working on a law project for the creation of the agrarian and environmental jurisdiction and presented the project for the *Law on cadastre information registration*, that was sent by the Executive to Congress for its consideration. At present they are working on a diagnosis of the land ownership situation that will be used to prepare the proposal for the law of land ownership regularization.
63. The Ministry of the Environment and Natural Resources was created during this government to achieve an ecological balance that corresponds to the country's development, through conservation and exploitation of the natural and cultural wealth, within a decentralized, deconcentrated and participatory setting. The conservation and improvement of the nation's natural patrimony was declared of national interest. The Ministry has also strengthened the departmental delegations, has protected the main basins using perimeter areas protected against deforestation and through reforestation projects.
64. The current administration took the initiative to prepare an integrated census that should include population, habitation, and agrarian information. The last one of these was done 21 years ago.

#### **D. MODERNIZATION OF THE DEMOCRATIC STATE**

##### **Decentralization, social participation and Development Councils**

65. The decentralization process has been implemented in three dimensions: the institutional and financial strengthening of municipal governments; the organization of the development councils system in the different levels, and the sector deconcentration, basically in the areas of education, health and agriculture. The Equality Commission of Reform and Participation submitted a proposal to reform the Law of the Development Councils and the Municipal Code, with the object of strengthening the citizens' participation spaces, especially those of indigenous peoples and women. A project for a Decentralization Law is being studied in the Legislative Branch.

66. The Strategic Analysis Secretariat, created by this government in compliance with the peace agreements, prepared a Government Resolution project to regulate the community radio-station operation. This was done in coordination with the Social Communication Secretariat, the Telecommunications Superintendency and with the support of the Broadcasting Chamber, prior to the submission of the reforms to the radio-communication law.
67. Multi-cultural and inter-cultural policies are being developed with the purpose of adapting the State institutions to the multi-cultural and multi-lingual reality of the country. The Ministry of Culture has assumed the responsibility to supervise and permanently maintain 56 archeological sites of pre-Hispanic monuments, including 15 sacred places and 15 pre-Hispanic Mayan buildings. The reconstitution of the Commission for the Definition of Sacred Places formed by government representatives, indigenous spiritual guides and indigenous movements, will help in this effort.

### **Fiscal policy**

68. *The Fiscal Pact for a future with peace and development* was signed on May 25, 2000. It is the result of a long national consensus process to define long-term fiscal policy. This process is unprecedented in recent Guatemalan history and took place with the participation of numerous sectors of society: cooperatives, unions, social and popular, academic and corporate organizations, departmental directive bodies, civil society coordinating entities, women's organizations, political parties and indigenous organizations. During the month of June, society and corporate sector representatives subscribed the *political agreement for peace financing, development and democracy in Guatemala* in the presence of the Accompaniment Commission. These documents contain the measures to strengthen tax administration and to increase fiscal income; in order to achieve the goals set by the peace agreement compliance timetable. The parties involved did not keep the consensus that originated the Political Agreement, but the Government implemented most of them.
69. The Ministry of Public Finance submitted to Congress several measures proposed in the Fiscal Pact, which were approved through decree 44-2000 and were in force on July 1, 2000. The *Law for the suppression of fiscal privileges and benefits* and the *Law to increase the taxable base and to regularize taxes* are included therein. The taxes on airfares, vehicle circulation, departure by air, income, fiscal stamps and fiscal paper were modified. The social tariff for less-than-300 kilowatts-hour/month consumers was created without it being a subsidy that implies tax expenditures.
70. In August 2001 the Congress of the Republic approved six laws to implement the remaining Fiscal Pact commitments. Reforms to the tax, penal, penal procedural codes and laws against fiscal evasion and contraband were included. The following were increased: tax on aggregated value, IVA, the tax on land, maritime and air vehicles, the tax on crude oil and oil products, the stamp tax, and the tax on mercantile and agricultural corporations. In November 2001 Congress approved a new tax package on the consumption of beverages and tobacco. With the approval of these measures, it is estimated that in 2002 the tax load will reach a level equivalent to 11% of the GNP. If the opposition political parties demonstrated a greater commitment with the peace agreements, it would be possible to increase the tax load to 12% of the GNP in 2002 as established by the Peace Agreements Timetable, through complementary increases.

71. It is important to mention the exercises to give priority to the public expenses for the Peace Agenda prepared by the Accompaniment Commission for the compliance of commitments, which are included in the State's Income and Expense Budget for the 2002 Fiscal Year.
72. The tax administration has been modernized, which has strengthened the Tax Administration Superintendency, SAT. This institution has been able to exercise supervision and collection mechanisms in the program of special taxpayers and the simplification and automation of tax administration.
73. In order to improve the efficiency, transparency and supervision of the tax system, the Ministry of Public Finance has taken the following steps: informative communication on public expense with the Congress of the Republic, the Office of the Comptroller General, the press and the population. Reactivation of the SIAF system, in which 43 institutions are interconnected. It hopes to initiate the third phase next year, which contemplates the incorporation of 50 municipalities.
74. In the next months, the SIAF will continue to incorporate to the system the FIS, IGSS, INGUAT, and Empresa Portuaria Santo Tomás de Castilla. With the inclusion of these units, 80% of the total operations of the financial activities will be controlled.
75. There is a study in progress about the reduction of the number of social funds, revision of special taxpayers, institutional coordination with the Office of the Attorney General, the Judicial Branch and the Office of the Comptroller General, as well as the creation and installation of an Internet government page that will provide services and information to the civil society.

### **Justice**

76. The National Commission for the Following and Support of Justice Strengthening incorporated representatives of justice and society institutions. It is the most important forum for dialog and consensus on the justice system, access to justice for indigenous and poor people, the professionalization of justice operators and the sector's budgetary situation. The Commission against Threats and Intimidation against Justice Operators, Journalists, Social Activists and Raids to Human Rights Organizations' Headquarters, is another important space that has been formed.
77. The reforms in justice matters can be summarized as follows: increase of the geographic coverage of the institutions that form the justice system; creation in 1977 of the Coordinating Institution for the Modernization of the Justice Sector; implementation of the Modernization of the Judicial Branch Plan (1997-2002); the approval of the Judicial Career Law; the installation of the Judicial Career Council and of the Judicial Disciplinary Board; the execution of the Reorganization Program for District Attorneys and Municipalities, the approval of the Law of the Institute of Public Defense, that grants it autonomy, and the approval of the Judicial Ethics Code.
78. The Presidential Secretariat of Women has participated in the proposal for the reform of the Penal Code, together with other women's organizations and public sector representatives, in order to include sexual harassment as a crime that is aggravated when perpetrated against indigenous women and minors. A law project on the same

subject was submitted by a sector of indigenous women. Efforts have been made to improve the application of justice in indigenous communities, creating community peace courts, forming judicial translators and interpreters, and appointing bilingual judges. The Commission of Indigenous Affairs was formed to this effect in the Supreme Court.

### **Public Safety**

79. The goal of public expense allocated to public safety has been exceeded, but the increase of the investment for the improvement of infrastructure and equipment for the new National Civil Police, PNC, is still insufficient because the tax load did not reach the expected level. The goal to increase the number of police officers was achieved ahead of time, with the incorporation 20,123 officers. This number exceeds the one indicated in the peace agreements. The PNC has 6 district headquarters, 27 commissaries, 127 police stations and 366 substations, as well as 72 mobile units that allow them to be present in almost all of the country's municipalities. Ten percent of the officers are women and 14% and indigenous. This complies with the multi-ethnic, multi-cultural and gender character of the recruitment, selection, training and deployment of police personnel.
80. Regarding the professionalization of PNC members, they are being educated so that they may finish their secondary school studies and later continue a university career at Mariano Gálvez University. Several agreements have been signed with this University, especially addressed to provide a high professional education to National Civil Police members.
81. With respect to the private security companies, the National Civil Police have begun to cleanse them and has presented the corresponding reports to the Office of the Attorney General regarding the operation of ghost companies. They have also published in the Official Gazette the names of the legally formed companies that comply with the legally established requisites. The Ministry of the Interior has submitted to Congress a law project that effectively regulates the operation and scope of these companies.
82. The Agreement on the strengthening of civil power and the role of the army established the creation of a Civil Intelligence and Analysis Department that would be under the jurisdiction of the Ministry of the Interior. At this time this Ministry is having discussions with the civil society in order to guarantee the juridical controls in said department, as well as strict respect to human rights and the law.

### **Information and intelligence**

83. The ***Agreement on the strengthening of civil power and the role of the army in a democratic society*** proposes a new information and intelligence system to direct the Ministry of the Defense's intelligence, limited to the Army's role as defined in the constitution. This system is operating in accordance with said agreement. It is the intention of this government to organize and implement before its period finalizes, a civil intelligence and information analysis department that will be under the jurisdiction of the Ministry of the Interior and will be responsible for gathering information to fight against organized crime and common delinquency. This will be done through the means and within the limits set forth by the juridical order and with strict respect to

human rights. The Strategic Analysis Secretariat, SAE, under the direct authority of the President of the Republic, is presently being developed under this institution. Its responsibility is to inform and counsel the President of the Republic. At this time it has more than 200 officials with vehicles and equipment given by this government at a cost of over 25 million quetzals. The present government is making every effort so that the Strategic Analysis Secretariat, the Ministry of the Defense's Intelligence Department and the Department of Civil Intelligence and Information Analysis of the Ministry of the Interior respect the separation among intelligence and information functions and the operations that derive therefrom. The Human Rights and Security Cabinet coordinates all aspects concerning the highest levels of government.

84. The SAE prepared a project on the *Law on free access to information or Law of Habeas Data*, sent in April to the General Secretariat of the Presidency so it may be submitted to Congress. At this time it is preparing the project for the *Law of classification and declassification of reserved, confidential and secret information or Law of official secrets*.

#### **Security for the President and Vice-president of the Republic:**

85. In paragraph 46 of the Agreement on the strengthening of civil power and the role of the army in a democratic society it was established that the personal safety of the President and Vice-President of the Republic and their families would be the responsibility of an entity that the President was to organize to substitute the Presidential Staff, EMP.
86. In compliance with the above-mentioned agreement, the Administrative Matters and Presidential Security Secretariat, SAAS, was created at the beginning of 2000. This secretariat now has a consolidated organizational structure, is recognized as a Department of the Executive and has a budget of 32,491,026 million quetzals. It supports a Presidential Protection Agents Academy, from which 129 agents have graduated and who are now active. More agents are being prepared to complete the 340 that the Secretariat deems necessary. The course on presidential protection has duration of one year and graduates are given a diploma. They receive physical, defense, protection and vigilance training, as well as basic history and human rights knowledge. The Secretariat has already taken responsibility for almost all of the Vice-President and his family's security.
87. Regarding the dissolution of the Presidential Staff, EMP, the new timetable stipulates that the progressive transfer of functions, equipment and budget to the SAAS will continue until the end of the first semester of 2003. This demobilization causes the difficulty of financial costs to cover labor benefits, which add up to more than 25 million quetzals.

#### **Army**

88. In December 1999 the Military Doctrine was presented and remained as a document open to society's opinion. Work is being done on **the defense policy** with contributions from different political, social and academic sectors, in a highly participatory process. Thirty percent of military stations were deactivated. Military installations have been converted and some of them have been turned over to society

for education purposes. In February 2001 the educational reform process was reinitiated.

89. The Strategic Plan for the Guatemalan Army 2000-2005 was prepared and distributed to military commands and departments on June 30, 2001. This plan seeks to modify regions, readapt the strategic mechanism and modify the deployment of military units in a term that will not exceed two years and that will respond to national defense, protection of frontiers and protection of the maritime, territorial and air space jurisdiction. Congress now has the initiatives for laws that will enable the transfer of offensive weapon registries, as well as the project for the *Law of civic, military and social service* proposed by the Accompaniment Commission.

### III. CONCLUSION

90. The peace agreements have been complied with but not in a linear form. Some of the commitments derived from these agreements have been totally complied with and have disappeared from the agenda. Some are in different stages of development and others have not yet been started. It must be taken into account that the timetable commitments were increased with derived obligations such as the CEH recommendations, that President Portillo accepted as State commitments.
91. The commitments appearing in the 2000-2004 timetable are of a different nature and that affects their initiation. Some constituted acts that required only one event, others are process commitments that have to be developed in time for their compliance or that have to be permanently observed and, therefore, never end (for example, the percentages of the priority public expense). We must also keep in mind that compliance with some of the commitments requires political decisions, but that most require a financial base to become reality. This has not been achieved due to the current level of income as a result of the lack of commitment on the part of opposition political parties, including those that signed the peace agreements.
92. Many of the commitments have been complied with and their benefic effects have definitively changed the country. Several of the process-commitments have generated changes that produce wellbeing, for example, access; regularization and legalization of land by peasants' organized groups, under FONTIERRAS. However, a large number of process-commitments and even some of the act-commitments have yet to be complied with. An example of these is the creation of the *Peace and Accord Commission*. It is worrisome that the contents of the *Agreement on the identity and rights of indigenous peoples* are still pending because the constitutional reform proposed by the previous government was not approved. Also, the design and initiation of the rural development policy is still pending.
93. The difficulties in duly observing the commitments have several causes. There are obstacles in the administrative and human resources areas that limit the public sector's capabilities, **but the main problem has to do with the State's limited financial capacity**, because most of the pending commitments require financial resources that are not available to undertake them. Therefore, these commitments are affected by the difficulties that the government faces, generated by several causes such as the decrease in the main export products and increase in prices of oil products; the draught that scourged the Central American region, as well as the international unfavorable situation generated by the terrorist attacks on the United States. However, the most

important obstacle is the State's tax structure because, low tax income, the fluctuation in the tax load and the tax structure create impediments to an adequate flow of income for the State that would allow it to comply with all its obligations.

94. Added to the above-mentioned negative elements, is the scarce knowledge of the agreements and commitments and, therefore, the insufficient accompaniment by the population as well as the persistence of those who are opposed to the peace process.
95. The main challenge is to advance at a greater speed, integrally and deeply in the compliance with the peace commitments. To resolve the political problems and the scarcity of resources that the government now faces. The persistent delays in compliance in important areas of the agreements could weaken the results already achieved. At the same time, the passing of time and changing conditions in the international situation are not helping.
96. The challenge that the current political situation represents for the compliance with the agreements implies a dilemma. On the one side the State must ensure the peace process considering political, financial and technical aspects that appear as limiting, and on the other side to obtain the involvement of society and the support of international cooperation. The government's commitment is clearly established in the 2000-2004 timetable, which emphasizes the strategic commitments because full compliance with them will initiate the structural transformation that are the reason to be of the peace agreements.
97. In the three years still remaining for compliance with the new timetable, greater efforts will be made to comply with maximum pending commitments, to prepare for the transition to a new stage in which peace work will probably remain permanently pending, that must be resolved by the State and society as part of their normal operation and in which the action cycle of the temporary institutionalization of peace will have ended.
98. Therefore, the pending agenda must emphasize the compliance with the strategic commitments. Among these are the strengthening of the state of law and of the institutionalization of peace, national reconciliation, integral rural development, decentralization and inter-culture, as well as the mobilization of resources and priority public expense.
99. As it keeps its commitment to the peace agreements, the Guatemalan Government exhorts the international community to continue its support to advance and procure the conclusion of all those commitments that it is possible to finalize in a short and medium term, and to consolidate the pursuit of the long-term objectives. As we know, the final objective of peace was not only to end the armed conflict, but the construction of a new and inclusive nation, that recognizes its multi-cultural, multi-lingual and multi-ethnic character, that consolidates democracy and human rights, that promotes socioeconomic development and the eradication of poverty, and that finally develops reconciliation and the culture of peace.