



INTER-AMERICAN DEVELOPMENT BANK
REGIONAL OPERATIONS DEPARTMENT II
COUNTRY DIVISION 3



GUATEMALA

INTERNATIONAL ASSISTANCE

Summary of Internationally Financed Projects



Document presented to the members of the Consultative Group of Guatemala

Washington, DC
February 11 - 12, 2002

GUATEMALA

INTERNATIONAL ASSISTANCE: SUMMARY OF INTERNATIONALLY FINANCED PROJECTS

I. INTRODUCTION

At the upcoming Consultative Group (CG) meeting, to be held on February 11th and 12th, 2002 in Washington DC, the Government will present a summary of its progress in implementing the Peace Accords, the launching of the recently completed Poverty Reduction Strategy, as well as its external assistance requirements for 2002-2004.

This document provides information on the external assistance projects currently under execution in Guatemala. The document provides a brief description of the sources, terms, and sectors of activity of the external assistance projects under execution. The document also summarizes the principal bilateral and multilateral assistance programs, which are discussed individually, highlighting each agency's key projects in each of the four areas prioritized by the Guatemalan Government for channeling external assistance for the implementation of the Peace Accords.

The figures included in this document reflect internationally financed development projects that were under execution as of December 2001. As of that date, all the projects included in this paper had signed agreements and were under active execution. No attempt is made to identify or quantify planned projects, as it is expected that the international community will indicate its future support to Guatemala during the Consultative Group meeting to be held on February 11th and 12th, 2002. The data for this exercise come directly from the donors.

II. INTERNATIONAL COOPERATION DURING 2001

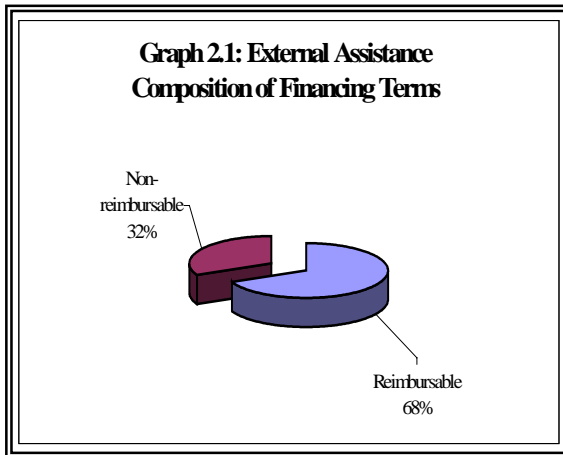
Sources and Terms of International Cooperation

As of December, 2001 the total value of external assistance agreements signed and under execution is US\$3,214 million. Multilateral sources provided 78% of this amount, with the remaining 22% being provided by bilateral agencies active in Guatemala.

Nearly a third of the international cooperation projects under execution, are financed on a reimbursable basis: 68% and 32% respectively (See Graph 2.1).

The largest sources of bilateral external cooperation in Guatemala are the United States, Germany, Japan, Norway, Sweden, and Canada.¹ Collectively, these countries account of 87% of the total bilateral cooperation under execution and 13% of the total external resources under execution.

¹ While it is likely that Taiwan (China) is also a significant donor, information on its bilateral program was unavailable.

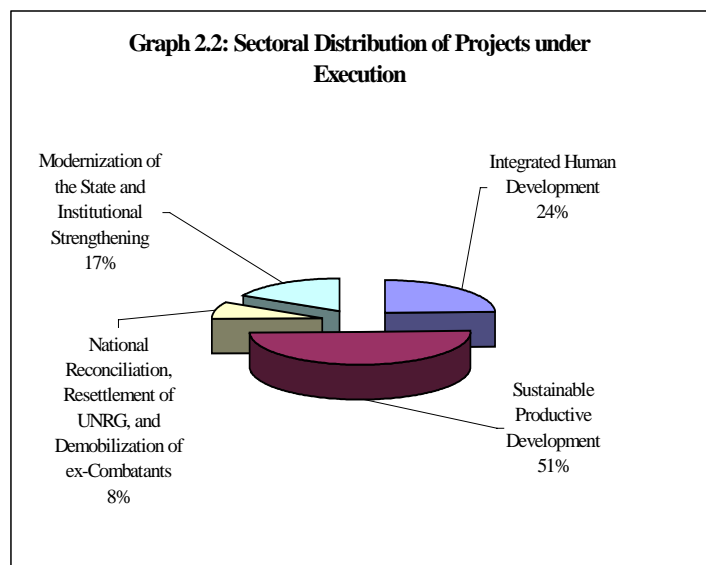


The various sources of multilateral cooperation can be divided between the multilateral financial institutions and the specialized United Nations and Organization of American States (OAS) Agencies. The multilateral financial institutions and the European Union provide together 81% of the resources being executed by multilateral organizations, and account for 63% of all external resources allocated to projects currently being executed in Guatemala. The United Nations and OAS agencies combine resources from their budgets with donations from countries that support Guatemala's development.

Agency or Country	Total Signed Thousands of US\$
Bilateral	735,340.1
Germany	140,700.0
Spain	16,442.4
Canada	28,379.2
Denmark	7,076.2
Finland	8,438.9
Italy	12,918.4
Netherlands	14,224.4
Japan	73,954.5
Norway	37,622.0
United Kingdom (1)	19,960.1
Sweden	29,771.3
Switzerland	13,331.6
United States	332,521.2
Multilateral	2,479,590.2
CABEI	543,254.0
European Union	145,675.4
World Bank	329,295.3
IDB	990,516.0
OAS	11,257.0
UNDP	328,860.0
WHO/PAHO	17,374.7
WFP	40,133.9
IOM	72,012.8
UNEFPA	642.5
ODCCP	568.6
TOTAL	3,214,930.3

Sectoral Distribution of External Cooperation

Projects financed through external cooperation in Guatemala span the entire range of development sectors. In order to provide an analytical basis for comparison of the sectors being supported by Guatemala's external partners, the information provided by the donors was divided among the four areas created by the government to categorize projects associated with the Peace Process. These categories are as follows: (i) sustainable productive development, (ii) integrated human development, (iii) Modernization of



the State and institutional reform, and (iv) national reconciliation, resettlement of UNRG and demobilization of former combatants.

It should be noted that the donors consulted for this exercise utilize different nomenclature, and have numerous, often overlapping, priority areas. Moreover, the projects supported through international cooperation often encompass two or more of the government strategic areas. Consequently, the results of this sector analysis should be construed as illustrative, indicating trends between sectors.

The distribution of external cooperation resources is clearly skewed towards sustainable productive development, which represents 51% of all external resources under execution in Guatemala. In particular, multilateral cooperation has allocated 52% of its resources under execution to supporting projects in this area. Bilateral partners have allocated 44% of their resources to projects in sustainable productive development.

The second largest recipient of external resources is the area of integrated human development, which accounts for 24% of total resources. This area is strongly supported by the bilateral donors, representing 34% of their external cooperation. Moreover, several of these same donors contribute to the European Union and the United Nations agencies, which are also executing projects in integrated human development in Guatemala.

Projects in Modernization of State and institutional reform represent 17% of the active portfolio of externally financed operations in Guatemala. These operations represent 18% of the multilateral and 14% of bilateral development finance for active projects.

Finally, for National Reconciliation, resettlement of UNRG and Demobilization of former combatants, which receives 8% of the total external development finance under execution, both bilateral and multilateral sources allocate 8% of their resources.

In Table 2.3, the ten principal agencies (five bilateral and five multilateral) by sector area are listed, indicating the most significant sources of external assistance for each of the priority areas.

Table 2.3 Principal Agencies Executing Projects by Priority Area

Integrated Human Development	Sustainable Productive Development	National Reconciliation, Resettlement of UNRG, and Demobilization of ex-Combatants	Modernization of the State and Institutional Strengthening
United States	United States	United States	United States
Germany	Japan	Spain	Norway
Norway	Germany	Norway	Sweden
Denmark	Canada	Germany	Netherlands
Japan	Sweden	Sweden	Germany
IDB	CABEI	UNDP	IDB
World Bank	IDB	IDB	UNDP
UNDP	World Bank	European Union	World Bank
IOM	European Union	IOM	European Union
European Union	UNDP	WFP	ODCCP

Source: Donor agencies consulted/IDB

III. PROFILES OF ACTIVE INTERNATIONAL COOPERATION PROGRAMS

This section provides a brief description of the cooperation programs of a key group of bilateral and multilateral donors active in Guatemala. Each agency's activities are summarized, highlighting significant projects in each of the four priority areas defined by the Government. The section does not seek to comprehensively detail all externally funded projects under execution. Rather, it seeks to provide an illustrative indication of the principal sectors and projects being supported by Guatemala's external partners.

Bilateral Cooperation Agencies

Germany

The German Bilateral Cooperation Program is integrated by 55 projects that account for US\$140.7 million and 30% of the German Bilateral Program is financed on a non-refundable basis.

The German Financed Cooperation is integrated by 17 projects that account for US\$88.0 millions; The Technical Cooperation is integrated by 33 projects that accounts for US\$51.4 million and under Other Projects they register 5 projects that accounts for US\$1.3 millions.

The German government contributes in the following areas, under Other Forms of Cooperation:

Integrated Experts: sent through OIM, in port call management sectors, exports fomentation, cooperative studies, methodology and potable water;

German Service of Technical and Social Cooperation (DED): sends workers to diverse NGO's in sectors such as human rights, popular education, health community services, community development, cooperative counseling, environmental protection;

Politic Foundations: the following foundations, KONRAD ANDENAUER, FRIEDRICH EBERT and FRIEDRICH NAUMANN (with permanent representation in Guatemala) as well as HANNS SEIDEL AND HEINRICH BOLL are working in projects such as adult education, cooperative fomentation, human rights, strengthening of the legal system and environmental protection;

German Churches: the two most important churches of Germany, through it own Cooperative Organizations are developing several projects along with the Catholic Church of Guatemala and several NGO's, for the improvement of social infrastructure, basic health and women support;

Support to the Minefield Elimination: supports Guatemala in the efforts of localization and elimination of explosive devises and minefield elimination;

Micro Projects: executed by the Embassy of the Federal Republic of Germany based in Guatemala in cooperation with organizations of self-help in small municipalities and towns. The help is focused in order to cover the basic necessities in regions of extreme poverty;

Grants: in the bilateral cooperation area, Germany offers annually about 25 long term scholarships and 50 of short term duration.

Germany contributes with 28% of the Cooperation from the European Union to Guatemala.

Canada

The Canadian Agency for International Development is currently executing 13 projects valued at US\$28.4 million. The entire portfolio of projects supported by Canada in Guatemala is financed on a non-reimbursable basis. The majority of these projects focus on sustainable productive development (50%), followed by integrated human development (25%), reconciliation and demobilization for former combatants (11%), and modernization of the State (3%). The balance of the bilateral program (10%) is allocated to providing logistical support for the implementation of the project portfolio.

Within the rubric of sustainable productive development, the largest project is entitled Support to Local Development Projects. This project, valued at US\$6.5 million, provides grants of up to US\$64,000 to local development projects that promote socio-economic development. CIDA is also providing grant resources to promote productive-sector projects, strengthen municipalities and support democratization in nine municipalities in the Costa y Bocacosta de San Marcos. Guatemala is also receiving support from a regional project to improve the provision of electricity in Central America.

The most important project in the area of integrated human development focuses on sexual and reproductive health. This project, valued at US\$4.5 million, is being channeled through the FNUAP and seeks to improve overall provision of reproductive and sexual health services, including incorporating related issues into educational curricula. A second reproductive health project focuses on strengthening providers of reproductive health services and disseminating information about these issues, including HIV/AIDS. CIDA is also supporting two funds to that finance research on inter-ethnic relations and gender issues.

In the area of Modernization of the State, CIDA is promoting the on-going democratization of Guatemala's political system through the Democratic Development Fund Phase III and by supporting the commission tasked with accompanying the implementation of the Peace Accords. In terms of institutional reform, CIDA is financing a development fund that seeks to improve project management capacity at the local level and is supporting the Santa Eulalia Center for the Administration of Justice.

Taiwan (Republic of China)

Taiwanese bilateral cooperation has been among the most significant sources of development financing for Guatemala for the past several years. While information on the currently executing program was unavailable, traditional sectors of focus have been rural development

(agriculture, fisheries and small and medium enterprises) as well as environmental projects (especially forestry management).

Denmark

The Danish bilateral cooperation program currently under execution is composed of 29 projects for a total of US\$7.1 million. The entire Danish bilateral program is financed on a non-reimbursable basis. The sectoral breakdown of Danish cooperation, according to the four priority areas defined by the Government, is as follows: integrated human development (29%), Modernization of the State (26%), national reconciliation and demobilization of ex-combatants (42%) and sustainable productive development (3%).

The largest project in the Danish bilateral cooperation program channels resources through the UNDP to support the demobilization and incorporation of former combatants (US\$1.2 million).

In the area of modernization of the State, Denmark is promoting the development of a culture of dialogue through PROPAZ and disseminating information about and promoting the education of human rights.

Finland

The Finnish bilateral cooperation program is composed of 7 projects for a total of US\$8.4 million. The entire Finnish bilateral cooperation program is financed on a non-reimbursable basis. Finland has focused the majority of its bilateral cooperation resources allocated to Guatemala on Integrated Human Development. This area currently represents approximately 55% of the bilateral program. The most significant projects focus on strengthening the secondary level of health care (US\$3.5 million) and reforming the teaching of human rights in Guatemala.

In addition, Finland is supporting national reconciliation and the incorporation of former combatants through several projects, including a donation of US\$1 million for the construction of 120 facilities for the *Entidades Representativas Microregionales* as part of the DECOPAZ project. Finland has also provided resources to strengthen forestry management in Sololá and San Marcos.

Italy

Italy's bilateral cooperation program with Guatemala contains 12 projects for a total of US\$12.9 million. The Italian bilateral program focuses largely on integrated human development and sustainable productive development. While several of the projects currently being executed with Italy's bilateral resources are multisectoral, the illustrative breakdown of the program is as follows: integrated human development (34%), sustainable productive development (29%), modernization of the state (22%) and national reconciliation and demobilization of former combatants (15%). Almost 30% of the resources for projects currently under execution are channeled through international Non-Governmental Organizations (NGOs) working in Guatemala.

Among the most significant projects is a project that seeks to promote more effective governance at the local level by supporting the political and administrative decentralization of the state (US\$2.9 million) and an agricultural development project that finances small agricultural and forestry projects from resources generated by monetizing food aid. In addition, Italy's bilateral assistance supports vocational training, small agricultural producers, resettlement of displaced communities, and the development of a peace oriented political culture.

Japan

The Japanese bilateral program has been among the largest sources of resources for Guatemala for the past several years. The program is varied, including significant financial support, technical assistance as well as in-country volunteers working in communities through the country. The Japanese program currently consists of 22 projects totaling US\$74.0 million. These projects are concentrated in the area of sustainable productive development (84% of the total resources); the balance of the bilateral program is focused on integrated human development (16%).

Approximately 74% of the value of the projects currently under execution can be ascribed to a single loan: Modernization of the Principal Highways and Secondary Roads. This project, valued at US\$55 million, is financed through a concessional loan that carries a 2.2% interest rate and a 30-year amortization period.

The balance of the active portfolio, which approaches US\$19 million, is divided between integrated human development projects (51% by value) and sustainable productive development (49%). Among the former, Japan is focusing a significant amount of resources on training, supporting the acquisition of equipment by INTECAP. In addition, there are several projects that focus on health, education and forest management in rural areas, including the construction of rural schools, and vector control.

In addition to the large transportation sector loan, Japanese bilateral cooperation for sustainable productive development is financing roads in Alta Verapaz, Huehuetenango, Peten, Quiché y Totonicapán, two projects to provide agricultural inputs for small farmers, small irrigation projects, the electrification of rural areas, and the construction of potable water treatment plants.

The Netherlands

The Dutch bilateral cooperation program currently under execution contains 33 projects for a total amount of US\$47.6 million, all of which is provided on a non-reimbursable basis. The sectoral breakdown of the aid provided by the Netherlands is as follows: sustainable productive development (39%), Modernization of the State and institutional reform (38%), reconciliation and demobilization (4%) and integrated human development (19%).

Within the Dutch-financed bilateral program, several projects are supporting the protection of areas rich in biodiversity (US\$3.6 million), forestry and watershed management and the

general management capacity of rural communities and the organizations that represent them. In addition, Dutch bilateral resources are focused on the issues associated with land rights and land tenure. The largest project seeks to develop the technical, legal and social framework to ensure land rights of individuals living in the Departments of Zacapa y Chiquimula (US\$1.6 million); another seeks to support the Commission for Land Negotiations.

In the area of Modernization of the State, the Netherlands is supporting the Administration of Justice through three projects for a total of US\$640,000. These projects seek to modernize and increase the professionalism of the entities responsible for the administration of justice in Guatemala, create alternative dispute resolution mechanisms, and support the efforts of the United Nations Verification Mission for Guatemala (MINUGUA) to strengthen the judicial sector and to improve public security. The Netherlands is also supporting projects for the executive branch. Among others, these include the development of the legal framework, institutional structure and regulations of the newly created Administrative Secretariat of the Presidency, which replaces the former Office of the Presidency (*Estado Mayor Presidencial*). The Dutch financed projects also include several initiatives to support a national debate over the nature of democracy, including support for the democratization of the political parties, forums on democratic participation, research on gender issues.

For integrated human development, the Netherlands is supporting the development of a curriculum oriented towards Mayan culture and the strengthening of basic and non-formal education in Zacapa y Chiquimula.

In the area of national reconciliation, demobilization of ex-combatants, and incorporation of the UNRG, Dutch bilateral assistance focuses on forensic investigations and the strengthening of women's rights at the national level.

Norway

Norwegian bilateral cooperation with Guatemala is comprised of 27 projects for a total of US\$37.6 million. The sectoral breakdown of these projects is as follows: integrated human development (48%), Modernization of the State (30%), national reconciliation and demobilization of former combatants (20%), and sustainable productive development (2%).

The largest project under execution in the integrated human development areas supports the development through NGOs pursuing small projects that directly impact the poor (US\$15 million). In addition, Norway is supporting local civil society institutions and their links to local governments and the development of bilingual education curricula and research.

In the area of modernization of the State, Norwegian bilateral cooperation is supporting the modernization and professionalization of the justice sector (US\$1.7 million). In addition to other projects focusing on the justice sector, Norwegian bilateral cooperation is supporting the development of Government's inter-cultural policy, the strengthening of human rights agencies, the development of the new Administrative Secretariat of the Presidency, among several other initiatives.

In the area of national reconciliation and demobilization, the Norwegian Cooperation program is providing funds to MINUGUA to support the dissemination of information on and education about the Peace Accords (US\$4 million). Norwegian resources are also supporting the demobilization and reinsertion of former combatants and civil society organizations promoting the rule of law and national reconciliation.

In sustainable productive development, Norway is providing microcredit to rural inhabitants of Totonicapán.

Spain

The Spanish bilateral cooperation currently under execution is comprised of 9 projects for a total value of US\$16.4 million, all of which is financed on a non-reimbursable basis. The sectoral breakdown of the on-going projects is as follows: national reconciliation and demobilization of former combatants (80%), integrate human development (19%), modernization of the state (1%).

The largest project, which is almost completely disbursed, finances that activities of NGOs supporting projects that promote national reconciliation and demobilization of former combatants (US\$13.2 million). In addition, in the area of Modernization of the State Spain is supporting training of municipal workers in Antigua, the training of judges and magistrates and the improvement of the national cadaster.

Under the rubric of integrated human development, Spanish bilateral assistance is supporting food security through a grant to finance pilot project the results of which will be replicated on a broader scale in a follow-up operation. In addition, Spain is supporting the development of a post-graduate program in education on gender.

Sweden

The Swedish bilateral cooperation program currently under execution in Guatemala consists of 39 operations valued at US\$29.8 million. The entire Swedish program of external cooperation is financed on a non-reimbursable basis. The sectoral breakdown of currently executing Swedish cooperation programs is as follows: integrated human development (29%), Modernization of the State (29%), Sustainable Productive Development (30%), and National Reconciliation and Demobilization of former combatants (14%).

The largest project focusing on integrated human development seeks to support the on-going reform of the health sector (US\$4.3 million). In addition, Swedish bilateral cooperation is supporting UNICEF's efforts to improve the situation of children in Guatemala, strengthening the government's AIDS response campaign, improving literacy, and strengthening organizations that represent women's rights.

In the area of sustainable productive development, Swedish cooperation is supporting local development through microcredit operations channeled through *the Fideicomiso para el Desarrollo* (US\$4.7 million). In addition, the bilateral program is supporting improved access

to potable water and wastewater treatment services, better designed national infrastructure, agroforestry development, and environmental management plans.

The Swedish financed projects in the area of modernization of the State seek to strengthen the judiciary, improve land titling and registration and support the implementation of the Peace Accords through selective key interventions in crucial institutions. In the area of judicial reform, the projects include support for organizational and administrative reforms of the judicial system, modernization of judicial bodies, strengthening the National Justice Commission, especially in inter-cultural legal matters. Projects focusing on land issues include the strengthening of the National Cadaster and the supporting the government's efforts to develop a national land strategy. Finally, Swedish cooperation is supporting the government's ability to monitor the implementation of the Peace Accords, strengthening the National Statistics Office, providing inputs for national debates on the Fiscal Pact and the reduction of poverty, among others.

Finally, in the area of national reconciliation and demobilization of former combatants, Swedish bilateral cooperation is supporting civil society groups, supporting discussions on inter-cultural policy, and supporting journalism that promotes inter-cultural understanding, among other projects.

Switzerland

The Swiss bilateral cooperation program currently under execution is comprised of 15 projects, valued at US\$13.3 million. Of this total, US\$12 million is financed on a non-reimbursable basis, with the balance financed by a small loan on concessional terms. The sectoral breakdown of Swiss cooperation is as follows: sustainable productive development (59%), integrated human development (33%), and national reconciliation and demobilization of former combatants (8%).

The largest project financed by Swiss cooperation currently under execution focuses on small-scale integrated human development projects being implemented by Swiss NGOs active in Guatemala (US\$3.2 million). The bilateral program also includes three smaller donations to NGOs working to develop small infrastructure projects.

Under the rubric of sustainable productive development, Swiss cooperation is financing the improvement of the waste facilities at the Chixoy Hydroelectric Plant (US\$1.4 million loan and US\$920,000 grant), decentralized participatory management of natural resources, creation of a clean production center, and support for research on potatoes and the reduction of losses for basic grains.

Swiss cooperation is also financing the resettlement of peoples displaced by the civil conflict and providing resources for exhumations.

United Kingdom (UK)

The portfolio of projects currently being supported by the UK includes 17 projects for a total of US\$20.0 million. This amount, which includes nine projects that are regional in scope, is being provided on a non-reimbursable basis.

The sectoral breakdown of the UK bilateral cooperation program is as follows: sustainable productive development (9%), integrated human development (71%), modernization of the State (19%), and national reconciliation and demobilization of former combatants (2%).

The most significant project in the area of integrated human development seeks to reduce the vulnerability of health services and water distribution systems in local communities to natural disasters (US\$3.6 million). This project, which is being executed by the Pan American Health Organization, is a regional initiative. Moreover, the UK is supporting several other initiatives in the health sector, including measures for the detection and control of transmissible diseases and the improvement of reproductive health services.

In the area of sustainable productive development, the UK is supporting a staff member to work within the World Bank/UNDP Regional Unit for Technical Assistance in Central America. This professional provides technical assistance to the countries of Central America for natural resources management. In addition, British bilateral cooperation is supporting natural resources management support in Zacapa and Izabal.

The largest project in the Modernization of the State area seeks to improve the management capacity of municipalities and local civil society organizations that have worked with the IDB, to enable them to better utilize external poverty alleviation resources from external partners (US\$2.9 million for Central America).

In support of national reconciliation and demobilization of former combatants, the UK is supporting the development of conflict resolution methodologies by NGOs and among other initiatives.

United States

The United States Agency for International Development (USAID) has been among the most significant sources of international cooperation for Guatemala for the past several years. The portfolio of USAID projects currently being executed in Guatemala is valued at US\$332.5 million, and includes 75 separate projects. The entire bilateral cooperation program between the United States and Guatemala is financed on a non-reimbursable basis.

Within the area of National Reconciliation and Demobilization of former combatants, USAID is supporting the demobilization and reinsertion of former combatants (US\$6.3 million), national consensus building, and a special development fund oriented towards demobilized combatants, among several other projects.

Projects focusing on integrated human development, which total US\$93.7 million, are divided between operations focusing on education and on health. The projects in education seek to

improve the access to education of the indigenous population and to reform curricula, especially by providing for bilingual education. The largest project under execution seeks to improve literacy of women and children (US\$8.4 million). In addition, USAID is financing scholarships for disadvantaged indigenous students, various projects that seek to improve bilingual education, and teacher training, among others. In the health sector, the majority of the bilateral cooperation is focused on improving the quality and access to health services of the rural population, particularly women and children. In addition, USAID is supporting to strengthen the capacity of medical clinics.

The bulk of the resources allocated to sustainable productive development are assigned to two projects that seek to improve the incomes of rural the population (US\$36.4 million). In addition, the US cooperation program is developing basic infrastructure in rural areas, supporting the Land Fund, and working to improve environmental management. Finally, several food aid operations (PL-480) are under execution.

Within the area of Modernization of the State, USAID has projects under execution focusing on reform of the judicial sector, for the reform of the legislature, for tax reform and privatization, and several for institutional reform in various public agencies.

Multilateral Cooperation Agencies

European Union (EU)

The European Commission Office in Guatemala is currently supporting 32 development projects, the total budgets of which sum to US\$145.7 million, that span the sectors of external cooperation being provided in Guatemala. The European Union uses a breakdown of its cooperation program that is as follows: Technical and Financial Cooperation (79%); Support for the self-sustainability of Refugees, repatriated persons, displaced persons and demobilized combatants (12%); democratization and human rights (2%); rehabilitation (3%) and cofinancing with NGOs (3%); indirect food aid (0.3%) and tropical forests (0.2%).

To develop an analytical basis for to compare the portfolio of projects financed by the EU with that of other donors, these projects have been divided among the four sectors prioritized by the Government of Guatemala. According to this classification, the sector breakdown of the currently executing projects financed by the EU's cooperation with Guatemala can be characterized as follows: sustainable productive development (33%), national reconciliation and demobilization of former combatants (25%), integrated human development (21%), modernization of the state (21%).

Within the rubric of integrated human development, the largest project being executed by the EU focuses on improving the education sector (US\$18.9 million). The EU is also supporting structural reforms in the health sector, the training of health workers, and the women's movement.

The programmatic priority in the sustainable productive development area is integrated rural development. There are currently five projects that seek to promote development in specific rural areas of the country, totaling US\$45.6 million. The EU is also working to restart

economic activity in poor municipalities and to support productive activities of the indigenous communities around Lake Atitlán.

Under the rubric of modernization of the state, the EU's most important project seeks to support the national policy on citizen security (US\$29.2 million). In addition, the EU is supporting the efforts of municipalities to improve their management capacity.

In the area of national reconciliation and demobilization of former combatants, the largest project being executed by the EU is supporting the reinsertion of populations displaced by the armed conflict (US\$11.1 million). In addition, the EU is implementing two other projects focused on populations displaced by the conflict, a project for the reinsertion of former combatants, support for the economic reactivation of various municipalities affected by the conflict, and support for human rights in Guatemala.

Central American Bank for Economic Integration (CABEI)

CABEI is currently executing 18 projects for a total of US\$543.2 million. The majority of the resources provided by CABEI are contracted on reimbursable basis (99%). The CABEI uses a sectoral breakdown for its portfolio that is as follows: Infrastructure (30%), social infrastructure (6%), productive sectors (7%), social services (7%), global lines of credit for intermediate loans (48%), direct loans to producers (1%), non reimbursable technical cooperation (0.1%).

When divided into the four-area breakdown used by the Government of Guatemala, CABEI's portfolio of active operations focuses almost exclusively on sustainable productive development. The largest project being implemented by CABEI is a global line of credit for intermediate loans (US\$262.2 million). These loans have been contracted by Banks, financial intermediaries, and NGOs to finance projects in the productive sectors, including microcredit and export promotion activities. In addition, CABEI is financing several large infrastructure projects, the provision of productive infrastructure for rural communities, post-disaster rehabilitation, and increasing the capacity of an existing hydroelectric plant, among other activities.

Inter-American Development Bank (IDB)

The IDB's portfolio of active operations in Guatemala is comprised of 104 projects for a total of US\$991.0 million, including 71 non-reimbursable technical cooperation projects, valued at US\$32.9 million, and 33 reimbursable projects for a total of US\$958.1 million. Of the total amount of development financing provided by the IDB, almost 97% is provided on a reimbursable basis.

For the purpose of allowing comparison between the programs of external assistance, the portfolio of the IDB has been divided among the four strategic areas identified by the Government. The division of the portfolio is as follows: sustainable productive development (53%), integrated human development (22%), Modernization of the State (19%) and national reconciliation, resettlement of UNRG and Demobilization of former combatants (6%).

The largest project being executed by the IDB in the sustainable productive development area is the Road Rehabilitation and Modernization (Phase I and II) project, which seeks to improve and maintain the network of highways and rural roads in Guatemala (US\$300.0 million). In addition, the IDB is supporting the modernization of food production, foreign trade, and rural development in the Petén region, among several other initiatives.

In the area of integrated human development, the IDB's largest project is the FIS-PRORIENTE (US\$90.0 million) a social investment fund focused on improving living conditions and poverty reduction. Other initiatives seek to improve, low and middle income housing, the extension and improvement of the national health system, and education reform, among others.

The largest project in the area of Modernization of the State seeks to promote participatory local development in five Departments in the West of the country (US\$40.5 million). In addition to several other projects supporting decentralization and the strengthening of management capacity at the local level, the IDB is supporting judicial reform and modernization of the customs service.

In the area of national reconciliation, resettlement of UNRG and demobilization of former combatants, the IDB is supporting the physical, social and human recapitalization of the areas affected by the armed conflict (US\$50 million). The Bank is also financing the preparation of feasibility studies for projects associated with the Peace Accords.

International Bank for Reconstruction and Finance (World Bank)

The World Bank's portfolio of active operations in Guatemala is comprised of 23 projects for a total of US\$329.3 million. Of the total amount contributed to Guatemala by the IBRD, 98% of the resources are on a reimbursable basis, and the remaining 2% are on a non-reimbursable basis. The World Bank uses the following sectoral breakdown to characterize its active portfolio in Guatemala: development (41%), infrastructure (21%), tax administration (9%), finances (5%), natural resources (5%), privatization (4%), and law (0.1%).

If the same portfolio is divided among the four areas defined by the Government, the sectoral breakdown is as follows: sustainable productive development (51%), integrated human development (34%), and Modernization of the State (15%).

The largest project in the sustainable productive development area is financing the construction and maintenance of primary and secondary roads (US\$66.7 million), which is being supported by the execution of non-reimbursable technical cooperation resources as well. In addition, the World Bank is supporting the Ministry of Agriculture's efforts to improve land administration and titling and the management of natural resources in the highlands and around the Tigre Laguna, among other projects.

Under the rubric of integrated human development, the World Bank's largest project under execution is the Social Investment Fund (Phase II), which finances small-scale social infrastructure (US\$50 million). In addition, the World Bank is supporting the Ministry of Education's efforts to expand and improve the quality of primary education as well as FONAPAZ's community development activities.

For Modernization of the State, the World Bank is developing institutional reform projects in several key government agencies. The largest project seeks to modernize the judicial system (US\$33 million). The World Bank is also strengthening the Tax Administration Service and helping implement an integrated financial administration system.

Organization of American States (OAS)

The OAS assistance program in Guatemala is comprised of 7 projects for a total of US\$11.3 million. All the projects being executed by the OAS are financed by grants from countries with bilateral programs in Guatemala.

The OAS assistance focuses almost exclusively on national reconciliation and demobilization of former combatants. The largest project in the OAS portfolio seeks to promote a political culture based on dialogue and consensus (US\$5.2 million). In addition, the OAS is working to promote democratic values within Guatemala's political parties.

The OAS also has three projects under execution that finance the destruction of anti-personnel mines and one project that seeks to strengthen the Supreme Electoral Tribunal.

United Nations System

World Food Program (WFP)

The WFP's portfolio of on-going operations contains 6 operations that are valued at US\$40.1 million. The entirety program of the projects being executed by the WFP is financed through international contributions, on a non-reimbursable basis.

The sectoral breakdown of WFP's projects under execution is as follows: integrated human development (67%), sustainable productive development (19%), national reconciliation and demobilization of former combatants (14%).

The largest project oriented towards integrated human development in WFP's active portfolio promotes the incorporation of women into the training activities provided to their children while providing for childcare for young children (US\$16.1 million). In addition, WFP is executing projects to support the nutritional level of children, providing two balanced meals per day for children attending school and working with pregnant mothers and infants.

In the sustainable productive development, WFP is supporting the food security of groups that live in areas vulnerable to natural disasters and adverse climatic conditions through two projects.

In the area of national reconciliation, the WFP is helping assure the food security of groups resettled after being displaced by the armed conflict.

United Nations Population Fund (UNFPA)

The UNFPA is currently supporting 6 projects in Guatemala for a total amount of US\$643,000. All of the resources managed by the UNFPA in Guatemala are provided on a non-reimbursable basis.

The sectoral break down of the UNFPA's program in Guatemala is as follows: integrated human development (92%), modernization of the State (8%). The largest project being executed by UNFPA seeks to incorporate awareness of population growth into the nation's curricula (US\$500,000). In addition, UNFPA is helping develop a plan to reduce maternal mortality, teaching migrants about the risks of HIV/AIDS, and working to coordinate efforts on HIV/AIDS prevention.

UNFPA is also supporting both the central government (SEGEPLAN) and the municipality of Quezaltenango, helping these bodies incorporate population and population growth into their planning exercises.

United Nations Office for Drug Control and Crime Prevention (ODCCP)

The ODCCP program of international cooperation with Guatemala is comprised of 6 projects for a total of US\$569,000. The program of external cooperation is funded on an entirely non-reimbursable basis.

The sectoral breakdown of the ODCCP's activities is as follows: integrated human development (87%) and Modernization of the State (13%). The largest project under execution by the ODCCP seeks to reduce the supply of illicit drugs in Guatemala by strengthening the regional center that trains judges in national and international jurisprudence as related to drug interdiction (US\$268,000). In addition, the ODCCP is supporting the improvement of forensic laboratories for testing drug samples, public awareness campaigns, and helping craft public policy related to control, rehabilitation and reinsertion of drug users

World Health Organization/Pan-American Health Organization (WHO/PAHO)

WHO/PAHO are currently executing 22 projects in Guatemala for a total of US\$17.4 million. All the resources being executed by WHO/PAHO are provided on a non-reimbursable basis. The sectoral breakdown of WHO/PAHO projects is as follows: integrated human development (100%).

The largest project being implemented by WHO/PAHO seeks to support the consolidation of the integrated provision of health services system by strengthening and accelerating the processes of oversight, management capacity, decentralization and decision-making (US\$4.8 million). In addition, WHO/PAHO are supporting projects in the following areas: health care accessibility, coverage and quality; strengthening the national program for control of tuberculosis, improving awareness and treatment for pesticide intoxication, reproductive health, HIV/AIDS, and domestic violence, among others.

International Organization for Migrations (IOM)

The IOM executes numerous projects for donors and for the Government of Guatemala. The total portfolio of operations that are currently being executed by the OIM contains 8 operations valued at US\$105.8 million. The majority of the operations executed by the OIM involve the reinsertion of displaced peoples or officials whose jobs became redundant as a result of the signing of the Peace Accords.

The largest project being executed by the OIM financed with government funds from FONAPAZ, focuses on developing projects in communities characterized by extreme poverty (US\$36.2 million). This is complemented by a project that seeks to develop economic and social infrastructure in Sololá and Chimaltenango. In addition, the OIM is executing several projects that provide services to populations displaced by the armed conflict.

United Nations Development Program (UNDP)

The UNDP serves the role of executor of projects financed through multilateral and bilateral cooperation as well as from government funds. The portfolio of projects under execution by the UNDP is quite extensive—currently it is comprised of 126 projects valued at US\$325.2 million.

These projects being executed by UNDP span the development sectors receiving support in Guatemala. The UNDP divides its sectors of activity into five areas. These areas, and their respective percentage breakdowns, are as follows: Modernization and Strengthening of the Democratic State (39%), Integrated Human development (25%), Special Issues associated with Peace and Emergencies (23%), Productive Sustainable Development (11%), and Other Issues of Interest to UNDP (1%).

The largest project in the Special Issues associated with Peace and Emergencies area seeks to reform the justice sector, to make it more effective, accessible and transparent (US\$33.2 million). In addition, UNDP is executing several other projects in the judicial sector, supporting the demobilization of former combatants, overseeing the implementation of the Peace Accords, among many other issues.

In the Integrated Human development area, the largest project being executed by the UNDP is introducing structural changes for the provision of health services (US\$14.4 million). In addition to several other projects in the health field, the UNDP is executing numerous projects in the fields of education, housing, poverty reduction, development of indigenous communities, among others.

The largest project in the areas of sustainable productive development supports the execution of a loan from the International Fund for Agricultural Development (IFAD operation number 296-GM), which seeks to improve the livelihoods of the residents of the Sierra de Cuchumatanes through a rural development plan (US\$12 million). In addition, the UNDP is executing numerous projects that seek to support the rational management of natural resources, protect biological resources, and promote sustainable development, among others.

In the area of Modernization and Strengthening of the Democratic State, the largest project being executed by the UNDP seeks to improve the land registry and the land cadaster in the Petén region (US\$36.6 million). In addition to several other projects that focus on land tenure issues, the UNDP is supporting numerous projects in support of the restructuring and decentralization of public agencies, the creation of an integrated financial administration system, the strengthening of the customs service, the improvement of tax administration, among others.