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COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

Consideration and approval of country programmes

FOURTH COUNTRY PROGRAMME FOR GUATEMALA

UNDP assistance requested by the Government of Guatemala
for the period 1985-1986

Illustrative IPF for 1985-1986: \$3,239,000

INTRODUCTION

1. The fourth country programme was prepared on behalf of the Government of Guatemala by the Secretariat of the National Economic Planning Council (SEGEPLAN), with assistance from the office of the United Nations Development Programme (UNDP), and represents the Government's formal proposal concerning the technical co-operation which it seeks from UNDP for 1985-1986.

* In accordance with decision 81/15, adopted by the Governing Council on 27 June 1981 (E/1981/61, Rev.1, annex I), the fourth country programme for Guatemala is being submitted to the Council without an accompanying note by the Administrator. The previous country programmes for Guatemala and the accompanying notes by the Administrator were issued under the document symbols: DP/GC/GUA/R.1, DP/GC/GUA/R.2, DP/GC/GUA/R.3, DP/GC/GUA/R.1/RECOMMENDATION, DP/GC/GUA/R.2/RECOMMENDATION, and DP/GC/GUA/R.3/RECOMMENDATION respectively. The third country programme extension was issued under the document symbol DP/CP/GUA/EXTENSION.

2. The third country programme for Guatemala covered the period from January 1980 to December 1983 and was approved by the Governing Council at its twenty-seventh session. In accordance with the revised country programming procedures, the Government of Guatemala requested a programme extension of one additional year, until the end of 1984, and this request was approved by the Governing Council at its June 1984 session.

3. The programming exercise began in the second half of 1984, the UNDP office having prepared two documents: one analysing the country programme for 1980-1983 and its extension through 1984; and the other containing proposals for potential projects, some of them formulated by agencies of the United Nations system and national agencies. Likewise, SEGEPLAN identified and selected a series of projects based on sectoral demands and complementary to the Government's efforts to render practicable the priority activities of the National Development Plan approved by the executive authorities on 29 December 1983. In this context, working meetings were held at which the projects to be executed during the period 1985-1986 were defined.

4. The first year of the new programme coincides with the short-term national development plan elaborated by Guatemala, which covers the period 1984-1985. Although this plan does not itself extend to 1986, programming for that year is based on the economic and social development objectives set for the short, medium and long terms.

5. The indicative planning figure (IPF) made available to Guatemala for the 1985-1986 country programme is \$3,239,000, which amount covers the programming of new projects and the extension of ongoing ones. The IPF for 1985 was established at \$1,949,000 and for 1986 at \$1,290,000, to which must be added the Government's contribution in the form of cost-sharing by national agencies for the execution of projects.

6. The aim of the programme is to enlist the aid of UNDP in solving critical problems in areas assigned national priority, thereby taking advantage of the catalytic role of the United Nations system. Due attention was paid to the co-ordination and complementarity of the projects making up the programme, with a view to maximizing gains.

7. Every effort will also be made to provide effective support to regional and interregional projects in priority areas. Concurrently, Guatemala will profit from United Nations system co-operation in the execution of activities in areas covered by the programme, with a view to ensuring effective collaboration in the attainment of the objectives of the national development plans.

8. In addition, the IPF resources will be supplemented by the contributions of such international institutions as the Inter-American Development Bank (IADB) and the World Bank.

9. So as to apply the new dimensions advocated by the United Nations, technical co-operation activities among developing countries (TCDC) designed to achieve a broader and more efficient use of available resources and to integrate external co-operation and available capacity in the region will be encouraged.

I. PLANNED UNDP TECHNICAL CO-OPERATION IN SUPPORT OF
NATIONAL DEVELOPMENT PRIORITIES

10. Guatemala is passing through a socio-economic crisis, which has grown more acute in recent years owing primarily to the international economic recession, the difficulty of obtaining financing, the shrinkage of private investment, the decline of exports, the flight of capital, the weakening of the Central American Common Market and the contraction of public expenditure.

11. With a view to alleviating the problems resulting from the crisis and laying foundations for sustained growth in the future, it is essential that Guatemala should be able to satisfy more adequately the basic needs of the majority of the population in so far as diet, health, education, housing, social security and, in a broader sense, social participation and organization are concerned.

12. To this end, it will be necessary to attain the following general goals:

(a) To begin to reactivate the economy;

(b) Gradually to redistribute national income, so that the majority of the population, particularly in rural areas, becomes active in and benefits from national development;

(c) To strengthen relations with the outside and to maximize any benefits therefrom in order to serve the national interest.

13. Every effort will also be made to achieve the following specific objectives:

(a) To revive the growth rate of and diversify production;

(b) To strengthen the development of the productive sectors of the economy, and primarily that of private one-man enterprises and partnerships, with special attention being paid to the rural population, particularly in the high plateau (altiplano) region;

(c) To reduce extreme poverty, especially in rural areas;

(d) To reduce unemployment and underemployment, principally in rural areas;

(e) To provide the physical means for the establishment and consolidation of regional, departmental and municipal entities, both public and private, in order to initiate and strengthen territorial management;

(f) To ensure that investments and foreign technology are used for sectors and projects which are currently lacking in the country;

(g) To initiate and build up a new form of State participation, which is efficient and effective, in the promotion and guidance of development through deconcentration, decentralization and increased involvement of the people in development.

14. The structure of the present programme complies with the strategy guidelines for the national plans already mentioned, as outlined in detail in the descriptions of the various projects, which are in the following sectors.

A. Policy matters and development planning in general

15. The project Assistance to the national statistical system (GUA/84/015) was selected for the purpose of providing adequate, reliable and timely statistical data on economic and social variables for national development planning. It will assist in the reorganization of the Directorate-General for Statistics (DGE), will strengthen the operation of the national statistical system (SEN) and will help to formulate the national statistical plan.

16. The Committee for National Reconstruction (CRN) was established by the Government of Guatemala to deal with the destruction left in the wake of the earthquake which shook the country in February 1976. It was subsequently decided to insert in the physical reconstruction activities a rural development strategy which would ensure the involvement and active participation of agricultural entities in areas with a high concentration of agricultural producers. Within the framework of those activities, the United Nations system was asked to co-operate in the preparation of the first comprehensive rural development project, which was started in early 1984, called "Formulation of an agricultural component for a national programme of comprehensive rural development" (TCP/GUA/44001). A second, complementary phase will consist of the project Support to the comprehensive rural development project - Izabal (GUA/84/004), whose objective is to improve living conditions for approximately 5,000 families in a relatively underdeveloped area of Izabal Department.

B. Natural resources

17. Guatemala requires a comprehensive energy plan for the evaluation of alternative ways of rectifying structural distortions in hydrocarbon-based energy consumption and of adequately developing renewable natural energy resources, the exploitation of which is significantly low. To this end, there is an ongoing project called "Comprehensive energy planning compatible with economic and social development" (GUA/81/002).

18. In support of activities to optimize the development of petroleum resources and ensure their efficient management, there is an ongoing project entitled "Technical assistance for geology and petroleum geophysics" (GUA/83/007), which is a complementary phase of the projects Petroleum and energy development (GUA/74/014) and Petroleum and energy development, phase II (GUA/81/003).

C. Agriculture, forestry and fisheries

19. Agriculture is the most important sector of the Guatemalan economy in terms of manpower utilization, exports and share of the gross domestic product (GDP). To help the sector realize its potential and thereby augment its contribution to the growth of production, the employment of human resources, income distribution, the expansion of the domestic market and the generation of foreign exchange, a project entitled "Agricultural planning" (GUA/81/001) was recently executed.

20. In the light of the results of that project and the experience obtained in the course of its execution, it is felt that policy and project formulation capacity with respect to the appropriate management of short-term and medium-term agricultural and rural development should be strengthened during the period 1985-1986 by means of a project entitled "Assistance in the formulation of policies and projects for agricultural and rural development" (GUA/84/009), which will be executed by the agricultural planning sectoral unit of the Ministry of Agriculture, Livestock and Food. The principal components are: the strengthening of operational capacity for processing quantitative data in order to be able to prepare model balances for yearly evaluations of the performance of the Food, Agro-Exports, Forestry and Fisheries System; and the forward analysis of sectoral trends as a basis for policy-making and decisions on the generation of investment projects and the assignment of priorities to such projects. In addition, SEGEPLAN will be given assistance in preparing information and analysis for the definition of regional global development policies and projects.

D. Transport and communication

21. There have been some improvements in the postal services as a result of activities carried out principally within the framework of the project entitled "Improvement, development and integration of the postal services" (RAL/77/001). With a view to the administrative reinforcement of the Directorate-General for Postal Services, it is intended to execute the project Improvement and development of postal services (GUA/84/010), the goal of which is to carry out short-term activities aimed at improving the management and operation of postal services as a basis for the provision of new services and facilities.

E. International trade and development financing

22. The national development strategy for the period 1984-1986 is largely based on the promotion and development of traditional and non-traditional exports destined for markets both within and outside the Central American region. Projects GUA/79/003 and GUA/83/002 were designed to advise Guatemala regarding exports and, more specifically, to provide technical support to the entity responsible for promoting exports, which was formally the National Centre for Exports (GUATEXPRO). The Department of Domestic and Foreign Commerce of the Ministry of Economic Affairs, which is currently responsible for carrying out export promotion policies, will receive institutional support through the project Development of exports (phase III) (GUA/84/011), in order to be able to advise exporters concerning international marketing, product adaptation, information on and promotion of exports and new product development.

F. Health

23. The health sector has identified the following serious problems which contribute to the high incidence of diarrhoeal, parasitic and other diseases: poor personal hygiene and environmental sanitation, and poor access to and use of existing services, owing to those services' inadequate coverage of the community, the lack of promotion of programmes and the mediocre care provided. Given the problems described, the Government has taken a series of measures, including action to monitor drug quality, designed to ensure that people receive pharmaceutical preparations which comply with existing standards of quality, safety and efficacy; hence the execution of the ongoing project National programme for the control of drugs and pharmaceutical products (GUA/83/003).

24. The project Strengthening of the potable water and sanitation sector (GUA/84/007) is to be launched within the framework of the International Drinking Water Supply and Sanitation Decade; its purpose is to improve the health of the rural population and to enhance waste-disposal services and environmental sanitation in general.

G. Education

25. The basic problem facing the education sector is the fact that large groups of the population have had little or no formal schooling owing to the lack of educational opportunities and the deficiencies of the educational services, which are primarily due to: (a) irrelevant educational curricula; (b) the provision of insufficient services which do not take into account the problems of the people, especially the indigenous population; (c) the unsatisfactory quality of education; (d) the administrative shortcomings of the educational system; and (f) the poor or even inexistent functional linkage between components of the educational system.

26. "Support for the development of the education sector" (GUA/83/001) is now under way; its purpose is to help the Government to promote development in various key areas identified in the National Development Plan for 1984-1986, to implement the recommendations of the project Support for the education sector (GUA/78/013) and to solve some of the national education problems.

27. Owing to settlement programmes and the irrational use of wood, it is thought that forest cover could cease to exist in approximately 50 years. All efforts by the Government to remedy this situation and to implement the new forestry legislation, whose approval is pending, will require activities of an institutional and technical nature which cannot be undertaken without the aid of forestry engineers. Accordingly, the project Feasibility study for the creation of the profession of forestry engineer (GUA/84/012) will be carried out by the University of San Carlos de Guatemala and the National Forestry Institute. To this end, the Government requires initial UNDP support in the form of preparatory assistance for the formulation of a technical and economic pre-investment document. Additional resources will be sought from bilateral sources and from countries of the region through TCDC.

H. Culture

28. Although Guatemala possesses irreplaceable vestiges of the different stages of its historical evolution, it cannot, owing to a lack of technicians in some branches of knowledge, pursue adequately the recovery and preservation of its cultural heritage. With a view to making good this deficiency, it is intended to carry out, in co-operation with the regional cultural heritage project RLA/83/002, a project entitled "Recovery, preservation and promotion of the cultural heritage" (GUA/84/013), the aims of which are to establish a continuing programme for the dissemination, promotion and development of culture and the preservation of the cultural heritage.

I. Science and technology

29. In order to furnish institutional support to the industrial property register, advice from various sources was provided within the framework of the project Making technical co-operation viable (GUA/81/008). That advice has laid the foundation for the forthcoming execution of the project Modernization of the administration of industrial property (GUA/84/014), which will lead to the provision of new technical information services and the creation of a technology selection, acquisition and adaptation capability.

30. With a view to improving the quantity and quality of the hydrometeorological data and techniques available to assist decision-makers concerned with the evaluation, planning, development and management of water resources for domestic, industrial, agricultural and other uses, the ongoing project entitled "Establishment of hydrometeorological data" (GUA/83/009) will be continued.

J. Miscellaneous

31. The project Assistance designed to promote the feasibility and optimum use of international technical co-operation (GUA/81/008) will continue to be implemented for the purpose of dealing with contingencies which are not provided for under other projects and with which the Government cannot cope from its own resources.

32. The project Horizontal technical co-operation (GUA/84/016) will permit the scientific and technical expertise available in the region to be tapped. Under this project, UNDP will make funds for TCDC activities available to the Government.

33. The project Support to the World Food Programme (GUA/84/017) will assist activities for the participation of women in development. These will reinforce the activities under a project of the Community Development Office entitled "Training of women for community development".

II. RELATIONSHIP OF THE PROGRAMME TO OTHER TECHNICAL CO-OPERATION PROGRAMMES OF THE UNITED NATIONS SYSTEM

34. As far as the technical co-operation extended by the specialized agencies of the system is concerned, projects will continue to be carried out with the collaboration of the United Nations Children's Fund (UNICEF). The estimated contribution for the period 1985-1986 will total \$1,333 000, with emphasis being placed on formal and non-formal education, basic environmental sanitation in rural areas, primary health care and nutrition, and the advancement of women.

35. The health sector continues to receive assistance from the Pan American Sanitary Bureau (PASB). Contributions of \$2,795,000 and \$3,122,900 for the bienniums 1984-1985 and 1986-1987 are contemplated, and these resources will be used to assist the execution of projects for the development of the health system and human resources.

36. As regards the biennium 1985-1986, the World Food Programme (WFP) is expected to approve an estimated amount of \$27 million for activities additional to the ongoing projects, which would make a total of \$46 million for the period 1982-1987.

37. Support will continue from various agencies, including the International Atomic Energy Agency (IAEA), the Food and Agriculture Organization of the United Nations (FAO), the Special Industrial Services of the United Nations Industrial Development Organization (UNIDO), the World Meteorological Organization (WMO), the International Labour Office (ILO), the International Telecommunication Union (ITU), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the United Nations Conference on Trade and Development (UNCTAD), the International Trade Centre (ITC), the United Nations Revolving Fund for Natural Resources Exploration, various trust funds and the Voluntary Fund for the United Nations Decade for Women. Another source of co-operation is the United Nations Fund for Population Activities (UNFPA), which in the period 1985-1986 will continue to assist projects concerned with mother and child care and family well-being, household surveys, population education, the preparation of studies and policy formulation, at a cost of \$1,844,800.

Annex

FINANCIAL SUMMARY

(US dollars)

A. IPF and other resources

(i) Illustrative IPF for 1982-1986	13 000 000
(ii) Less unprogrammed balance <u>a/</u>	(5 850 000)
(iii) Less expenditure for 1982/1983	(2 773 000)
(iv) Less estimated expenditure for 1984 <u>b/</u>	(1 067 000)
(v) Previous IPF cycle balance	(71 000)
(vi) Other resources (Government cost-sharing)	(631 800)
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Total resources available for programming	3 870 000
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B. Use of resources

(a) <u>Programmed</u>	
(i) Ongoing projects	2 075 300
(ii) New projects and new phases of projects included in the country programme	1 795 500
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Total programmed	3 870 800
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C. Financial distribution of programme by sector

<u>Sector c/</u>	<u>Ongoing projects</u>	<u>New projects</u>	<u>Total</u>
02 General development issues, policy and planning		380 000	380 000
03 Natural resources	718 200		718 200
04 Agriculture, forestry and fisheries	256 900	360 000	616 900
06 Transport and communication		115 200	115 200
07 International trade and development financing		163 000	163 000
10 Health	86 800	314 400	401 200
11 Education	927 000	90 200	1 017 200
16 Science and technology		162 700	162 700
17 Miscellaneous	86 400	210 000	296 400
	<u>2 075 300</u>	<u>1 795 500</u>	<u>3 870 800</u>

a/ Representing 45 per cent of the illustrative IPF which has not been taken into account for programming.

b/ Estimated expenditure as at 4 November 1984.

c/ According to ACC classification.