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Guatemala



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1. Country comments

1.1 Introduction

Guatemala is, in many ways, a new democracy and after 15 years of democratic rule it is still a weak one. After hundreds of years of non-democratic rule it had become a severely divided country, where the majority of the population – the indigenous peoples, women and the rural population – are marginalized and excluded. Huge inequalities persist, even though some improvement can be seen within areas such as education, health and justice. Guatemala is by far the most populated country in the region, and also one of the richest. However as extreme inequality prevails, the poverty level is also one of the highest.

Lack of improvement in the economic situation for the majority of the population has resulted in public support for democracy decreasing from an already low level. Expectations are high as far as short-term results are concerned, but real improvements are slow for both internal and external reasons.

The Peace Accords signed at the end of 1996 imply, among other things, recognition of the historical discrimination and exclusion of the indigenous peoples of Guatemala. It is not without cause that in this multiethnic, multi-linguistic and multicultural country, a specific agreement on Indigenous Peoples' Rights has been included as a part of the Peace Accords.

The indigenous peoples constitute the majority of the Guatemalan population, but are also the one group who suffer most from economic, political and social exclusion. The regions where the majority of the indigenous population live show the lowest Human Development Index. The low representation of indigenous peoples in Congress demonstrates their limited opportunities regarding political participation. During his visit to Guatemala in September 2002, the UN Special Rapporteur on Indigenous Rights stated that Guatemalan society is a de facto apartheid system.

1.2 Peace process

Important progress has been made in the implementation of the comprehensive Peace Accords from 1996, however, the difficult parts are yet to be dealt with. Particularly the Special Agreement on Indigenous Rights

has seen little progress. Many reforms that require laws adopted by Congress are still pending mostly due to lack of political will combined with an opposition that blocks most initiatives from the ruling party, without concern for the implications. Furthermore, popular awareness is at a worrying level as far as the future process is concerned. The government has not made any serious efforts to implement Truth Commission recommendations.

The mandate for the UN Peace Mission (MINUGUA) runs out in 2003, and there is now an urgent need to secure the transition of some of its functions and responsibilities to national institutions.

There are an increasing number of local conflicts throughout the country. The lack of improvements in living conditions, unfulfilled political promises, high expectations and poor access to the justice system are factors which, taken together, have lead up to the present problematic situation in the country. Although conditions are different from the period before the civil war, without sustainable solutions current tensions and problems could, in the medium run, threaten national stability, democracy and peace in Guatemala.

The government is making progress on some of the issues discussed during the Consultative Group meeting in Washington in February 2002, but the promised acceleration of the implementation of the Peace Accords has not been accomplished. A follow-up CG meeting will be held in May 2003.

1.3 Political situation

The political situation is highly complex in many ways. The ruling FRG party has a majority of seats in Congress and a rather extensive organization throughout the country. At the same time, there is internal division within the party and the government, the President is being marginalized by the party and is in a state of confrontation with most groupings within Guatemalan society. There is also a nearly total lack of coordinated political opposition in the Congress. The FRG party leader, former dictator and ex-general Rios Montt, is unthreatened in his position and has declared that he will be the presidential candidate for FRG in 2003 even though this would be contrary to the terms of the constitution. Corruption charges continue to badger the government, even though some efforts have been made to institutionalize anti-corruption measures. The armed forces have benefited from increased resources, a fact that totally contravenes the spirit of the peace accords.

One growing problem for the government is increased discontent within the former paramilitaries (PAC). There have been several blockades of airports and roads, staged by tens of thousands of ex-PACs demanding compensation for their assistance to the armed forces during the internal conflict. The government has succumbed to these pressures and has promised compensation to some 200 000 former members of the paramilitary civilian defense groups. The government has been heavily criticized for this decision. The criticism, coming from human rights groups and international donors, concerns the implications of such a step for the

peace process in general and the reconciliation process in rural communities in particular.

1.4 Human Rights

The Human Development Index for Guatemala is the lowest in the region. Indicators for health and education are still alarming, even though a certain improvement can be observed in these sectors during the last decade.

Regarding public spending on health, the budget for this area has, after a slight augmentation directly following the signing of the Peace Accords in 1996, diminished from 2.2% of GNP to 0.9% during the period 2000–2002. The most excluded groups in all respects are women, indigenous peoples and the rural population; thus the majority of the citizens.

The situation regarding the first generation of Human Rights is obviously much better than during the period of armed conflict, but the last six months have shown considerable deterioration. The number of threats against justice workers, indigenous leaders and human rights activists rose during the period and the aggressors enjoyed almost total impunity. This is one of the main causes for the generally low confidence in the justice system, and also an explanation of the remarkably high number of lynching incidents in the country. The UN Special Rapporteur on Human Rights visited Guatemala in June and in September, the UN Special Rapporteur for Indigenous Rights also paid a visit to the country and one of his conclusions was, as mentioned above, that the Guatemalan system is one of de facto apartheid. In connection with his visit, the Congress and the President passed a much-discussed law which makes discrimination illegal.

In response to an initiative by the Human Rights Ombudsman and in negotiation with the Guatemalan human rights movement the government agreed to create a commission to investigate the existence and operations of parallel power groups within the state apparatus. This commission will include a representative for the UN and the OAS respectively and one Guatemalan citizen.

1.5 Economic development

Guatemala continues to experience considerable macroeconomic stability, and its external and internal debt levels are the lowest in the region. The currency quetzal has even appreciated by 12% since 2000, and some analysts foresee a correction downwards. The main threats to the economy are the poor prospects of an increase in exports, the weak economic recovery in the US, lack of modernization of the economy, an overvalued currency, still rather high (but slowly decreasing) interest rates, and last but not least, the extremely high levels of poverty (57%). The overall GDP growth was 2% for 2002, which is less than the annual population growth of 2.5%. As is the case in most Latin American countries, regular growth rates have limited effect on poverty due to the unequal distribution of income. In an effort to diminish inequality, the Portillo government has raised the minimum wage by 45% since 2000.

The increasing inflation rate has slowed down slightly during the period, mainly due to a decrease in consumption, but was 6.3% for 2002.

The substantial increase in family remittances from Guatemalans in the US is holding back the current account deficit. Tax revenues for 2002 increased by more than 20%, indicating some success in cutting tax evasion. Nevertheless, the total tax take will reach just above 10% of GNP, below the 12% set up in the Peace Accords, and even further away from a tax take that could mean some real opportunities for the government to fight poverty and foster development. Corruption is a major problem and an anti-corruption commission has been established. The commission will elaborate an anti corruption plan for the government to implement. The development of the system for transparency in the public sector (SIAF¹) is advancing with financial and technical support from the World Bank and is covering an increasing number of ministries, other governmental agencies and finally will also deal with municipalities.

The standby agreement with the IMF has not been prolonged during the period. The agreement initiated a strengthening of the financial sector and prepared for a social reform in the medium term, but at the same time tough IMF demands on public deficit are decreasing the available range of action. To cover the deficit for 2003, the government tried to issue international bonds to the amount of MUSD 700, however due to a boycott from the private sector organization CACIF and the very low interest on the international market, only a small part has been placed.

The possible free trade agreement (FTA) with the US will probably not affect exports to any greater extent, since the US have a negative attitude towards the idea of negotiating on agricultural subsidies. Nevertheless, it could probably result in some positive impact on foreign investments.

Drug traffic through Guatemalan territory generates violence and organized crime due to the enormous wealth of the people involved in the trade. It also destabilizes the already weak democracy and the justice system in the country. Shortly after severe criticism from the USA on the lack of action against the drug traffic, several tons of cocaine were decommissioned by the police. (The special drug-fighting agency DOAN was abolished due to corruption problems). There are legal initiatives to fight money laundering in place, but the country is still not internationally accepted according to GAFI standards.

The coffee crisis is seriously affecting the main export product of Guatemala. The drop in the value of coffee exports has so far been counteracted by an increase in sugar, bananas and oil exports. Another effect of the crisis has been that hundreds of thousands of coffee workers have become unemployed, which further increases poverty and illegal emigration to the US.

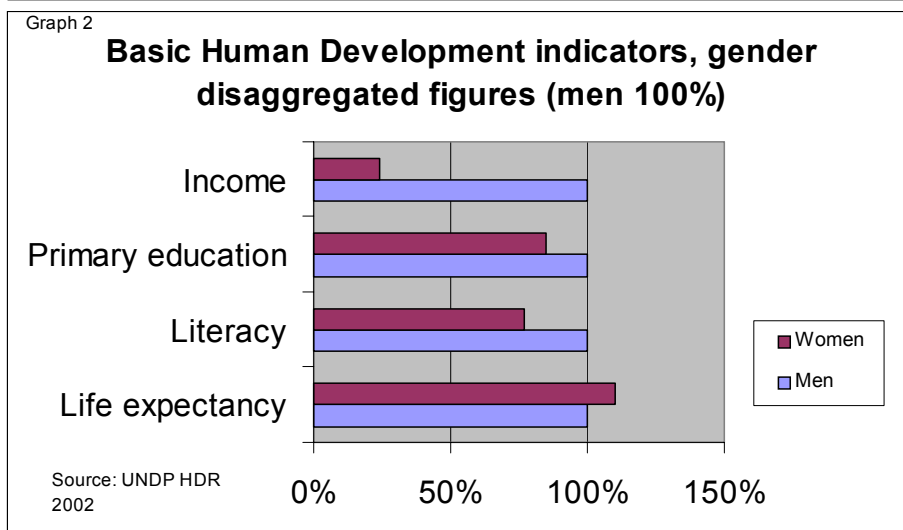
1.6 Exclusion

The Guatemalan society is characterized by structures and a culture that maintain the exclusion of a huge part of the population. Based on “machismo” and racism the system excludes women, the poor and indigenous populations. There is also a major difference between rural and

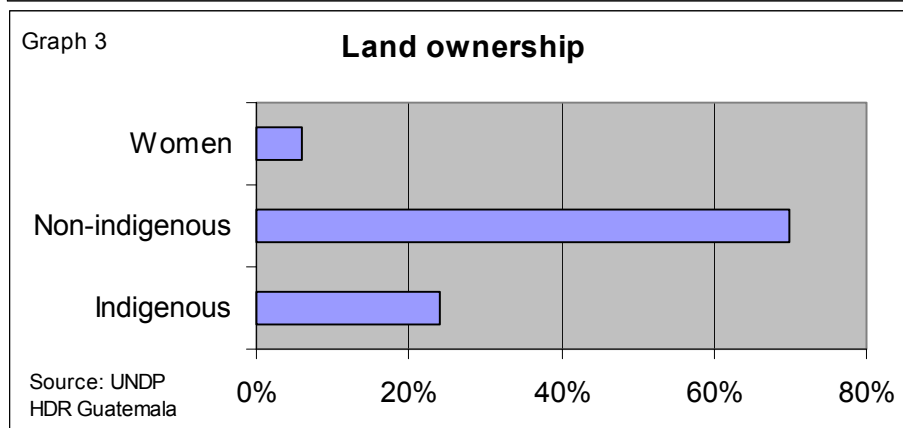
¹ <http://www.siafsag.gob.gt/>



urban areas. Approximately 60% of Guatemalan families live in the countryside, and 93% of the extremely poor families live in rural areas. Graph 1 shows the differences in income between women and men, countryside and cities and indigenous and non-indigenous populations.



There are differences in human development between women and men. When it comes to life expectancy women tend to live longer but in all other indicators they fall below the men. Graph 2 shows the gender structure of some basic indicators.



Guatemala is a multiethnic and multicultural society, with half of the population being Maya, Xinca or Garifuna. In some parts of the country, especially in rural areas, the indigenous peoples form the majority of the population.

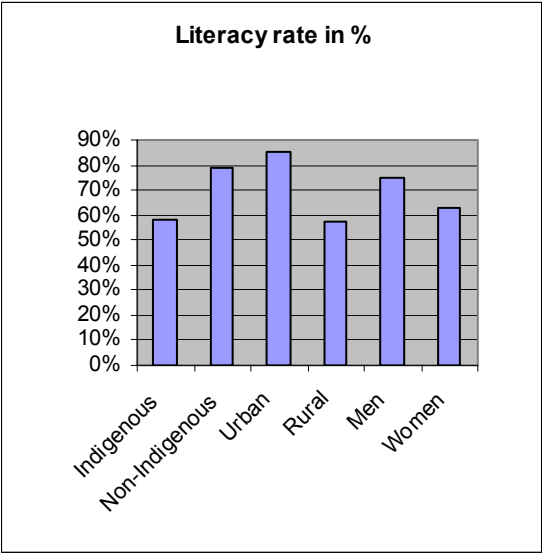
The Guatemalan national identity could be based on the culture of the indigenous population and its traditions, community values and spirituality, but far from being full members of the society, the indigenous peoples have been excluded, discriminated against and marginalized for centuries. This is manifested in disdain and rejection towards indigenous people and a situation of disadvantage as concerns access to the benefits of development and social and political participation.

The UN Special Rapporteur on Indigenous Rights visited Guatemala during the second half of 2002. He mentioned the right to land, access

to justice and the right to education as three areas of extreme exclusion.

When it comes to education the average duration of an indigenous boy’s schooling is a little more than two years, for an indigenous girl only one and a half years.

The situation for indigenous people concerning access to the formal justice system gives cause for concern. The government and the judicial system have taken measures to extend the justice system and to respond to their different needs, but measures still do not cover the whole country. The formal legal system has problems dealing with indigenous customary law and there is also lack of judicial interpreters.



2. Swedish development cooperation with Guatemala

Sweden signed a procedure agreement for development cooperation with Guatemala, ratified by Congress in March 2000, which does not specify level of disbursements. The majority of Swedish cooperation with Guatemala is channeled through untied contributions. During the last five years, disbursements have fluctuated between MSEK 88 and MSEK 147. Planned disbursements for 2003 are MSEK 100.

Development cooperation with the country is governed by Sweden's Regional Strategy for Central America 2001–2005, which defines the following priority areas for Guatemala:

Economic and social equality

Democratic development in society

The current strategy period focuses on strengthening democracy and the rule of law, especially at local level, on increasing the participation of women and indigenous peoples in social and political processes and on fostering economic and social structural changes.

UNDP is still the major partner for Swedish development cooperation in Guatemala, administering 18 projects of a total of MSEK 98. Other UN agencies with a presence in the country, such as MINUGUA, UNICEF and UNOPS also receive support for project implementation.

During the reporting period, two new projects have been granted financial support:

Continuing support to Health Sector Reform

Supreme Electoral Court and OAS

The stated policy of further consolidating and concentrating development cooperation with Guatemala continues. During this reporting period, nine projects have been concluded.

For the upcoming six-month period, the Embassy will participate in the assessment of the following projects/programs:

Justice Program focused on access

Fund for projects aimed at increased participation of indigenous population

Fund for projects aimed at the increased participation of women

Enhanced citizen participation in the municipal elections of 2003 and transparent transition of Local Governments (jointly financed with BMZ; implementation coordinated by GTZ)

Local political leadership in Quetzaltenango, MUNIKAT.

3. Projects and programs

Below is a brief description of the progress of the different projects and programs supported by Sida in Guatemala. The description follows the three operational areas defined in the country program.

3.1 Strengthening democracy and rule of law

Democratic institutions in Guatemala are still in a consolidation phase. Public support for democracy is decreasing slightly largely due to the negative media, the many corruption cases and also the lack of economic progress for the majority. A similar negative trend can also be seen regarding the Peace Accords, which still constitute the blueprint for reform and modernization of the state. The “no” in the referendum in 1999 complicated the process so now each issue has to be negotiated separately. Despite this, several laws have been passed which, if implemented, can strengthen local democracy and participation. These include legislation on decentralization, a new municipal code, and the law on development councils.

The reform of the justice sector is advancing despite serious lack of resources and capacity in some key institutions. There is a clear commitment to reforms and changes within the management of the official justice system. The concept of indigenous rights has still not been accepted and integrated into society, but several important efforts have been made in this direction.

Impunity continues to be very high for privileged groups, and the increase of threats and attacks against judges and other justice employees is slowing progress down.

The Peace Secretariat SEPAZ (UNDP)

The role of SEPAZ is to promote the implementation of the Peace Accords, especially within the government and also through facilitating dialogue between state, government and civil society. The President appointed a new Secretary to head the secretariat. This has caused a revitalization of the institution. Swedish support has made the SEPAZ administration more efficient as regards strategic planning and coordination efforts. An important part of their work is to prepare analyses, reports and evaluations concerning the fulfillment of the Accords, strategy

renewal and related law proposals. As mentioned earlier, the political environment is a constraint on the work of SEPAZ. The program is also contemplating support to “Peace institutionality”, which basically consists of multipartite commissions on three levels:

- a) The Follow-up Mission for the Peace Accords is basically a continuation of the negotiating table between the government and the URNG accompanied by civil society and the international community. The strength of the Commission has varied, but lately it is more active
- b) Joint commissions on special issues, with representatives of indigenous peoples and the government, negotiating the implementation of the Specific Agreement on Indigenous Rights, and
- c) Regional “mesas de concertación” which are departmental multi-institutional fora for coordination, working primarily at local level with consultation and follow-up of the implementation of the Peace Accords. After several proposals from the “mesas” as well as the Embassy, the project has recently initiated direct support to 12 “mesas” in accordance with the initial objectives. This will increase their ability to act at local, regional and national levels.

Sida support: MSEK 12.5 for 2001–2003.

Legislation from the Peace Accords Agenda, PROLEY (MINUGUA)

Sida has supported the PROLEY project since 1996. It is aimed at promoting the legislative peace agenda through technical and political support to Congress. The aim is also to foster a broader inter-sectoral dialogue on law proposals, as well as information campaigns on laws passed. For example, the law on Development Councils has been translated into the four major Maya languages and 2000 copies distributed. During this reporting period, several laws were passed, such as the Law on Discrimination, the Law on Holy Places and the Law on “Probidad”. Technical assistance has been provided especially for proposed legislation on Social Services, Political Parties, Sexual Harassment, Cadastre, Access to Information and the Penitentiary System. A study has been made on how to increase the future sustainability of the project. Discussions are being held with representatives of the Congress, the UN system and other actors.

Sida support: MSEK 3.5 for 2002–2003.

Conflict resolution, the ProPaz Foundation

Sida has, together with Denmark and Norway, supported an OAS project Program for Dialogue Culture: Development of Resources for the Construction of Peace – PROPAZ since 1996. The main objective of this program is to facilitate negotiation processes in conflict situations and to build human resources for conflict resolution through training. The training program has been focused on agrarian and labor issues. Until November 2002, the project facilitated dialogue between the Human Rights Ombudsman, MINUGUA, donors and some civil society representatives, on how to deal with the transition phase when the MINUGUA mandate expires. The project PROPAZ has now become a public Guatemalan foundation called Fundación ProPaz, independent from the OAS.

The Foundation has assumed the coordination of the inter-sectoral dialogue group on the rights of the indigenous population, emanating from the CG meeting in February 2002.

Sida support: MSEK 7 for the period 2002–2005.

UN Peace volunteers, UNDP/Forum Syd/UNV

The UNDP, the UNV and Forum Syd implement the Peace Volunteer Program. During this period there were 17 volunteers, of whom 13 were Guatemalans and 4 Swedish. Half of them were working in organizations in the capital, and half in local organizations or municipalities located in the western and northern parts of the country. Their activities focused on strengthening local democracy and participation. An evaluation of this support was finalized in October 2002 and results are overall positive.

Sida support: MSEK 10.8 for 2000–2003.

Creation of civil Presidential Security Force – SAAS (UNDP/UNOPS)

The demilitarization of the presidential security forces is one of the most difficult matters outstanding from the Peace Accords. The present Estado Mayor Presidencial (EMP) is part of the armed forces and consists of more than 700 men. They deal with all security matters for the President and his family as well as other high ranking officials, but also a vast number of other issues. The symbolic meaning of the transition is huge, since the country's presidents have been heavily influenced by the armed forces for many years. The creation of the civilian Secretary for Security (SAAS) has so far been very successful. There are currently more than 200 trained agents who have assumed the protection of the Vice-President and his family as well as of several ministers, and are currently expanding their coverage. They also successfully covered security aspects during the visit of the Pope in July. The EMP has so far been reduced by 25%, however despite this, the funding they received in 2002 was three times the initial budget. The project is co-financed with the Netherlands, Norway, USA and the UK.

Sida support: MSEK 5 for 2001–2002.

Local democracy and participation (Diakonia)

The Swedish NGO Diakonia's work in Guatemala focuses on the issue of strengthening civil society organizations who work for sustainable democratic development. 20 organizations, mainly in the indigenous-dominated highlands, received support from Diakonia during the reporting period. These local and regional organizations work in the fields of increased participation, strengthening of local democratic organizations, municipalities and indigenous municipalities, conflict resolution and gender issues. Programs working with local authorities have been successful in improving strategic planning and increased openness towards, and coordination with, citizens. On the national level, Diakonia has been active in the preparations for the CG meeting in May 2003, as well as in various coordination fora managed by the European Commission. With its regional coverage, Diakonia plays a special role as coordinator for exchange of experience between local organizations from different Central American countries.

Sida support: MSEK 21.75 for 2001–2003.

Electoral inscription, TSE/OAS.

The National Electoral Commission (TSE) will organize a general election in November 2003. OAS is administrating the program which also is supported by USAID, Norway and Switzerland. As voter turnout has always been among the lowest in all Latin America, TSE is developing a comprehensive program to promote participation, pluralism, fairness and transparency in the upcoming elections. Groups such as indigenous people, women and youth show extremely high abstention rates. Information campaigns directed towards these groups are being carried out in Spanish and the major Maya languages. Special brigades are undertaking campaigns for voter registration all over the country. Special attention is paid to citizens' electoral information which now allows them to vote where they actually live and not, as in many cases, forcing them to travel to the city of their birth. Between January and March 31, more than 150 000 individuals were either registered or updated in the TSE voter registers. All the brigades and most of the local TSE offices throughout the country have received computer equipment. The computer network thus created will facilitate collection of current information and also activities on the actual the Election Day. TSE has also announced that the number of polling stations will be increased by nearly 50%, thus increasing access.

Sida support: MSEK 10 for 2003.

The Human Rights Ombudsman

Sida has been supporting the Human Rights Ombudsman since 1993. During the last 3-year period, Swedish support has been directed towards the creation of a planning department. Manuals, routines and planning mechanisms have been elaborated and put into action, thus improving the running of the institution. A new ombudsman took office in August 2002, and the last few months have shown significant improvements in the running of the institution, improved relations with human rights groups and donors and involvement in public dialogue fora. New Swedish support is directed to the further development of the Special Office for Indigenous Affairs, which includes the recruitment of 8 employees, training inputs, and production of in-house manuals on the subject. This new office will have regional delegates throughout the country working mainly with introducing or improving actions taken on indigenous matters within the Ombudsman Institution.

Sida support: MSEK 6 for 2002–2005.

Digitalization of testimonies from the Historical Memory Recovery Report – REMHI, Archbishop's Office for Human Rights (ODHAG).

As a continuation of earlier support for the elaboration of the REMHI report, this last phase will digitalize all oral and written testimonies which constitute the basis of the report, thus saving the information for future investigations and studies. There are a total of 6500 written and 5200 taped testimonies in 23 different languages to be processed. During this period, a total of 2678 testimonies from 950 cassettes and 24 500 pages

were processed and saved on 80 CDs. Systematization and cataloguing of testimonies will be more demanding than previously thought and are consequently taking more time than previously estimated. Project staff have been subjected to several intimidations and threats and have been forced to increase security measures.

Sida support: SEK 928 000 for 2001–2003

Support to MINUGUA's work with the National Civilian Police (PNC)

For several years, Sweden has supported MINUGUA in its efforts to strengthen important aspects of the unified Police Force that is a result of the Peace Accords:

- a) Human Rights aspects in training programs at the Police Academy
- b) Internal Control and Disciplinary apparatus
- c) Promotion of multicultural aspects of the PNC.

All three projects on institutional strengthening have been finalized during the current period as a consequence of MINUGUA's policy of gradual downscaling and withdrawal from Guatemala. The conclusions of a recent evaluation were that there had indeed been continuous progress, but that political turmoil at the Minister and the Chief of Police level during the last three years had slowed down the progress of project implementation. Middle-level police officers and ministerial functionaries involved in the efforts expressed skepticism as far as continued advancement of these activities was concerned now that the "MINUGUA watchdogs" would no longer be present.

- The "Multicultural Aspects" project continued its activities until 31st March 2003. As a concrete result of these efforts, the Chief of Police decided to formally create a special Office for Multicultural Aspects within the Police. This Office will also have three regional branches in the major regions of Maya population: Quetzaltenango, Alta Verapaz and Quiché.
- The other two projects concluded activities by December 2002. The final months were focused on the transition of mechanisms, material resources, etc. to national counterparts. A particular effort has been made to formalize the handover on behalf of the various organizations from civil society which have been involved in day-to-day operations.

Sida support: MSEK 4.3 during 2001–2002.

Modernization of the judiciary (UNDP)

In accordance with the Peace Accords, a commission presented recommendations on a comprehensive plan for the modernization of the judiciary. These recommendations constitute the basis of this support. So far, a new organizational structure has been implemented, including a financial and administration organization, installation of, and training in, new information systems, communication, improved routines for selection of judges and increased awareness and knowledge on alternative conflict resolution methods. There has also been a focus on increased inter-institutional coordination. During this period, an extensive training plan was

carried out covering approximately 2000 employees. The project ended on March 31.

Sida support: MSEK 9.8 for 2000–2003.

Civil society organizations and modernization of the justice system (UNDP)

The UNDP administers this project using funds from Sweden and Norway. It provides financial support to national organizations in order to carry out activities and studies promoting the modernization of the justice sector and increasing access to justice as stipulated in the Peace Accords. A dozen organizations receive funds for local and national projects. Themes covered include access to justice, indigenous justice, mediation centers and intra-family violence. Training in indigenous rights has been carried out in which 47 judicial employees participated. During the period, the projects reinforced their presence in the eastern part of the country, Chiquimula and Izabal.

Sida support: MSEK 6 for 2002–2003.

National Justice Commission (UNDP)

This support is an important part of the reformation and modernization of the judicial system, as stipulated in the Peace Accords. All public judicial institutions and universities, as well as three honorable citizens, participate in the multi-sector commission. There are also nine sub-commissions organized around themes such as access to justice, judicial career development and labor rights. The Commission has, during this period, been active in discussions and development of legislation proposals, the creation of a “Conscience Court on Racism” (without legal, but with moral authority), the creation of a dialogue group against lynching and the ratification of several international treaties.

Sida support: MSEK 3 for 2001–2003.

Democratic participation, PPD/IDEA international

The agreement on Swedish support was signed in June 2002. This program is a result of the IDEA international mission to Guatemala in 1997, and the report it produced “Democracy in Guatemala, the mission for an entire people”. During this reporting period, PPD continued supporting the promotional and organization process of the development councils, facilitating interaction between local, municipal and regional governments and civil society. The main objective is to support the development councils, which constitute an important base for the development of the democratic process. During this period, relationships have been established with 22 municipal development councils and 10 departmental development councils as well as a number of social sector organizations.

Support: MSEK 6 for 2002–2005.

School for Democratic Leaders, INGEF

INGEP is an academic institution within the Jesuit Rafael Landívar University promoting new political leadership. The School for Democratic Leaders has been operating since 1998 and offers political/democratic

education in 12 different regions in Guatemala. The main target group is potential leaders within social movements and civil groups. INGEF coordinated the visit of six Swedish political parties in October 2002. During this visit meetings were held with political parties, the indigenous mayors of Totonicapán and Quetzaltenango and civic committees. INGEF is also involved in an initiative² for national election observation. This will be the first effort of national character ever made in the country and will involve more than 2000 Guatemalan volunteers, citizens and members of universities and social sector organizations. In connection with this, a study entitled “Elections, political participation and Mayan people” will be carried out which will establish in what way the election system helps or hinders the participation of the indigenous people.

Sida support: MSEK 1 for 2002–2003.

Establishing a National Cadaster System

Swedish support to this area dates back to 1997 and has been channeled mainly through UNDP, with a smaller component consisting of contract-financed technical cooperation (with Swedesurvey providing the services). The main objective is to expand and reinforce national capacity within this field (including technical skills as well as systems development and institutional strength), in order to contribute to a functioning national cadastral system, thus increasing legal security concerning land ownership in Guatemala. The national counterpart is UTJ, a special technical and legal unit under the Ministry of Agriculture. In addition to cadastral work in the field, UTJ also carries responsibility for proposing legislation, rules and technical norms within this area.

Progress during the period in question includes the consolidation of a new regional office for fieldwork in the southern part of the country (in the department of Escuintla) and a substantial acceleration of fieldwork during the last few months of 2002 and the first months of 2003. However, in spite of coordinated and explicit donor concern, the proposed new law on the national cadastral system has still not been passed by Parliament. Furthermore, at the end of January 2003 it was withdrawn from Parliament by President Portillo’s Office, raising questions regarding the reasons for this action as well as doubts concerning the probability of successfully passing the law during the current legislative period. The absence of an adequate legal framework and the way this theme has been managed by Government and Parliament is now increasingly a matter of serious concern.

Sida support via the UNDP: MSEK 15 for 2001–2003,

Sida support via contract-financed technical cooperation: MSEK 10.2 for 2002–2005.

3.2 Participation and rights of women and indigenous groups

The political participation of women and indigenous people is still extremely limited. Within the broad Peace Accords, the Agreement on

² INGEF- Rafael Landivar University; Social Study Association-ASIES; The Manuel Colom Argueta Foundation- FMCA; The Central American Centre for Political Studies-INCEP; The Institute for Political Studies - INIAP; and the Institute for Political and Social Studies at San Carlos University-IIPS/USAC.

Identity and Rights of the Indigenous People is the part most ignored. Nevertheless, the recent laws on decentralization and development councils are providing opportunities for increased local and regional participation of women and rural populations. A much-discussed law on penalization of (racial) discrimination was passed by Congress, which may be regarded as an important, but not sufficient, step forward. The new law includes plans for anti-discrimination issues to be included in the school curriculum. A national forum of the various indigenous organizations is taking shape, and could constitute a future political power element.

Integral support to the Women's Presidential Secretariat-SEPREM

An agreement was signed in September 2001 between Sida and UNDP for this project. The main objective of the Secretariat is to promote equal opportunities for both genders within the government and public institutions. Both proposals in the Congress concerning new legislation and dialogue on the future of the institution have been discussed with civil society organizations. SEPREM has, in coordination with the National Institute for Public Administration, carried out academic training on poverty and gender equality in public policy for 53 civil servants from other governmental and public institutions.

There were meetings/training held on CEDAW (Convention on Eliminating All Forms of Discrimination against Women) as well as seminars on the construction and use of gender indicators. This resulted in the identification of 84 indicators in relationship to public policy. SEPREM has also succeeded in incorporating a methodological proposal for gender perspective into the national budget. They have also elaborated a national plan for the eradication of domestic violence and violence against women, which is now pending discussion and approval by civil society organizations. The plan incorporates gender equality into the current educational reform.

Sida support: MSEK 4 for 2001 – 2003.

Inclusion of a gender perspective in the planning and implementation of the poverty reduction strategy, Women's Presidential Secretariat and SEGEPLAN

SEPREM's main objective is to coordinate and promote gender aspects in public policies. An agreement was signed in October 2002 between Sida and SEPREM-SEGEPLAN for this project. The main objective is to incorporate an effective and efficient strategy with operative mechanisms that consider the specific needs of women into the national poverty strategy. During this reporting period, several activities were implemented regarding urban – rural development councils and promoting the participation of women in these. SEPREM also worked on the National Policy of Promotion and Development of Guatemalan Women. Four regional offices were inaugurated, in the departments of Baja Verapaz, Chiquimula, Jalapa and Huehuetenango in order to provide better services for women's organizations.

Sida support: MSEK 5.6 for 2002 – 2005.

Children's rights, UNICEF

Sida has supported a children's rights program through UNICEF since

July 2002 with the objective of strengthening the rights of children and women in Guatemala through national legislation in line with international law and conventions.

Some of the main achievements and activities within the different operational areas of the program were as follows: a consultant was employed to coordinate consultations with civil society, adolescent groups and governmental institutions in order to elaborate a public policy on children's rights. As the UN peace mission MINUGUA is soon to leave Guatemala, UNICEF has been entrusted with the verification of the Peace Accords regarding children in coordination with the Human Rights Attorney's Office. During the reporting period, a consultation process was initiated with different actors, including children and adolescents. Predominant activities within the area of legal reform consisted of lobbying. The work with children in custody has included the elaboration of criteria to protect juvenile delinquents through workshops with, initially, judges. UNICEF is also working with a program of "assisted liberty" as an alternative to detention for youngsters. As regards the area of violence prevention, UNICEF has organized workshops with important actors such as prosecutors and police, but also with teachers and supervisors of schools in high-risk areas of the department of Guatemala. Activities regarding Child Labor included support to the National Commission for the Eradication of Child Labor and workshops to establish situation analyses at municipal level. The community organization and participation project area has focused on strengthening municipal groups for child protection, created and administrated in coordination with the Human Rights Attorney's Office.

Sida support: MSEK 11 for 2002–2005.

National identity, cultural diversity and culture of peace (UNDP)

Sida has supported this project since 2001. The Ministry of Culture and Sports is promoting peace commitment through social participation in order to formulate, implement and monitor public culture policies. During this reporting period, a national seminar on culture and sports public policies was held, culminating the process of 14 regional workshops. An academic program was started in January 2003, including training for 110 civil servants from the Ministry of Culture and Sport. This program was coordinated with the del Valle University.

Sida support: MSEK 5 2001–2003.

CONALFA II literacy program (UNDP)

Sida has supported CONALFA in Huehuetenango and San Marcos since 1998. The current Sida support was to end in March 2003 but was recently extended. The program has produced material for bilingual literacy training in the Maya languages Mam and Q'anjob'al. CONALFA has also designed and validated work methodology on bilingual post-literacy activities. All the technicians in the program have been trained in methods for bilingual literacy. Initially, only 816 of a total of 1350 illiterate people passed the first phase. The phase of post-literacy training finished with the elaboration of 8 methodological units. Evaluation instruments have been produced in both Mam and Spanish. The methodology

of bi-literacy training teaches both languages (mam-castellano and q'anjobal-castellano). Among the topics used are: Peace Accords, integrated health, environment and gender. Illiteracy in Guatemala was approximately 30% in the 1999, and has now decreased to around 25%. The highest illiteracy rates are found among indigenous people and women.

Sida support. MSEK 5.6 for 2000–2002.

Ombudsman for the Rights of Indigenous Women in Guatemala – DEMI (UNDP)
Sida has supported DEMI in cooperation with UNDP since 1999.

The institution was established as a result of, and is a part of, the implementation of the Peace Accord on Identity and Rights of Indigenous Peoples – AIDPI. The current Sida support was concluded at the end of March 2003. DEMI has continued with the process of institutional strengthening, including planning efforts. This work was coordinated with the Presidential Commission on Human Rights, COPREDEH, in order to make more efficient the use of funds and to offer better service. The center for documentation, which is coordinated with the San Carlos University, started up during this period. The entire structure of DEMI has been strengthened and all personnel have participated in training on different matters such as law, gender, intra-family violence and administration. DEMI also continued with promotional work, defense and dealing with different cases of violence, marginalisation and discrimination survivors. With the aim of making the institution more independent, DEMI has elaborated a proposal for becoming an autonomous institution. They have also begun to offer services to the population through radio programs in the four major Maya languages, as well as a documentary video on their web page. The project carried out an organization mapping on all indigenous women's organizations and relationships have been intensified with others national and international women's organizations.

Sida support: MSEK 2.4 for 2000–2003.

3.3 Economic and social structural changes

Neither the extreme inequality nor the poverty levels have changed much. The lack of economic progress is, to a great extent, affecting the poor and their income. The government is working to increase the tax burden in order to reach the level of 12% as set out in the Peace Accords. This has not succeeded, mostly due to massive opposition from all sectors of society, as well as the many corruption accusations which undermine the taxpayers' will to contribute. There have been several governmental initiatives to fight the different private monopolies but success is, so far, limited. Ongoing free trade negotiations with the USA could possibly bring some benefits to the country, but only if there is a consolidated response from government and private sector.

The Human Development Report Guatemala (UNDP):

The annual Human Development Report from UNDP constitutes an extensive and reliable source of information for all actors dealing with development issues. Sida has supported all reports for Guatemala, one

objective being to raise the level of national debate on development. The recent reports have been increasingly quoted and utilized by national media. UNDP elaborates the report in consultation with five major universities in Guatemala. The report for 2002 was presented in December 2002. Special focus was on women's situation and women's health. In order to make the results available to a broader public, the project also elaborated popular versions of the last five reports as well as an interactive CD. There is also an annual award for investigative journalism that is given within the scope of the project.

Sida support: MSEK 6 for 2001–2004.

Household surveys, National Statistics Institute (UNDP)

This support is channeled through the UNDP to the National Statistics Institute in order to strengthen their technical capacity for household surveys and analysis. It is a component within the "Program for the improvement of surveys and measurement of living conditions in Latin America and the Caribbean, MECOVI". During this period a national survey (ENCOVI), including special focus on poverty issues and child labor, has been concluded. Another national study on work and income was carried out and presented in October 2002.

Sida support: MSEK 6 for 2001–2003.

Poverty studies, FLACSO

The project, initiated in June 2002, supports studies, seminars and discussion on the understanding of poverty in Guatemala. There are different scholarship programs directed towards young researchers and university students. Among the themes they have chosen are child labor, local markets and strategies for widows to fight their poverty. Meetings, seminars and workshops were carried out with entrepreneurs, politicians, journalists and academics in order to promote and increase the level of discussion on poverty issues. Interest in the scholarships has been very high, and the majority of the applicants are women.

Sida support: MSEK 3 during 2002–2004.

National survey on male sexuality and health

The ENSMI 2002 project is the fourth in line of a series of national surveys which have received considerable national, and international, recognition. They are designed to collect data on the demographic reproductive health and nutritional status of the population. Swedish support to ENSMI 2002 is directed towards the specific area of male sexuality and health, which for the first time is included in the study along with other important themes such as intra-family violence, basic education and STDs/AIDS. For various reasons, the execution of the project has been delayed compared to the original time schedule, leading to a prolongation of the activity period until July 2003. Field data collection work was conducted from April to November 2002, and data analysis and processing was completed in December 2002. The sample size for the survey was 4 033 households, with 2 538 interviews of 2 963 eligible males (15–59 years old). A final report is being prepared in 2003 containing general information and analysis on the men interviewed including the

aspects sexual behavior, reproductive health and HIV/AIDS. It should be noted that the Project Director has chosen to publish a separate report on male health instead of including this aspect in the overall report, a fact that permits a more profound analysis of the topic than originally planned.

Sida support: SEK 1.5 million for 2001–2002

Micro credits for poverty reduction through local development

The aim of the Fund for Local Development in Guatemala (FDLG) is to contribute to improved living conditions for poor people in five departments – Quetzaltenango, Chimaltenango, Escuintla, Sololá and Jalapa. The program is working with three components of which the first two are carried out through five micro credit organizations:

- micro credits for improvement of poor families' housing. When the project was initiated, the government had promised subsidies for the construction of new houses. As this funding never appeared, the project focused on improvement of existing houses which could be done without subsidies. 450 new credits were granted during the period.
- micro credits for individuals or solidarity groups; 2300 new credits of a total of MSEK 7 were granted during the period, of which 84% to women.
- An extensive evaluation was carried in October–November, which provided important inputs for the coming phase. An increased focus on poverty, housing issues – including policy dialogue – and micro credits has resulted. The geographical limitation has been removed, thus permitting the micro finance institutions to work all over the country. Donor coordination has been emphasized during the period so the Embassy participates in monthly donor meetings.

Sida support: MSEK 50 for 1999–2003.

Development of productive agro forestry in resettled communities (UNDP)

This is a project supporting forestry and agriculture in five communities of returned refugees in the areas of Petén, Chimaltenango and Suchitepequez. The target group consists of groups of internally and externally displaced people. They are assisted with technical support concerning alternative crops (for example mango, bell pepper, heart of palm) and farming techniques, sustainable forest management and the strengthening of local productive organizations, thus increasing their access to higher long-term income. Government forestry incentives used in coordination with technical support from project staff constitute an important source of income for the target group.

Sida support: MSEK 5 for 2001–2003.

Health system reform program through Pan-American Health Organization (PAHO)

Sida has provided support to the health reform process in Guatemala since 1986 through the Pan American Health Organization (PAHO). Health reform in Guatemala has a strong connection to the peace

agenda from 1996 which stipulates the obligation to increase public spending on the health sector and more resources to preventive health care. The main goal of the reform project is to develop an integrated and decentralized system for health services (SIAS), with a high level of civil participation. During the last three months of 2002, the project carried out health services within the framework of the cooperation agreement 1999–2002, including activities such as the strengthening of administrative capacity at central and departmental level as well as on Health Area level (DAS) and the evaluation of 161 Providers and Administrators of Health (ASS/PSS) through the mechanisms of adjudication, certification and accreditation (HACyA); a system elaborated for surveillance of services rendered by NGOs at local level. 77% of the ASS/PSS were granted renewed contracts.

One important activity during the period in question was also the elaboration of the project document for the new cooperation period 2003–2005 – “Integrated health model developed and implemented based on regulation, social participation and local administration” – where Sweden for the first time will sign a bilateral agreement with the Ministry of Health, limiting the role of PAHO to technical assistance and financial management. Another change within the new agreement is the geographical concentration of cooperation to three of the poorest departments in the country with a high percentage of rural and indigenous populations. This reporting period has seen a thorough effort to improve indicators and planning for the new cooperation period, concluding with two weeks of technical workshops in April 2003 with the assistance of an external consultant employed by Sida. The project was approved by Sida’s Project Committee in March 2003, and the new agreement will be signed in May 2003.

Sida support: MSEK 55 (2003–2005)

Support to the national HIV/AIDS program in Guatemala (PAHO)

Sida has been one of the major donors to the National HIV/AIDS program in Guatemala since 1997 through a regional PAHO project, where the current agreement is in the form of bridge support terminating in June 2003. The Guatemalan program shows a high degree of openness in comparison with other countries in the region, and may generally be regarded as a successful example of cooperation where the Swedish support even seems to have had a catalytic effect, possibly contributing to making itself unnecessary. The program was recently granted through law (decree 27–2000, Art.54) a budget allocation big enough to keep it operating and perhaps even extend its activities to cover services at the local level to a greater extent. Sida has no plans for renewed support to the program.

Instead, activities at local level will be supported through the national health reform program, where the intention is to integrate HIV/AIDS into the basic service package within the SIAS system. During the reporting period the program has, among other things, designed, implemented and monitored specific plans for 7 Health Areas (DAS) and health workers at 10 DAS have received training on integral health services related to the problem situations caused by HIV/AIDS. The Ministry of Health

has also arranged meetings to revise and up-date national strategic plan on HIV/AIDS, and produced and distributed material for education and promotion of safe sex. Furthermore, activities directed towards street children, people living with HIV/AIDS and other vulnerable groups have been carried out, including lobbying for resources within public health and social security institute services in coordination with people living with HIV. Major achievements during the period have been to consolidate an interdisciplinary work team, which permits a strong and integrated discussion of the topic in the country.

This institutionalization of the program could also diminish the risks regarding loss of know-how and support to the program after the up-coming elections. A strategic plan for information, education and communication is under elaboration, and focal points have been identified in all Health Areas of the country, thus strengthening the decentralized role of the program and coordination with other actors in society. Finally, progress has been made regarding epidemiological surveillance, where coordination with national universities, development of human resources, and the creation of a Documentation Center will permit better access to national and international scientific information for medical consultation and education.

Sida support: MSEK 6 (1999–2003)

Water and sanitation (UNICEF)

Sweden has cooperated with UNICEF within the area of Water and Sanitation since 1989. The main goal is to reduce the extremely high infant mortality rate in Guatemala through combating diseases related to the water and sewage system. The last cooperation period ended in December 2002, but due to delays in the delivery of goods by the municipalities, among other things, implementation has been substantially delayed. A final extension of the agreement has been made until August 2003 in order for the program to fulfill its commitments in which a maximum amount of 750 000 SEK has been approved for the phasing out process. During this reporting period, UNICEF has primarily worked with regulation at national and local level, where main accomplishments are the process of elaborating draft health and environmental guidelines and the construction of gravity-fed water systems, hand pumps and school latrines. Community organization was strengthened and information messages were disseminated in the eight communities where water systems were constructed and planning meetings were held in thirteen municipalities within the context of UNICEF's integrated programming.

Sida support: SEK 750 000 (2003)

National Quality Program

This project, supported under the modality of contract-financed technical cooperation, is to be concluded before mid-2003. It has covered technical assistance for the establishment of all the necessary components for a national quality program, including norms and procedures for certification, accreditation and standardization. The main objective has been to enhance the international competitiveness of Guatemalan enterprises, enabling them to comply with international agreements and quality

standards. The quality assurance aspect in particular may also generate positive results within the country by improving consumer protection. The Ministry of Finance, supported by Swedac, has implemented the project. The issuing, in April 2002, of a Government Decree which legally established a National Accreditation Body constituted substantial progress. Furthermore, in August this year the first conference for laboratory evaluators from the National Accreditation Body was organized. However, in order to provide a solid legal platform, the Government Decree should be replaced by a fully-fledged law, approved by Parliament, which is still not the case.

Sida support: MSEK 9,9 for 1998–2002.

3.4 Swedish NGOs, volunteers and consultancy companies

A number of Swedish non-governmental organizations' activities are financed through the budget sub-item Latin America/Central America. Apart from the organizations mentioned above, a contribution of approximately MSEK 1 annually is rendered to Caritas Sweden for support to the work of the Catholic Church in the areas of gender equality and land issues, including judicial support, in the parishes of Quetzaltenango, San Marcos, Quiche and Huehuetenango. Other organizations receiving support for their efforts in Guatemala through the sub-item for non-governmental organizations are Diakonia, the Swedish Co-operative Centre, SKM, the Olof Palme Centre, Forum Syd and Save the Children.

Volunteers

The Sami Council, Swedish Church Aid/the Mission of the Swedish Church and YMCA/YWCA all have volunteers present in Guatemala (in addition to the above-mentioned UNDP/Forum Syd program).

Consultants

There are currently two Swedish consultancy companies which maintain personnel in Guatemala: Ångpanneföreningen (ÅF/IPK) and Boman&Peck.

4. Donor coordination

Likeminded bilateral and multilateral donors often meet for coordination and discussion on common views. Direct project collaboration is carried out with Norway, Denmark, Canada, USAID and German GTZ. In addition to the Nordic group, the Netherlands, Canada, EU, USA and IDB are the most consulted donors. The Embassy is active in the different EU coordination fora called “Mesodialogo”, which has a total of seven sub-commissions (gender, justice, indigenous people, economic development, food security, human rights and decentralization). So far the IDB-Sida partnership has not resulted in any jointly financed projects.

Coordination of the political dialogue with the Guatemalan Government is carried out through the “Dialogue Group”, an extension of the G-6 mechanism from the Stockholm Conference. This consists of the major donors to the country – Japan, USA, Germany, Spain, Canada, Netherlands, Norway, World Bank, IDB, UNDP, EU Commission, MINUGUA and Sweden. This group was given the task of following up the nine point agenda from the Consultative Group meeting held in February 2002.

5. Administration, personnel

In 2002, Embassy staffing for bilateral cooperation mainly with Guatemala and El Salvador consisted of one Regional Advisor for CTC programs in Latin America, three Swedish Program Officers, one National Program Officer, one Assistant National Program Officer, one Assistant and one Counsellor.

In addition to the above-mentioned staff, the Embassy has a part-time consultant for information activities on development cooperation with Guatemala and El Salvador.

Sample of reports for the period

- Human Development Report for Guatemala 2002
- Country Report Guatemala February 2003, The Economist Intelligence Unit
- Perspectivas Economicas 2002 – 2003, CIEN
- Project report October 2002 – March 2003 April – September 2002, UNDP/National Justice Commission
- Project report October 2002 – March 2003, UNDP/Agro forestry
- Project report October 2002 – March 2003, UNDP/SAAS
- Project report October 2002 – March 2003 UNDP/MECOVI
- Project report October 2002 – March 2003, UNDP/SEPAZ
- Project report October 2002 – March 2003, UNDP/Land registration
- Project report October 2002 – March 2003, UNDP/SEPREM
- Project report October 2002 – March 2003, SEPREM/SEGEPLAN
- Project report October 2002 – March 2003, UNDP/ CONALFA II
- Project report October 2002 – March 2003, UNDP/Ministry of Culture
- Project report October 2002 – March 2003, Archbishop's Office for Human Rights
- Project report October 2002 – March 2003, OEA/PROPAZ
- Project report October 2002 – March 2003, PROLEY, Minugua
- Project report October 2002 – March 2003, Human Rights Ombudsman
- Project report October 2002 – March 2003, INGEP
- Project report October 2002 – March 2003, PPD
- Project report October 2002 – March 2003, UNDP/DEMI
- www.rb.se (Save the Children Sweden)
- www.diakonia.se (Diakonia)
- www.forumsyd.se
- www.undp.org
- www.procesodepaz.gob.gt
- www.demi.gob.gt
- <http://ccp.ucr.ac.cr/archiv/gu98.html> (ENSMI, past reports)
- <http://www.ops.org.gt> (PAHO Guatemala)
- <http://www.unicef.org/guatemala>

Halving poverty by 2015 is one of the greatest challenges of our time, requiring cooperation and sustainability. The partner countries are responsible for their own development. Sida provides resources and develops knowledge and expertise, making the world a richer place.



SWEDISH INTERNATIONAL
DEVELOPMENT COOPERATION AGENCY

SE-105 25 Stockholm Sweden
Phone: +46 (0)8 698 50 00
Fax: +46 (0)8 698 56 15
info@sida.se, www.sida.se