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ANNEX II

of the Commission Implementing Decision on the financing of the annual action plan in favour of Guatemala for 2024

Action Document for Support Measures for Guatemala

ANNUAL ACTION PLAN

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation, and action plans in the sense of Article 24 of NDICI-Global Europe Regulation.

1 SYNOPSIS

1.1 Action Summary Table

1. Title OPSYS business reference Basic Act	Support Measures (Technical Cooperation Facility) OPSYS number: ACT-62555 Financed under the Neighbourhood, Development and International Cooperation Instrument (<u>NDICI-Global Europe</u>)
2. Team Europe Initiative	<input checked="" type="checkbox"/> Not applicable <input type="checkbox"/> Supporting (inter alia) TEI.
3. Zone benefiting from the action	The action shall be carried out in Guatemala
4. Programming document	Multi-annual Indicative Programme for Guatemala 2021-2027
5. Link with relevant MIP(s) objectives / expected results	The proposed measure will contribute to reaching the three specific objectives of the MIP: 1) Fostering Green Transition 2) Investing in the Future: Creating Decent Jobs through Innovation and Digitalisation 3) Stronger Institutions for stronger Social Cohesion among Regions and Generations.
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	Not applicable
7. Sustainable Development Goals (SDGs)	Main SDG (1 only): 17 (partnerships for the goals) Other significant SDGs and where appropriate, targets: SDG 1 “No Poverty”, SDG 2 “Zero Hunger”, SDG 5 “Gender Equality”, SDG 8 (“Decent Work and Economic Growth”), SDG 13 “Climate Action”, SDG 15 “Life on Land”, SDG 16 “Peace, Justice and Strong Institutions”.
8 a) DAC code(s)	43010- Multi-sector
8 b) Main Delivery Channel	10000 Public sector institutions 60000 Private sector institutions 20000 Non-governmental institutions and civil society

	40000 Other multilateral institutions			
9. Targets	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input checked="" type="checkbox"/> Human Rights, Democracy and Governance			
10. Markers (from DAC form)	General policy objective @	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Aid to environment @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. Internal markers and Tags	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	digital connectivity	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	/
	digital governance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	digital entrepreneurship	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
digital skills/literacy	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
digital services	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Connectivity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	transport people2people energy digital connectivity	YES <input type="checkbox"/>	NO <input type="checkbox"/>	/	
	Migration @	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
	Reduction of Inequalities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
BUDGET INFORMATION					
12. Amounts concerned	Budget line(s) (article, item): BGUE-B2024-14.020140-C1-INTPA Total estimated cost: EUR 7,700,000.00 Total amount of EU budget contribution EUR 7,700,000.00				
MANAGEMENT AND IMPLEMENTATION					
13. Type of financing	Direct management through: - Grants - Procurement Indirect management with: The entities to be selected in accordance with the criteria set out in section 4.4.4				
14. Type of measure	<input checked="" type="checkbox"/> Cooperation facility <input type="checkbox"/> Measures in favour of Civil Society				

1.2 Summary of the Action

<p>The proposed action will build on the achievements made under previous projects as similar facilities have been instrumental in assisting the Government of Guatemala (GoG) in the diagnosis and the design of initiatives supported by the EU. Furthermore, it aims to accompany and facilitate policy dialogue and capacity building between the EU and GoG, and to the effective roll out of Global Gateway flagships in Guatemala.</p> <p>The action will contribute to advance the implementation of ongoing and future Team Europe Initiatives, since it will provide support to the preparation, implementation, management and monitoring of EU programmes to be implemented through Team Europe Initiatives. The action responds to the need to ensure a rigorous identification, formulation and implementation of the Multiannual Indicative Programme (MIP) 2021-2027, especially as regards AAPs in the period 2025-2027.</p> <p>The Cooperation Facility will also be used for technical studies required to implement Global Gateway (GG) flagship projects, thematic studies and impact assessments of projects, to provide support for developing public policies and policy dialogue, to provide short-term technical assistance and to support aid efficiency initiatives such as donor coordination and labour division.</p> <p><u>Objectives:</u></p> <p>The Overall Objective (impact) of this action is to contribute to the implementation of the EU actions in line with the Global Gateway Investment Agenda in Guatemala, NDICI MIP 2021-2027, Team Europe Initiatives (Green Transition and Inclusive Economic Development), Climate Change, Gender Action Plan (GAP III¹), the</p>

¹ EU GENDER ACTION PLAN (GAP) III – AN AMBITIOUS AGENDA FOR GENDER EQUALITY AND WOMEN’S EMPOWERMENT IN EU EXTERNAL ACTION, SWD(2020) 284 final

implementation of EU Election Observation Mission 2023² recommendations, and other programmes in line with EU global priorities.

More specifically, the Cooperation Facility will aim at:

- Enhancing EU opportunities to stimulate policy reforms in Guatemala and support the implementation of the Global Gateway Investment Agenda, the MIP 2021-27, and other EU global priorities in Guatemala,
- Facilitate the identification, prioritisation and preparation of bankable projects under Global Gateway strategy³ and in particular the flagships identified for Guatemala.
- Supporting the preparation, implementation and evaluation of the EU cooperation, including via technical assistance,
- Facilitating coordination in a Team Europe approach at country level,
- Supporting the implementation and follow up of the EU Gender Action Plan 2021-2025 (GAP III). This can include the preparation of gender analysis.
- Supporting the preparation and implementation of the civil society road-map, including in facilitating dialogue amongst different sectors.
- Support the effective implementation of the Human Rights and Democracy local strategy, including technical assistance for the National Human Rights Institutions in order to fulfil their international commitments on human rights.
- Continuing the activities under the EU Strategic Communication developed in the previous AAP covering strategic political communication and public-facing campaigns, designed to raise awareness of the EU's role and impact in the country and, as relevant, wider region.
- Contributing to Public diplomacy initiatives allowing to engage durably with our target audiences and partners (beyond the life cycle of specific cooperation projects), key to build trust, enhance the understanding of the EU, support the implementation of our policy priorities and, facilitate future cooperation across policy areas (incl. sectoral diplomacies such as economic diplomacy, climate diplomacy, cultural diplomacy, science diplomacy), as well as public events (business fora etc)
- Contribute to strengthen and enhance dialogue initiatives focused on discussing public policy design and implementation with the participation of civil society and state authorities.
- Supporting initiatives aimed at discussing and implementing the [EU EOM⁴ recommendations](#) to Guatemala.

The action falls under the priorities of MIP support measures thereby enhancing EU opportunities to stimulate policy reforms and promote the external projection of EU internal policies as well as international standards, and the EU Global Agenda (Global Gateway Investment Agenda –GGIA-, Green Deal, etc...).

Via this programme, the EU will address key challenges across various sectors and strengthen programming and policy influence, while promoting greater sustainability, inclusivity, resilience, transparency, democracy, good governance, social cohesion, women empowerment, and respect of human rights.

The actions will also accompany the development of an ambitious agenda of the new government in place since 14th January 2024. The large reform agenda of the Arevalo government is focused on anti-corruption, fight against impunity, strengthening of rule of law, inclusive dialogue, and democracy as well as developing of critical infrastructure and promoting investments.

2 RATIONALE

2.1 Context

The new anti-corruption government of President Bernardo Arévalo took office on 14th January 2024, proposing a large reform agenda and intending to relaunch the social contract, reinstating citizen's trust on public institutions.

² European Union Election Observation Mission Guatemala 2023| EEAS (europa.eu)

³ The Global Gateway, JOIN(2021) 30 (final) of 01.12.2021.

⁴ EU Electoral Observation Mission 2023 in Guatemala.

This offers new opportunities for the EU to engage with Guatemala, accompanying structural reforms, aiming at promoting political stability, rule of law, fighting corruption, promoting the green and fair transition and fighting inequalities. It also offers increased opportunities to implement the Global Gateway Investment Agenda, enhance business climate and increase investments.

On the economic side, Guatemala's macroeconomic fundamentals remain stable. According to the latest IMF's Article IV Staff Report (7 June 2022), the remarkable resilience of the economy during the pandemic, driven by policy support, favourable credit conditions and a favourable external environment, has almost returned the level of GDP to its pre-pandemic projected trend. In 2022, growth raised to 4.1% of GDP. However, social indicators such as poverty and malnutrition remain extremely high, and disproportionately so among indigenous communities, women and children.

The EU deployed in 2023 a fully-fledged EU EOM to observe the election process. The mission was essential to help ensure the election results after the Public Prosecutor's Office, in coordination with some members of the judiciary and a corrupted political elite attempted to overturn the results under allegations of fraud. The role of the EU in promoting democracy in Guatemala (EU EOM and close follow up by the HRVP and the 27 MS) has been fundamental in ensuring the peaceful democratic transition.

2.2 Problem Analysis

Today, according to The Economist's democracy index, Guatemala is described as a hybrid democracy. This index takes into consideration five elements for a full democracy: a) the electoral process and pluralism; b) functioning of government; c) political participation; d) political culture; and, e) civil liberties. The total score awarded to the country is 4.47 being 10.00 the best score (The Economist intelligence unit, 2023). During the 2023 elections, the EU EOM manifested serious concerns over the various threats to democracy, including the limited separation of powers, severe restrictions on the freedom of expression and the press, misuse of politically captured institutions for electoral purposes and constant attacks on the rule of law. The EU EOM delivered 26 recommendations aimed at strengthening democracy, the rule of law and good governance.

Despite the taking office of anti-corruption and pro-human rights leader Bernardo Arevalo, the governability of the country is hampered by their minority in Congress and by strong anti-democratic powers (among which, the Public Prosecutor office - sanctioned by the EU and the US). Arevalo faces therefore significant challenges in combating corruption, inheriting a weakened executive, a highly corrupted judicial system, and a fragmented legislative. The government party Semilla Movement, had its legal status suspended, therefore its 23 representatives in congress (out of 160) are sitting as independent. As they are a minority in Congress they have difficulties to propose and advance a legislative agenda and the approval of international loans from development banks, needed to address the enormous infrastructure and social needs. International human rights bodies and experts continue expressing multiple concerns over constant attacks on the independence of judges, prosecutors and lawyers involved in key cases of crimes under international law, human rights violations and corruption. As concerns the environment, human rights defenders and Indigenous experts reported that illegal logging, the destruction of natural areas, the pollution of most water bodies, the expansion of monocultures and cattle, as well as attacks against environmental defenders and Indigenous communities. The country suffers from an enormous infrastructure and digital gap, and Arevalo has placed the promotion of foreign investment as a top priority for his government. Further, Guatemala is one of the most exposed countries to natural hazards and ranks ninth globally in climate change risk.

Guatemala is a country with high levels of gender inequality and violence against women. It is ranked 112 out of 135 countries for gender equality, making it the most unequal country in Latin America. It also ranks 3rd in the world for femicide. Although Guatemala has made some progress in creating policies and frameworks to promote gender equality, it still scores poorly on the SDG Gender Index.⁵

⁵ [SDG-index_report_FINAL_EN.pdf \(equalmeasures2030.org\)](#)

There are still cultural, legal, economic and political restrictions that prevent women from accessing equal opportunities. Today, only 19.4% of parliamentarians are women and 2.9% are women mayors. This situation is exacerbated when we look at indigenous women. On the other hand, the monthly income of Guatemalan women is 67% of the average income of men. This gap widens considerably when analysed by ethnic group: Indigenous women earn 26.3 per cent of what non-indigenous men earn. In terms of unpaid work, women still spend 23.5% of their time on this type of work, which puts them at a clear disadvantage in terms of economic empowerment⁶.

Concerning people with disabilities, there is scarce information on the barriers faced by them in Guatemala. This lack of disaggregated information in the social, economic, and political spheres is an important gap since it is challenging to demonstrate the need for inclusive policies and legislation, accessibility measures, reasonable accommodations, and affirmative action measures, in the absence of data. Specifically, there is little information about children, youth and elderly with disabilities, indigenous people, and particularly indigenous women and girls with disabilities in rural areas, migrants with different types of disabilities, among the most underrepresented groups in Guatemala. The lack of information on these groups is reflected in their limited inclusion in public policies and government plans, particularly with respect to Covid-19 response and recovery, and their eligibility for and access to the overall national social protection system.

The XII Guatemalan Population Census and VII Housing Census of 2018 (Census) indicate that 10.4% of the population presents difficulties in at least one of the six domains of functionality evaluated by the Washington Group's set of questions. That is, 1,408,736 people possess some type of difficulty, of which 53% are women⁷.

In this context, the EU seeks to provide support to the new Government in dealing with the most immediate and significant problems for the country contained in the Government Plan of the elected authorities. This action is therefore aligned with the ambitious reform agenda of the Arevalo government. Given the diversity and complexity of policy areas targeted by these reform processes, this programme will provide the necessary means for the Delegation to effectively accompany Guatemala in this endeavour, and rolling out GGIA, using this moment of opportunity.

The country is in the process of implementing the MIP 2021-2027 presenting a variety of sectors, activities, and implementation methods. The GGIA has been defined but specialised technical support concerning engagement with the private sector and the design of activities able to unlock additional investment as well as ensure the engagement with the EFSD+ guarantees programmes are needed in the three flagships (Green Transition in Petén, Last km connectivity and Water and sanitation in the Motagua River basin). The proposed action responds to the need to support the implementation of current actions or speed up formulation and implementation of future ones, including studies, events organization, campaigns or formulation exercises, seminars, workshops, dialogue spaces, etc. It aims to contribute to address possible challenges and inspire a greener, more sustainable, and inclusive development model in Guatemala.

On the other hand, there is a need to enhance public awareness, understanding and support for the EU's partnership with Guatemala, to increase synergies among different EU activities and with EU member states/European actors in Guatemala, to support long-term initiatives with key stakeholders and partners and to communicate the EU's priorities, values, and impact in an effective way. This includes by supporting the initiatives that aim at discussing and implementing the EU EOM recommendations, which are a result of the EU's commitment to the country.

Identification of main stakeholders(duty bearers and right holders):

Key stakeholders include the Government of Guatemala, Local Authorities, Members of Congress, Supreme Electoral Tribunal, Civil Society, Private sector (both European and local), Indigenous peoples, and Academia.

⁶ <https://www.undp.org/es/guatemala/blog/igualdad-de-genero-para-el-2030#:~:text=Pero%2C%20ning%C3%BAAn%20pa%C3%ADs%20ha%20alcanzado>

⁷ [CR Guatemala 2021-50a.pdf \(unprpd.org\)](#)

At governmental level, the main stakeholders are: Secretariat of Planning (SEGEPLAN), Ministry of Infrastructure and Communications, Ministry of Economy, Office of the Presidency for Open e-Government, Secretary for Science and Technology (SENACYT), Ministry of Finance, Tax Administration (SAT), Presidential Secretariat for Women, Ministry of Environment and Natural Resources, Presidential Private Secretariat, Social Communication Secretariat, among others.

The action will deliver a wide and flexible menu of demand-driven activities that will support political and policy dialogue and the advancement of EU-Guatemala common values, including support and engagement of civil society and coordination of the strategy with the Human Rights Strategy⁸, Roadmap for CSOs⁹, Gender Action Plan (GAP III), and the EU EOM recommendations. Where relevant, the action will promote/consider engagement of local authorities and indigenous peoples.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The Overall Objective (impact) of this action is to contribute to the implementation of the EU actions – Global Gateway Investment Agenda (GGIA), NDICI MIP 2021-2027, TEI, Gender Action Plan (GAP III), the Green Deal, the EU EOM recommendations and other programmes – in line with EU global priorities.

The **Specific Objective** of this action is to enhance EU opportunities to stimulate policy reforms and investment promotion via policy dialogue, technical assistance, studies, and to foster EU visibility through strategic communication and public diplomacy, with a gender disability inclusion and human rights sensitive approach.

The Outputs to be delivered by this action are:

Output 1: *A more effective and efficient implementation of EU initiatives by promoting the GG agenda, Team Europe approach, EU principles and values as well as unlocking investments in Guatemala.*

- The implementation of EU GG Investment Agenda, 2021-27 MIP including Team Europe Initiatives “Fostering Green Transition in Petén”, “Digital Alliance” and “Water, sanitation and waste management around the Motagua river basin”, is facilitated.
- Preparation, implementation and evaluation of the EU’s cooperation and within the Team Europe approach is well-structured.
- The reform agenda of the new government focused on anti-corruption, strengthening of rule of law, good governance and inclusive dialogue, democracy and human rights as well as developing of critical infrastructure and the promotion of investments is promoted.
- Structured policy dialogues related to GG, MIP priorities and EU EOM recommendations at operational, technical and policy levels leading to policy reforms and engagement with other state authorities and other stakeholders are reinforced.
- The participation of women in economy and politics is promoted.

Output 2: *Strategic communication and public diplomacy: Promote understanding and awareness of the Union's values, interests and specific policies, including democracy and human rights, GG, foreign and security policy, science and research, gender equality, disability inclusion Team Europe visibility, fight against disinformation, as well its multilateral agenda.*

- The visibility and communication of EU actions under the GGIA and the MIP 2021-2027 is promoted through strategic campaigns.
- Political and economic objectives of the EU are pursued by public diplomacy events.

⁸ EU ACTION PLAN ON HUMAN RIGHTS AND DEMOCRACY 2020 – 2027 | EEAS (europa.eu)

⁹ Guatemala Roadmap for EU engagement with Civil Society 2021 – 2027 | Capacity4dev (europa.eu)

- Tackling disinformation and raising the public awareness on issues related to good governance and democracy.

3.2 Indicative Activities

Activities related to **Output 1** may include (not exhaustive):

- Long-term and short-term Technical Assistance to support the drafting of documents to be formulated in the framework of MIP 2021-2027,
- Technical assistance, technical studies, pre-feasibility studies to support implementation of the GGIA and promote investments in the areas of the GGIA, in particular the Guatemala flagships,
- Identification, prioritisation and preparation of bankable projects under Global Gateway strategy and in particular the flagships identified for Guatemala.
- Trainings and specific studies to facilitate coordination in a Team Europe approach at country level, mainstream environment, climate, gender and HR approach, etc.
- Business Fora EU Guatemala.
- Increasing the quality of statistical information and analysis.
- Peer-to-peer training to support the processes of reform and modernization of the State, and the capacity of the government to improve decision making, analyse and prioritise public policies. Focus on result-oriented planning, budgeting and reporting, enhanced transparency, etc
- Support in formulating, evaluating and auditing cooperation actions and activities.
- At political level, to discuss and orient the relationship between the EU and the Government of Guatemala.
- Follow up of the international commitments on human rights and women rights.
- Follow climate commitments made at international level and ensure they are reflected in EU supported actions.
- Organisation of structured policy dialogues and round tables between the government and EU and Member States on cooperation issues to a) revision of programmes' portfolio UE/MS at technical level; b) identify and coordinate technical assistance missions, studies, etc.
- Support to the functioning of the electoral process and in particular, to the Commission of Actualization and Modernization of the electoral Process (CAME) on the evaluation of legislative reform proposals, and follow-up to the recommendations of the EU Election Observation Mission (MOE UE) working with civil society and the relevant state authorities, including through facilitating the dialogues on the feasibility of electoral reforms.
- Support the participation of women in economy and politics in particular young leaders in their communities.

Activities related to **Output 2** may include (not exhaustive):

- Design strategic and accessible communication activities to promote the general public's understanding and awareness of EU values, interests, global priorities and specific policies, with a gender and human rights sensitive approach, in particular through the design and roll out of public campaign(s) aimed at ordinary citizens and particularly in support of relevant Summits, events and high-level visits, with a focus on Global Gateway and/or Team Europe initiatives.
- Public diplomacy activities to engage with selected targeted audiences and multiple categories of stakeholders in line with EU values and interests, influencing and building trust and partnerships, and developing networks.
- Strengthen networks and long-term relationships with actors that act as multipliers, such as youth, students, academics, think tanks, CSOs including women and persons with disabilities organizations, business, creative industries, including leveraging existing EU actions, in order to facilitate future cooperation across policy areas.
- Culture for development activities and strategies, to promote democratic, diverse, inclusive and open societies, promoting EU values and interests.
- Reinforce the EU Strategic Communication and Public Diplomacy strategy.

3.3 Mainstreaming

Environmental Protection & Climate Change

Outcomes of the EIA (Environmental Impact Assessment) screening (relevant for projects and/or specific interventions within a project)

The EIA (Environment Impact Assessment) screening classified the action as Category C (no need for further assessment).

Outcome of the CRA (Climate Risk Assessment) screening (relevant for projects and/or specific interventions within a project). The Climate Risk Assessment (CRA) screening concluded that this action is in no need for further assessment.

Environmental protection and climate change are at the core of the MIP which contemplates issues such as: promotion of circular economy and the interrelated links between business and biodiversity (green economy), support greener and more resilient cities, in particular in terms of solid waste management and water and the use of nature-based solutions in the field of disaster risk reduction (linked to climate change adaptation). The green transition TEI and other interventions has a clear focus on promoting green economy – greening public finances, supporting green production practices and circularity – as well as supporting green transition – solid waste and water management, sustainable transport and renewable energy), as well as communication and public diplomacy – thus inherent part of proposed Support Measures.

The action is not expected to create environmental hazards. On the contrary, the action contributes to programmes and communication efforts aiming to promote a greener economic growth in Guatemala, improving the health of its population and ecosystems. Its focus and results are contributing towards a sustainable development and green growth in the country.

Gender equality and empowerment of women and girls

As per OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that the Action will ensure in its activities with a human rights based and gender mainstreaming approach. Particular emphasis will be placed on mainstreaming gender across the three priority areas and youth participation at all levels of the interventions. The Action will also ensure that themes such as climate change, inclusive and sustainable economic development, decent jobs creation, the promotion and respect of human rights and digitization are also taken into account in the formulation and implementation of other programmes foreseen in the framework of MIP 2021-2027.

Human Rights

In order to achieve the MIP 2021-2027 objectives, and support the implementation of the EU EOM recommendations the EU needs to engage in broad partnerships with the government, the civil society, the private sector and the development community, underpinned by innovative approaches and financing models. The promotion of human rights of the most excluded as well as the promotion of gender equality, will be at the core of all EU interventions. The support measures will play a role of fundamental vigilance so that all interventions will duly take into account the promotion and respect of human rights. For that, the implementation and follow-up of the Human Rights and Democracy Strategy formulated in 2021 will be a key instrument.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D1.

Reduction of inequalities

As per the Inequality Marker, this Action has been labelled as an I-0. It does not directly target inequality reduction. Guatemala has experienced continued economic stability (3.5 percent on average in 2010-19), but this has not translated into robust poverty reduction. In fact, the country's poverty and inequality rates are among the highest in LAC, with a large and underserved population, mostly rural and indigenous and employed in the informal sector. Poverty is estimated at 55.2 percent of the population in 2023 and the size of Guatemala's informal economy is estimated at 49 percent of GDP.

Guatemala's Human Capital Index score of 0.46 (2020) remains far below the LAC average. Human capital indicators are lowest among Indigenous peoples and Afro descendants. Guatemala's child malnutrition rate (at 47 percent) is among the ten highest in the world. In several of the poorest municipalities, the share of households with stunted children under five is often close to 90 percent.

Extreme weather events and other disasters have also reversed hard-won gains in human capital, destroyed infrastructure, reduced agricultural output, intensified food insecurity, spread diseases, and disrupted essential services. In 2020, the Eta and Iota hurricanes caused infrastructure-related losses of close to 0.56 percent of GDP, as well as agriculture-related losses of close to 0.20 percent of GDP.

Guatemala nonetheless has enormous potential to generate growth and prosperity for its entire population. It possesses a civilization spanning culture, is rich in natural resources, and in terms of biodiversity, is one of the world's megadiverse countries.

This action will accompany the new Government's efforts to enhance human capital, build resilience to disasters and climate change, and improve job opportunities, focusing on strengthening institutional capacity and promoting inclusion. And will contribute to the reduction of inequalities via the implementation of the MIP, TEI (Green Transition and Inclusive Economic Development) and the GG Investment Agenda; and continuing financing actions in various interventions: Eurosocietal regional programme, civil society and human rights projects.

Democracy

This action seeks to support interventions strengthening public institutions, local authorities, civic and cultural actors, guarantee transparency and fight corruption. This action recognizes the importance of local authorities and civil society to promote social cohesion, inclusion, equity and economic development. In addition, it includes dialogue and consultation process as key elements to strengthen a participatory democracy.

Conflict sensitivity, peace and resilience

Not applicable.

Disaster Risk Reduction

Not applicable.

Other considerations if relevant

Not applicable.

3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
Planning, processes and systems	Guatemala suffers from weak governance and insufficient financial and technical resources for the implementation of sector policies.	High	High	The EU will reinforce policy dialogue in the priority areas of MIP and in public financial management and domestic revenue mobilization. The EU and MS will establish strategic partnerships with national institutions and other donors to support increased transparency and the allocation of sufficient resources to key sectors. Finally, the EU will promote structured, high profile, political dialogue with the institutional counterparts to follow up on agreed priorities or results.
Planning, processes and systems	Competing priorities and limited human resources at SEGEPLAN cause difficulties to connect public and private stakeholders	Medium	High	Increased efforts for multi sector approaches through inter-ministerial coordination; ensure active engagement with the intended beneficiaries/stakeholders to properly understand the feasibility and interest/commitment/availability for each of the activities. Special efforts will be made to ensure the effective participation of priority groups, including women, youth, children, indigenous peoples and people with disabilities.
Gender Equality	Lack of political will among partners to prioritise gender mainstreaming and women's empowerment in their policies and actions.	Medium	High	Knowledge and tools of gender mainstreaming are available. Raising awareness of the benefits of applying HRBA, including gender equality. Gender-sensitive monitoring, use of sex-disaggregated data, and gender-sensitive indicators. Gender mainstreaming is applied in all phases of the support services.
Planning, processes and systems	The continued actions of the General Prosecutor Office and others institutions challenging the legitimacy of the	Medium	High	The European Union has already adopted a dedicated framework for restrictive measures against those trying to undermine democracy and the rule of law in Guatemala.

	<p>government and the legal personality of the government's political party, weaken the capacity of the new authorities to implement their plans and advance a broader governability and good governance agenda.</p>			
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Lessons Learnt:

While Guatemala benefited during decades from substantial grant funds from the European Union, there has been a significant reduction of financial resources allocated to the country during the last programming cycle. This makes it even more important to take into consideration valuable past experiences and lessons learnt, to maximise the impact and effectiveness of our current support.

- It is necessary to avoid financing of small individual and ad hoc interventions with no or limited impact and focus on actions aligned with joint national and EU priorities that can bring about structural changes.
- The support measures need to have sufficient flexibility to respond to the needs that are identified and respond to common priorities in all areas of the GGIA and present in the MIP 2021-2027,
- Despite efforts on communicating results in all the projects funded in the country, there are still big sectors of the population that are not aware of many of the achievements accomplished through EU assistance. In order to further strength visibility and communication activities, ensure constant presence of EU activity in media and social networks and effectively explain EU policy priorities to the population, it is necessary to plan activities of communication in advance, that would cover the emblematic dates of Human Rights as well as the overall range of activities of the EU Delegation in Guatemala,
- The Public Administration Support Facility (PASF) currently under its final evaluation, aimed at institutional strengthening of public finances, coordination and monitoring of public policies, and participation of Guatemala in the EU-Central America Association Agreement has shown that well-targeted and demand-driven assistance achieves process improvement, capacity building and prepares the public administration for a more active participation in EU cooperation actions. In this regard, the first component of the action will follow the same approach as PASF, offering the main stakeholders targeted technical assistance and support based on their weaknesses and needs to achieve the expected results.

Regarding Strategic Communication and Public Diplomacy:

- Through the communication & visibility contract, the EUD built a strong corporate image essentially oriented to cooperation priorities.
- Visibility has been essentially linked to specific cooperation programmes or projects, need to be more demanding with our beneficiaries in particular with the UN agencies to accord the necessary visibility to EU actions implemented by other agencies.

The current Strategic Communication and Public Diplomacy will facilitate a more solid and articulated strategy and a closer integration of Commission and EEAS actions. However, need to articulate the EU Strategic Communication within the EUD (Cooperation Section and Political Section) and outside (EUD + MS) on a long-term strategic horizon.

3.5 The Intervention Logic¹⁰

The underlying intervention logic for this action is to support the EU relationship with Guatemala. It will enable the EU to support the reform agenda of the government and to roll out GGIA investments in connection to the flagships in Guatemala, facilitate a well-structured and strategic capacity-building and policy dialogue process, to stimulate policy reforms towards a green and digital inclusive transition and promote the external projection of EU internal policies as well as international standards while supporting Guatemala in complying with EU's autonomous measures (such as the deforestation regulation, CS3M, etc.). It will provide inter alia short-term technical assistance linked to the identification, formulation, monitoring, auditing, and evaluation activities necessary to the efficient implementation of the 2021-2027 intervention strategy; also to sectors identified under the country's ongoing TEIs Green Transition in Petén and Inclusive Economic Development and GG Investment Agenda.

By targeting the general public through strategic communication, we can measurably increase awareness, understanding and approval of the EU's partnership with the country, as well as its role in the region and world. By doing so, we build support for priorities identified under the EU-Guatemala partnership. Likewise, increased coordination with stakeholders and the wider international community at country and regional level will enhance more relevant and effective opportunities, complementarities and synergies for the achievement of selected SDG targets. The intervention logic is based on:

- It will enable unlocking GGIA investments.
- It will enable the EU to facilitate a well-structured and strategic capacity-building and policy dialogue process with new Government authorities in Guatemala to stimulate policy reforms towards a green and digital inclusive transition and promote investments.
- Providing long and short-term Technical Assistance and studies and implementing a continuous policy dialogue from the start of the implementation, in a timely, orderly, result-oriented, and concerted manner with the Government, CSOs and other key stakeholders.
- The action will contribute directly to strengthen the EU Cooperation by building capacity for a more effective and efficient implementation of public policies so that the priority areas of the MIP reach maximum results, impact, and visibility and improving gender sensitive strategic plans and budgets.
- The EU's role as a key cooperation actor and a key interlocutor on policy and political aspects for authorities will be durably consolidated.

3.6 Logical Framework Matrix

Given the nature of this Action a Logical Framework Matrix is not required at Action level.

4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this action, it is envisaged to conclude a financing agreement with the partner country.

4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

¹⁰ [@TEI Methodological Note to Support Design](#)

4.3 Budget Support – NOT APPLICABLE

4.4 Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures¹¹.

4.4.1 Direct Management (Grants)

Grants: (direct management)

(a) Purpose of the grant(s)

Grants will contribute to achieving the objectives set out in Outputs 1 and 2.

(b) Type of applicants targeted

The applicants targeted by the grants are legal entities, local authorities, public bodies, international organisations, Foundations and NGOs.

The part of the action under the budgetary envelope reserved for grants may, partially or totally and including where an entity is designated for receiving a grant without a call for proposals, be implemented in indirect management with an entity, which will be selected by the Commission's services using the criteria defined in section 4.4.4.

4.4.2 Direct Management (Prize(s)) – NOT APPLICABLE

4.4.3 Direct Management (Procurement)

Procurement modality will contribute to achieving the objectives set in Outputs 1 and 2.

4.4.4 Indirect Management with an entrusted entity

A part of this action may be implemented in indirect management with one or several entity(ies), which will be selected by the Commission's services using the following criteria:

- (a) knowledge and capacity to operate in the Guatemala;
- (b) value added and cost and staff efficiency; and
- (c) specific expertise related to the area targeted by the project for which it will be selected.

The implementation by this entity(ies) entails the management of actions under Output 1 and 2.

4.4.5 Indirect Management with the Partner Country: NOT APPLICABLE

4.4.6 Contribution to <name of the relevant Regional Investment Platform> – NOT APPLICABLE

4.4.7 EFSD+ operations covered by budgetary guarantees – NOT APPLICABLE

4.4.8 Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances (one alternative second option)

If deemed necessary for the implementation of this action, the Commission may change the implementation modality of one or more component of the action, from direct to indirect management mode with an entrusted entity, in accordance with the implementation modalities identified in sections 4.4.4.

¹¹ www.sanctionsmap.eu. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

If deemed necessary for the implementation of this action, the Commission may change the implementation modality of one or more component of the action, from indirect to direct management mode, in accordance with the implementation modalities identified in sections 4.4.1 and 4.4.3.

4.5 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

4.6 Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)
Implementation modalities – cf. section 4.4	
Output n. 1. <i>A more effective and efficient implementation of EU initiatives by promoting the GG agenda, Team Europe approach, EU principles and values as well as unlocking investments in Guatemala.</i>	6,000,000
-Grants (calls for proposals, direct management) – cf. section 4.4.1	1,000,000
-Procurement (direct management) – cf. section 4.4.3	3,000,000
- Indirect management with entrusted entity(ies)– cf. section 4.4.5	2,000,000
Output n. 2. <i>Strategic communication and public diplomacy.</i>	1,000,000
- Grants (calls for proposals, direct management)	400,000
- Procurement (direct management) – cf. section 4.4.3	500,000
- Indirect management with entrusted entity(ies)– cf. section 4.4.5	100,000
Grants – total envelope under section 4.4.1	1,400,000
Procurement – total envelope under section 4.4.2	3,500,000
Audit – cf. section 5.3	300,000
Contingencies	400,000
Totals	7,700,000

4.7 Organisational Set-up and Responsibilities

The EU Delegation will be in charge of the general coordination of this Programme, to ensure coherence with the overall EU strategic framework in Guatemala, as well as with the political and policy dialogues with the Government of the country, the EU Member States and other relevant partners.

The part of the action implemented through indirect management with entrusted entities will be managed by the entrusted entity(ies) selected for this purpose.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action and may sign or enter into joint declarations or statements, for the purpose of enhancing the visibility of the EU and its contribution to this action and ensuring effective coordination.

4.8 Pre-conditions Only for project modality: NOT APPLICABLE

5 PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

All monitoring and reporting shall assess how well the action promotes the principle of gender equality which lies at the heart of this programme and takes a human rights-based approach and enables the rights of persons with disabilities including through strengthening inclusion and diversity. Data collected, where appropriate and possible, will be disaggregated by sex and age, and by disability if tenable.

5.2 Evaluation

Having regard to the nature of the action, evaluation(s) will not be carried out for this action or its component.

In case an evaluation is not planned, the Commission may, during implementation, decide to undertake such an evaluation for duly justified reasons either on its own decision or on the initiative of the partner.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination¹². The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

In addition, all evaluations shall assess to what extent the Action is taking into account human rights-based approaches as well as whether and how the Action contributes to gender equality and women's empowerment and disability inclusion. The evaluation process will include expertise on human rights, disability and gender equality assessment.

Evaluation services may be contracted under a framework contract.

5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

In line with the 2022 "Communicating and Raising EU Visibility: Guidance for External Actions", it will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate

¹² See best [practice of evaluation dissemination](#)

on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

In light of the above, and building on the experience of the Partnership Instrument and the other good practices outlined in the “Methodological Note on Public Diplomacy and Communication”, we wish to ensure that similar dedicated Public Diplomacy initiatives will be available in Guatemala. These initiatives, which will be further detailed in the next steps of the programming, should allow our delegation to develop long term, strategic and coherent approaches to foster, engage and mobilise networks of key target audiences and potential partners such as youth, academics, influencers (e.g. media, think tanks, and business community), civil society and cultural actors.

This proposed action will also promote international values and principles as well as EU commitments to inclusive and sustainable economic growth, environment and climate change adaptation/mitigation and inclusion and equality.

As individual programmes will no longer have dedicated visibility actions, there will be a coordinated approach for the promotion of targeted messaging and communication for development cooperation initiatives, also across programmes and implementing partners when relevant, This will be complementary with the current EU Strategic Communication and Public Diplomacy Facility to avoid any duplication.