GUATEMALTECOS MEJOREMOS GUATEMALA

How can we improve the Nutritional state of Guatemala?
"We believe in a Guatemala that is more Prosperous, Safer, and with more Solidarity"
CACIF is a Guatemalan institution created in 1957 by Guatemalan entrepreneurs; it is organized in different Chambers and Associations who recognize the need of creating a coordinating entity that promotes a larger approach and unifies efforts and actions, without reducing the part and activities of such organizations, to protect the Rule of Law, free enterprise and individual dignity.

FUNDESA is a private, non-profit organization, created by entrepreneurs, independent from sector-based, guild, or partisan interests; created in 1984 from the interest of Guatemalan entrepreneurs to generate and implement programs and projects that boost the country’s economic and social development in a sustainable way.
Editorial

We proudly present to you, our respectable reader, the first edition of the magazine from the initiative Guatemaltecos Mejoremos Guatemala (Guatemalans, let’s improve Guatemala). This initiative comes from the private sector through their institutions: Comité Coordinador de Asociaciones Agrícolas, Comerciales, Industriales y Financieras (CACIF, in English, Coordinating Committee of Agricultural, Commercial, Industrial, and Financial Associations) and the Fundación para el Desarrollo de Guatemala (FUNDESA, in English, Foundation for the Development of Guatemala), both of them have united efforts and economic resources to develop an impacting strategy in public policies for the country’s development.

As part of the activities to announce the projects carried out through the initiative Guatemaltecos Mejoremos Guatemala, comes the idea to create a magazine where, every three months, the main advances in the different areas are published in order to reach a Prosperous Guatemala, a Safe Guatemala, and a Guatemala that has Solidarity, as well as promote devices to Strengthen Institutions.

In this first edition, you will find several articles concerning investigations and proposals developed in Guatemaltecos Mejoremos Guatemala. For example the emergence of Alianza por la Nutrición (in English, Alliance in Favor of Nutrition) to improve the country’s Nutritional Status, how the Consejo Privado de Competitividad (in English, Competitiveness Private Council) was created and what direction its work will take, activities to support the new Ministry of Social Development which was created at the beginning of this government, and the safety proposal which is a priority to help reach prosperity. Finally, we present an analysis of the Transparency Laws, basic for stronger institutions.

In this edition we have received the collaboration of two important columnists: Raúl Alas from CACIF and Salvador Biguria, who aside from being one of the directors in FUNDESA, coordinates the efforts of Guatemaltecos Mejoremos Guatemala, and is President of the Consejo Privado de Competitividad.

We hope that you like this first edition so that it becomes a new communication tool to strengthen the exchange of ideas and to encourage the creation of real solutions to become the nation we desire.
Jorge Benavides

An associate researcher in FUNDESA in the area of Social Development. University professor for Economic Process for the Universidad Francisco Marroquín. Master in Political Studies from the Universidad Rey Juan Carlos (Madrid, Spain), and graduated with honors in Economic Science in Universidad Francisco Marroquín. Lecturer and consultant of IDB in the area of Institutional Capability and Development. Published articles on development and inequality public policies and social assistance programs, sustainable development, governability and the reduction of poverty, focusing in Guatemala and Latin American countries.

Susanne Andrea Frick

Executive Director of the Consejo Privado de Competitividad de Guatemala which supports the work of the inclusive economical development of the proposal Guatemaltecos Mejoraremos Guatemala, launched by CACIF and FUNDESA. Worked in Geneva, Switzerland at Dalberg Global Development Advisors as a consultant of strategies definition and implementing for private organizations in several countries. Master in Development Economics from the London School of Economics and a Bachelor’s Degree in International Affairs from the St. Gallen University, Switzerland.

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Works in several programs directed to vulnerable young people to help prevent violence. Expert in citizens’ safety. Was Executive Director of FUNDESA and President of CIEN. Minister of Education for the years 2004 to 2008. Participated with several institutions to help in the progress of the country. University professor and writer for several media.

Jorge Lavarreda

Vice-President of the Board of Directors of the Centro de Investigaciones Económicas Nacionales (CIEN, National Economic Research Center). Worked as consultant for the Inter-American Development Bank, the World Bank, United Nations agencies, and other international institutions, as well as national private organizations. Has taught economics courses and was a regular columnist in one of the main Guatemalan newspapers. Specialized in Project Socioeconomic evaluation of the Pontificia Universidad Católica de Chile.

Julio Héctor Estrada

A more Prosperous Guatemala

Consejo Privado de Competitividad
(Private Competitiveness Council)
by Susanne Frick

The average growth in Guatemala has been around 3.5% during the last 25 years. Despite being relatively constant, this growth has not been enough to fill the gaps that exist between the different living conditions of Guatemalans. According to the last Encuesta Nacional de Condiciones de Vida – ENCOVI – (National Living Conditions Survey) more than half of the Guatemalan population still lives in poverty.

Part of the problem is that this growth has not generated enough employment. We can observe that from 1998 to 2010, 2.5 million young people have entered the labor force. Of these, only 500,000 found formal employment, one million had to emigrate to the United States of America and one million people became underemployed.

In the next 10 years, the situation will be similar; 2.5 million young people will enter the labor force, willing to work; however today’s economic structure will only generate 500,000 employments. In order to change this course, we must improve the country’s competitiveness and reach economic growth of +6%.

According to the last Global Competitiveness Index, Guatemala holds the 84th position out of the 142 evaluated countries. Guatemala has made important efforts and advances during the last years; however it falls behind on issues such as the number of days needed to start a business, fulfillment of contracts, and the productive use of resources. To achieve a real change, more continuous and systematic efforts are required.

According to the World Economic Forum (WEF), “competitiveness is the set of institutions, policies and factors that determine the level of productivity of a country.” To measure this competitiveness level the WEF utilizes “traditional” indicators such as amount and quality of infrastructure, juridical certainty, and costs to open new businesses.

However, it also includes diverse indicators such as life expectancy, infant mortality, availability and quality of training and research centers, extent of training in companies, availability of the companies to adopt new technologies, and commercialization expenses in the companies.
These issues cannot be approached by only a single party; they require a joint effort from the public sector, the productive sector, academic institutions, and the civil sector, on a macro level as well as on company and institution levels.

The Consejo Privado de Competitividad (CPC) was created with this purpose, as a permanent effort from the productive sector to improve the country’s competition and innovation ability, as well as to strengthen the public-private institutionalism.

Aligned with this mission, CPC’s objectives are:

- The establishment of a strong and capable public-private institutional framework to continuously promote competitiveness and employment generation in the country.
- To strengthen the strategic vision and capacity of the productive sectors to implement strategies.
- To promote a favorable business environment to stimulate the growth of local businesses as well as to attract foreign investments.
- To promote an innovative and competitive academic sector to achieve innovation and a labor force with abilities that meets the needs of the productive sector.

The productive sector’s work is focused on promoting and encouraging the development of strategies and clustering, as well as aiding in the implementing of such strategies by providing support for the management on an administrative level, in the content and in the search of funding. Work in sectors will provide follow up and go deeper in the inclusive development strategy, which was developed last year in the context of the basis of productivity from the initiative Guatemaltecos Mejoramos Guatemala. The inclusive character of the growth plan reflected both in the methodology used, which involves all the producing sectors, as well as in the expected results that aim to integrate more Guatemalans into the national economy and provide them with more opportunities.

An integral process was performed where more than 300 people representing 25 productive sectors participated identifying the strengths and challenges of each sector.

During this period, approximately 200 different initiatives were presented, of which 29 were completely expressed. Thus strategic and investment plans were developed for 5 sectors.

To improve the business environment, CPC will work closely with PRONACOM and other public bodies on related issues. On one hand, CPC will help define sectorial priorities for the academic sector and, on the other hand, it will contribute with concrete proposals. It will also develop and prepare specific solutions that can be leaded by the productive sector and/or the academic sector to complement the work of the public sector in these areas.

To strengthen the relationship between the academic and the productive sectors, CPC will promote research and innovation projects in businesses and will work as a link to align the academic offer with the needs from the productive sectors.

During the first phase of structuring the Council, we are focused in following up the initiatives and plans developed during last year as a part of the sector-based work. For example, were are giving support to the TICs sector in creating a cluster that gathers the different sub-sectors (call centers, software, and hardware) and we are working with Invest in Guatemala to launch a strategy for the light manufacture sector.

We also provide financial advice to those sectors that already have developed initiatives and are searching for funding. One of these is the non-traditional agriculture who is working in the establishment of the Centro de Investigación Agroalimentaria (Agricultural Processing Research Center).

During the next months, efforts will be directed greatly to the integration of the academic and the productive sectors. We will aim to raise the levels of the technical education to improve the human resources and we will invest time and effort in the national competitiveness system.

We believe that the CPC is an important step to create a national competitiveness system, crucial to improve the economic environment and employment generation in the country. It will work as a coordinating and communication body between sectors and will assist them in creating and achieving proposals. From these advances, we hope to take Guatemala forward and make a significant change in the economic and social development of our country.
A Guatemala that has
Solidarity

por Jorge Lavarreda

One of the short-term recommendations CIEN gave in its Lineamientos de Política Económica, Social y de Seguridad para Guatemala 2011-2021 (Politic, Economic, Social, and Safety Regulations for Guatemala 2011-2021) for the objective of eradicating extreme poverty, was to “Create the proper institutional framework that allows the effective coordination of actions in social assistance and protection focused on the life cycle, with an approach to the fundamental risks to improve the ability of the human capital and future productivity.” As a matter of fact, on February 7 2012, the Ministry of Social Development was created, through Decree 1-2012, as an entity that will design, regulate, and execute the public policies focused on improving the welfare of the population who live in poverty or extreme poverty.

CIEN also proposed the creation of a unique beneficiary identification system to establish people who qualify for the different types of social interventions that will also serve as a control mechanism. One of the duties of the new Ministry of Social Development is to “establish within its competence, the national information system that includes, at least, one single database of beneficiaries, the base line, the design impact indicators, execution and harmonization of the social national system”.

We must highlight that one of the greatest challenges that social programs face is the political clientelism. For this reason, it is important that one of the explicit functions of the Ministry of Social Development is:

“to establish regulations within its competent environment to make social programs transparent, effective, temporary, and without being subject to any partisan political character in the processes of granting and concession.”

Due to the fact that in Guatemala there is no appropriate organized information and education system to aid social programs in the decision making process, we consider this new law as another positive point in the mandate to the new Ministry
to “promote, plan, coordinate, and define short, medium, and long-term goals, as well as the impact indicators to follow up the Government’s general policy towards the social area to improve the social programs’ beneficiaries standard of living”.

All of the above allows us to conclude that the first steps are in the right direction towards the making of institutional social assistance framework in the country. In fact, Székely (2012) qualifies the creation of the Ministry of Social Development as "an important step towards the institutional framework of its social policy… with this important step, the Republic of Guatemala joins a regional tendency in Latin America of strengthening the Government’s actions against poverty… the creation of the Ministry of Social Development in the Republic of Guatemala is in fact a good move. The number of programs and initiatives in the country that have been historically scattered, incoherent, and fragmented. They have not necessarily translated the social expenditure into an effective attention to the population in state of poverty; the first step to provide order and direction to such actions is the strengthening of the institutional framework of the sector by establishing a controlling entity”.

On May 4, 2012, the Internal Organic Regulations of the Ministry of Social Development were published in the Diario de Centro América (the national official newspaper), Governmental Decree 87-2012. Once again, Székely’s (2012) conclusions on a preliminary version of this decree can be highlighted, “the Regulations of the Ministry of Social Development have innovative elements that include, on one hand, the separation of crossed functions to increase the efficacy and the efficiency of the different activities, and on the other strengthening the planning and evaluation activities of the social policy, uncommon in other ministries of the region. These changes will place Guatemala within the 6 countries having a higher institutional level in the social area of the region, in accordance with an indicator containing 10 items, including the existence of a Ministry – with Brazil, Mexico, Chile, Uruguay, Argentina, and Costa Rica”.

All of the above corresponds to the first steps directed towards building a Guatemala with more solidarity. However, there are still challenges that in the short term mean the creation of the working team for the Ministry of Social Development. Székely (2012) identified the following three activities to make the MIDES (Ministry of Social Development) operative:

1. In order to define in detail the processes performed in each Vice-Ministry, it is necessary to specify the functions of each of the positions included in the organization chart of the Regulations in order for the established positions to have a clear and precise profile. This will help identify the most suitable professionals for each function.

2. It is necessary to develop the operation manuals, procedures, and regulations for every instance and office of the Ministry and the existing processes for the planning, financing, execution, and evaluation of the social policies in order to clearly assign the responsibilities and faculties to each area.

3. The creation of a calendar marking the beginning of operations for each area under the new structure is necessary to guarantee an orderly start of the new Ministry. Given that the new Regulations were created in a period where several social programs are still being executed, it will be necessary to plan a logic sequence to simultaneously distribute functions and faculties to the reorganization. This third process can be performed once the functions of every position have been defined and the operation manual, procedures, and regulations have been issued.

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Safety, a Priority to Reach Prosperity

By María del Carmen Aceña, Associate researcher at CIEN

Regional Outlook

The simplest indicator to measure violence is the homicide rate based on the number of homicides per 100,000 inhabitants. According to the Comisión Interamericana de Derechos Humanos (2010) – Inter American Commission on Human Rights – the homicides rates in the Latin American region was 26 per 100,000 people. However, according to FOCAL (2010), there were rates higher than 35/100,000 within this region, lead by Honduras (67), El Salvador (55), Venezuela (48), Guatemala (46), and Colombia (39).

The World Bank indicated that homicide rates have increased in the three countries located in the Northern Triangle (Guatemala, Honduras, and El Salvador) from 20 per 100,000 people at the end of the 90’s to 40 per 100,000 people in 2007. We must ask ourselves:

What has happened during the last decade in the Central American Region?
It is said that our countries are very fragile due to risk factors such as the geographical location, which make them appealing for organized crime and drug trafficking. During the last decades, Central America has become the main conduit for drug traffic, people trafficking, migration, and gangs between the North and South of the continent. Thus, the high levels of corruption of the justice operators in the border crossings make the region more vulnerable against violence.

Likewise, the little investment from the governments in public safety, deficient education and health make people more vulnerable. A study performed by CIEN last year indicates that the strategic problems found in Guatemala could be summarized as follows:

Safety has not been a priority:

Despite the fact that Guatemalans had signaled lack of safety as the main issue, the previous government did not prioritize the issue. The present president seems to be taking a lead on this.

An ambiguous legal framework:

After the signature of the peace agreement, legal reforms in the safety framework were confusing and too ambitious. Plus the basic law of the national safety system does not operate properly, there is no national safety policy nor are there institutional frameworks to operate in a coordinated way.

Human resources are under prepared:

Despite the efforts made after the peace agreement, qualified personal needed in the safety area was and still is insufficient. Plus, turnover in the most important positions in the executive body, such as the Minister of Interior and his directors, is very high (eight ministers in seven years).

Inadequate infrastructure:

Police facilities as well as the penitentiary system do not fulfill the necessary standards to perform efficiently.

Operating resources are scarce:

Scarcе budget allocations and precarious management do not allow the proper access to the instruments, supplies, and equipment needed to operate and to have good logistics.

Bad management and deficient coordination:

There are neither goals nor performance indicators to achieve improved management and results.

Lack of plans:

There are neither goals nor performance indicators to achieve improved management and results.
The Guatemalan Challenge

During the last years, the rate of homicides per 100,000 persons dropped from 46 to 41 in 2010 and to 39 in 2011.

Graph 1: Evolution of the rate of homicides rate in Guatemala for every 100,000 persons

What actions should be taken to improve citizens’ safety?

To achieve sustained changes in the safety area, an integral state policy that approaches the following fields must be worked:

1) Prevention and dissuasion,
2) Pacific problem resolution,
3) Coercion,
4) Research and training,
5) Judicial control and
6) Penalization and reintegration to society.

The safety system legal framework and the management of the Ministry of Interior should also be reformed.

We see as positive the fact that work is being done in a national safety policy; however, in order to achieve change, we recommend:

1. Maintain the president’s leadership

2. Work jointly and as a team: It is imperative that the “Pact for Safety, Justice, and Peace” is fulfilled and that all the participating institutions work jointly. The Executive Body faces a great challenge in improving the administrative management and allocation of resources.

3. Develop a comprehensive proposal focused regionally and in accordance locally: This proposal must take into account elements such as the examination, tackling, and dismantling of mafias. The failed attempt to join as a region for the legalization of drugs should not inhibit the heads of the countries to keep on proposing different themes and novel changes to obtain different results.

4. Have a tasks list: A plan with precise and measurable goals is needed for the next years; it should describe short-term actions and have a long-term vision. This tasks list must take in account a complete focus, from launching a prevention strategy (strengthening education and health), followed by having programs to solve conflicts, strengthening the Civil National Police (promoting modernization and restructuring), improving the efficiency of the Public Prosecutor’s Office (investigation), improving the performance of the Judicial Body (efficiency), and an operative Penitentiary System (control and reintegration to society). In order to achieve this, it is important to follow up the processes that have already been initiated, such as the Reform Program of the Civil National Police (PNC).
5. Prioritize resources: It is necessary to professionalize human resources, invest in infrastructure, and improve the supplies provided to institutions to have them work efficiently. We recommend improving social management and transparency. Strategies that focus on areas (departments and municipalities) will also have to be redesigned, and should show results in the short term.

6. Have the mayors participate: The involvement of local governments will be very important to achieve safety. As an example is the willingness of the mayors from Mixco and Villa Nueva who support the initiatives of the Vice-Minister of Interior in designing a juvenile violence prevention policy.

7. Create the legal, institutional frameworks and accountability: It is advisable to review the legal frameworks and adjust them to the constitutional demands and the reality of the country. It is also urgent to create entities such as observatories that support, analyze, propose, and demand results. Transparency, the efficient use of resources, and accountability are crucial to have credibility.

THE COST OF VIOLENCE

Beyond the cost in human lives, which are irreparable, violence has direct costs on the economic activity.

According to UNPD, on 2006, these costs amounted 7.7% of the Gross Domestic Product (GDP). Among these can be included the direct losses in production, higher costs in health services, institutional costs to fight criminality, expenses in private security, and other material costs.

As a consequence, Guatemala is classified, on a world level, as one of the least competitive places to do businesses because of the high security costs. More than the direct cost this represents, it is important to mention the lost opportunities from investments that never happened as a consequence of the high risk of violence. What’s more, the World Bank estimates that if the rate of homicides were lowered in the country by 14%, GDP would increase one additional percentage point every year.
TRANSPARENCY LAWS:
IT IS URGENT TO PRIORITIZE THEIR DISCUSSION AND APPROVAL

By Mario García Lara

Last March, the president of Guatemala, Otto Pérez Molina, personally submitted to Congress two law proposals that aim to strengthen transparency and quality of public expenditure, as well as the institutions responsible for such expenditures.

On one hand is the Institutional Strengthening for the Spending Transparency and Quality Law (Initiative No. 461), issued on April to the legislative commissions of Legislation and Constitutional Issues, Integrity and Transparency to jointly issue an opinion, this initiative contains 5 books:

- Book I: Reforms to the Budget Organic Law
- Book II: Reforms to the General Comptroller’s Office Law
- Book III: Reforms to the Organic Law of the Superintendence of Tax Administration
- Book IV: Statistical and Geographical Information National System Law
- Book V: Transitional and final provisions

On the other hand, the Strengthening for the Public Spending Transparency and Quality law (initiative No. 462), which was also submitted on April to the Legislation and Constitutional Issues and Extraordinary for the Tax Collection commissions, contains 8 books.

- Book I: Reforms to the Law of the State Contracts
- Book II: Reforms to the Law of Probit
- Book III: Reforms to the Organic Law of the Executive Body
- Book IV: Reforms to the Law of Civil Service
- Book V: Law against the Unlawful Enrichment
- Book VI: Law for Public Trusts
- Book VII: Law for Planning and Management of the Public Management
- Book VIII: Transitional and final provisions

The Executive’s initiative is praiseworthy for two main reasons: First, because any fiscal reform is not complete if the enormous resources diversion is not closed quickly, such diversion comes from inefficiency, corruption, influence peddling, lack of planning and the nonexistent evaluation that infect the Guatemalan public sector.
After the recent approval of the “tax updating” pack, it became essential to urgently cut off the transparency and spending quality issue, in order to break the deeply-rooted vicious circle of “I don’t pay because they steal it” and “I don’t spend well because they don’t pay”.

Second, the initiative is commendable since, in a relatively fast and effective (unusual in the daily operations of the governmental apparatus), the government technical team was able to structure a full and ambitious package of legal regulations of the matter, that does not only look for fast fixes to the inflexibility and obsolescence of the laws in force, but also expects to introduce long-term and whole reforms to the regulations of the public spending.

The approval of this initiative must overcome this significant dilemma. On one hand, as every legislative initiative, it contains mistakes and weaknesses that should ideally be corrected before its approval in the Plenary. On the other hand, this is an extremely urgent issue which, in the pursuit of a macroeconomic future and the governance of the country, should not take more than a couple of months. In other words, the proposed reforms must be approved soon, but they should also be approved properly; it must be done fast, but not so fast as to undermine the legitimacy and efficacy of the proposal. It is advisable that the Executive Body contribute to Congress in the analysis and improvement of its initiative within a reasonable term, they must not forget that perfection is an enemy of righteousness. This means to concentrate in the substance, to avoid being distracted from the formal minutiae and having an improperly prolonged discussion, allowing this to be an excuse to the enemies of transparency to block and misdirect the reform.

As an example, this matter could be used to redefine the mandate and reinforce the election of the authorities who work at the Comptroller’s Office, since this institution is key in the system of governmental integrity. The initiative could also be improved in the trusts matter if a term that cannot be extended is established after which the trusts must be settled. Thus, regulations to limit and control state purchases through an exception mechanism could be introduced. However, the most important issue is that this initiative provides the opportunity to build a national unity movement around integrity, the war against corruption, transparency, and a higher efficiency in governmental spending. It is important that the government visualizes that the success of this proposal and, eventually, its management, requires that its process of approval provides the political and social legitimacy necessary to its effective application. A good message would be to support a joint ruling from the respective legislative commissions, which represent the different political forces and should be able to conduct and expedite consulting process with independent experts in order to enrich the proposal.

All this must be done quickly, the enemies of transparency, powerful interests that live from opaqueness, influence peddling, and institutional weaknesses will oppose to the reforms. It is necessary that national leaders (in the political, economic, and social environments) join their efforts to have the proposal from the Executive Body be analyzed, improved, approved, and implemented with reasonable swiftness.
How can we improve the Country's Nutritional Status?
By Jorge Benavides

“While nutrition is associated with health, a poor nutritional intake during early childhood and school years has irreversible impact that affects an individual during their life cycle as well as general society. This problem also causes higher vulnerability to diseases, poor school performance, which in the future could translate into low productivity of human resources and, therefore, low income. This poverty situation would be repeated by the next generation, being poverty the main reason of poor nutrition.”

Guatemala faces a great nutritional challenge...

Undernourishment is an ongoing problem that has gained more interest during the last decade, not only for the region’s diagnosis, but also for the series of proposals and plans that have been developed to obtain a positive impact on vulnerable children.

Chapter III from the report prepared by UNICEF and CEPAL on childhood poverty in Latin America (2010) states, “Undernourishment during childhood, besides violating the right to food, increases the risk of death, inhibits cognitive development, and affects health for life. It is a necessary condition to face this problem to guarantee the right of survival and development of children in Latin American and the Caribbean, as well as to achieve progress in these countries.”

Taking the appropriate actions needs an accurate reading country’s status, identifying those aspects that cause the problem instead of only quoting the visible effects in the population.

The report continues: “The population of the region is affected by both insufficient food intake and imbalances in dietary composition. The latter involves the lack of micronutrients (iron, iodine, zinc, and vitamin A), and a growing excess of macronutrients (saturated fats), which leads to obesity and other pathologies. However, the key challenge most countries still face is undernourishment, despite that fact the regional production of goods and food products triples the energy requirements of the population.”

Under these circumstances, Guatemala is one of the lowest ranking countries in the nutritional indicators, both at a regional as well as at a global level. 49% of its children younger than 5 years of age suffer from malnutrition, the situation is more tragic in the rural area (55.5%) than in the urban areas (36.5%), in the indigenous population (69.5%) than the non-indigenous population (35.7%), and in the children whose mothers have not received an education (65.6%), or only with a middle education (46.4%), compared with those children whose mothers had any high-school or superior education (18.6%).

“Guatemaltecos Mejoremos Guatemala” believes that the best way to evaluate the effectiveness of our proposal is through the Millennium Development Goals (MDG), which were raised from the beginning as the basic points to reduce poverty in the country, and are as well directly linked to the economic growth. Each one of the MDGs will be fulfilled on 2021 only if we can grow steadily. And it will be thanks to this growth, which at the same time increases the income levels in the population, that there will be enough resources to carry out the social policies that fulfill the basic needs of Guatemalans.

WWW.MEJOREMOSGUATE.ORG
Guatemala needs more growth to eradicate malnutrition

The graph provides a good illustration of the implications if the country continues to grow at a lower rate than the historic average since 1989; 3.7% annually. According to our estimates, if we keep growing at this rate, we will not be able to reach the goal established for 2015, which will take us to a chronic malnutrition rate of 38.3% in children younger than 5 years of age on 2021.

The MDG for Chronic Malnutrition was to reach 29.0% for 2015; however, if we keep growing at the rate of the last 23 years, we will reach this goal on 2046. Which is why, according to the growth model we developed and taking into account the necessary interventions to reduce chronic malnutrition, we should grow above 5.95% every year during the next 10 years to reach a chronic malnutrition rate of 28.95% on 2021.

Additionally, evidence shows us that those communities with the highest poverty rates tend to have incremented chronic malnutrition levels due to 4 factors:

- Insufficient income levels for minimum access to nutrients during the earlier stage of development.
- An inadequate medical attention at the basic level of assistance, which makes control and prevention impossible.
- High levels of illiteracy in mothers, along with scarce training in hygiene and nutrition.
- Little access to water and sanitation services, which causes continuous diarrhea episodes in children which does not allow a proper absorption of nutrients.

As a conclusion, the report of Child Poverty in Latin America (UNICEF, 2010) makes an emphasis on the need to take action in key aspects that could have a positive impact on the short term. The report points out the importance of improving basic environmental conditions (infrastructure and availability of food), which should be accompanied with a commitment to eradicate this condition in future generations before the consequences are irreversible.

According to the MSPAS 2012 (Ministry of Public Health and Social Assistance, in Spanish), the households in Guatemala that are the most susceptible to nutritional vulnerability are those in rural areas exposed to environmental risks. In other words, the highest figures in undernourishment and infant mortality are found in those regions that are continually being affected by natural disasters, specifically on the Western area of the country.
PROPOSAL: The Opportunity to Create an Alliance in Favor of Nutrition

By Julio Héctor Estrada

Guatemala is a country with great contrasts and even greater challenges. The long road needed to take, especially in education, health and sanitation becomes evident when the results obtained by Guatemala are compared with those of other countries in the Human Development Index. However, consciousness on chronic malnutrition has increased as the great red indicator in Guatemala.

Chronic malnutrition is measured as the percentage of children less than five years of age with deficits in height for their age. According to the National Survey of Maternal and Child Health (ENSMI, according to its initials in Spanish) 2008-2009, Guatemala has a chronic malnutrition indicator of 49%, one of the highest in the world and the highest in America (even higher than Haiti). Not only are we in a bad position; we are also on the wrong path with a reduction lower than 5% during the last 20 years.

Recent studies show that chronic malnutrition generates a series of additional health problems in adulthood, the most prevailing are diabetes and hypertension; which means a large burden to the national health system.

Understanding the problem of chronic malnutrition is not new in the circles that generate public policies. During the 60’s, the Instituto de Nutrición de Centro América y Panamá – INCAP – (Nutrition Institute for Central America and Panama) was a pioneer in elaborating multi-annual studies on the impact of malnutrition, and proposed solutions like the famous Incaparina. However, the lack of continuity and consistency in the efforts to face the problem has not allowed an efficient intervention.

Chronic malnutrition is a burden in the whole development process and in the human capital formation. School performance and repetition rates are seriously affected by chronic malnutrition, which in the long term affects the whole educative system. (Graph 1)

Graph 1: Undernourished children repeat grades with a higher frequency due to a low performance
Even if chronic malnutrition could be considered as a simple and relatively cheap problem to solve compared with other public policy challenges, solutions are complex to execute. The first step to face it is to see beyond the immediate and to learn the difference between acute undernourishment, that kills and paralyzes, but affects a little less than 1% of children in Guatemala, and chronic malnutrition that affects almost half of the children population.

On one side, acute undernourishment is directly linked to extreme poverty and climate changes. It is a health emergency that requires timely and periodic actions to bring calories to the most vulnerable population. On the other side, chronic malnutrition is not directly linked to extreme poverty and lack of food, but with their combination, as well as with the variety and way food is ingested, and with the body’s ability to take advantage of the nutrients.

It has been widely proved that chronic malnutrition can be reduced by working in a combination of interventions with a bigger or smaller emphasis based on the specific needs of a country, a region, or a community. Examples can be seen on Chart 1.

**Chart 1: Pillars and intervention examples to eradicate chronic malnutrition**

<table>
<thead>
<tr>
<th>Nutritional education</th>
<th>Feeding complement</th>
<th>Biological Exploit</th>
<th>Rural Empowerment</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Breastfeeding</td>
<td>• Powder micronutrients for children &lt; years old, for a period of 60 days/year</td>
<td>• Antiparasitics</td>
<td>• Technical training</td>
</tr>
<tr>
<td>• Complementary feeding for infants &gt; 6 months old</td>
<td>• Iron – folic acid supplements for pregnant women*</td>
<td>• Therapeutic Zinc for the treatment of diarrhea</td>
<td>• Loans for supplies</td>
</tr>
<tr>
<td>• Personal hygiene</td>
<td>• Vitamin A and Iodine supplements</td>
<td>• Water filters</td>
<td>• Connection to the market</td>
</tr>
<tr>
<td>• Weight and height control</td>
<td>• Nutritional foods for undernourished children – tentative*</td>
<td>• Efficient stoves</td>
<td></td>
</tr>
<tr>
<td>• Other themes</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Many institutions and people have been building efforts for many years within the logic of these interventions. According to a survey performed by the consulting company Dalberg during August 2011, there are 167 functioning programs in Guatemala, involving more than 100 different entities.

Projects are focused as follows:

- 65 programs on Productive Agricultural Empowerment
- 13 programs on Productive Non-Agricultural Empowerment
- 23 programs on Food Supplements Provision
- 9 programs on Nutritional Education
- 25 programs on Basic Services Provision
- 32 programs applying 2 or 3, but less than 4, of the solutions

To treat the nutritional issue, it is important that all intervention elements work appropriately or the desired results will not be achieved. If, for example, there is food and a proper feeding culture, but there is a lack of access to water and the child has parasites, the efforts will fail. This is why this must be a long-term, constant, coordinated effort in order for the interventions, wholly and consistently, to reach all the communities in need.
Survey: Most important obstacles that limit the impact/scope of the programs that aim to diminishing malnutrition

Graph 2: Average score, where 1 means “Not a limitant” and 5 means “An extremely strong limitant”

<table>
<thead>
<tr>
<th>Obstacle</th>
<th>Average Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of coordination among relevant organizations</td>
<td>4.50</td>
</tr>
<tr>
<td>The private, public and social sectors miscomprehend the problem</td>
<td>4.05</td>
</tr>
<tr>
<td>Trust between organizations</td>
<td>4.00</td>
</tr>
<tr>
<td>Insufficient human resources</td>
<td>3.50</td>
</tr>
<tr>
<td>Insufficient financial resources</td>
<td>3.41</td>
</tr>
<tr>
<td>Confidence of the beneficiaries in the organizations/programs</td>
<td>3.38</td>
</tr>
<tr>
<td>Cultural barriers</td>
<td>3.38</td>
</tr>
</tbody>
</table>

By following this logic, we can recognize the challenges and actions that must be taken immediately to lay the foundations for an alliance in favor of nutrition.

We must:
- Create an alliance in which companies, foundations, and people participate in projects already working against malnutrition.
- Join efforts and jointly achieve more significant advances than those made individually. We must begin in those communities and projects where collaboration and coordination lead to strong, replicable, and scalable immediate results.
- It is essential to work with the government to achieve scale, laying the foundation and supporting what is good, being a guardian of the great national plan on a 10-20 year-term to drastically reduce (from 43% to less than 15%) this scourge in our country.
- Support the public-private efforts to obtain additional resources from multilateral institutions, governments, NGOs, and international foundations.

This year, on May 15, the project was launched through an event; representatives from more than 40 interested institutions, public officers, and President Otto Perea Molina were present. Now is the time to quickly build, to articulate and coordinate the necessary efforts. The private sector cannot lose this opportunity that comes from the relevance of this issue, to exercise the necessary leadership to face this great challenge.
Alliance in favor of nutrition

CACIF and FUNDESA presented the initiative of an Alliance in favor of Nutrition to more than 120 representatives of companies, foundations, chambers, associations, cooperatives, and multilateral organizations. The Minister of Social Development presented the proposal Zero Hunger and the President of the Republic closed the event.
Presentation of the private competitiveness council
No one has said that entrepreneurial success is reserved for only a few people, organizations, or countries. In fact, the opportunity to reach goals and achieve great satisfaction in the business world is open to all those who have a clear objective: raise the competitiveness of their products and services to a higher than the average level.

“The opportunity to reach goals and achieve great satisfaction in the business world is open to all those who have a clear objective”

Which is why, at the dawn of the twenty-first century and with globalization at its highest, it is outrageous to keep an attitude limited to our national and regional context. In today’s market conditions, the name of the game is Competitiveness 2.0 and its main qualities to attract investments are: clear rules, juridical certainty, and entrepreneurial proactivity.

Clear rules, like those established between two players in a game, in which they know their most essential scopes and limitations beforehand. Because there is no reason to compete in a market where there is no known legal reference that establishes the action fields of each competitor in the supply and demand dynamics.

Juridical certainty, where rights and responsibilities of the market prevail, to avoid the abuse and excess that causes the lack of confidence in the whole system. In other words, the legal order of the State works without favoring the guilty or penalizing the righteous, but giving what belongs to each one, with the propriety, clarity and lawful basis of the rule of law.

And of course, entrepreneurial activity is needed to stay updated with industry innovations, but mostly on the human and technical training for the managers and collaborators, in order to anticipate and prepare for the changes that periodically transform the entrepreneurial activities and, on many opportunities, wear out the companies during the urgent adapting process.

Now more than ever it is necessary to have a multisectoral leadership with a long-term vision that allows social, political, and economic obstacles to become real opportunities to create employment, professional growth, and progress.
Why nutrition MUST matter to us!

Salvador Biguria
General Director, Initiative Guatemaltecos Mejoremos Guatemala

Recently, much discussion has been made around the advertising campaign proposed by the movement Despertemos Guatemala, in which Guatemalans are questioned if it matters to them the fact that the country has one of the highest rates of chronic child malnutrition. Besides discussing whether or not we like the language used by the campaign, there are two basic issues to analyze. The first, knowledge and concern have risen on this deeply-rooted problem. The second is, after recognizing the existence of the problem we must understand why it is so important to address it and how to tackle it.

A proper nutrition is crucial to become productive and competitive adults. Although for many of us this may not be an issue in our lives, it is a daily challenge for almost 50% of the children in our country. If we expect to raise the educative levels of young people, and our productivity and competitive levels, we need children who are properly nourished before they start attending school. As Guatemalans, it is unacceptable to keep living in a country where living conditions are so dramatic for so many people. As a society we must find a way to change the direction and tackle this problem. Countries like Brazil and Peru have proved that it is possible. Why can't we do the same?

There has been much talk about reducing poverty as a complex challenge; malnutrition is the most visible face of this latent poverty. An enormous and joint effort is necessary to reduce it. Small interventions will not be enough. In order to reduce the high level rates we have, the Government must play a key role that includes improving the access roads to communities, access to clean water and sanitation, distributing micronutrients, creating programs that encourage children to attend school, and mothers who take their small children to health centers, who attend training programs and who are empowered, and giving great importance to the 1,000-day window, from the pregnancy until the child reaches its second year of age. A monumental and coordinated effort is needed. However, all this work must not be exclusive to the Government only.

In the specific case of Guatemaltecos Mejoremos Guatemala, the effort is directed to the promotion of the Alliance in Favor of Nutrition. This alliance aims to join initiatives and interventions from several actors, including private foundations, around a holistic intervention model. At the same time, we provide support to the government entities who work on this issue (SESAN and Ministry of Social Development), and finally, we hope to promote a greater social audit on the work and advances of the Government in this field. I think that the motto “we all have something to give” is appropriate here.

“As Guatemalans, it is unacceptable to keep living in a country where living conditions are so dramatic for so many people.”
GUATEMALTECOS
MEJOREMOS
GUATEMALA

“Building a Guatemala that is more Prosperous, Safer and with more Solidarity”