



**USAID**  
DEL PUEBLO DE LOS ESTADOS  
UNIDOS DE AMÉRICA



# PROSPERITY IN GUATEMALA

## CENTRAL AMERICA STRATEGY

Central America's security and prosperity is directly linked to the security and prosperity of the United States. Through the U.S. Strategy for Central America, USAID's assistance addresses the security, governance, and economic drivers of illegal migration to the United States. By reducing crime and violence, addressing corruption and impunity, and providing greater economic opportunity, USAID creates the foundation for Guatemalans to be self-reliant and make their country a prosperous place to thrive, reducing the desire to illegally immigrate.

### OVERVIEW & CHALLENGES

The signing of the Peace Accords in 1996 brought a formal end to Guatemala's internal armed conflict. Producing over 200,000 casualties and rampant human-rights violations, the 36-year long conflict destroyed businesses and infrastructure, decreased the labor force, and stagnated the economy.

Lack of economic opportunity is the single largest driver of illegal migration from Guatemala. In 2018, the economy created only one new job for every 15 people entering the job market. Approximately 70 percent of Guatemala's economy is informal, characterized by low productivity, wages, and competitiveness. Without access to local economic opportunities, Guatemalans are migrating to other countries.

Currently, much of Guatemala's workforce lacks sufficient education and training, access to financial services for small and medium-sized businesses is limited, infrastructure connecting cities is outdated, and regulations inhibit investment. While agriculture is the most labor-intensive sector in the Guatemalan economy—employing 33 percent of the population—it only contributes 13.5 percent to the gross domestic product and offers limited opportunities for prosperity and growth. This landscape makes it difficult for Guatemalans to attain a better quality of life, and by one estimate, has driven 1.5 million Guatemalans to emigrate in the last 20 years.

## USAID'S RESPONSE

Working closely with government institutions, USAID and its partners implement a wide-range of projects to address the major issues hindering prosperity in Guatemala. To reduce illegal immigration and poverty, and increase employment USAID's projects focus on: 1) promoting economic growth and resilience; 2) creating income-generating opportunities; and 3) strengthening health and education.

### PROMOTE ECONOMIC GROWTH & RESILIENCE

USAID's Innovative Solutions for Agricultural Value Chains project (PROINNOVA), works to increase agricultural incomes, nutritional crop value, and improve resilience for small farmers and their families throughout the Western Highlands—Guatemala's most impoverished region with the highest emigration rates. Through a public-private partnership with Agropecuaria Popoyán, PROINNOVA helps farmers transition from subsistence to production farming, while promoting diversification of crop varieties, and expanding market access.

A similar program, the Coffee Value Chains project, done in partnership with the Guatemalan Coffee Producers Cooperative (FEDECOCAGUA), increases income by creating market alliances and improves the resilience and nutrition of small coffee producers. Through such programs, USAID has increased agricultural productivity and food security, diversified the economy, and created over 70,000 new agricultural jobs.

### CREATING ECONOMIC OPPORTUNITIES

The Creating Economic Opportunities project (CEO) partners with the private sector to promote trade and investment, mobilize financial services, and improve private sector competitiveness. Through a market-led approach the CEO project grows and expands formal businesses and employment to create income generating opportunities for Guatemalans, primarily in nonagricultural sectors. By mobilizing \$50 million of investment into small and medium enterprises (SME) and offering workforce development training to 10,000 youths, CEO will create 50,000 full-time jobs—half of them for women. With programs that invest in human capital development and targeted job creation, USAID provides vulnerable populations opportunities and sufficient income prospects to lead prosperous lives in Guatemala.

### STRENGTHEN HEALTH & EDUCATION

Through the Health and Education Policy Plus program (HEP+), USAID works with civil society and the Ministry of Health to decentralize responsibility for the management, financing, and provision of key health and education services. By promoting sustainability, gender equity, inclusion of indigenous populations, and local capacity development, USAID's NGO partners in this endeavor have leveraged over \$6 million in investments to increase coverage and improve quality services in health, nutrition, and education.

For over 55 years, USAID has worked with the Government of Guatemala to enhance the health and education of all Guatemalans, with a special emphasis on children. To date, USAID's programs have reduced chronic malnutrition by 8.2 percent, increased vaccination rates, and halved the maternal and child mortality rates. In partnership with the Ministry of Education, USAID has improved the education of over 2 million children—ensuring Guatemala's youth have the skills necessary for future learning and success.

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