



Integrated Country Strategy

Guatemala

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1. Chief of Mission Priorities

Guatemala has made significant progress toward security, prosperity, and governance goals – the three pillars of the U.S. Strategy for Central America. However, formidable challenges in these areas remain, ultimately inhibiting Guatemala from fully realizing its potential to be a more secure, stable, and equitable country for the benefit of all its citizens. Guatemala’s society is polarized by the fight against corruption, and tensions between supporters of anti-corruption efforts and those who view them as undermining national sovereignty are high. At the same time, the United States and Guatemala have maintained a historic relationship in areas of international trade and investment; violence prevention, including efforts to weaken transnational criminal organizations (TCOs) and gangs; regional economic integration; and promoting the fight against corruption and impunity. Due to our close geographical, economic, commercial, political, cultural, and social ties, our investment in Guatemala directly advances the interests of the United States.

Across the security sector, the Mission’s efforts directly strengthen security in the United States. Combating TCOs engaged in trafficking in persons, drugs, and illicit goods across air, land, and sea borders remains critical. We will also strengthen the government’s capacity to dismantle gangs, promoting greater citizen security. U.S. security assistance and law enforcement engagement will continue in these areas and more to extradite criminals to the United States and enhance the capacity of the national police and armed forces to protect and serve their own citizens. Our highest Mission priority will remain providing support and protection for American citizens traveling or residing in Guatemala.

Our close work with Guatemalan partners to reduce and address the drivers of illegal migration strengthens regional stability and promotes enhanced opportunities for Guatemalans to establish roots in their own country. Guatemalans cite lack of economic and educational opportunities as the main reasons to illegally migrate to the United States. With over half the population in poverty and lack of educational and job opportunities for Guatemalan youths, this trend will continue. Guatemala remains one of the most unequal societies in the world, and these inequalities are felt disproportionately by rural and indigenous populations. We will continue efforts in workforce development and the promotion of a more inclusive society, including increased engagement with the private sector and labor opportunities for Guatemala’s majority indigenous population. We will do this by promoting sound fiscal policy and enhanced revenue collection to address public spending gaps. The support we give to combat chronic malnutrition, improve food security, and increase access to health services will better enable Guatemala’s next generation to lead healthy lives that make it possible for them to contribute to society. We will also promote responsible environmental stewardship and relationships between businesses and communities.

Our efforts supporting the Public Ministry and the International Commission Against Impunity in Guatemala (CICIG) will create greater trust in public institutions and in government capacity to provide key goods and services to Guatemala's population. We will demand institutional reforms that continue to reduce corruption and impunity and support public servants to promote greater transparency in society. The Mission will continue to support the expansion of the justice sector and improvements in investigative and prosecutorial capacity not just in Guatemala City, but also in rural regions outside the capital.

We will also support an improved business climate that will enable American companies to thrive and protect U.S. investments in Guatemala, providing influential support to Guatemala's economy. Our strong efforts in commercial diplomacy and advocacy will expand U.S. export and investment opportunities, which bolster the U.S. economy and contribute to U.S. job growth. We will also increase trade, market access, and regional economic integration throughout Guatemala.

While our engagement with the Guatemalan government is multi-faceted, the U.S. Strategy for Central America underscores our strategic priorities and commitment in support of the Plan of the Alliance for Prosperity (A4P), the economic development and political reform initiative of Guatemala, along with other Northern Triangle governments. As the major challenges facing Guatemala are transnational, our efforts focus on working with the Government in Guatemala through a regional approach that facilitates closer collaboration and information-sharing between the governments of the Northern Triangle. The Mission will continue to develop and implement policies and programs that meet U.S. interests as well as to leverage our important bilateral relationship to encourage Guatemala to address citizen needs for the most vulnerable populations.

There are pivotal moments ahead for Guatemala's history, ranging from upcoming presidential, municipal, and local-level elections in June 2019 to continued disaster relief and recovery from the Fuego volcanic eruption. There are also major changes ahead for the U.S. Embassy, as we continue the construction and relocation of the New Embassy Compound (NEC) in Guatemala City. The 2018 Integrated Country Strategy (ICS) has provided us with the chance to strategically assess our windows of opportunity in this context and across the bilateral relationship. We will leverage our joint capacity due to the strong inter-agency presence in Guatemala to accomplish our vision. Over the next four years, U.S. Embassy Guatemala City will prioritize the following goals:

- Protect U.S. citizens and the Homeland, dismantle transnational criminal organizations and gangs, and increase citizen security in Guatemala;
- Reduce illegal migration and illicit trafficking of goods and people to the United States by boosting broad-based economic growth, addressing the economic drivers of migration, and engaging the government and the private sector to reduce poverty;

- Engage Guatemalan government institutions to fight corruption, increase openness and transparency, support rule of law, and strengthen the effectiveness of government institutions to improve Guatemalan confidence in government agencies;
- Promote American prosperity by improving export and investment opportunities for U.S. firms doing business in Guatemala and advancing U.S. economic interests through trade facilitation, improving the business climate, and advocating for U.S. firms; and
- Enhance our management platform to support increased Embassy needs, prepare for the upcoming move to the NEC, and bolster the Embassy's capacity to respond and carry out our Mission during humanitarian, environmental, and political crises.

2. Mission Strategic Framework

Mission Goal 1: Protect U.S. citizens and the Homeland, dismantle transnational criminal organizations and gangs, and increase citizen security in Guatemala. (Incorporates CDCS DO)

Mission Objective 1.1: Improve Guatemalan security institutions so that they better reinforce border security, improve regional cooperation, disrupt and degrade transnational criminal organizations and gangs, enhance the efficient removal of those with unauthorized presence in the United States, and inhibit illicit activities. (Incorporates CDCS DO 1)

Mission Objective 1.2: Improve cooperation and coordination with Guatemalan government institutions, civil society, and the international community on security issues, including bolstering citizen security, safety, justice, and the protection of U.S. citizens traveling in Guatemala. (Incorporates CDCS DO 1)

Mission Goal 2: Reduce illegal migration and illicit trafficking of goods and people to the United States by boosting broad-based economic growth, addressing the economic drivers of migration, and engaging the government and the private sector to reduce poverty. (Incorporates CDCS DO)

Mission Objective 2.1: Guatemala maintains macroeconomic stability and increases broad-based economic growth by enhancing the formal sector. (Incorporates CDCS DO 2 and 3)

Mission Objective 2.2: Strengthen economic and educational opportunities for Guatemalans, especially in the Western Highlands, border regions, and high-crime urban areas, through improved social and government services, increased access to and quality of health and education, enhanced food security, and environmental governance. (Incorporates CDCS DO 2 and 3)

Mission Goal 3: Engage Guatemalan government institutions to fight corruption, increase openness and transparency, support rule of law, and strengthen the effectiveness of government institutions to improve Guatemalan confidence in government agencies. (Incorporates CDCS DO)

Mission Objective 3.1: Public servants in Guatemala act with increased integrity and accountability, enhance openness and communication with the public, and build political will to create a more transparent government with reduced corruption. (Incorporates CDCS DO 1)

Mission Objective 3.2: Guatemala government institutions improve fiscal performance, public resource management, transparency, service delivery, and public engagement. (Incorporates CDCS DO 1)

Mission Goal 4: Promote an America First policy by improving goods and services export and investment opportunities for U.S. firms.

Mission Objective 4.1: Expand trade, market access, and regional economic and energy integration in Guatemala through implementing and complying with existing trade agreements, reducing monopolistic practices, and simplifying customs procedures.

Mission Objective 4.2: Increase Guatemalan transparency, accountability, and the rule of law to improve U.S. investment opportunities for U.S. companies through U.S. Embassy advocacy, commercial diplomacy, and strengthening the business climate.

Management Objective 1: Develop a management platform able to fully support Mission requirements effectively and efficiently.

Management Objective 2: Consolidate and support Embassy Guatemala City's upcoming move to the New Embassy Compound (NEC).

Management Objective 3: In response to humanitarian, environmental, and political emergencies or crises, develop staff and infrastructure sufficiently prepared and resilient to continue the Mission function.

3. Mission Goals and Objectives

Mission Goal 1: Protect U.S. citizens and the Homeland, dismantle transnational criminal organizations and gangs, and increase citizen security in Guatemala.

Description and Linkages: This goal advances the security pillar of the U.S. Strategy for Central America. Our aim is to combat transnational criminal organizations, stem drug trafficking, enhance citizen security, reduce gang violence, strengthen borders, and deter human smuggling by focusing on professionalizing police and military institutions and improving their ability to independently address security challenges.

Mission Objective 1.1: Improve Guatemalan security institutions so that they better reinforce border security, improve regional cooperation, disrupt and degrade transnational criminal organizations and gangs, enhance the efficient removal of those with unauthorized presence in the United States, and inhibit illicit activities.

Justification: By improving Guatemalan security institutions, the Mission seeks to enhance their capacity to both internally mitigate security challenges as well as to collaborate and engage with U.S. security institutions.

Mission Objective 1.2: Improve cooperation and coordination with Guatemalan government institutions, civil society, and the international community on security issues, including bolstering citizen security, safety, justice, and the protection of U.S. citizens traveling in Guatemala.

Justification: Improved citizen security, safety, justice, and the protection of U.S. citizens traveling in Guatemala will lead to increased human security overall and reduced fear, addressing one of the most common drivers of illegal migration. With more professional security institutions, citizens will have more trust in formal judicial processes instead of engaging in alternate dispute mechanisms, including extrajudicial violence. By developing stronger relationships with Guatemalan agencies, the Mission will be more proactively prepared to protect American citizens during a potential natural disaster.

Mission Goal 2: Engage the government and the private sector to boost broad-based economic prosperity and expand access to opportunities to deter the main drivers of illegal migration.

Description and Linkages: This goal advances the prosperity pillar of the U.S. Strategy for Central America. Our aim is to promote economic growth, energy security, poverty reduction, workforce development, education and training, and greater regional integration that will increase jobs for Central Americans and improve opportunities for U.S. and other businesses.

Mission Objective 2.1: Guatemala maintains macroeconomic stability and increases broad-based economic growth by enhancing the formal sector.

Justification: A large percentage of the population continues to work in the informal economy, exposing populations to health, environmental, security, and financial risks

and preventing the formal economy from growing sustainably and contributing to enhanced prosperity in Guatemala. By promoting the development of the formal, regulated economy, Guatemalans will have greater access to sustainable employment opportunities. Jobs provide income and help reduce poverty, and are an indirect measure of economic growth.

Mission Objective 2.2: Strengthen economic and educational opportunities for Guatemalans, especially in the Western Highlands, border regions, and high-crime urban areas, through improved social and government services, increased access to and quality of health and education, enhanced food security, and environmental governance.

Justification: By improving human capital, Guatemalans will have the increased technical skills, health, and opportunities to successfully engage in the skilled labor market. This will help promote completion of workforce development programs, which is linked to program participants' employment and livelihoods. By addressing these factors, the Mission seeks to reduce drivers of illegal migration.

Mission Goal 3: Engage Guatemalan government institutions to fight corruption, increase openness and transparency, support the rule of law, and strengthen the effectiveness of government institutions to improve Guatemalan confidence in government agencies.

Description and Linkages: This goal advances the good governance pillar of the U.S. Strategy for Central America. Our aim is to support anti-corruption efforts that improve the ease of doing business, strengthen the rule of law, promote strong institutions and government accountability, reduce impunity, and improve fiscal management by promoting efficient tax collection, private sector and civil society engagement, and institutional reform. This goal aligns with the governance goals of the 2018 Summit of the Americas and bolsters the priorities of the National Security Strategy, particularly in promoting opportunities for U.S. businesses, strengthening regional stability, and reinforcing democratic institutions.

Mission Objective 3.1: Public servants in Guatemala act with increased integrity and accountability, enhance openness and communication with the public, and build political will to create a more transparent government with reduced corruption.

Justification: Corruption remains a major impediment in executing government programs and funding, which contribute to weak institutions and poor governance. The Mission will support fundamental reforms including creating opportunities to galvanize investment in a professional civil service in the Executive Branch and in municipalities and to improve the efficacy and capacity of the Guatemalan government to deliver services at the national and local levels. Reforms to both laws seek to provide a structure and system to the civil service within the executive branch and in municipalities, professionalize public officials, and offer stability to government institutions even during changes in presidential and municipal administrations. The Mission will engage with the Guatemalan government's technical working groups to assist them to be the drivers behind such reform. The Mission will build off the establishment of the Open Government Partnership to strengthen transparency and

accountability of government institutions as well as bolster public institutions in the fight against corruption. The Mission also will support the reforms to the tax authority, SAT, and its management/practices. Promoting the technical working groups' efforts to demand accountability should improve efforts to reduce corruption; improve transparency; bolster the use, collection and accountability of tax dollars; as well as promote human rights and inclusivity.

Mission Objective 3.2: Guatemala government institutions improve fiscal performance, public resource management, transparency, service delivery, and public engagement.

Justification: Guatemala has one of the lowest tax collection rates in the world, which prevents revenue from supporting vital government needs and services. In addition to low tax collection, the Guatemalan government lacks the funds and infrastructure to deliver quality services to its public. Along with other international donors, the Mission will provide training and mechanisms to increase revenue generation and improve public financial management to enhance the ability to make important public investments in infrastructure, provide critical public services, and increase transparency in government institutions and transactions. The U.S. Government will engage in this effort through technical support and establishment of metrics for tax revenue collections and delivery of public services. In addition, the Mission will facilitate increased investigations of tax evasion and improved sharing of information from banks and other related organizations. Noting the essential role of civil society in pressing for greater accountability and reforms, the U.S. government will continue to foster and support civic engagement, as appropriate. The peaceful transition of power following the elections of 2019 will be key to promote the government's accountability and openness.

Mission Goal 4: Enhance U.S. competitiveness by improving goods and services export and investment opportunities for U.S. firms.

Description and Linkages: The U.S. Mission to Guatemala will collaborate with Guatemalan Customs, Ministry of Economy, and other relevant agencies to improve customs clearance times for compliant traders, improve the business climate, and advocate for U.S. firms doing business in Guatemala or exporting to Guatemala. Our aim is to advance the interests of U.S. firms and support jobs in the United States through an improved business climate in Guatemala for U.S. companies. Additionally, this goal advances the priorities of the National Security Strategy and the U.S. Strategy for Central America.

Mission Objective 4.1: Expand trade, market access, and regional economic and energy integration in Guatemala through implementing and complying with existing trade agreements, reducing monopolistic practices, and simplifying customs procedures.

Justification: Market access is vital for both Guatemala and the United States. In order to expand trade opportunities, Mission Guatemala promotes broader economic policies that foment growth and support U.S. businesses operating in Guatemala or exporting to

Guatemala. The Central America-Dominican Republic Free Trade Agreement (CAFTA-DR) frames the integration of regional markets, and serves as the catalyst to open the market for U.S. firms. Guatemala is a signatory of the World Trade Organization Trade Facilitation Agreement, which will help to further reduce trade barriers, streamline the customs process for U.S. exporters, and facilitate the flow of goods and services. Trade between the United States and Guatemala has not reached its full potential. The Mission advocates for institutional reforms and promotes full implementation of these agreements with Guatemala in order to achieve greater access for U.S. firms and contribute to regional stability. The Mission will work to improve transportation networks and provide more efficient air, maritime, and overland ports of entry. To this end, Mission Guatemala will work closely with the Guatemalan government to improve screening and scanning at ports, comprehensive trade enforcement, and reduce the risk of cross-border criminal activity. This will serve to ensure U.S. economic competitiveness with Guatemalan public and private partners and safe, secure trade resulting in more opportunity for both countries within the formal economy.

Mission Objective 4.2: Increase Guatemalan transparency, accountability, and the rule of law to improve U.S. investment opportunities for U.S. companies through U.S. Embassy advocacy, commercial diplomacy, and strengthening the business climate.

Justification: In order to expand investment opportunities for U.S. companies, Mission Guatemala promotes fiscal, monetary, and broader economic policies that foment growth, strengthen the rule of law, and increase transparency. Defending the interests of U.S. companies creates the framework for highly integrated markets.

4. Management Objectives

Management Objective 1: Maintain a management platform able to fully support significantly expanded Mission requirements effectively and efficiently.

Justification: The Management Section is a critical component of the programs and goals identified throughout the ICS, and supports an ever-increasing number of staff and visitors. In fact, from 2008 to 2018 Embassy Guatemala more than doubled in size from 105 to 218 U.S. Direct Hire positions. The unprecedented staffing growth along with the nearly complete conversion from Living Quarters Allowance to leased housing pool and to a furniture and appliance pool, increased foreign policy focus on migration and corruption issues, doubling of foreign assistance funding, and preparing for a New Embassy Compound (NEC) have heavily impacted the management platform. As a result, Management has engaged with the necessary stakeholders at Post and in Washington to increase the number of management personnel to meet this ever-increasing demand. Meanwhile, Management will continue to review infrastructure, processes, and systems to ensure service delivery is optimized while remaining cognizant of budgetary pressures.

Management Objective 2: Prepare to consolidate Mission operations and move to the New Embassy Compound (NEC).

Justification: The New Embassy Compound is scheduled to be complete by 2022 and will provide the Mission with the platform needed to achieve Mission Goals and Objectives. Currently spread across 10 separate buildings, the NEC will allow the Mission to consolidate operations into one location. Management is actively engaged in finalizing major infrastructure plans and requirements to include informing OBO of space and layout requirements for increased mission personnel. In addition, Management will soon begin the initial planning requirements to staff, fund, and move all Mission operations into the NEC.

Management Objective 3: In response to humanitarian, environmental, and political emergencies or crises, develop staff and infrastructure sufficiently prepared and resilient to continue the Mission function.

Justification: According to the most recent *World Risk Report* published by the United Nations University, Guatemala ranked fourth out of 171 countries worldwide in disaster risk owing to natural hazards such as active volcanoes, earthquakes, hurricanes, floods, droughts, and sea-level rise. Its vulnerability to natural disaster is a potential obstacle to the Mission's ability to achieve its goals. As such, the Regional Security Office and Management are dedicated to furthering the Mission's preparedness to handle any emergency or crisis.