Context and Problem Statement

Guatemala has one of the lowest human development indices (HDI) in Latin America (0.560 – ranked 128/188 in the 2015 HDR). According to the National Survey of Living Conditions, 51% of the population lives in poverty and 15.2% in extreme poverty, affecting people living in rural areas and Indigenous populations the most. While the country’s natural wealth is considerable, so are the environmental challenges faced by Guatemalan society. Beyond the country's aggravated vulnerability during extreme climatic events, indicators show natural resource issues. For example - 37% of the land is underused and 15% is overused resulting in ground erosion and pollution of water sources with solids, reduction of water’s capacity to infiltrate, silting of rivers, and floods. The incorporation of ecosystem services related information into national development planning processes is key to optimizing public investment to balance provision of welfare benefits through social, economic and environmental services to vulnerable populations. Mainstreaming environmental dimensions into territorial and land use planning policies and plans, and consideration of the impacts on ecosystems in development policies and budgets are crucial at all levels.

Barriers Analysis

1. Weak governmental institutional capacity for policy design and implementation implemented across government entities.
2. Inadequate coordination between national development plans and subnational sector plans and budgets.
3. Inadequate application of mainstreaming tools for effective integration of pro-poor environment and climate objectives.
4. Weak coherence between national P-E objectives and sector/district budget allocations, including due to inadequate institutional capacity and management systems for coordinating budget allocations and other investments with national objectives to address climate change and improve natural resource management.

Project Objective and Assumption

Objective

Improve development planning capacity at national and subnational level in order to include ecosystem services and pro-poor equitable development in national and subnational policies and development planning processes and tools.

Assumptions

Information availability for national authorities on water balances, key ecosystems and sustainable land and natural resource management techniques and their relation with poverty will ease their integration into public policies in a way that increases pro-poor investments and conserves natural resources in Guatemala.
**PEI Interventions**

In response to identified challenges, PEI focuses efforts in three key areas with capacity building as a crosscutting objective:

Integration of P-E linkages and the enhancement of ecosystem services into the National Development Agenda K’atun “Our Guatemala 2032.”

**Progress**

Mainstreamed environmental variables into the National Development Plan: K’atun Our 2032 Guatemala, through inclusion in a specific chapter, and precise goals and indicators based on water and ecosystem studies.

Development of a draft National Spatial Planning Policy by a Commission appointed within CONADUR.

**Remaining Interventions**

Facilitate creation of a national M&E system based on the national development plan and policy, and aligning regional and municipal plans to it at national level (incorporating specific P-E indicators).

Support creation of a national virtual platform for comprehensive statistics and policy information at national level that will serve to implement and execute the M&E system at every territorial level.

Development of a Regional Development Plan of the Corredor Seco (Eastern Region) to guide land management, with an emphasis on ecosystems and public/private investment as a means to reduce food insecurity.

The territorial vision for the Eastern Region and the Integral Development Plan adopted, approved and are implementing a territorial management system focused on ecosystem preservation and public/private investments for the reduction of food insecurity.

Elaboration of an ecosystem assessment and valuation of the Chiquimulilla Channel, using InVEST methodologies and Targeted Scenario Analysis (TSA) to inform decision-making.

Trainings on land management in coastal-marine area, in collaboration with the Global Environment Facility (GEF), for capacity building of Municipal Planning Departments to facilitate subsequent elaboration of P-E sensitive land management municipal plans in the Chiquimulilla Channel.

Elaboration of three local land management plans applying an ecosystems approach to the preservation of coastal ecosystems and a functional pilot demonstration project for replication.

Elaboration of three municipal Land Use plans with ecosystems view in the Chiquimulilla Channel region.

Update of the Guide for the elaboration of land use plans at municipal level.
**Assumptions**

Information availability for national authorities on water balances, key ecosystems and sustainable land and natural resource management techniques and their relation with poverty will ease their integration into public policies in a way that increases pro-poor investments and conserves natural resources in Guatemala.

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**Barriers:**

1) Institutional capacity for ENR policy design and implementation  
2) Inadequate coordination between NDP and subnational sector plans and budgets  
3) Application of existing mainstreaming tools or need for additional tools  
4) Coherence between national PE objectives and sector/district budget allocations