



GUATEMALA

MOVING FORWARD



GOBIERNO de
GUATEMALA
DR. ALEJANDRO GUINART

MINISTERIO
DE ECONOMÍA

MINISTERIO DE
RELACIONES
EXTERIORES

MINISTERIO DE
FINANZAS
PÚBLICAS

MINISTERIO DE
COMUNICACIONES,
INFRAESTRUCTURA
Y VIVIENDA

 **ANADIE**
Alianza Pública Privada

 **CIG**
Comisión Intersectorial de
Gestión

 **PRONACOM**
PROGRAMA NACIONAL DE COMPROMISO DE GUATEMALA



 **Muni
Guate**

 **AGEXPORT**
GUATEMALA

 **FUNDESA**
Asociación Civil de Promoción de Empresas



01 GUATEMALA MOVING FORWARD

Laying the groundwork for a shared goal

02 ACCOMPLISHMENTS TO DATE

First major achievements

03 NEXT STEPS

Future actions to strengthen and maximize the potential of GMF

01 GUATEMALA MOVING FORWARD

Laying the groundwork for a shared goal

The Municipality of Guatemala designed and implemented the Santiago Plan with three main components for economic recovery as the COVID-19 pandemic began.

The plan aimed to act as a driving force and inspire a nationwide project, together with COINCIDE.



1

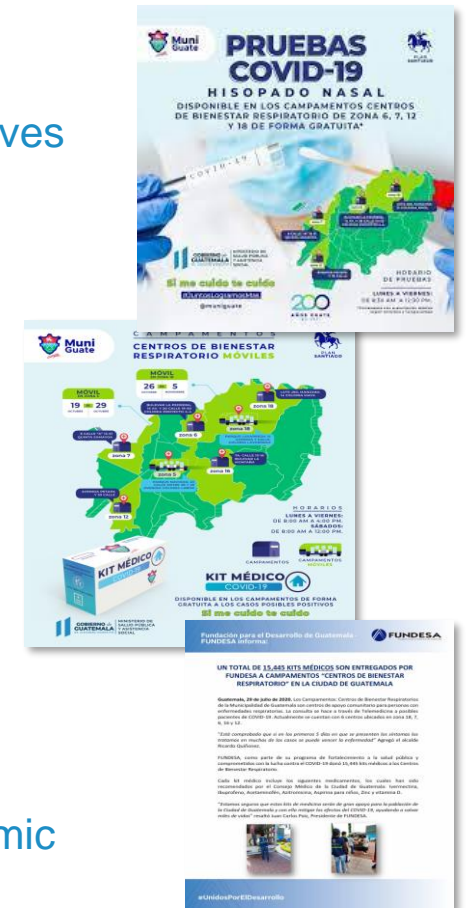
Contention
COVID containment initiatives

2

Mitigation
COVID Kits

3

New normal
Investment plan for economic recovery, worked with FUNDESA



To foster an economic recovery, a technical and participatory plan was defined. Reinforced calls for greater self-sufficiency and nearshoring of production

Four clear fundamentals for project design and structure

1



Long-term vision (10-15 years) but with urgent actions

2



A group of stakeholders that contribute with shared common goals

3



A hands-on approach, no more "glossy papers"

4



Independently produced and technically rigorous

In order to properly design a project with a sectoral approach, FUNDESA subcontracted

McKinsey
& Company

Objectives and deliverables of the Sector Approach Strategy

Objectives

Analyze the **comparative performance of the Guatemalan economy** at the sector level in global value chains and its capacity to attract foreign direct investment (FDI).

Evaluate opportunities and challenges that will allow Guatemala to become **more integrated** into the post-COVID global value chains, especially through industries that are either unaware of or sensitive to trade barriers.

Design a strategy for the promotion of foreign direct investment that identifies strategic partners and allows the establishment of commercial relations with local companies.

Deliverables

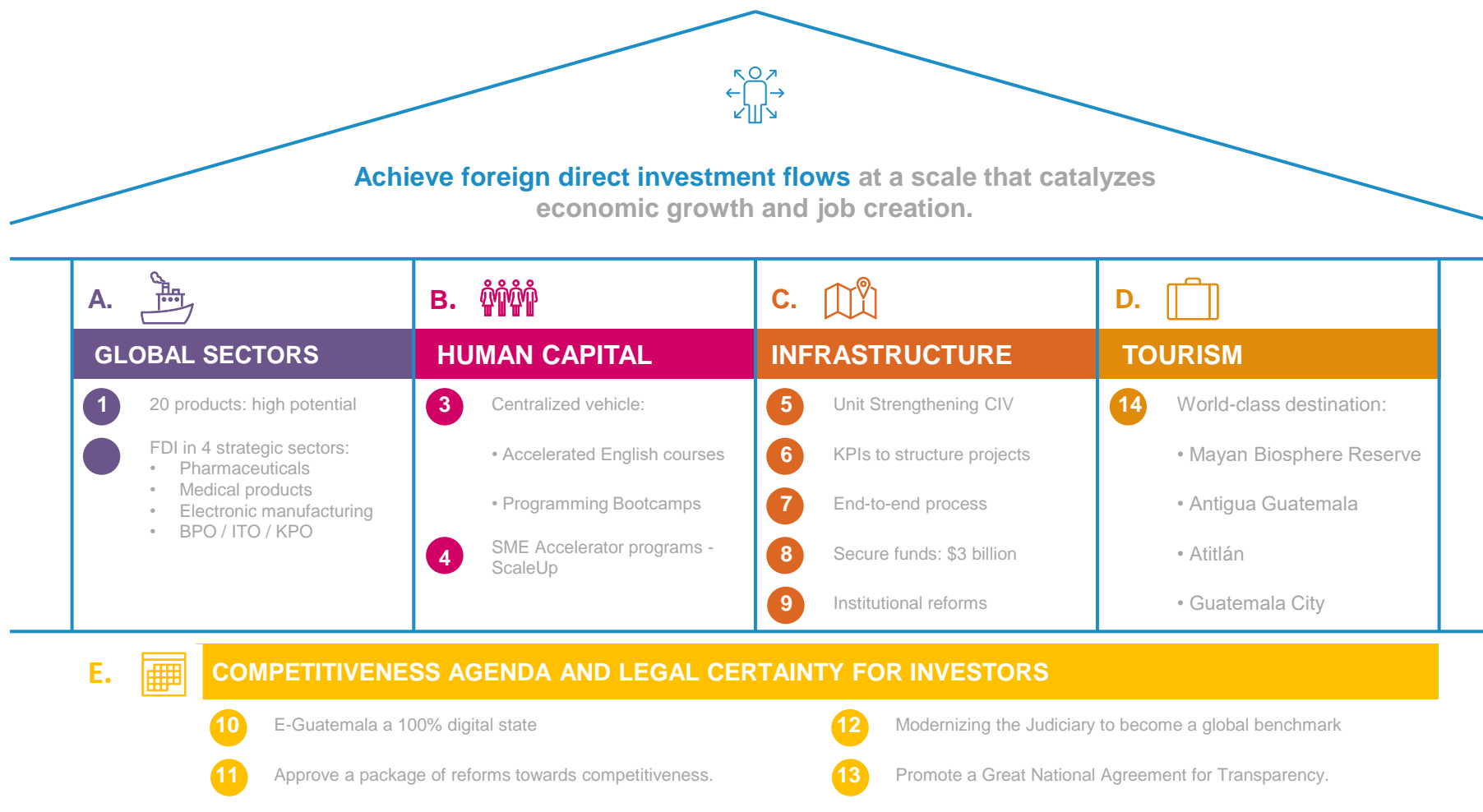
- Evaluation protocol / framework
- Sector prioritization analysis
- Product and market prioritization analysis
- Final evaluation report
- Final report in PowerPoint format
- Lessons learned
- High-level implementation plan
- Roadmap by sector, by industry and list of potential companies based on prioritization framework (global level)
- Business case by industry and portfolio of prioritized (global) companies
- Pipeline of prioritized companies (global level)

The project led to Guatemala Moving Forward, in which various sectors and institutions aligned themselves to achieve a shared goal.

GUATEMALA HAS THE
OPPORTUNITY TO
STRENGTHEN
THE SOCIAL CONTRACT
THROUGH THE CREATION OF
2.5 MM
NEW GOOD QUALITY JOBS BY
2030



Guatemala Moving Forward is a comprehensive plan with 5 pillars and a coherent roadmap to achieve the goals in the next 10 years.



To guarantee the correct and successful execution of Guatemala Moving Forward, four main objectives with measurable indicators were established...

01

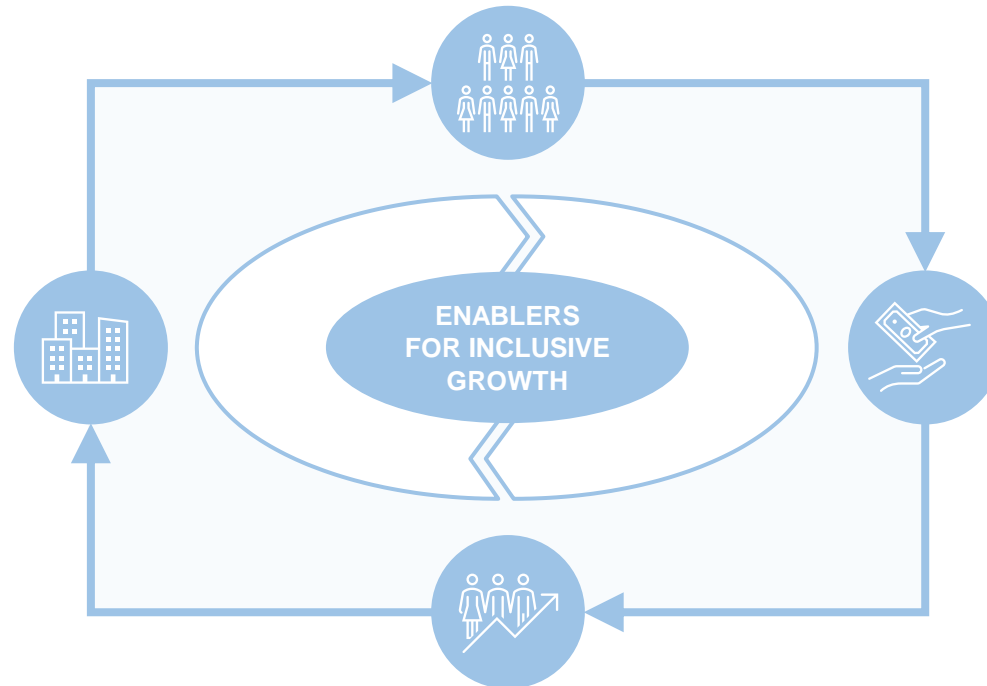
Increase in **exports** from US\$14 billion to ~US\$19 billion towards 2030

Missing link of medium-sized companies (... and large)
Broad expansion of the pool of modern, globally competitive companies to raise productivity and increase higher-wage jobs

02

Increase in **FDI** from ~US\$900 million per year to ~US\$2.1 billion in 2030.

Productive, well-paid jobs



New investments to meet demand

03





2.5 MM new **jobs** created by 2030

Missing link in the purchasing power of the middle class
More productive jobs, higher wages and growing prosperity of the middle class increase demand through consumption and new investments.

04

Increase in **GDP per capita** from US\$9,000 (PPP) to US\$14,500 by 2030

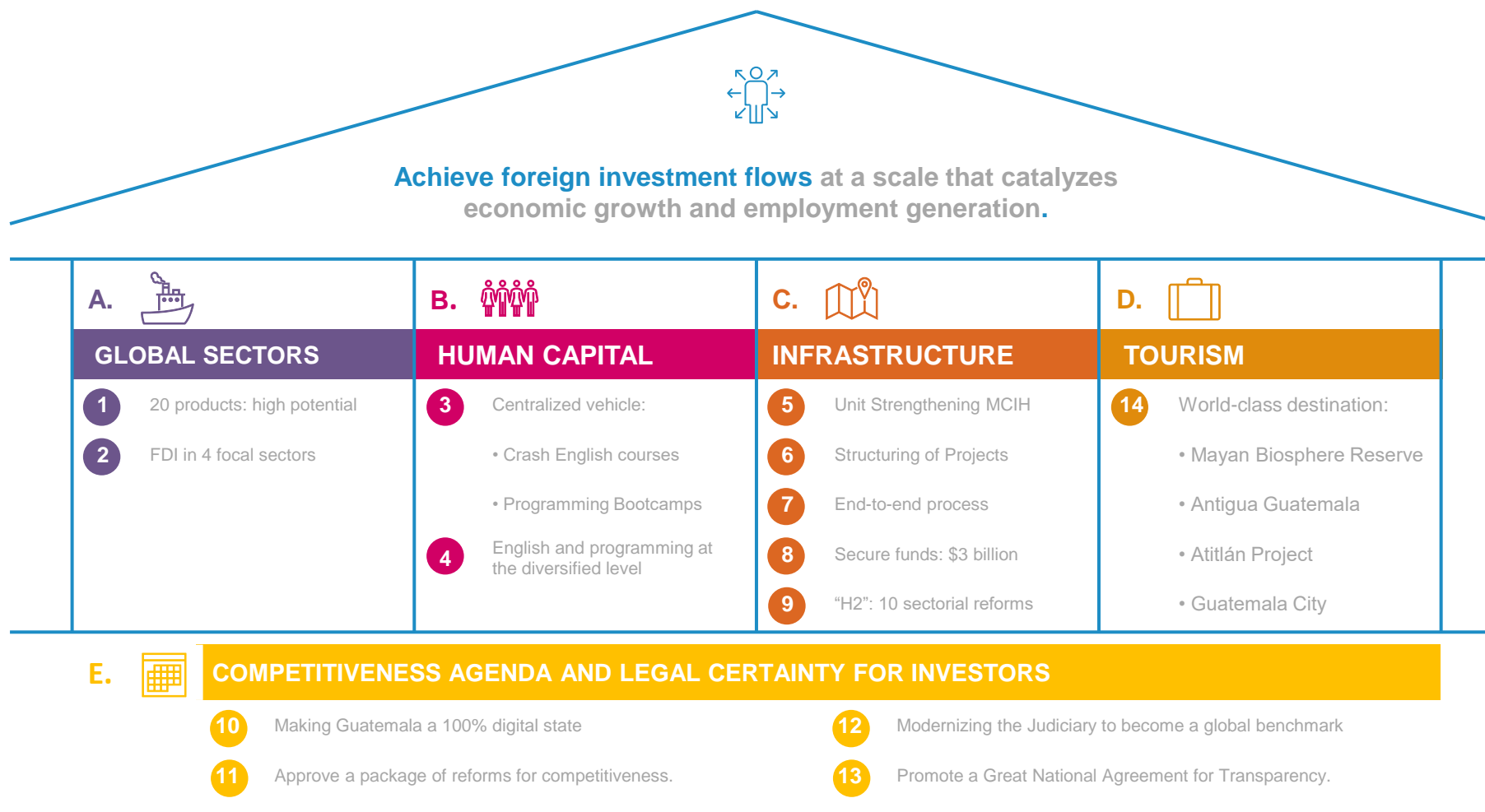
...and an initial vision with clear governance to execute it

	Center Roundtable	Steering Committee	Assembly of Promoters	PMI “builder” center	Working groups
 Strategy	<ul style="list-style-type: none"> • Prioritize and approve efforts • Provide strategic guidelines to the working groups • Include actors in the roundtable 				
 Tactical	<ul style="list-style-type: none"> • Evaluation and follow-up of KPIs • Support in solving bottlenecks • Communication and sales support 	<ul style="list-style-type: none"> • Evaluate and recommend initiatives • Budget per Champion to central desk. Support in the design of solutions and reduction of bottlenecks. • Integrate work teams for tables. • Evaluation and follow-up of KPIs. • Communication and sales support. 	<ul style="list-style-type: none"> • Evaluation and follow-up of KPIs • Support in bottleneck solutions • Communication support 	<ul style="list-style-type: none"> • Evaluation and tracking of KPIs for each front line • Development of initiatives, budget, bottleneck solutions for proposal to SteerCo. 	<ul style="list-style-type: none"> • Development of a work plan • Search for partnerships • Monitoring of KPIs • Team selection and contracting
 Operative				Support in the execution of the work plan	Work plan execution
 Frequency	Bimonthly	Biweekly	Bimonthly	A weekly meeting for each front	Depends on the instance of each week

02 ACCOMPLISHMENTS TO DATE

First major achievements

Guatemala Moving Forward is a comprehensive plan with 5 pillars and a coherent roadmap to achieve the goals in the next 10 years.



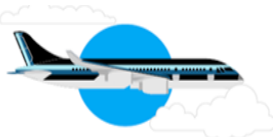
...a clear organization was generated to achieve this



There has been progress on all fronts - FDI attraction, Infrastructure and PMO with the most progress reaching the third phase.

3 CRUISE SPEED

3



- A. Achieve maximum implementation pace with teams and governance

2 FLIGHT

2



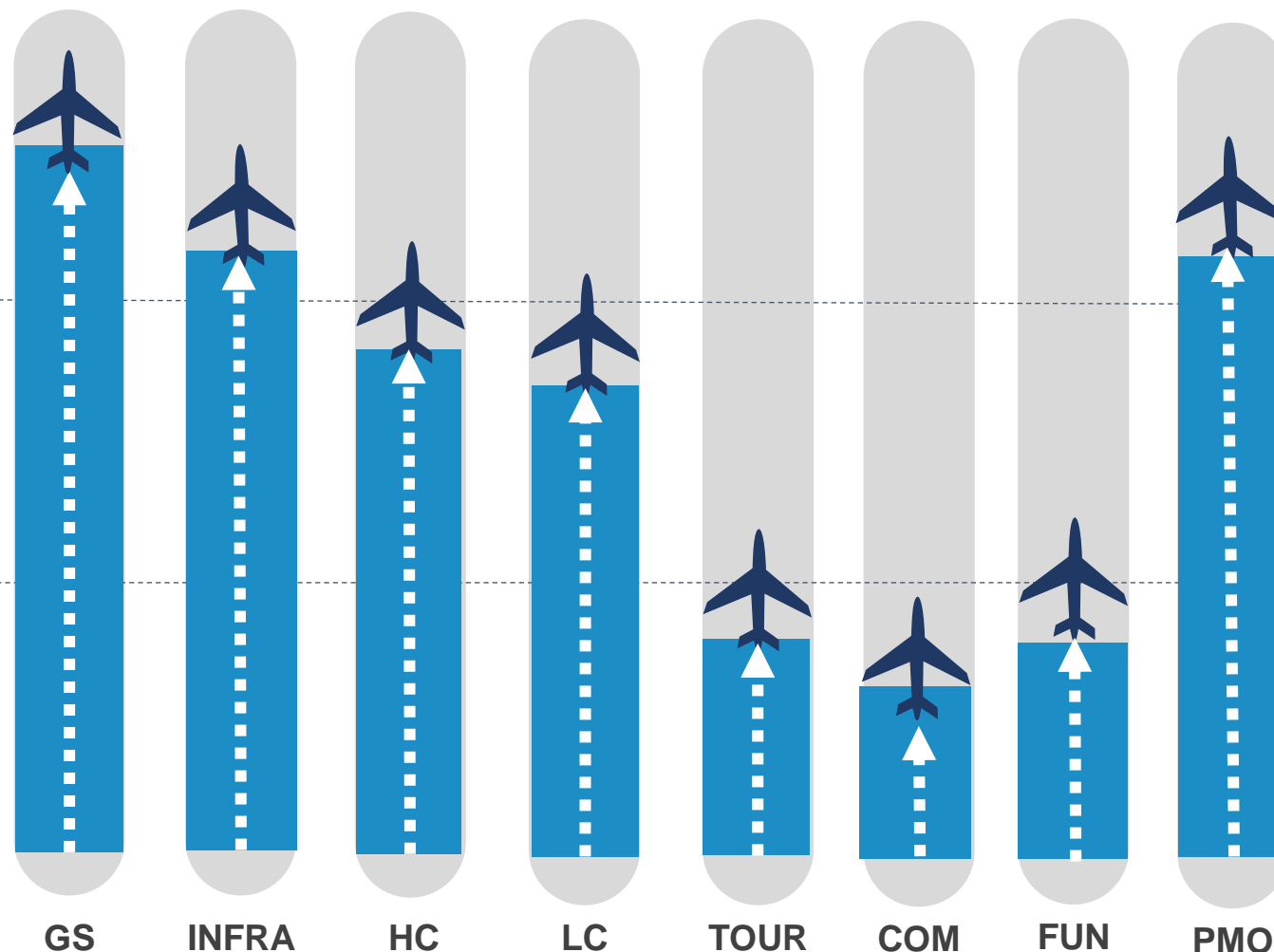
- A. Strengthening teams
- B. Formalization of implementation vehicles per front

1 PREPARATION AND TAKE-OFF

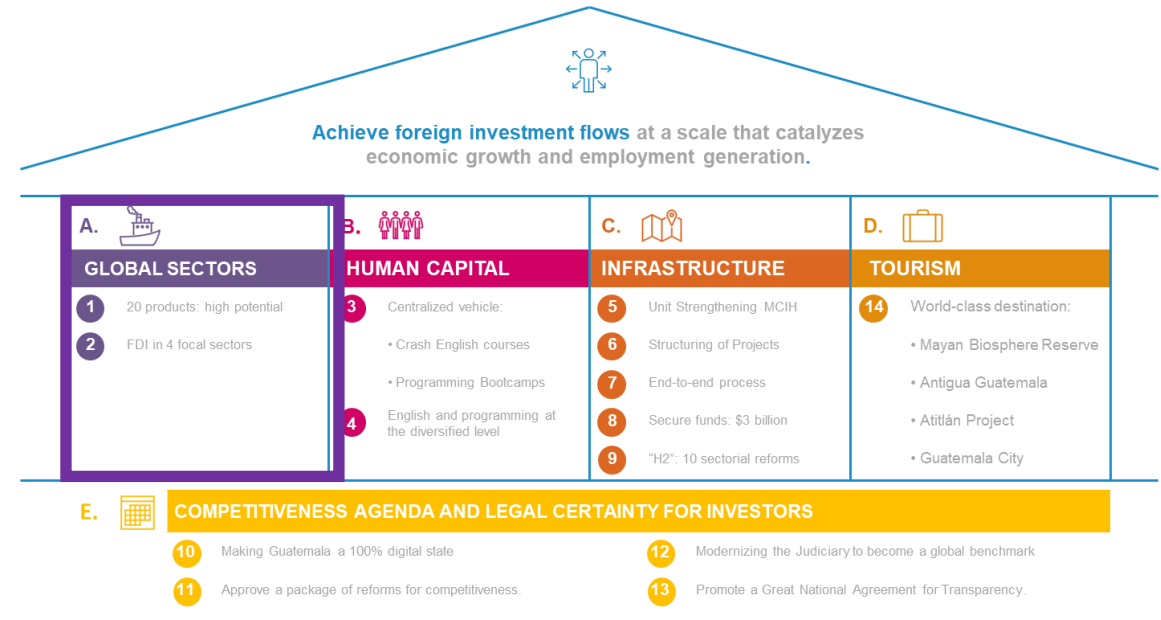
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- A. Definition of instance, objectives and processes
- B. Search and engage allies
- C. Form responsible teams
- D. AOP 2022



PROGRESS IN THE GLOBAL SECTOR PILLAR



Creation of @INVESTGUATEMALA, the private investment attraction agency created to support the implementation of Guatemala Moving Forward

@INVESTGUATEMALA was designed to support foreign investors to settle in the country...



INTELLIGENCE

- Validation of opportunities in strategic sectors.
- Provision of information for decision making.
- Statistics and key aspects of the market, legal and fiscal system, incentives, studies and sector profiles.



PROMOTION

- Liaison with local partners and input suppliers.
- Coordination of agendas and tailor-made investment missions.
- Sectorial events, seminars/webinars.
- Annual event: "Invest Guatemala, nearshoring".



FACILITATION

- Management and filing of the investment.
- Specialized advice to investors, identification of co-investment projects, and location of real estate spaces.



AFTERCARE

- Promote public policies and actions to improve competitiveness and investment climate.
- Working groups for: education, infrastructure, legal certainty, among others.

...already generating an increase of **US\$120MM** in FDI.

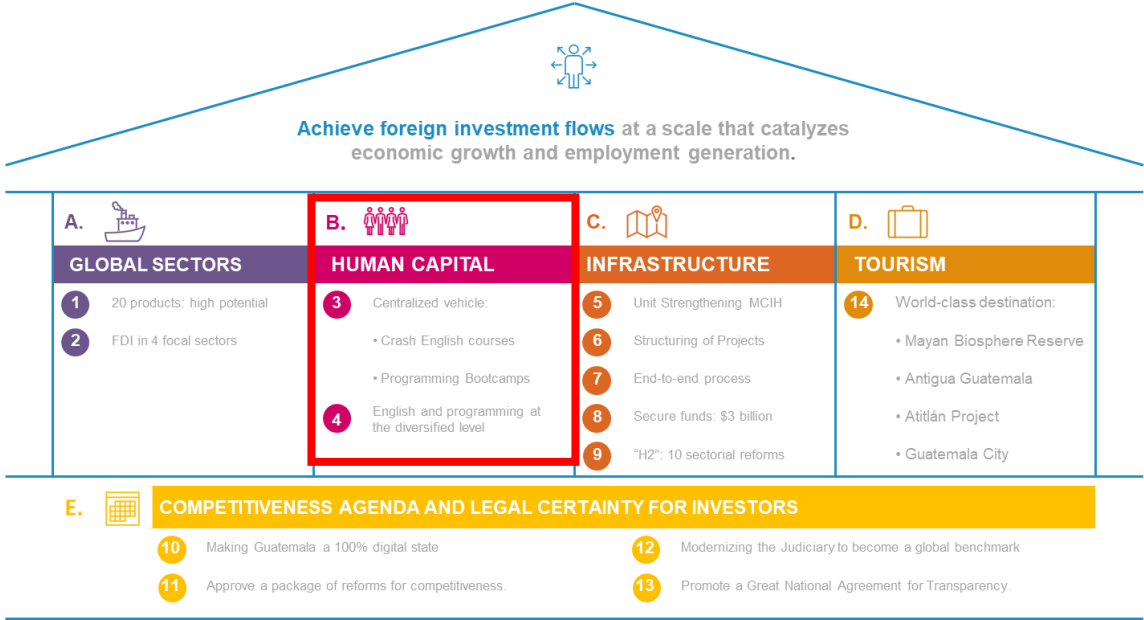


- Two investment attraction forums (November 2021 and March 2022) with more than 60 entrepreneurs from countries such as the United States, Mexico, Colombia, United Kingdom, Spain, India and Germany.
- International visits to countries such as the United Kingdom, the United States and Mexico (road shows and country presentations).
- Joint effort to serve investors with a pipeline very focused on the different needs of investors (Preinvestment, Softlanding and Postinvestment).

Examples

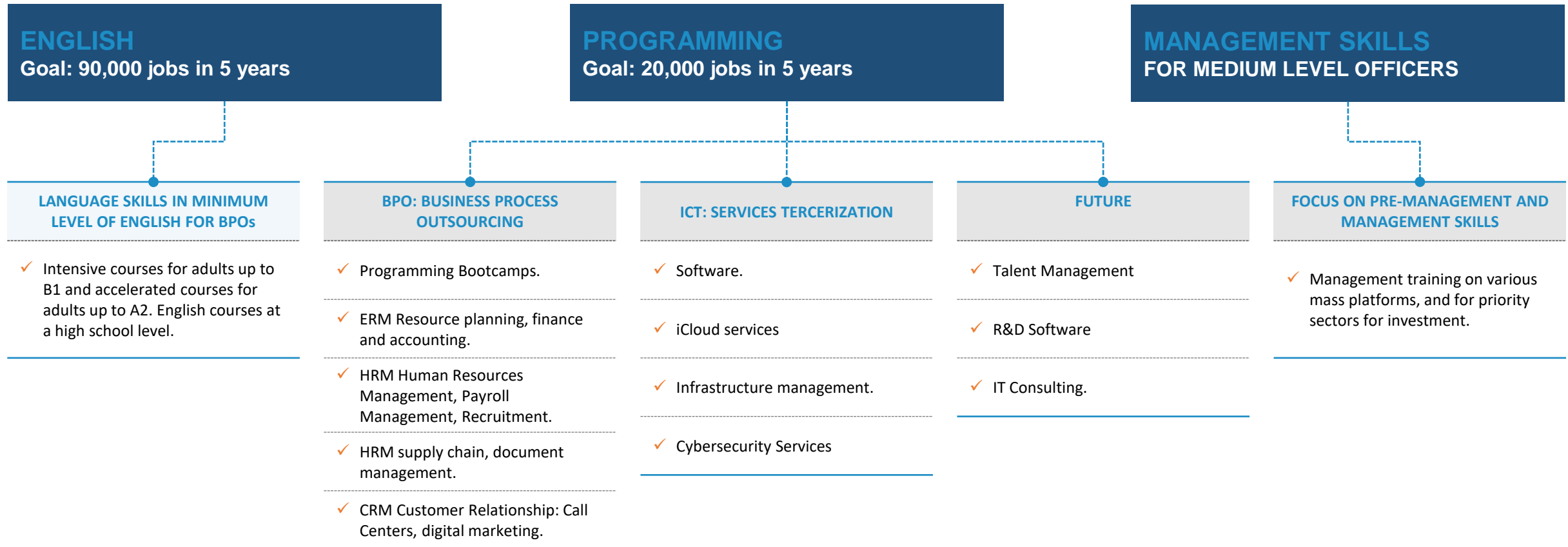


PROGRESS IN THE HUMAN CAPITAL PILLAR











Programs began to be implemented in the three areas prioritized for the Human Capital Commission, focusing on English, programming and management skills.

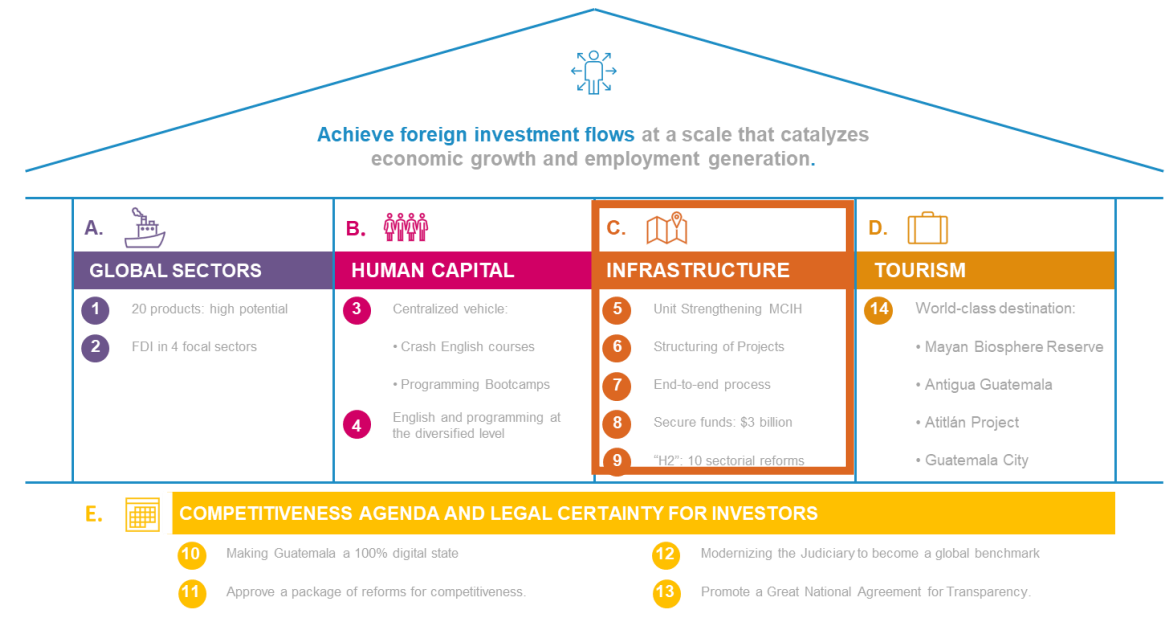
PRIORITY AREAS FOR THE HUMAN CAPITAL COMMISSION



By 2022, US\$13MM were made available through three different funds to provide ~14,000 scholarships in English and programming.

	Description	 Training	 Stipend	 Device	 Connectivity	
ENGLISH	MINISTRY OF ECONOMY By 2022, US\$8.9 million will be available for 8,000 people to learn English for the labor market	MINECO will work in coordination with at least three entities to grant some 6,000 scholarships for learning or reinforcing English, with funds allocated in the State budget approved by Congress for 2022. In total the approved amount is US\$13 million, US\$8.9 million will be managed by the Ministry of Economy, a purchasing unit will allocate US\$ 7.7million for English learning scholarships and the remaining US\$1.2 million for nursing	US\$41 the cost of 3 sub-modules of 80 hrs. INTECAP "English for all" Program	US\$9.6 per day for scholarship holders in intensive English. US\$5.12 per day for scholarship holders in basic English.	US\$77 in a one-time payment to purchase the mobile device.  	HISTORIC MILESTONE <ul style="list-style-type: none"> Fundamental advances for Call Center job creation agenda First pilot project to scale English nationwide. More than 6,000 people enrolled.
	MINISTRY OF EDUCATION In 2022, US\$4.1 million will be available for 5,500 young people in High School to strengthen their English capabilities..	The Ministry of Education has already approved 4,552 scholarships from all over the country to strengthen their English language training, with similar methodology as MINECO. MINEDUC has also begun the process to train 298 English teachers to strengthen their teaching skills.	Through MINEDUC teachers with a Diploma.	US\$9.6 per day for scholarship holders in intensive English US\$5.12 per day for scholarship holders in basic English.	US\$77 in a one-time payment to purchase the mobile device.  	
PROGRAMMING	PROGRAMMING TRAINING PROJECT Design in process of a project to train 500 people in priority topics in the area of programming in an intensive format (Bootcamps).	Coordination with: MINECO INTECAP-ICT's ITO Commission - Agexport Training Providers Potential cost: US\$500k	Programming Languages Web & iCloud Networks Artificial Intelligence	National and International		

PROGRESS IN THE INFRASTRUCTURE PILLAR



A clear strategy with two horizons was established on the infrastructure pillar

	A	HORIZON 1: Acceleration Achieving "Quick Wins" with the Guatemala of today	B	HORIZON 2: Leap frog Establishing and maturing a robust Ecosystem
Development and Prioritization	1A	Define a package of projects that have a powerful narrative to generate alignment around them.	1B	Formalize a National Infrastructure Plan based on project evaluation and prioritization methodologies.
	2A	Conduct pre-investment studies for projects in the ideation stage..	2B	Build capacity to structure projects at a major scale .
Project Execution	3A	Implement a transparent bidding process with incentives to ensure productivity.	3B	Expanding the enabling of good practices in the bidding process (e.g., allowing contracting projects with designs).
	4A	Ensure robust contract management processes for project execution (including, for example, control tower).	4B	Consolidate contract management capabilities , including mechanisms for the resolution of contracts with disputes.
	6	Establish an agile procedure for the analysis of permits and requirements .	5	Develop a procedure to obtaining Right of Way (eminent domain) .
Funding	7A	Develop public credit mechanisms to increase investment	7B	Enabling funding mechanisms for Horizon 2 projects.
			8	Strengthen the PPP mechanism
			9	Enabling multi-year budget commitments .
Optimización de la Infraestructura Actual			10	Implement plan to optimize existing infrastructure .
Governance	11	In the short term, set up strengthening units to ensure buy-in and alignment with government entities and define the necessary governance procedures to lead and monitor the execution of the plan .		

...with 52 infrastructure projects with a total investment of US\$6.5 BILLION

OVERVIEW OF PRIORITIZED PROJECTS

ROADS PROJECTS

- CAPEX: \$ 4,905.90 million
- Funding 2022: \$65.80 million | Funding 2023: \$365.22 million

32

PORT PROJECTS

- CAPEX: \$ 1,260 millones
- Port Quetzal and Port Santo Tomás de Castilla

5

OTHERS

- CAPEX: \$ 150 millones (sólo para el AEROMETRO)
- AeroMetro, Tecún Umán II, S. Aguas Pluviales, Border Crossings

4

BRIDGES

- CAPEX: \$ 86.67 millones
- Belize II Bridge, La Vega de Godínez, and Cocol and Caquil (Quiché)

3

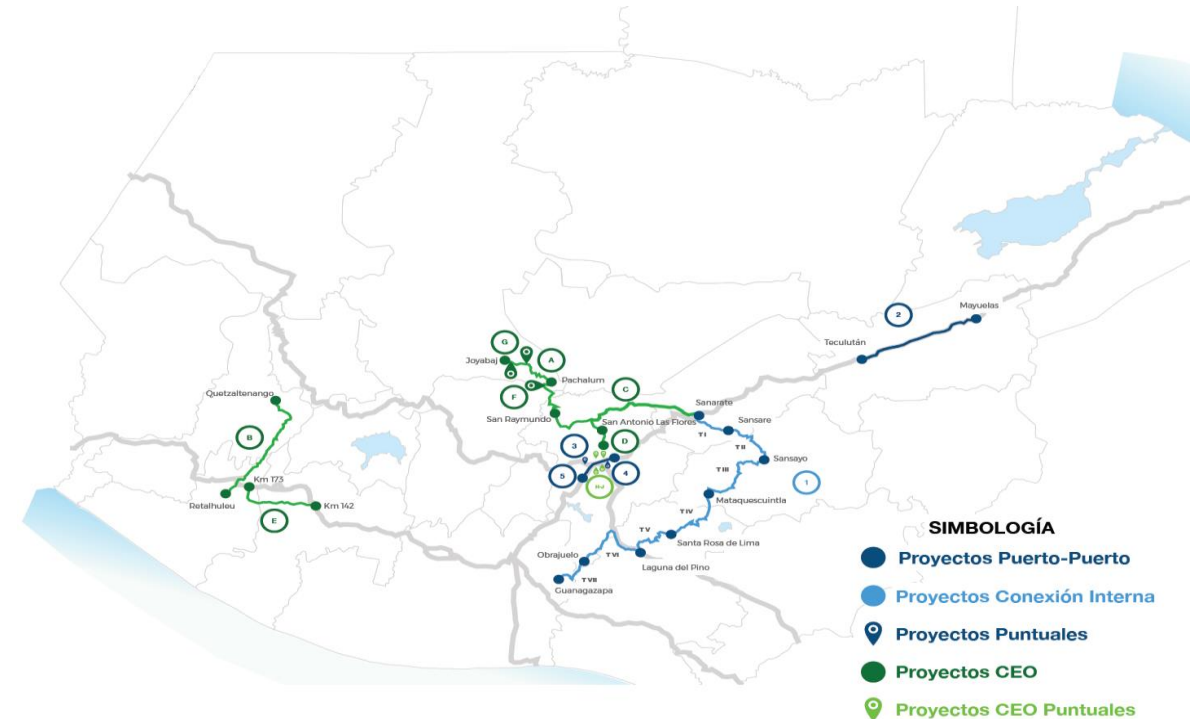
UNDERPASSES

- CAPEX: \$ 75.43 millones
- Palencia (Km18), zone 11, zone 12 (2), zone 5 (2), zone 4, zone 8

8

TOTAL PROJECTS
\$ 6,478.00 million

52

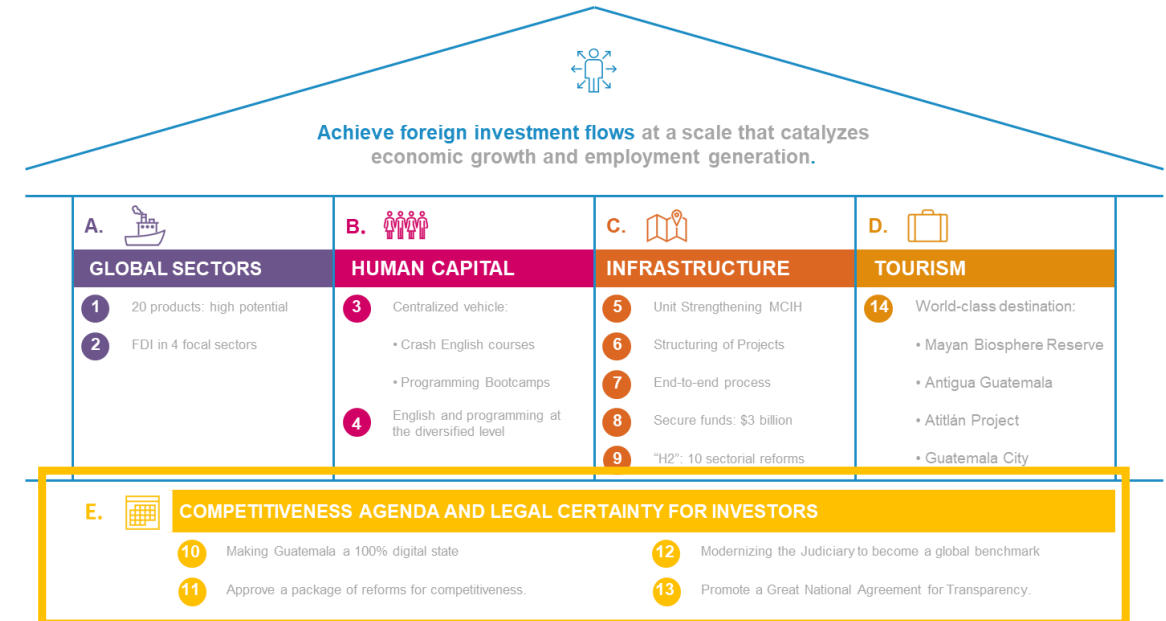


Infrastructure projects by level of progress










EJECUTOR	DESCRIPCIÓN DEL PROYECTO	STATUS	OBSERVACIONES
1 FERROVIARIOS	• Puerto Saco Intermodal Tecún Umán II	■	Apoyo CEO, sin incluir parte ferroviaria. Seguimiento MINCECO.
2 CIV, DGC	• CA-02 Occidente: Conexión Escuintla - Tecún Umán (Km110 - Km142) ... Puentes	■	Incluidos en PDIA y Presupuesto de la DGC para el 2022.
3 IDB (PACIFIC)	• CA-02 Occidente: Conexión Escuintla - Tecún Umán (Km142 - Km172) ... Libramiento	■	Aprobados estudios de Ingeniería, y adquirido 90% del DyV .
4 CIV, DGC	• CA-02 Occidente: Conexión Escuintla - Tecún Umán (Km172 - Km198)	■	No aplica para Contrato CREMA; se recabó de financiamiento.
5 CIV, DGC	• CA-02 Occidente: Conexión Escuintla - Tecún Umán (Km198 - Km211)	■	Contratado 2018 y finalizado 2020 (Empresa 4 Carreiras, S.A.).
6 CIV, DGC	• CA-02 Occidente: Conexión Escuintla - Tecún Umán (Km211 - Km252)	■	Presupuesto para estudios, se licitará en 2023 (Instituto BM).
7 CIV, DGC	• CA-02 Oriente: Conexión Escuintla - Pedro de Alvarado	■	No aplica para Contrato CREMA; se recabó de financiamiento.
8 CIV, DGC + CEO	• CITTA 180: Batacholan - Puertamarques (construcción nueva parte de carretera)	■	Asesor PER, estudio en 2021. Batacholan BPE. Se licitará 2023.
EJECUTOR	DESCRIPCIÓN DEL PROYECTO	STATUS	OBSERVACIONES
10 EPQ	13 ANADIE, CIVIQA • Autopista Escuintla - Puerto Quetzal (APP)	■	Inversión privada, APP aprobada en 2022.
11 EPQ	14 CIV, DGC, UCD • Autopista Guatemala - Palín - Escuintla	■	Reconcesión Palín-Escuintla. DGC contrató estudios en 2022.
12 EPQ	15 VAS • AV1- VAS 1 (Naciones Unidas - Villa Canales - Atanasio Tzul)	■	Inversión privada. DGC autorizó estudios y adquisición DyV .
	16 VAS • AV2- VAS 2 (Parte de la Via Expres) y Villa Canales - Km23 Carretera a El Salvador	■	Inversión privada. DGC autorizó estudios y adquisición DyV .
	17 CIV, UCD, ANADIE • AV3- Via Expres (Km23 Carretera a El Salvador - Km10 Carretera Atlántico)	■	Estudios para APP listos, pendiente completar el trazo predial.
	18 CIV, DGC • Anillo C-50, Tramo 1: Bifurcación CA-09 Norte - Sanarate - Sansare, El Progreso	■	Bases definitivas en Abord, y contrato en Octubre (fondos DGC).
	19 CIV, DGC • Anillo C-A0, Tramo 7: Sansare, El Progreso - I x I Acauna - Sansare, Itzamal	■	Pendiente iniciar licitación, se anexó contrato a finales 2023.
EJECUTOR	DESCRIPCIÓN DEL PROYECTO	STATUS	OBSERVACIONES
20 CIV, DGC	• A	■	
21 CIV, DGC	25 CIV, DGC • Anillo C-50, Tramo 8: Guayagazapa - Bifurcación CA-02 Oriente - Escuintla	■	Licitación en Diciembre. Evaluación de ofertas. Contrato Mayo.
22 CIV, DGC	• A	■	Fondos incluidos en el Decreto 21-2022 (Ley 102 , Estratégica).
23 CIV, DGC	26 CIV, DGC • CA-09: Autopista El Rancho - Teculután (Km84 - Km122)	■	Préstamo BID y apoyo de AECIO. Aprobación: 15 a 18 meses.
24 CIV, DGC	27 CIV, DGC • CA-09: Autopista Teculután - Mayuelas (Km122 - Km170)	■	Estudios a cargo del BID. Licitación e inicio 2° semestre 2022.
	29 CIV, DGC • CA-09: Autopista Mayuelas - Puerto Santo Tomás (Km170 - Km292)	■	Contratar estudios en 2° semestre (Q 24.4 millones)
	30 CIV, DGC • Libramiento Santo Tomás de Castilla	■	No tiene estudios y requiere obtención DyV . Fondos en 2023.
	31 EPSTC • Gestión Puerto Santo Tomás de Castilla	■	Proyecto de la Empresa Portuaria Santo Tomás de Castilla . Se requiere un contacto directo para definir la estrategia y hacer el estudio .
	32 EPSTC	■	
EJECUTOR	DESCRIPCIÓN DEL PROYECTO	STATUS	OBSERVACIONES
34 CIV, DGC	37 CIV, FSS, MAGNET • Paso a desnivel Calzada Aguilar Batres y 46 Calle Zona 12, Guatemala	■	FSS: estudios 04/01, no hay avances. Gestión ante MSPAS.
35 CIV, FSS, B	38 CIV, DGC, MAGNET • Puente Belice II, Guatemala	■	Falta aprob EIA y SNP. Licitación Junio y contrato Octubre.
36 CIV, FSS, B	39 CIV, DGC, MAGNET • Ruta Expres - Tramos 1, 2 y 3	■	Falta aprob EIA y SNP. No hay financiamiento (Préstamo BM).
	40 CIV, DGC, MAGNET • Paso a desnivel CA-09 Norte Km 18 acceso a Palencia, Guatemala	■	En ejecución, contratado en 2020. Se espera finalizar en 2022.
	41 CIV, DGC, MAGNET • Amp. Sistema Aguas Pluviales: 7ª Ave. N 24 Calle Final y 10 Calle y 10ª Ave., Guatemala	■	Sin avances. Hablar con Giovanni Miranda (EMFAGUA).
NUEVOS CAMINOS			
EJECUTOR	DESCRIPCIÓN DEL PROYECTO	STATUS	OBSERVACIONES
PROYECTO CEO			
CIV, DGC + CEO	• Rehabilitación RD-GUA-04, tramo 5: Rafael Las Flores - 5 Antonio Las Flores, Guatemala	■	Inició 06/21/23 (límite de 6 meses). Falta contrato susceptible.
CIV, DGC + CEO	• Rehabilitación RD-QUI-02, tramo Palibatz - Pachulum - Chiquenimuc, Joyabaj, Quiché	■	Inició en Mayo/2022. Falta firma contrato susceptible.
CIV, DGC + CEO	• Puentes Centro y Sagú, Quiché	■	Falta aprob EIA y SNP. Falta financiamiento (Préstamo BCE).
CIV, DGC + CEO	• Puentes Centro y Sagú, Quiché	■	Falta aprob EIA y SNP. Falta financiamiento (Préstamo BCE).
CIV, DGC, MAGNET	• Paso a desnivel El Muñecón, zona 5, Guatemala	■	Pendiente de aprobación, falta Unidad Quetzalteno y Fondos.
CIV, DGC, MAGNET	• Paso a desnivel 24 Calle y 8ª Avenida, zona 4, Guatemala	■	MAGNET hará entrega de estudio al CIV en 6 días a Desnivel que conformes se informe más integrado. El Presidente afianza que el gobierno central financiará dichos costos en 2022-2023.
CIV, DGC, MAGNET	• Paso a desnivel 24 calle y Atanasio Tzul, zona 5, Guatemala	■	
CIV, DGC, MAGNET	• Bulvar Australito - Bulvar La Paz, zona 5, Guatemala	■	Pendiente de elaboración TER. Reconsideración pendiente.

PROGRESS ON THE COMPETITIVENESS AND LEGAL CERTAINTY AGENDA



The implementation of programs in the three areas prioritized for the Legal Certainty Commission began.

	 Guatemala a 100% Digital State	 Reforms to boost competitiveness and employment	 Modernization of the Judicial Branch	 Grand National Agreement on Transparency – GNAT -
 GOALS	DIGITAL LABORATORY AGREEMENT AND SIMPLIFICATION OF REQUIREMENTS AND PROCEDURES. <ul style="list-style-type: none"> Improve cost and time to start a business. Efficiency at borders. End-to-end digitization of investor services. Contribute to transparency. 	<ul style="list-style-type: none"> Formalization of employment. Investment protection for small and medium-sized entrepreneurs. Encourage foreign and domestic investment. 	<ul style="list-style-type: none"> Reduction of time in the processing of: <ul style="list-style-type: none"> Criminal Proceedings Civil Proceedings Commercial dispute resolution. Use of alternative dispute resolution mechanisms. 	<ul style="list-style-type: none"> Consolidation of alliances to promote the agreement. Promote an Agreement throughout the different State institutions and with Civil Society to promote measures of broad consensus to increase transparency in Guatemala.
 ACTIONS TAKEN	<ul style="list-style-type: none"> The inter-institutional agreement is about to be signed. MINECO, MAGA, MARN, MSPAS, MINFIN, GAE, Municipality of Guatemala, Comptroller General's Office and FUNDESA will participate in the agreement. 	<ul style="list-style-type: none"> Process for identifying non-legislative initiatives that are promoted in institutions, in accordance with the route proposed by McKinsey for the "Guatemala Moving Forward" Plan. 	<ul style="list-style-type: none"> NON-LEGISLATIVE MEASURES AND NEW LEGISLATION: Work with INL and UVG have worked with the Judiciary, in areas such as pluripersonal courts and digitization of the judicial folder. 	30 socialization presentations on the Legal Certainty Axis:: <ul style="list-style-type: none"> Representatives of the World Bank Comptroller General of Accounts Dean of the Faculty of Juridical and Social Sciences of the URL Metropolitan Archbishop and the Secretary of the Episcopal Conference. Private Property Observatory Foro Guatemala ASIES
 REMAKS	<ul style="list-style-type: none"> Working sessions have been held with legal teams (EXECUTIVE, LEGISLATIVE and JUDICIAL). Possible signing of the Agreement in the second half of May. 	<p>With the support of AGEXPORT, INL and Fundación 2020, contributions were made for technical improvements in the legislative process.</p> <p>LEGISLATION ISSUED UNDER THIS COMPONENT:</p> <p>Decree 8-2022 Insolvency Law.</p> <p>Decree 12-2022 reforms to the Law Regulating Notifications by Electronic Means in the Judiciary.</p> <p>Decree 13-2022, Law on Electronic Processing of Judicial Files.</p>	<p>Modernization of the JS to make it a global benchmark:</p> <ul style="list-style-type: none"> A Mediation bill promoted by the JS is being processed in the Congress.. Implementation of the Insolvency Law with the JS. Meetings with the World Bank for joint projects 	

03 NEXT STEPS

Future actions to strengthen and maximize the potential of
Guatemala Moving Forward

In the first months of implementation, we realized that continuing to strengthen the potential of Guatemala Moving Forward- 2022 will be key to achieve the defined goals.

Guatemala Moving Forward unifies and focuses the efforts of different entities towards a common purpose and **requires resources to continue executing it effectively.**





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