



Ministerio de
**Agricultura,
Ganadería y
Alimentación**



**Food and Agriculture
Organization of the
United Nations**

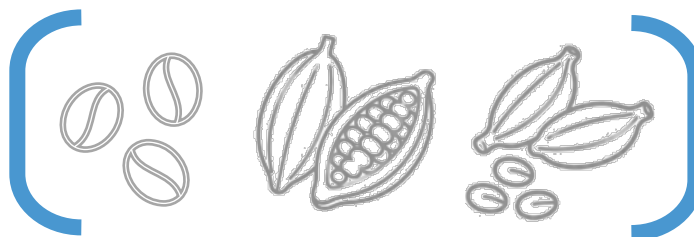


**Hand-in-Hand
Initiative**



Guatemala

**Investment Program for
Comprehensive Rural Development**
Cahabón, Alta Verapaz, and Olopa, Chiquimula



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Minister of Agriculture, Livestock and Food

13 - 16 October 2026

Investment Forum 2026
Guatemala



**WORLD
FOOD
FORUM**

**HAND-IN-HAND
INVESTMENT**

HiH Initiative: progress in Guatemala



MAGA and FAO agree to work together

2021

- A roadmap and timeline of the plan for the prioritization of rural investment is agreed.



Communication with strategic stakeholders

2021- 2025

- Constant meetings with the government with entities such as MAGA, INE, SEGEPLAN, SPP, MARN and SESAN.



Technical analysis

2022

- Identification of strategic interventions in the Polochic Valley and Adjacency Zone through the expanded investment program.



Investment Program Advocacy

2022- 2023

- Consolidation of the investment plan with the components of productive infrastructure. Inclusion of the investment plan in the Cabinet of Rural Comprehensive Development by the presidency.



Investment Program for Access to Irrigation Infrastructure

2024

- SEGEPLAN's National Public Investment System includes the typologies of HiH to focus public investment



Investment Program: Development Routes for Coban, Alta Verapaz

2025

- The focus on strengthening value chains includes the improvement of mobility through road infrastructure, in a prioritized municipality (Coban), to promote economic and social development through the SPP.



Typology of micro-regions

2022-2025

- FAO provides technical assistance to MAGA, MARN, INE, SESAN, SEGEPLAN and SPP for the development of micro-region typologies.



2026

The development of investment notes continues, incorporating for the 2026 Investment Forum a focus on water and soil conservation under the Keyline system together with catalytic investments within the framework of the government Development Routes program.



Under Negotiated:

- USD 2.31 million for Keyline
- USD 71.4 million for DRP

Source: FAO (2026). Programa de inversiones de la Iniciativa Hand in Hand: la experiencia de Guatemala.
FAO: Guatemala.

- **280% increase** in the public irrigation budget (2024–2025)
- **US\$270 000** for institutional strengthening, supported by Ireland, the EU, and FAO headquarters (2024–present)

- **US\$400 million** mobilized through World Bank financing
- **US\$126.1 million** invested in Development Routes program (2025)

Guatemala at a Glance



Strategic Location

Located in Central America, Guatemala has coastlines on the Pacific and Atlantic. It connects North and South America, is close to the United States, and benefits from a free trade agreement with it. Guatemala also provides access to Mexico, one of Latin America's largest markets.

Key Indicators

Total area: **108 890 km²**

Inland water area: **1 154 km²**

Population: **18.3 million** (2026, INE)

Rural population: **46.1 %** (2023, INE)

Poverty rate: **56.0 % nationally, 66.4 % in rural areas** (2023, INE)

Estimated intercensal population growth: **18 %** (2026, based on INE data)

GDP: **US\$ 112.2 billion** (2024, Banguat)



1.3 million households (2018, INE)
Engaged in agricultural activities



1 in 3 Jobs (2018, INE)
Is in the agricultural sector



8.8 % of GDP (2024, Banguat)
Agriculture accounts for



29% of exports (2024, MINECO)
Leading agricultural products account for



Challenge: Strengthen agriculture
As a key driver of integrated rural development

Favorable business environment

Foreign direct investment reached US\$ 169 billion in 2024.

Average annual economic growth of 3.6% from 2014 to 2024

GDP growth of 4.1% projected for 2026
(Banguat, CEPAL)

Positive agrifood trade balance

Price stability, inflation averaging below 3,9% over the past 12 years.

Regional Logistics hub



Only 250 miles from coast to coast,

With direct access to both the Pacific and Atlantic Coasts



2 international airports

9 airfields

14 passenger airlines

7 cargo airlines in operation



40.4% of Central America's maritime freight operations- the region's second-highest share after Panama*

3 major seaports

Access to major markets

- Gateway to the Central American market:
 - Combined GDP of US\$324.8 billion.
 - Population of 52.8 million.
- The customs union between Guatemala, Honduras and El Salvador facilitates regional trade, which exceeded US\$9 553 million in 2022.
- The Interoceanic Corridor offers a potential alternative to the Panama Canal, handling more than 3 000 containers in 2025- and growing.

Tax incentives for foreign investors

Tax benefits	Export Promotion Law (Decree 29-89)	Free Trade Zones Law (Decree 65-89)	Public Special Economic Development Zone (Decree 22-73)
Income Tax (ISR)	10-year tax exemption for certain qualifying activities	10-year exemption	10-year exemption
VAT and Import duties on raw materials or finished products	Payment suspended for one year	Exempt	Exempt
VAT and Import duties on machinery	10-year tax exemption	Exempt	Exempt
Local sales	Subject to import duties (DAI) and VAT; no exempt from income tax		

Doing Business

2010



2020



Country Risk Rating: Sustained improvements under the current administration

Rating agency	2020 rating	2025	
		Previous	Report MINAPA as of November 2025
Fitch Ratings	BB- (negative outlook)	February: BB (stable) → ΔBB (positive)	ΔBB+ (stable)
MOODY'S	Ba1 (negative outlook)		ΔBa1 (stable)
STANDARD & POOR'S	BB- (stable outlook)	May: BB (positive) → BB+ (stable)	ΔBB+ (stable)

“Following three positive rating actions, Guatemala achieved its highest-ever sovereign credit rating in 2025, placing the country just one notch below investment grade” [MINAPA Results 2025](#)

Hand-in-Hand Tools Supporting Policy Development in Guatemala

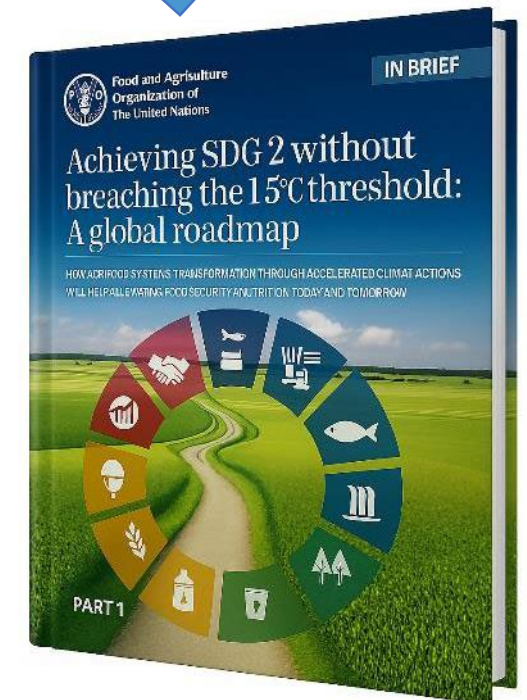
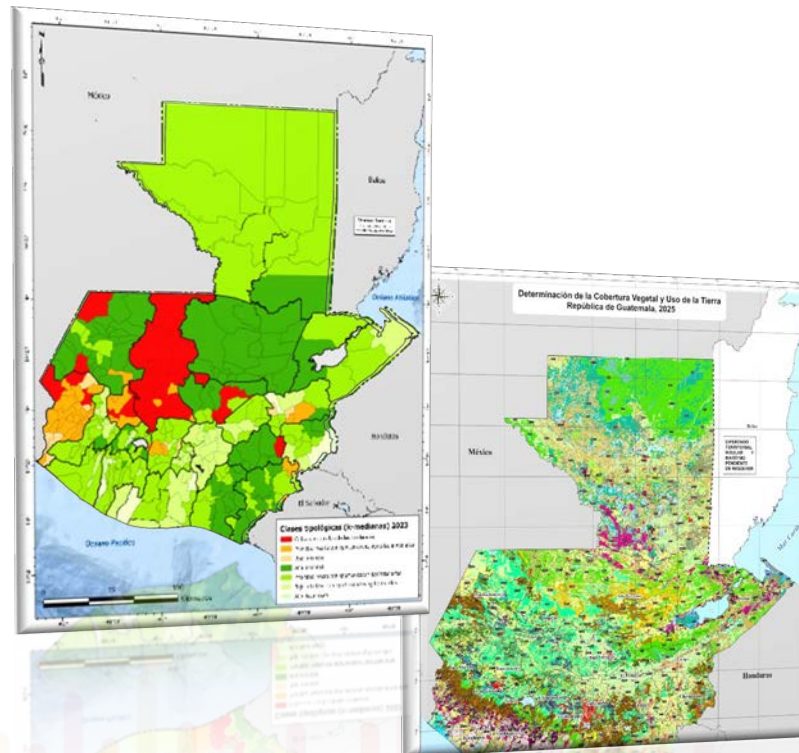
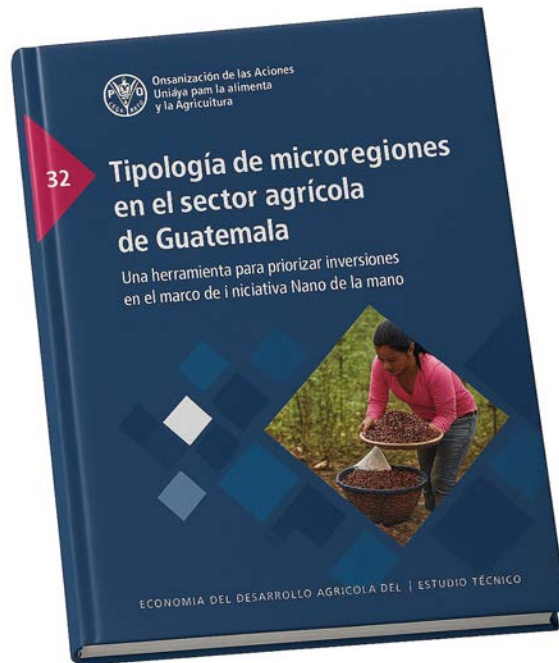


Hand-in-Hand Microregional Typology

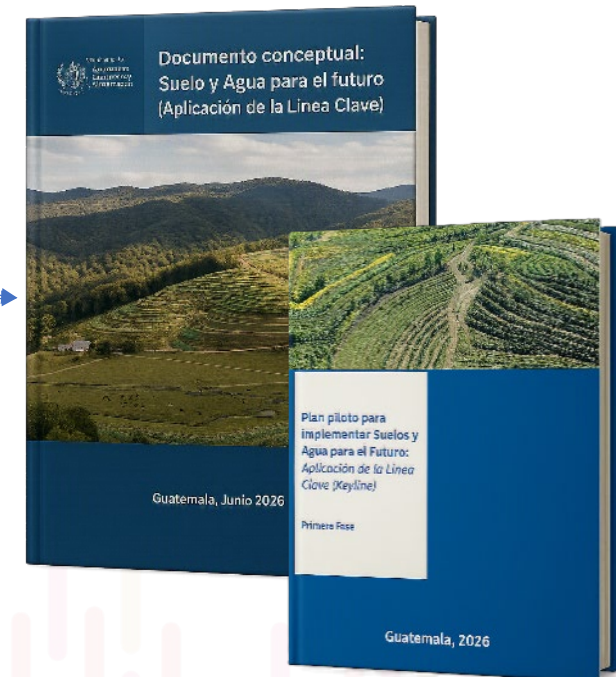
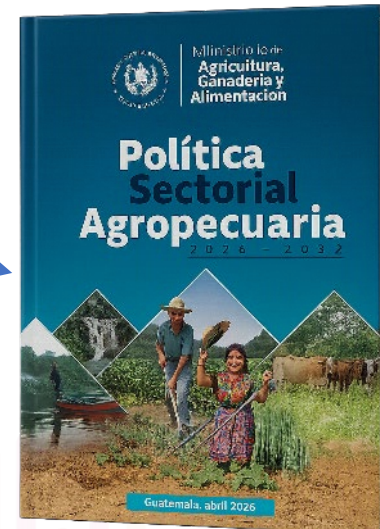
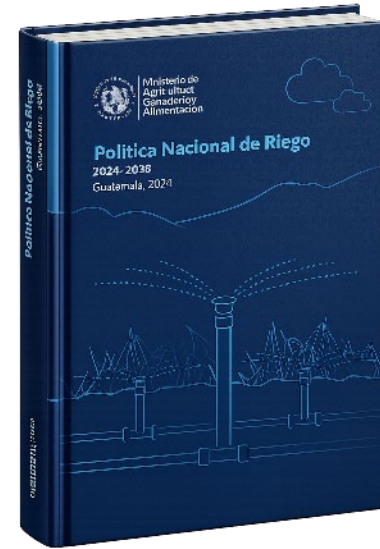
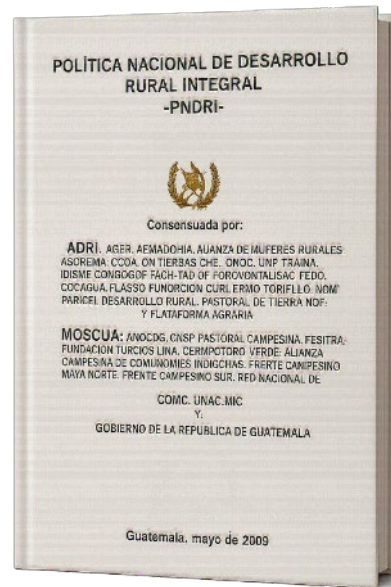
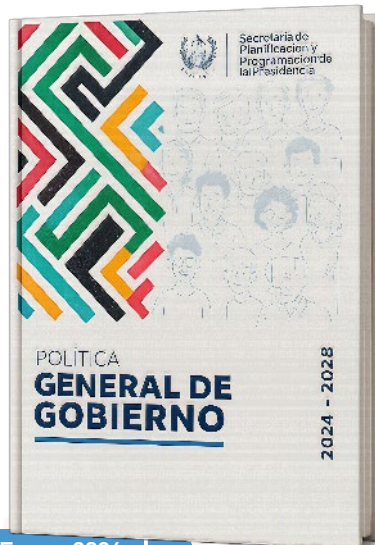
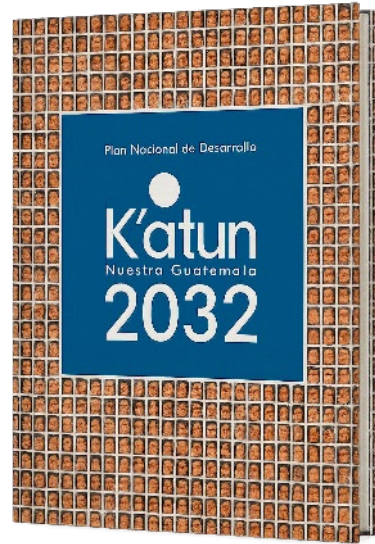
- Developed using evidence from the 2018 Population and Housing Census, 2003 National Agricultural Census, and 2023 National Survey of Living Conditions (INE).
- Incorporates recent data from the 2025 Land Cover and Land Use Map (MAGA)
 - *Identifies areas with high poverty, strong agricultural potential, and low productive efficiency.*

FAO Global Roadmap

Provides a global pathway to improve food security and nutrition while aligning agrifood systems with climate mitigation, adaptation, and resilience goals.



Alignment with Guatemala's Strategic Policy Framework



Government Priorities Aligned with the Investment Program



Presidential “Development Routes” Program

Objective: Promote locally driven, inclusive development in Guatemala’s poorest regions by improving mobility and expanding access to high-quality services.



Improved Mobility 2024–2028:
4 820km total

Key Interventions

- Improve road infrastructure through:
 - Rehabilitation of rural unpaved roads
 - Paving of key arterial roads
- Deliver transformative social and economic interventions:
 - Education and health infrastructure, expanded service coverage, and social programs
 - Agricultural value-chain development

National Irrigation Policy and National Investment Plan

Objective: Gradually and sustainably reduce farmers’ dependence on seasonal rainfall, increasing agricultural productivity and rural household incomes.



Target 2024–2033
45 000 Hectares

Soils and water for the future intervention (2026–2028)

- **1 500 Hectares**
- **830 000 m³** of water-storage capacity
- **1 950 Integrated projects**
- **3.3 millions m³** of water infiltrated annually for aquifer recharge.
- Pilot farms established nationwide
- Participatory territorial and topographic planning
- Irrigation ditches, reservoirs, and pressurized and gravity-fed systems
- Soil regeneration and organizational strengthening

Investment Note: Integrated rural development, focus on two prioritized municipalities (Cahabón and Olopa)

Coffee, Cocoa and Cardamom:

Production, Exports, Employment



Coffee



Production: +320 thousand tons
(estimated for 2025).



535 736 ha cultivated
(4.92% of the country's territory, 2025).

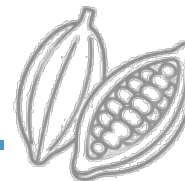


US\$ 1.234 billion of exports (2025).



500 000 direct jobs, supporting 125 000 families (2025).

Cocoa



Production: +20 300 tons
(estimated for 2025).



7 868 ha cultivated
(0.07% of the country's territory, 2025).



US\$ 3.37 million of exports (2025).



38 000 formal jobs, including 1 000 permanent positions (2025).

Cardamom



Production: +105 000 tons
(estimated for 2025).



196 388 ha cultivated
(1.80% of the country's territory, 2025).



US\$ 438.8 million of exports (2025).



350 000 producers, 25 000 permanent positions (2025).

Features

Coffee, Cocoa, and Cardamom:

Investment Potential and Key Indicators



Coffee



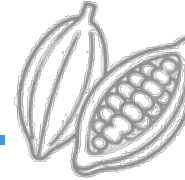
Accounts for **29.7% of agricultural exports (2025)**

Contributes approximately **3.0–3.5% of GDP**



Internationally recognized for its specialty coffee

Cocoa



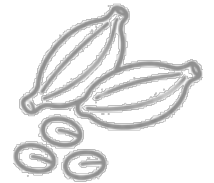
Exports increased by **177.7% (2022 –2025)**

Processed products represent **82.6% of cocoa exports (2025)**



Strong potential for fine-flavor cocoa

Cardamom



Accounts for **9.9% of agricultural exports (2025)**

Contributes approximately **1% of GDP**



Guatemala is the world's leading cardamom exporter



Target intervention area: **7 790 ha**



Target intervention area: **1 635 ha**



Target intervention area: **28 034 ha**



Priority territories with high agricultural potential and high poverty, supported by coordinated investments in rural roads and pilot farms beginning in 2026.

Guatemala

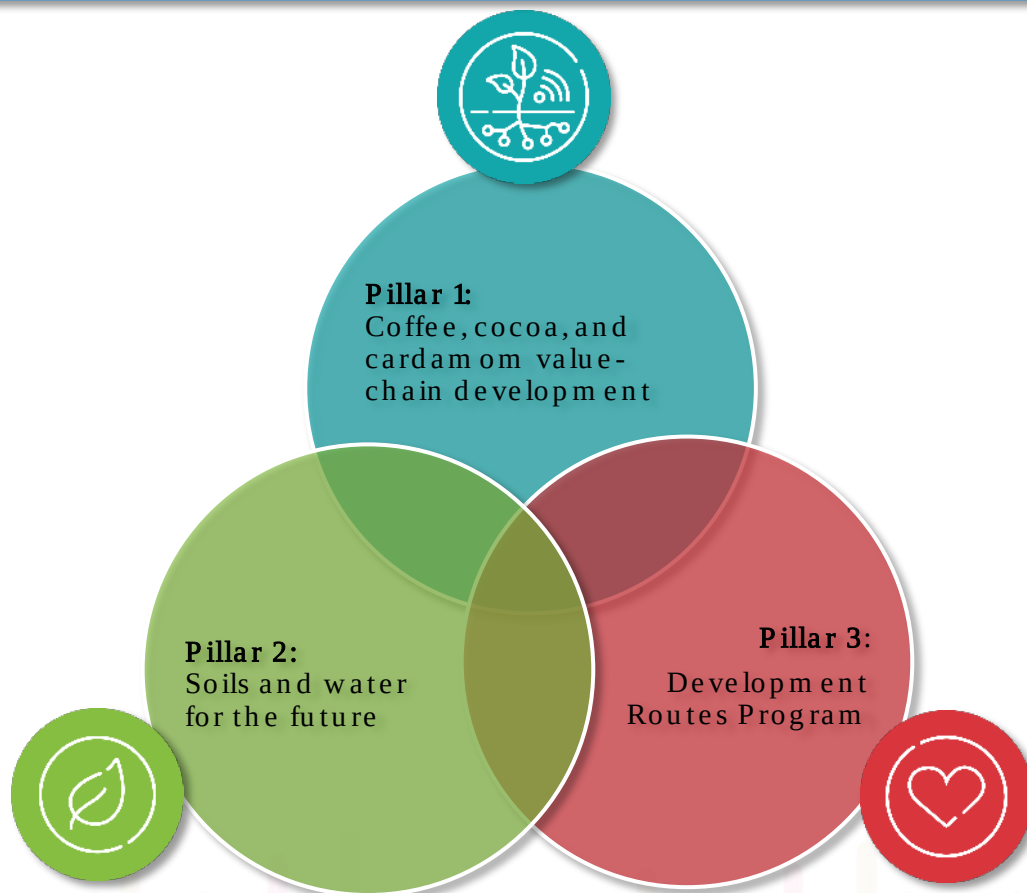


Iniciativa
Mano de la mano

Investment Program

Comprehensive Rural Development in Cahabón and Olopá

US\$ 125.96 million



Indicators	Cahabón	Olopá
Projected population (2026)	75 988	31 995
Population experiencing structural poverty (NBI, 2018)	81.1%	76.3%
Indigenous Population (2018)	98.7%	51.9%
Economically active population employed in agriculture(2018)	73.5%	72.6%
Smallholder farmers (self-employed/PEA, 2018)	56.2%	22.9%
Vulnerability to climate variability (2026)	High	Very High

Low crop productivity and weak market linkages

01

Solution: Inclusive, resilient production, value addition, and stronger producer organizations



Inclusive and Resilient Agricultural Development

Interventions across **37 458 ha** of coffee, cocoa, and cardamom agroforestry systems; establishment of cultivar and clone evaluation centers and plant nurseries — **US\$47.85 million**

Agro-industrial Development and Marketing

Construction, equipment, upgrading, or refurbishment of 10 value-addition centers, together with support for producer organizations and entrepreneurship — **US\$4.4 million**

Climate variability and soil erosion

02

Solution: Implementation of Keyline System



Soils and water for the future: Keyline application*

Establishment of 17 pilot farms and knowledge transfer to 325 farmer groups: **US\$ 2.31 million**

Inadequate rural infrastructure

03

Solution: Infrastructure that enables Development



Development Routes

182.9 Km of rural roads and 118.2 Km of paved road: **US\$ 65.9 Million**
54.78 km of transmission lines for 69kV: **US\$ 5.5 Million**

*Keyline: A land-planning approach that uses natural topography to capture, infiltrate, store, and redistribute rainwater. (Gras, Eugenio, 2012).

Investment Components, Risks, and Mitigation Measures



Hand-in-Hand
Initiative

Description	Pillar 1: Coffee, Cocoa, and Cardamom Value-Chain Development (CCC)	Pillar 2: Soils and water for the future: Keyline System implementation	Pillar 3: Development Routes: Enabling infrastructure
Investment Details Key activities	• Train 13 002 producers in good agricultural practices • Renew crops and establish agroforestry systems • Establish clone and cultivar evaluation centers and 10 plant nurseries • Develop 10 value-addition centers and support 40 new or improved value-addition initiatives • Strengthen producer organizations, marketing, and technical assistance	• Establish 17 demonstration farms or plots in Cahabón and Olopa • Train 120 facilitators to replicate Keyline practices • Transfer knowledge to 13,002 producers	• Improve 118.2 km of paved roads and 182.9 km of rural unpaved roads • Install 54.78 km of 69 kV transmission lines to support rural electrification
Risks	• Crop losses caused by natural hazards, pests, and diseases • Commodity-price volatility • Weak quality control and limited business and marketing capabilities	• Crop losses caused by climate-related hazards, pests, and diseases	• Inadequate logistics, commercial services, and infrastructure
Mitigation measures	• Promote resilient agroforestry systems and sustainable production practices • Improve productivity and access to quality planting material and digital information • Strengthen collective marketing, storage capacity, and market access • Expand soil and water conservation practices through demonstration farms, facilitator training, and producer outreach		• Improve rural roads connecting high-poverty population centers with major roads, facilitating mobility within and beyond the municipalities



Pillar 1

Coffee, Cocoa, and Cardamom Value-Chain Development

Investment:

US\$ 52.25 million

Target population: small - and medium -scale
coffee, cocoa and cardamom producers

64 460 beneficiaries

13 002

Direct Beneficiaries

22 %

IRR

51 458

Indirect Beneficiaries

USD 22.07 Millions

NPV

US\$ 5 780.35

Δ Per capita income

37 458.4 ha

Production of 3 value chains



Coffee in Olopa, Chiquimula, and Cocoa and Cardamom in Cahabón, Alta Verapaz: Location and Context



Objective

Promote economic development across the three priority value chains by expanding innovation, technology, infrastructure, and production-support services to reduce poverty and food insecurity.

Subcomponents

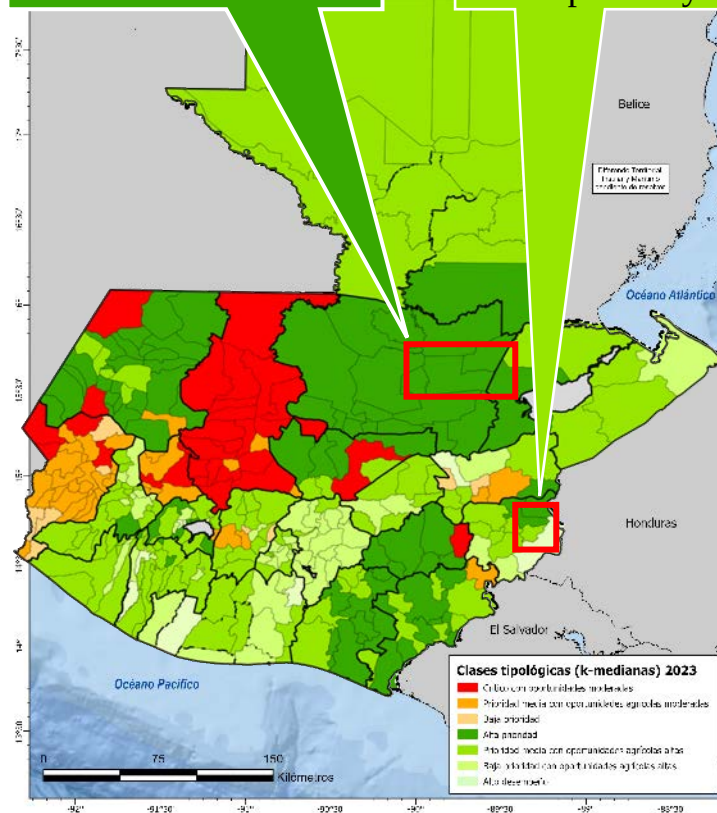
- Inclusive and resilient agricultural development in priority value chains
- Agro-industrial development and marketing

Catalytic investment

- Maintenance and improvement of rural roads

Cahabón: High Priority area

Olopa: Agricultural opportunity area; medium priority



Source: FAO (n.d.), Hand-in-Hand Microregional Typology 2025. (Incluye promedios precipitación y temperatura 2000-2025, Encovi 2023 y COVUSOT 2025)





Guatemala



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Iniciativa
Mano de la mano

Pillar 2

Soil and Water for the Future— Keyline System Implementation

Investment:

US\$ 2.31 million

- **17 pilot farms:**
 - 9 farms in Cahabón
 - 8 farms in Olopa
- **13 002 farmers trained across 325 groups**
- **120 facilitators trained to replicate and scale the model**

Soil and Water for the Future—Keyline System Implementation

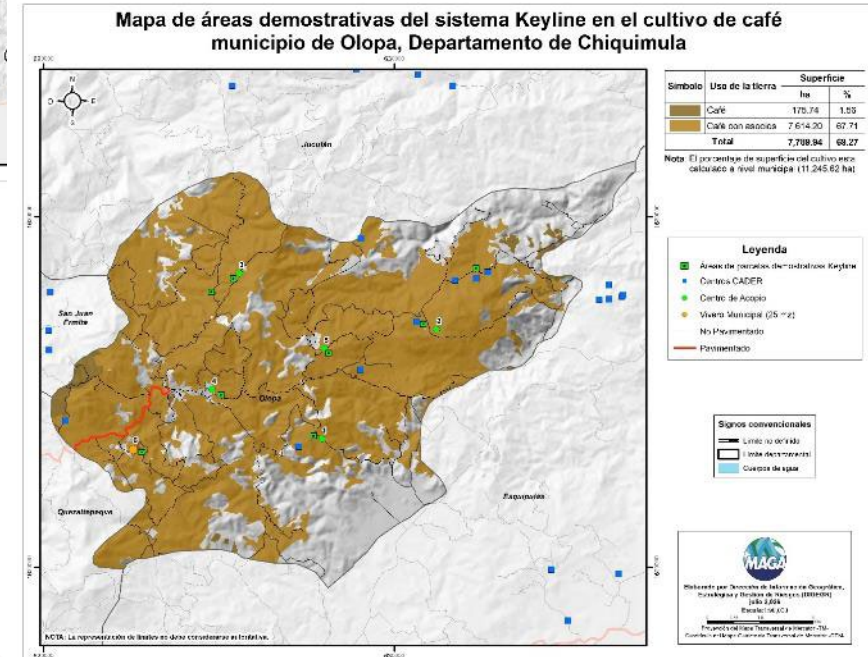
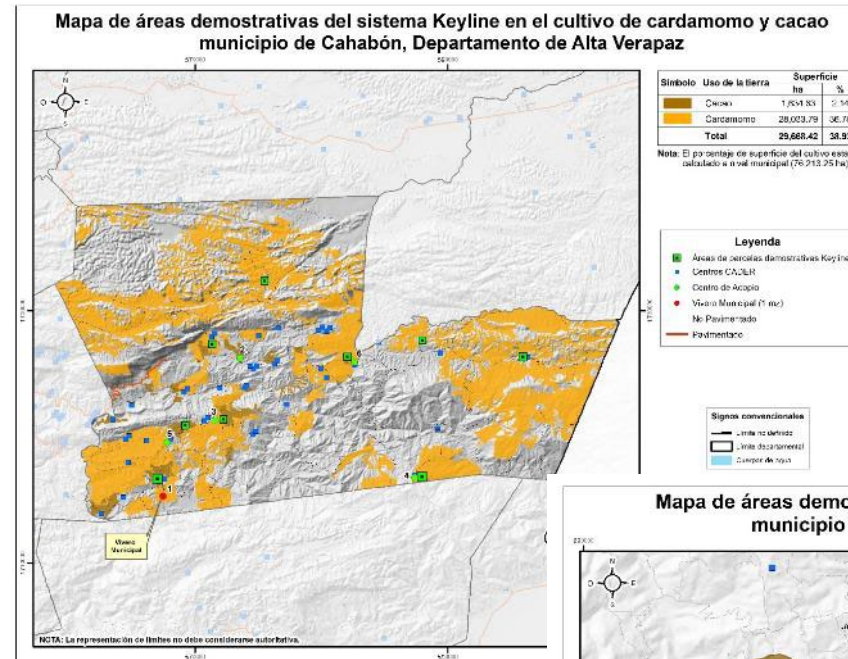


Objective

Strengthen agricultural producers' technical and organizational capacity to implement the Keyline system, regenerate soils, enhance climate resilience, and sustainably increase agricultural productivity.

Key Activities

- Build the capacity of 13,002 farmers, organized into up to 325 groups across two municipalities
- Establish 40 facilitator teams to replicate the model throughout the target areas
- Establish 17 pilot farms





BEFORE



AFTER



rutas
del desarrollo



Iniciativa
Mano de la mano

Pillar 3

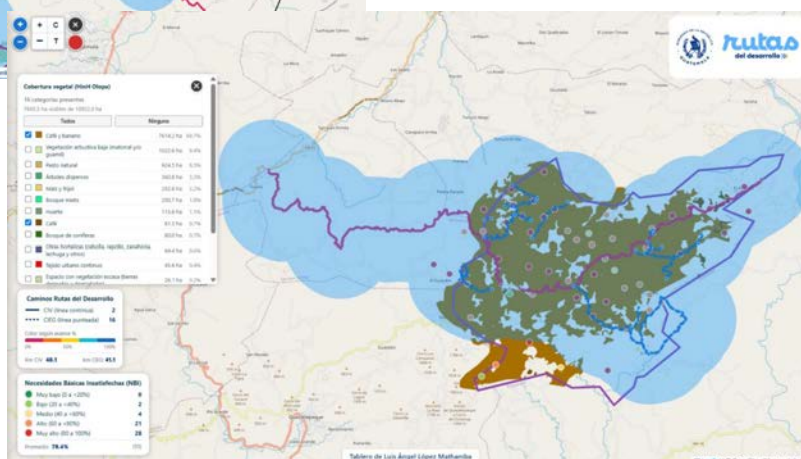
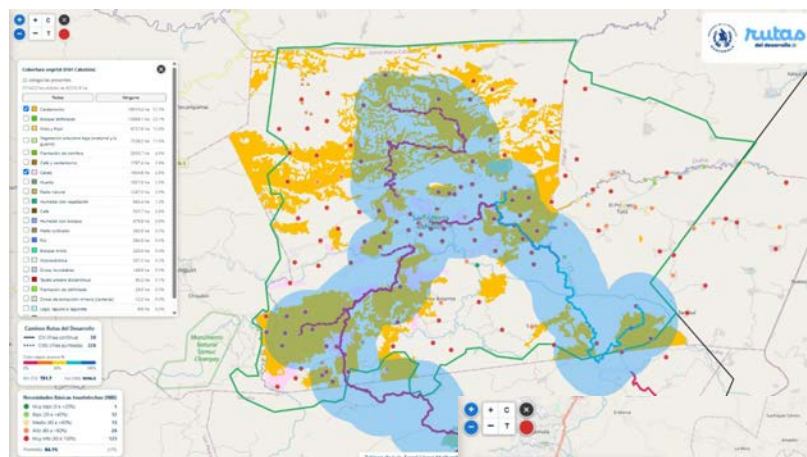
Development Routes—
Investment in Enabling
Infrastructure

Investment:

US\$ 71.4 m illion

- 182.9 Km of rural roads:
 - Olopa: 41.1 km
 - Cahabón: 141.8 km
 - 118.2 Km of paved roads:
 - Olopa: 40.1 km
 - Cahabón: 78.1 km
 - Total road network improved: 301.1 km
 - 54.78 km of 69 kV transmission lines in Cahabón
- Beneficiaries:**
- Olopa: 26,462 total—4,589 direct and 21,873 indirect
 - Cahabón: 37,998 total—8,413 direct and 29,585 indirect

Guatemala



Investment Program 2026 Guatemala

One Investment Note Three Pillars



US\$ 125.96 million

Total investment

64 460

Beneficiaries (total)

17.9 %

IRR weighted

US\$ 5 780.35

Δ Per Capita income

US\$31.27 million

Total NPV



-1 276 10 1

tCO₂-e (Ex-ACT)

Pillar 1:  -1334 290 tCO₂-e (Ex-ACT)

Coffee, Cocoa, and Cardamom Value-Chain Development

Investment: Funding gap to be covered, public-private funds

USD 52.25 Million

IRR:

22 %

NPV:

USD 22.07 million

Direct Beneficiaries:

13 002

Indirect Beneficiaries:

51 458

Total Beneficiaries:

64 460

Increase in per capita income:

5 780.35 US\$/Person

Area covered:

37 458.4 ha



1

Public-private Investment

Pillar 2:  -2 030 tCO₂-e (Ex-ACT)

Soils and Water for the Future: Keyline System implementation

Investment: public funds

US\$ 2.31 million

IRR

12.5 %

NPV

US\$ 1 200.96 (units)

Water Captured

14 110 m³

Direct Beneficiaries:

680 (40 farmers * 17 farms)

Indirect Beneficiaries:

13 002 farmers trained

Installed capacity to continue replicating the model:

120 facilitators organized into
40 training teams



2

Public Investment

Pillar 3:  +60 219 tCO₂-e (Ex-ACT)

Development Routes: Enabling Infrastructure

Investment: public funds

US\$ 71.4 million

IRR

15 %

NPV

US\$ 9.2 million

Direct Beneficiaries:

13 002

Indirect Beneficiaries:

51 458

Total Beneficiaries:

64 460

Impact on mobility improvement:

+ 48.5 km/h velocity

Reduction in travel time:

✓ -29.4 min, Cahabón

✓ -11.4 min, Olopa

✓ Reduction of 70.7%



3

Public Investment