GUATEMALA

1. Recent trends

In 2019, total greenhouse gas (GHG) emissions per capita in Guatemala were 2.1 tonnes of carbon dioxide equivalent (t CO_2e), lower than the averages for Latin America and the Caribbean (LAC) (6.3) and countries belonging to the Organisation for Economic Co-operation and Development (OECD) (9.1). That same year, the share of the population exposed to air pollution levels that pose risks to human health (PM2.5 at more than 10 μg/m³) was 100%, higher than 95.4% for LAC and 61.0% for the OECD. The marine protected area of Guatemala accounted for 0.8% of its territorial waters in 2021, compared to 7.3% for LAC and 18.6% for the OECD. On the fiscal side, environmentally related tax revenue was 0.8% of gross domestic product (GDP) in 2020, below the averages for LAC (1.0%) and the OECD (2.1%). Total tax revenue as a percentage of GDP (12.4%) in 2020 remained lower than the averages for LAC (21.9%) and the OECD (33.5%).

2. Long-term development policies for a green transition

Guatemala is among the ten countries most vulnerable to climate change in the world. Guatemala's policy response is backed by the National Development Policy 2032 (2015), the K'atun National Development Plan 2032 (2014) and the National Action Plan for Climate Change (2016), which set mitigation and adaptation objectives in environmental conservation, water resources, agriculture, spatial planning, solid waste, coastal marine systems and energy. Since 2009, Guatemala has a National Climate Change Policy in place. Also noteworthy, the Legislative Decree 7-2013 established a law to regulate the reduction of vulnerability, adaptation to climate change and mitigation of GHGs, being one of the first environmental laws to be approved in LAC. Later, the National Environmental Education Policy (2017), was created to strengthen responsibility for the environment.

Among Guatemala's **mitigation** efforts, the National Development Strategy with Low GHG Emissions (2018) promotes an efficient socio-economic model that decouples economic growth from increasing emission levels. The National Strategy for Sustainable Cattle Ranching (2018) regulates the sector's GHG emissions and prevents vulnerabilities. Regarding industry and services, Guatemala adopted a National Cleaner Production Policy (2010), which creates incentives, regulation, and simpler administrative procedures. The Energy Policy 2013-2027 aims to make use of Guatemala's great potential for renewable energy production but also promotes the exploration and exploitation of oil reserves. Guatemala has a System of Protected Areas, composed of 348 territories, that aims to conserve ecosystems and biodiversity, and is continuously monitored. Concerning **adaptation**, Guatemala developed a National Adaptation Plan (2018) for priority sectors, such as agriculture, water and sanitation, coastal zone management, and forestry. The National Action Plan for Climate Change has an adaptation strategy prioritising six sectors: health, marine and coastal areas, agriculture and food safety, forests and protected areas, infrastructure, and integrated water resource management. Guatemala also launched a project to promote policies for ecosystem-based adaptation practices in agricultural production and forestry. Guatemala's efforts to work with the private sector to strengthen climate resilience were recently analysed by the OECD, which noted promising approaches such as the provision of information, technologies and capacity building but also called for much stronger co-operation.

Guatemala's **international partnerships** emphasise environmental conservation. **Within** LAC, Guatemala promotes ecosystem-based adaptation technologies in the Central American Dry Corridor, in co-operation with Costa Rica, El Salvador, Honduras, Nicaragua and Panama. It also created a risk-sharing facility for small agricultural enterprises, with Mexico, the Green Climate Fund (GCF) and the Inter-American Development Bank (IDB). **Beyond** LAC, the ADAPTE project (2013), with the German Agency for International Cooperation (GIZ), supports climate change adaptation and rural development. Guatemala co-operates with the GCF on climate-resilient adaptation (project RELIVE) and watershed management. It also partners with the Rainforest Alliance and the GCF on risks mapping and strategic adaptation planning.

Regarding **green finance**, Guatemala developed the Action Plan of its National REDD+ (Reducing Emissions from Deforestation and Forest Degradation) Strategy (2020-50) to access funds from the Forest Carbon Partnership Facility and other sources for actions to reduce of GHG emissions. It also signed an Emissions Reductions Payment Agreement with the World Bank in 2021 to address deforestation and degradation and strengthen the management of protected areas, agroforestry systems and forest plantations.

	Key indicators – Guatemala					
	Guatemala		LAC		OECD	
Social						
	2016	**2020**	**2016**	**2020**	**2016**	**2020**
Extreme poverty	N/A	N/A	8.1	8.7	N/A	N/A
Poverty	N/A	N/A	25.9	26.3	N/A	N/A
Share of Internet users (% of population)	34.5	50.0	53.7	68.1	81.8	88.0
	2014	**2020**	**2016**	**2020**	**2016**	**2019**
Gini index	48.3	N/A	46.3	45.3	34.9	34.2
	2009	**2018**	**2009**	**2018**	**2009**	**2018**
Share of total population in informal households (%)	N/A	N/A	43.4	36.3	N/A	N/A
Share of total population in informal households, upper-income quintile (%)	N/A	N/A	24.5	13.6	N/A	N/A
Share of total population in informal households, lower-income quintile (%)	N/A	N/A	70.4	72.0	N/A	N/A
	2016	**2019**	**2016**	**2019**	**2016**	**2019**
Health expenditure (% of GDP)	6.1	6.2	6.5	6.8	8.7	8.8
SIGI index	N/A	28.6	N/A	25.4	N/A	17.5
	2015	**2018**	**2015**	**2018**	**2015**	**2018**
PISA score in science	N/A	N/A	411	407	489	487
Productivity and innovation						
	2016	**2021**	**2016**	**2021**	**2016**	**2021**
Labour productivity (% of the United States)	16.6	16.2	29.0	26.6	69.9	67.2
	2016	**2020**	**2016**	**2020**	**2016**	**2020**
High-tech exports (% of manufactured exports)	5.8	6.1	8.4	7.2	16.5	16.2
	2016	**2019**	**2016**	**2019**	**2016**	**2019**
R&D expenditures (% of GDP)	0.02	0.03	0.3	0.4	1.8	2.0
Citizens' perceptions and institutions						
	2016	**2019**	**2016**	**2021**	**2016**	**2021**
Share of population satisfied with efforts to preserve the environment (%)	54.2	57.0	46.2	42.0	55.3	51.2
Share of population with confidence in national government (%)	46.9	45.7	34.2	39.4	40.3	46.3
Share of population that thinks corruption is widespread throughout government (%)	69.5	73.2	74.5	70.0	59.0	54.9
Share of population satisfied with the education system (%)	67.0	72.7	64.9	54.3	67.0	66.8
Share of urban population satisfied with the availability of quality health care (%)	43.9	54.0	49.2	48.9	68.2	69.5
Environment and the green transition						
	2004-19		**2004-19**		**2004-19**	
Loss of natural and semi-natural vegetated land (%)	2.6		1.5		1.3	
	2016	**2019**	**2016**	**2019**	**2016**	**2019**
GHG emissions per capita excluding LUCF (t CO_2e)	2.0	2.1	6.3	6.3	9.6	9.1
Air pollution – exposure to PM2.5 (annual average exposure to more than 10 μg/m³, % of population)	100	100	95.5	95.4	61.3	61.0
	2016	**2020**	**2016**	**2019**	**2016**	**2020**
Contribution of renewables to total primary energy supply (%)	63.4	62.1	34.2	33.4	19.7	22.9
	2016	**2021**	**2016**	**2021**	**2016**	**2021**
Marine protected areas (% of territorial waters)	0.8	0.8	2.5	7.3	16.5	18.6
Fiscal position						
	2016	**2020**	**2016**	**2020**	**2016**	**2020**
Environmentally related tax revenue (% of GDP)	0.9	0.8	1.1	1.0	2.4	2.1
Total tax revenues (% of GDP)	13.2	12.4	22.2	21.9	33.6	33.5
Share of VAT (% GDP)	4.8	4.8	5.8	5.6	6.6	6.7
Share of PIT (% GDP)	0.4	0.5	2.1	2.2	7.8	8.3
Share of CIT (% GDP)	2.9	2.3	3.3	3.4	2.9	2.7
Perception of tax evasion (%)	N/A	22.3	N/A	27.3	N/A	N/A
Debt service (% of total tax revenue)	11.6	13.9	11.3	13.0	5.6	5.2
	2016	**2020**	**2016**	**2020**	**2016**	**2019**
Social expenditure (% of GDP)	7.2	9.5	11.5	13.6	20.0	19.9

Note: See the Reader's Guide for definitions and sources.

StatLink https://stat.link/z2uxct
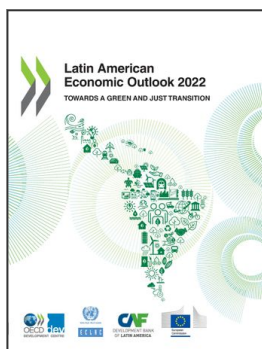
From:

Latin American Economic Outlook 2022
Towards a Green and Just Transition

Access the complete publication at:
https://doi.org/10.1787/3d5554fc-en