BUILDING STATE-LED FUTURES: INSTITUTIONALIZING LONG-TERM CLIMATE-RESILIENT DEVELOPMENT PLANNING IN GUATEMALA

Strengthening Institutional Frameworks to Align National Development, Climate Ambition, and Policy Continuity Beyond Political Cycles

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This report was developed by the authors in consultation with UNDP's Guatemala Country Office, and the Inclusive Growth team.

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Executive summary

This brief presents a practical pathway for Guatemala to transform institutional governance into a development breakthrough—ensuring long-term, climate-resilient development planning that transcends political cycles, strengthens state capacity, and accelerates progress toward the SDGs and national development priorities. This development breakthrough draws on insights from UNDP's NDC x SDG Insights Initiative, which identifies which climate actions generate the highest development payoffs, enhance policy coherence, and strengthen institutions under the SDG 16 targets.

Guatemala faces structural vulnerabilities—high exposure to climate risks, demographic pressures, inequality, and limited fiscal space—that are compounded by short electoral cycles and fragmented planning across ministries. These institutional discontinuities reduce the country's ability to implement multi-year development strategies, affecting priority sectors such as agriculture, water management, energy access, disaster risk reduction, and territorial development.

This brief proposes a development breakthrough centered on strengthening long-term development planning institutions as a state function, embedded in law and supported by a permanent, technically capable national planning mechanism. The approach strengthens policy continuity, provides stable signals to investors and development partners, and allows Guatemala to translate its climate and development commitments into measurable outcomes.

Insights from NDC x SDG analysis reveal that climate actions—particularly in agriculture, water security, energy, and resilient infrastructure—can simultaneously advance SDGs 1 (no poverty), 8 (decent work), 10 (reduced inequalities), 11 (sustainable cities), and 13 (climate action). However, institutional fragmentation limits these co-benefits. Stronger long-term planning can unlock them.

Key recommendations include:

1. Establishing a permanent **National Development and Climate Planning Council** with legal or constitutional standing.
2. Integrating **NDC and SDG** targets into fiscal frameworks, sectoral plans, and multi-year budgeting.
3. Embedding **climate and institutional performance indicators** into public financial management systems.
4. Strengthening **territorial planning capacities** and coordination across ministries and municipalities.
5. Creating a transparent public platform to **monitor long-term results** and strengthen institutional trust.

If implemented, these reforms would equip Guatemala with the institutional foundations required to manage climate risks, mobilize investment, and accelerate inclusive growth under a stable, coherent and legitimized long-term vision.

Although Guatemala already counts on SEGEPLAN as the national institution responsible for planning, coordination and monitoring, the scale and complexity of today's climate-development challenges require an enhanced architecture that builds upon and strengthens its existing mandate. SEGEPLAN plays an essential role in guiding national development strategies and supporting territorial planning; however, the increasing interdependence between climate resilience, fiscal policy, territorial cohesion, and long-term investment underscores the need for additional mechanisms that can ensure continuity across political cycles, deeper integration with public financial management, and more systematic alignment with NDC and SDG commitments. The development breakthrough is therefore designed not to replace SEGEPLAN, but to reinforce its leadership by equipping the planning system with the institutional stability, cross-government coordination, and data integration required to respond effectively to emerging national and global challenges.

1. NDC x SDG Insights overview: Guatemala

This policy brief draws on UNDP's NDC x SDG Insights Initiative under the SDG Push umbrella, which examines how climate actions interact with national development priorities. The methodology identifies where policy coherence is strongest, where gaps persist, and where strategic reforms can deliver "double wins" that advance both climate commitments and the SDGs.

In Guatemala, national stakeholders—through ministries of environment, planning, finance, agriculture, and energy—have engaged with UNDP to assess how NDC actions can accelerate national priorities such as rural livelihoods, water security, disaster risk management, territorial cohesion, and institutional strengthening. The analysis highlights that climate adaptation in agriculture, resilient infrastructure, forest management, and energy access can drive meaningful social and economic gains.

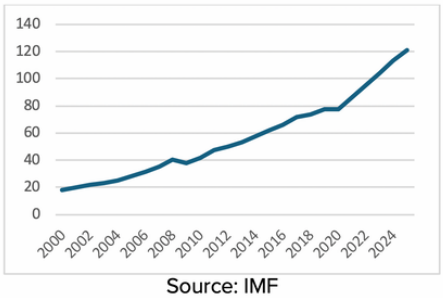
However, the Insights also reveal critical constraints: Discontinuity across administrations, a fragile cross-government planning system, and limited integration of climate actions into fiscal and sectoral policy frameworks. These challenges reduce the effectiveness of climate investments and limit access to external financing.

UNDP's SDG Push tools reinforce this finding: Without strong, stable institutions capable of coordinating multi-year strategies, Guatemala risks missing development opportunities associated with climate action. Hence the proposed development breakthrough focuses on institutionalizing long-term planning as a state-led, non-partisan governance function.

2. Country context

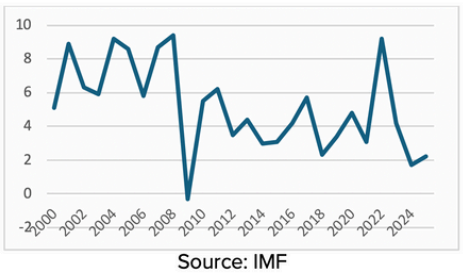
Guatemala enters the next decade at a pivotal juncture, balancing solid macroeconomic stability with deep structural development challenges and rising climate pressures. As the largest economy in Central America by nominal GDP, the country has shown notable economic resilience, maintaining growth even through global turmoil. The real GDP growth is estimated at 3.5–4%, supported by strong domestic consumption and exceptionally high remittance inflows, which represented over 21% of GDP in 2023, one of the highest ratios in the world (IMF 2024). Inflation remains contained and public debt, expected at 27.2% of GDP in 2025, is among the lowest in Latin America, well below the emerging-market average (60%). However, this macro-stability masks persistent social gaps: 56% of Guatemalans live in poverty, with rural and Indigenous communities disproportionately affected, while informality affects more than 70% of the labor force. Public revenue collection remains chronically low at 12.4% of GDP, restricting the Government's ability to invest in infrastructure, human capital, and climate resilience.

Figure 1: GDP (Billions of U.S. dollars, GDP, current prices)



Source: IMF

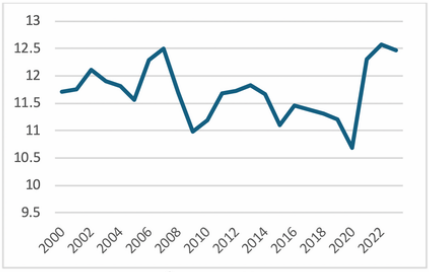
Figure 2: Inflation rate, end of period consumer prices (annual percent change)



Source: IMF

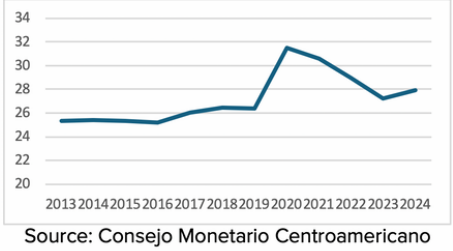
Guatemala's development trajectory is increasingly shaped by climate risk. The country ranks among the most climate-vulnerable in Latin America, with the Dry Corridor experiencing recurrent droughts, water scarcity, crop failures, and food insecurity. The NDC-SDG Insights analysis confirms high exposure to extreme weather events and underscores vulnerabilities in water systems, agriculture, biodiversity, and resilient infrastructure.

Figure 3: Government revenue as percent of GDP



Source: IMF

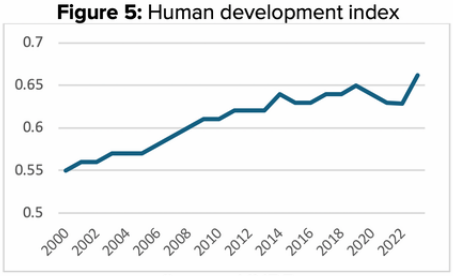
Figure 4: General government gross debt as percent of GDP



Source: Consejo Monetario Centroamericano

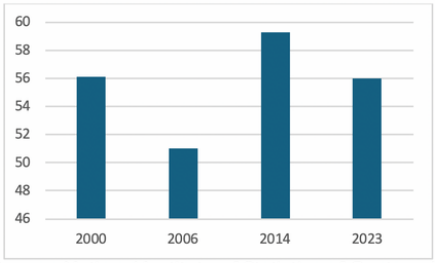
Guatemala's updated NDC commits to an 11.2% reduction in emissions and identifies priority adaptation actions in water management, forestry, sustainable mobility, agriculture, and disaster risk reduction. These actions intersect strongly with SDGs 1, 2, 6, 8, 11, 13, and 15, offering opportunities to accelerate development outcomes if properly integrated into national planning. Yet institutional fragmentation and short political cycles hinder implementation. National development priorities, including the long-term plan K'atun 2032, are insufficiently linked to fiscal frameworks and local planning processes, reducing coherence across ministries and administrations.

Figure 5: Human development index



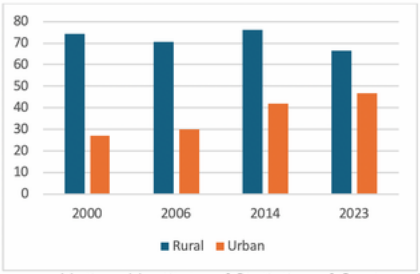
Source: UNDP

Figure 6: National total poverty incidence



Source: National Institute of Statistics of Guatemala

Figure 7: Total poverty incidence by area of residence



Source: National Institute of Statistics of Guatemala

Financing gaps remain substantial. Guatemala requires over USD 8.6 billion per year in capital investment to meet core SDG targets and USD 29.6 billion for climate action by 2030. While the country has begun exploring innovative instruments—including an USD 800 million sustainability bond (2024) and growing private green finance—these efforts require stronger planning systems to translate into measurable impact. Together, the macroeconomic context, institutional constraints, and climate vulnerability highlight the urgency of state-led long-term development planning to ensure policy continuity, unlock climate-development synergies, and guide strategic investments that can accelerate inclusive, climate-resilient growth.

3. Development breakthrough breakdown

Why institutionalizing long-term planning is the pivotal breakthrough

Guatemala's next leap in inclusive, climate-resilient development runs through stronger state institutions—those capable of predictable, coherent, multi-year planning that aligns with national aspirations and international commitments. Four facts anchor this breakthrough. First, climate risks are intensifying and increasingly systemic: Droughts, hurricanes, floods, crop losses, and water scarcity—especially in the Dry Corridor—threaten livelihoods, food security, fiscal stability, and competitiveness. Long-term planning is essential to manage these risks. Second, policy discontinuity undermines investment and service delivery. Frequent shifts in priorities interrupt major infrastructure projects, disrupt climate adaptation efforts, and weaken sectoral reforms; multi-year plans rarely survive political transitions. Third, fragmented governance limits coherence and efficiency. Roles across ministries are often overlapping or unclear, sectoral plans remain disconnected from fiscal frameworks and budgeting cycles, and subnational planning capacities are uneven. Finally, institutional trust remains fragile, making greater transparency, participation, and continuity essential to strengthen public confidence and improve policy legitimacy.

A durable long-term planning institution would allow Guatemala to set a multi-decadal development vision, coordinate climate and development actions across government, align budgets with strategic priorities, mobilize investment, and ensure continuity across political cycles. This model mirrors successful experiences in Costa Rica, Colombia, South Korea, and Chile—countries that used legally anchored planning bodies to sustain long-term climate and development strategies.

1. Establish a Permanent National Development and Climate Planning Council

1.1 Rationale and international evidence

Guatemala's next phase of inclusive, climate-resilient development depends on institutions capable of sustaining a long-term vision that transcends electoral cycles. The country combines high exposure to climate and geophysical hazards—droughts and prolonged dry spells in the Dry Corridor, intense rainfall, floods, hurricanes and landslides—with significant social and territorial gaps (go-api.ifrc.org). These conditions place strong demands on public policy, as infrastructure, water management, agriculture and urban development must all be designed with resilience in mind. At the same time, short political cycles, fragmented planning responsibilities and limited integration between national and territorial planning may reduce the effectiveness of public investment. In this context, a permanent National Development and Climate Planning Council (NDCP Council) would provide a stable institutional anchor for strategic coordination.

International experience suggests that such bodies can play a decisive role. Costa Rica's Ministry of National Planning and Economic Policy (MIDEPLAN) coordinates national development and public investment planning, serves as technical secretariat for the 2030 Agenda, and links sectoral plans with monitoring of SDG implementation (sustainabledevelopment.un.org). Colombia's National Planning Department (DNP) leads preparation of the National Development Plan, manages long-term policy instruments such as the CONPES documents and supports regional planning and investment pipelines (observatorioplanificacion.cepal.org). These examples, along with similar experiences in countries such as South Korea and Rwanda, indicate that well-designed planning institutions can improve policy coherence, continuity and investor confidence.

1.2 Institutional mandate and core functions

The NDCP Council would require a clear, focused mandate. First, it would formulate and periodically update a national strategy with a time horizon of 20 to 30 years, incorporating climate risk scenarios, demographic dynamics, productivity and diversification goals, and objectives for territorial cohesion. Second, it would coordinate sectoral strategies in areas such as agriculture, water, energy, transport, disaster risk reduction and forestry so that they remain consistent with the national strategy, the Nationally Determined Contribution (NDC) and the Sustainable Development Goals (SDGs). Third, it would work closely with the Ministry of Public Finance and other relevant entities to ensure that strategic priorities are reflected in medium-term fiscal frameworks, capital budgeting and any climate-related budget tagging systems. Fourth, it would oversee monitoring and evaluation of progress on national development and climate objectives, ensuring that data feeds into a public results dashboard. Fifth, it would review major public investment proposals from a strategic perspective, assessing their contribution to resilience, productivity and territorial equity. Finally, it would convene a national planning network linking central government, subnational authorities and specialized entities such as watershed or metropolitan authorities, thereby strengthening vertical and horizontal coordination.

1.3 Governance structure and composition

To achieve broad legitimacy, the NDCP Council would require a governance structure that combines high-level leadership with strong technical capacity and plural representation. One option would be to designate the vice-presidency or a similar authority as chair, supported by a technical secretariat staffed with planners, economists, climate specialists, territorial analysts and data experts. Participation by key ministries—such as Planning, Finance, Environment, Agriculture, Energy and Mines, and Communications and Infrastructure—as well as the national disaster risk management system would facilitate cross-government coordination. Representation of Indigenous authorities, reflecting Guatemala's cultural and territorial diversity, together with advisory participation from academia, the private sector and civil society, would help ensure that the Council's deliberations incorporate a wide range of perspectives. To perform its functions effectively, the Council would need a predictable budget, the authority to request information from public entities and the ability to issue technical opinions that carry significant weight in government decision-making.

1.4 Legal anchoring

Durability of processes and coordination across administrations requires solid legal foundations. Several options can be considered, which are not mutually exclusive. One is to adopt a specific "Long-Term Development and Climate Planning Law" defining the Council's mandate, governance, funding, independence and reporting obligations, and establishing its role in relation to sectoral and fiscal planning. A second possibility is to update existing planning legislation so that the national planning system explicitly incorporates long-term climate-resilient development, elevating the strategic role of SEGEPLAN while clarifying its relationship with the Council. A third, more ambitious option would be to provide constitutional recognition for long-term development planning, following examples in other countries where planning bodies are protected by constitutional provisions. In all cases, an important element would be a requirement that incoming administrations prepare their government plans in alignment with the national long-term strategy, thereby giving investors and citizens a clearer sense of continuity.

1.5 Link to NDCs, SDGs and resilience frameworks

A permanent NDCP Council would play a central role in operationalizing Guatemala's international commitments. By integrating NDC targets and SDG priorities into a single long-term strategy, and by ensuring that sectoral plans and investment programs are consistent with that strategy, the Council would help transform international pledges into domestic policy trajectories. It would support systematic monitoring of progress on mitigation, adaptation and resilience, including in climate-sensitive sectors such as agriculture, water, infrastructure and energy. Through its links with fiscal and investment systems, it would facilitate the identification of priority projects for climate and development finance. In doing so, the Council would serve as the institutional hub connecting the other components of this policy package: Fiscal integration of climate and development targets, performance-informed budgeting, territorial coordination, and the transparency and financing mechanisms described in subsequent sections.

2. Integrate NDC and development targets into fiscal and sectoral planning

2.1 Rationale and international evidence

For climate and development strategies to translate into concrete results, they must be reflected in fiscal policy and sectoral planning. Guatemala has made progress in articulating national development goals and climate commitments, but fiscal and planning processes still face important constraints. Tax revenues represented around 14 percent of GDP in 2023, compared with an average of more than 21 percent in Latin America and the Caribbean, leaving limited fiscal space for public investment and social spending (OECD). At the same time, spending is subject to constraints and earmarking, which can reduce the flexibility to reallocate resources toward emerging priorities. As climate change affects agriculture, water systems, infrastructure and territories, and as social demands evolve, aligning budget decisions with long-term goals becomes increasingly important.

Several countries have demonstrated that integrating climate and development objectives into fiscal frameworks can enhance effectiveness and credibility. Mexico and Colombia have used medium-term expenditure frameworks to link national development plans and NDC commitments with multi-year budget ceilings for key sectors. Costa Rica's planning system connects national development and public investment plans to SDG implementation, guiding public investment and monitoring progress (observatorioplanificacion.cepal.org). Countries such as Indonesia and Nepal have introduced climate budget tagging, enabling governments to identify climate-relevant expenditures within the budget, detect financing gaps and improve reporting to international partners. France and New Zealand, among others, have begun integrating climate considerations into budget laws, requiring ministries to justify policies based on their climate impact (sustainabledevelopment.un.org). These experiences provide useful reference points for Guatemala as it considers how to strengthen the links between planning, budgeting and climate policy.

2.2 Institutional mandate and core functions

Improved integration would require coordinated action by SEGEPLAN, the Ministry of Public Finance, and sectoral ministries. The first function of this arrangement would be strategic alignment: National long-term strategies, NDC targets and SDG priorities would systematically inform the preparation of sectoral plans, annual policy guidelines and budget ceilings. A second function would be the development of climate-development budget guidelines, so that line ministries incorporate climate objectives and associated indicators into their budget submissions using harmonized methodologies. Third, multi-year fiscal frameworks would incorporate scenario analysis and costing of key climate and development priorities, to support predictable financing of strategic reforms and investments. Fourth, periodic climate-related expenditure analyses would identify how existing spending contributes to mitigation, adaptation and resilience, where gaps remain, and which reallocations might yield higher impact. Fifth, sectoral plans in areas such as energy, agriculture, water, transport, disaster risk reduction and forestry would be updated to reflect these fiscal realities and to integrate climate scenarios and resilience objectives. Finally, major public investment portfolios would be reviewed for consistency with national climate-development goals, with climate-risk screening and territorial criteria progressively embedded in project appraisal.

2.3 Governance structure and composition

A strengthened governance arrangement would help align planning and budgeting cycles. One approach would be to establish a joint SEGEPLAN–Ministry of Public Finance committee, which would be responsible for issuing integrated planning and budget circulars, reviewing the alignment of sectoral plans and budgets with national strategies, and endorsing methodologies for climate-related expenditure analysis. Within each sectoral ministry, planning and budget units could work more closely together, ensuring that program structures, targets and resources reflect agreed climate-development priorities. Horizontal coordination would be complemented by vertical linkages with departmental and municipal planning entities, so that subnational priorities inform national planning and budgeting, and national priorities are reflected in territorial plans and investment programs. Advisory input from academic institutions, Indigenous representatives, civil society and the private sector could help ensure that alignment processes take into account diverse perspectives and knowledge systems.

2.4 Legal anchoring

To sustain these practices over time, Guatemala may wish to consider legal or regulatory measures. One possibility would be to amend the Organic Budget Law so that climate and development alignment becomes an explicit requirement for annual budget submissions and medium-term fiscal frameworks. Another option would be to update the legal framework of the national planning system, mandating that sectoral strategies incorporate NDC and SDG targets and that planning and budgeting timetables are coordinated. Government agreements or ministerial resolutions could specify criteria for climate-budget alignment, the frequency of expenditure reviews and the responsibilities of different institutions. Over time, multi-year planning and climate-sensitive budgeting principles could be incorporated into broader fiscal responsibility or public sector reform initiatives, consolidating these practices.

2.5 Link to NDCs, SDGs and resilience frameworks

Integrating NDC and development targets into fiscal and sectoral planning would help ensure that Guatemala's commitments under the Paris Agreement and the 2030 Agenda guide resource allocation in practice. By creating a clearer link between strategic objectives and budget decisions, the country would be better positioned to prioritize investments in mitigation, adaptation, resilience and territorial equity. Over time, integration would also facilitate more consistent reporting on climate-related expenditures and results, which can be valuable for dialogue with citizens, the private sector and development partners. Moreover, strengthened alignment would support the other components of this policy package: Long-term planning by the NDCP Council, performance-informed budgeting, territorial coordination, and the transparency and financing measures described below.

3. Embed climate and institutional performance indicators into public financial management systems

3.1 Rationale and international evidence

A public financial management (PFM) system that systematically incorporates performance indicators can make an important contribution to climate-resilient and inclusive development. Guatemala's fiscal institutions already perform essential functions, but they face challenges common to many countries, including limited fiscal space, sectoral budget rigidities and fragmentation across investment portfolios. Climate change adds pressure through shocks that can reduce revenue, increase emergency spending and accelerate infrastructure depreciation. When climate and institutional performance indicators are not integrated into budget processes, it becomes difficult to prioritize high-impact investments, monitor progress or adjust policies in a timely manner.

Countries have begun to address this by embedding climate and performance information into their PFM systems. Bangladesh, Indonesia and Nepal, for example, have institutionalized climate budget tagging systems that classify expenditures by their relevance to mitigation, adaptation and resilience, supporting both domestic planning and access to international climate finance (OECD et al., 2024). France and New Zealand have integrated climate performance metrics into budget documentation and laws, requiring ministries to consider climate implications when justifying spending proposals. Colombia and Mexico have advanced performance-informed budgeting, linking funding decisions to sectoral outcomes and strengthening accountability. Rwanda and South Africa have incorporated climate resilience indicators into public investment management, allowing governments to identify and prioritize projects with strong adaptation and disaster-risk-reduction benefits. Together, these examples suggest that combining financial and performance information can help align public spending with strategic climate-development objectives.

3.2 Institutional mandate and core functions

To embed climate and institutional performance indicators, Guatemala would need a coordinated mandate involving SEGEPLAN, the Ministry of Public Finance, sectoral ministries, and subnational governments. The first task would be the development of a climate budget tagging approach to classify expenditures according to their mitigation, adaptation, resilience or disaster-risk-reduction relevance, and then integrate it into the budget formulation and execution systems such as SIAF. A second function would consist of developing performance-informed budgeting practices, whereby budget programs incorporate indicators related to climate outcomes and institutional performance —for example, greenhouse-gas emission reductions, hectares under sustainable land management, households with improved water security, resilience of critical infrastructure or execution rates for key programs. A third function would be the establishment of a harmonized results framework to link these indicators to sectoral plans, annual operating plans and multi-year fiscal frameworks. Fourth, climate and performance information would be integrated into public investment management, with major projects undergoing climate-risk screening, resilience scoring and cost-effectiveness analysis. Fifth, monitoring, evaluation and learning systems would systematically capture indicator data through budget and investment information platforms, allowing real-time or near-real-time tracking of progress. Finally, regular climate and development budget reports would synthesize both financial and performance information for decision-makers and the public.

3.3 Governance structure and composition

The governance of this integration would be grounded in joint leadership by SEGEPLAN and the Ministry of Public Finance, supported by a technical committee responsible for methodological guidance, quality assurance and coordination with line ministries. Sectoral ministries would designate performance units or focal points responsible for defining indicators, collecting data and using results to inform policy. At the subnational level, municipal and departmental planning units could be progressively engaged in reporting climate-related and institutional performance information, particularly for investments in water, infrastructure, risk management and land-use planning. Independent expertise from universities, research institutes, Indigenous organizations and civil society could contribute to the design and review of indicators, helping ensure that they are robust, context-sensitive and feasible to implement.

3.4 Legal anchoring

Legal measures can help consolidate the use of climate and performance indicators in PFM systems. One option would be to reform the Organic Budget Law so that climate budget tagging and performance reporting are recognized as elements of the annual budget process. Another would be to adapt planning legislation and related regulations so that long-term strategies, sectoral plans and budgets are explicitly linked through performance frameworks. Government agreements or ministerial resolutions could specify methodologies for climate tagging, performance indicators and climate-risk screening in public investment. In the medium term, these elements could be incorporated into a broader public sector modernization agenda, reinforcing continuity across successive administrations.

3.5 Link to NDCs, SDGs and resilience frameworks

By integrating climate and institutional performance indicators into the PFM system, Guatemala would transform the budget into a key instrument for achieving its NDC and SDG commitments. It would be possible to monitor, in a systematic way, how public spending contributes to mitigation and adaptation across sectors, to identify where resilience investments in areas such as water, agriculture, transport and energy are most needed, and to evaluate the effectiveness of different interventions. Performance information would also facilitate more structured dialogue with development partners and international climate funds, in line with the objective in the Paris Agreement of making finance flows consistent with climate-resilient development. Over time, this approach would strengthen the link between strategic planning, fiscal decisions and results, complementing the long-term planning, territorial coordination, transparency and financing measures described in the other sections.

4. Strengthen subnational planning and territorial coordination

4.1 Rationale and international evidence

Guatemala's geography and demographic patterns make territorial approaches to planning particularly important. The country encompasses highland and lowland regions, diverse ecosystems, and areas—such as the Central American Dry Corridor—where agriculture and livelihoods are highly sensitive to climate variability (early-action-reap.org). Many climate-relevant interventions, including water management, disaster risk reduction, land-use planning, urban development and local infrastructure, are implemented at the municipal or departmental level. Yet capacities across territories are heterogeneous, and local planning processes have not always been fully connected to national strategies or to multi-year investment frameworks.

Experience from other countries illustrates the benefits of stronger territorial coordination. Colombia's multi-level governance reforms and systems for public investment, supported by DNP, have sought to strengthen subnational capacities and align local investment with national priorities (OECD 2016). Chile has used regional territorial plans to guide infrastructure and land-use decisions in harmony with national climate and development objectives. Mexico and Peru have developed frameworks and methodologies for regional and local planning that incorporate climate considerations and support SDG localization (observatorioplanificacion.cepal.org). These examples suggest that when national and subnational governments work within a coherent framework, the quality and resilience of public investment can improve significantly.

4.2 Institutional mandate and core functions

A stronger territorial dimension in Guatemala would involve a shared mandate among SEGEPLAN, sectoral ministries, departmental authorities, municipal governments, and Indigenous institutions. One function would be the harmonization of territorial planning instruments, so that municipal development plans, departmental plans, and operational programs use compatible methodologies and align with national strategies, NDC and SDG targets, and climate-risk assessments. A second function would be the development of subnational pipelines of climate-resilient investments, with support for municipalities and departments in identifying, designing, and prioritizing projects in areas such as water supply, drainage and flood management, watershed restoration, resilient agriculture, sustainable mobility, and risk-reducing infrastructure. Third, integrated territorial information systems would bring together geospatial data on climate risks, land use, ecosystems, and socio-economic conditions, providing local authorities with an evidence base for planning. Fourth, mechanisms for vertical coordination—such as regular dialogues between national ministries, SEGEPLAN, departmental councils and municipal associations—would support coherence between national policies and territorial implementation. Fifth, targeted technical assistance and capacity development would help municipalities, particularly those with limited resources, to adopt climate-sensitive planning and budgeting practices. Finally, the inclusion of Indigenous territorial authorities in planning processes would recognize their role in land stewardship and natural resource management.

4.3 Governance structure and composition

Institutional arrangements could include a National Territorial Coordination Committee led by SEGEPLAN, with participation from the Ministry of Public Finance and relevant sectoral ministries, responsible for overall guidance and monitoring. Departmental planning units would be equipped to support municipalities, consolidate investment demands and ensure that territorial plans reflect both local needs and national priorities. At the municipal level, planning and risk-management units would integrate climate indicators, land-use considerations and risk assessments into development plans and investment profiles. Partnerships with universities and regional centers could create hubs for training and data analysis, facilitating access to technical expertise for local governments. The participation of Indigenous authorities and community organizations in territorial councils would strengthen the legitimacy and cultural appropriateness of planning decisions.

4.4 Legal anchoring

To provide stability and predictability, Guatemala might consider legal and regulatory reforms supporting territorial coordination. Revisions to planning legislation could mandate that municipal and departmental plans be consistent with the national long-term development and climate strategy, and that they incorporate risk assessments and climate-sensitive land-use considerations. Regulations governing municipal and departmental planning could define minimum standards for geospatial analysis, consultation processes and integration with sectoral policies. Government agreements might establish the requirements and protocols for shared territorial information systems, ensuring data interoperability and regular updates. Legal recognition of Indigenous territorial governance structures, where appropriate, would support their participation in official planning processes while respecting their autonomy.

4.5 Link to NDCs, SDGs and resilience frameworks

Enhanced subnational planning and territorial coordination would be instrumental for achieving Guatemala's NDC and SDG targets. Many mitigation and adaptation measures—such as sustainable land management, forest conservation, resilient agriculture, urban drainage and risk-aware infrastructure—are implemented locally. When municipal and departmental plans are aligned with national strategies and supported by adequate information and capacities, local investments can simultaneously reduce emissions, build resilience and address social inclusion. Territorial data systems would contribute to SDG monitoring by providing disaggregated indicators on access to services, exposure to risks and development outcomes. Stronger territorial coordination would also facilitate the preparation of project pipelines that meet the standards of international climate and development finance, thereby complementing the long-term planning, fiscal integration, PFM reforms and transparency mechanisms described in other sections.

5. Develop a public transparency and results dashboard

5.1 Rationale and international evidence

Transparent and accessible information is a cornerstone of effective public policy. In Guatemala, data on climate and development are produced by multiple institutions using different systems and standards. While important efforts have been made, sectoral monitoring platforms, budget and investment systems, and territorial information tools are not yet fully integrated. As a result, decision-makers and citizens may find it difficult to obtain a consolidated view of progress on national development strategies, NDC commitments, SDG indicators, fiscal execution or territorial disparities.

International experience indicates that public results dashboards can address these challenges. Chile's municipal indicators system, SINIM, provides local-level data on services and finances, supporting targeted interventions and fiscal equalization. Costa Rica's monitoring systems, coordinated by MIDEPLAN, link national development plans and SDG implementation, offering public access to indicators. South Africa's online budget and performance portal, Vulekamali, integrates financial and results information, fostering citizen engagement. Colombia has used SDG dashboards to connect national planning indicators with territorial data (mideplan.go.cr). These initiatives show how integrated platforms can improve policy coherence, accountability and trust, and can also support access to development and climate finance by demonstrating measurable progress.

5.2 Institutional mandate and core functions

A national public transparency and results dashboard for Guatemala would become the central reference point for climate-development information. Its first function would be to integrate key indicators from the long-term development and climate strategy, sectoral plans, the NDC and the SDGs, using harmonized definitions and disaggregations. A second function would be to present climate-related fiscal information, including climate budget tagging results, public investment execution and, over time, information on the climate characteristics of major projects. Third, the platform would provide territorial visualizations, showing municipal and departmental indicators on issues such as water security, agricultural resilience, access to energy, forest cover, infrastructure vulnerability and social inclusion. Fourth, it would offer information on public investment pipelines and project status, including location, expected results and climate-risk screening where available. Fifth, the dashboard would report on institutional performance, such as program execution rates and selected service delivery indicators. Sixth, user-friendly interfaces and feedback mechanisms would enable citizens, researchers, journalists and civil society organizations to explore data, download information, and provide suggestions. Finally, the dashboard would support Guatemala's reporting obligations to international processes by organizing indicators in ways that correspond to NDC and SDG frameworks.

5.3 Governance structure and composition

Effective operation of the dashboard would require clear institutional roles. A central coordination unit, jointly led by SEGEPLAN and the Ministry of Public Finance, could be responsible for overall governance, indicator frameworks, data standards and quality control. A multi-sectoral committee including environment, energy, agriculture, infrastructure, health, education, and disaster risk management institutions would ensure that sectoral data is regularly updated and consistent. Territorial data nodes, embedded in departmental and municipal planning units, would contribute with localized information and help validate its accuracy. An advisory group involving universities, think tanks, Indigenous organizations, civil society, and private sector representatives could provide feedback on methodology, usability, and inclusion, helping to ensure that the platform responds to the needs of different users.

5.4 Legal anchoring

Legal measures would help guarantee continuity and regular data provision. Possible steps include amending planning or transparency legislation to mandate annual publication of a national results dashboard, specifying the main domains of information and the responsibilities of different institutions. Regulations governing SEGEPLAN, the Ministry of Public Finance and other entities could be updated to formalize joint responsibility for managing indicators, data standards and reporting schedules. Government agreements or executive instruments could require ministries and municipalities to provide data in standardized formats and at agreed intervals. Over time, the dashboard's role could be embedded within broader digital government and open data strategies, ensuring that it remains a permanent and evolving feature of Guatemala's institutional landscape.

5.5 Link to NDCs, SDGs and resilience frameworks

A well-designed transparency and results dashboard would serve as the public interface for Guatemala's climate and development agenda. By organizing information around NDC targets, SDG indicators and national development objectives, it would allow decision-makers and citizens to see where progress is on track, where gaps remain and how different territories are affected. The platform would facilitate evidence-based adjustments to policies and investments, encourage informed public debate, and support coordination among institutions. For international partners and climate finance providers, the dashboard would signal Guatemala's commitment to transparency and results, potentially strengthening confidence and support. By connecting data generated through long-term planning, fiscal integration, performance-based budgeting and territorial coordination, the dashboard would help ensure that the policy breakthrough described in this document translates into measurable and visible improvements in people's lives.

4. Expected economic impact of the development breakthrough

The implementation of the proposed institutional and policy breakthroughs is expected to generate substantial economic benefits for Guatemala over the medium and long term. These benefits arise from higher public-sector efficiency, improved investment climate, reduced losses from climate shocks, and stronger foundations for inclusive and regionally balanced growth. While precise quantitative estimates depend on assumptions regarding fiscal space, private investment responses and global conditions, international evidence suggests that reforms of this nature can significantly enhance growth trajectories, increase resilience, and improve social welfare.

A first set of gains derives from greater predictability and coherence in public policy. The establishment of a National Development and Climate Planning Council provides a stable institutional framework for guiding long-term decisions. Countries with similar institutions—such as Costa Rica and Colombia—have experienced improved continuity in infrastructure planning, better coordination across ministries, and more effective mobilization of development finance. For Guatemala, enhanced policy continuity is likely to reduce uncertainty for investors, particularly in sectors with long payback periods such as renewable energy, water and sanitation, resilient agriculture, logistics, and urban development. Greater predictability lowers the cost of capital, encourages private-sector participation, and attracts international financing aligned with climate and development goals. Over time, these improvements contribute to higher productivity and expand the economy's potential growth rate.

A second source of impact arises from the integration of NDC and development priorities into fiscal and sectoral planning. When budget processes reflect long-term strategies, public spending becomes more strategic, and investment portfolios become more resilient. International assessments from the World Bank and IMF show that climate-aligned public investment tends to yield higher economic returns because it reduces future losses, extends infrastructure lifespans, and increases the efficiency of service delivery. For Guatemala—where climate-related disasters have caused economic damages equivalent to multiple percentage points of GDP in some years—the avoided losses associated with more resilient infrastructure, improved water management, and strengthened disaster preparedness could be significant. Integrating climate criteria into investment decisions also positions the country to access concessional resources and blended-finance instruments that reduce fiscal pressures.

Embedding climate and institutional performance indicators into public financial management generates additional gains by improving budget execution, increasing transparency, and strengthening public accountability. When ministries and municipalities make decisions based on measurable performance indicators, the efficiency of spending tends to rise. International experience from countries applying climate budget tagging and performance-informed budgeting shows reductions in cost overruns, higher execution rates of climate-relevant programs, and improved targeting of subsidies and social expenditures. For Guatemala, more efficient spending in sectors such as agriculture, health, education, water, infrastructure, and disaster risk reduction can translate into improved service delivery and stronger human capital formation. The resulting productivity improvements contribute directly to long-term economic growth.

Strengthening subnational planning and territorial coordination has particularly important economic implications. Territorial disparities and uneven access to infrastructure and services remain key constraints for Guatemala's development. More coherent local planning, coupled with targeted investments in water systems, roads, resilient agriculture, and risk-reducing infrastructure, can stimulate local economies, reduce transaction costs, and improve market access for rural populations. Empirical evidence from Latin America shows that coordinated territorial investment increases local productivity, reduces vulnerability to climate shocks, and helps formalize economic activity. In Guatemala, where a large share of the population depends on climate-sensitive agricultural livelihoods, improved territorial coordination can cushion the economic impacts of climate variability and promote more sustainable rural development pathways. This, in turn, can reduce poverty risks and slow down climate-induced migration.

The creation of a national results and transparency dashboard strengthens trust between citizens, government, and investors. Transparent, accessible information on fiscal execution, climate outcomes, public investment pipelines, and territorial indicators helps reduce information asymmetries and strengthens Guatemala's credibility with development partners and private investors. Research on open data and government transparency shows positive effects on investment flows, creditworthiness perceptions, and the efficiency of public procurement. By making performance visible, the dashboard also reinforces incentives across ministries and municipalities to improve results. Over time, higher accountability and clearer evidence of progress can support governance stability, which itself is associated with stronger economic performance.

These institutional reforms also create indirect economic benefits through improved access to international climate and development finance. Global climate finance is expected to exceed USD 1 trillion annually in the coming years, with strong competition among countries for concessional resources. Nations that demonstrate strategic planning, transparency, measurable results, and coherent investment pipelines are better positioned to secure grants, loans, guarantees, and blended finance. For Guatemala, stronger planning and reporting systems could unlock additional funding for renewable energy, water management, climate-smart agriculture, forestry, urban mobility, and resilient infrastructure. These resources can stimulate domestic demand, reduce fiscal pressures, and accelerate structural transformation toward a more diversified and competitive economy.

Finally, the cumulative effect of these breakthroughs is expected to generate long-term resilience dividends. Studies by the IMF and World Bank indicate that countries investing in climate adaptation and resilient infrastructure can experience GDP gains of 2–4 percent over a decade compared with scenarios of inadequate adaptation, due to avoided losses, higher productivity, and smoother economic cycles. For Guatemala, where climate shocks regularly affect agriculture, transport, and energy systems, the economic value of enhanced resilience may be particularly significant. Stronger institutional coordination, better data, and climate-aligned public spending reduce the volatility of growth and strengthen fiscal sustainability by limiting emergency expenditures and infrastructure repair costs.

The overall economic impact of these institutional reforms is expected to be positive, reinforcing Guatemala's ability to achieve sustained, inclusive, and climate-resilient growth. By strengthening planning, improving fiscal coherence, enhancing territorial coordination, increasing transparency, and enabling access to climate finance, the breakthroughs create the conditions for higher productivity, greater investment, reduced climate-related losses, and improved development outcomes across all regions of the country.

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