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Submission Date: December 14, 1970

Project Title: Rural Community Leadership and Modernization

U.S. Obligation Span: FY 67 through 74

Physical Implementation Span: FY 67 through 75

Gross Life of Project Financial Requirements

U.S. Dollars **3,573,000**

Cooperating Country Cash Contribution **1,105,000**

Other Donor -----

TOTAL 4,678,000

PAGE 1 OF 23 PAGES

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APPROVED BY:

ADIR: Harlan A. Harrison

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I. SUMMARY DESCRIPTION

This is a new PROP replacing the one on Rural Community Leadership and Modernization which was submitted to AID/W last June. In this new PROP we have clarified our goals and strategy for accomplishing them. The broad goal is to develop in Guatemala an increasing responsibility, particularly in the private sector, for the development of the country and the accelerated integration of the society.

This project is aimed primarily at increasing the role of the private sector in rural development. Through it we expect to increase the activities of organizations now active in this area and to involve others. During the life of the project we also expect to help bring into being an autonomous private development foundation which, among other things, will assume responsibility for much of the support which the AID Mission is providing, and for program development, thus contributing to the basic goal and creating a situation more in keeping with the concept of a "mature partnership" for development.

The strategy will be to use the resources available, some of which exist as a result of past activities, some of which will be provided under this project, and a considerable portion of which will be added through other Mission programs (e.g. the rural development loan, the education loan and the special development fund), to increase the development activities of various private development organizations existing at the national (Guatemala City) level with community activities in the rural areas, some of which are now directly supported.

II. SETTING

(see CLASSIFIED Annex I)

III. STRATEGY AND IMPLEMENTATION PLAN

Our strategy is to intensify and proliferate contacts between development oriented center groups and local level organizations and para-organizations by using the former channel of resources to the latter. At the same time we will use the leverage provided by our resource inputs to encourage an increased flow of domestic resources into development activity at local levels, particularly thru matching fund arrangements. To the extent feasible we will also seek to increase contact and cooperation between public and private development organizations in order to minimize undesirable overlap or duplication and to increase the output of both.

Finally, we will attempt to insure that the resources we provide are utilized at the local level in such a way as to strengthen the capacity of lower strata of the population to act in their own behalf looking toward the day when autonomous, horizontally organized, member controlled organizations within the lower strata of the society may become feasible.

The principle Mission inputs will be made at the national level and will be made in three overlapping phases.

FIRST PHASE

During the first phase we will provide financial assistance for four private organizations currently engaged in development activity in the rural areas, and for the establishment of regional centers:

1. The Guatemalan Rural Reconstruction Movement (MGRR).

This organization has existed in Guatemala since 1965 and follows the principles and practices of the International Rural Reconstruction Movement founded by James Yen. Its objectives are to create cooperative economic activity at the village level. The method is to have a qualified technician live in the village and, through a long term training process, provide its members with the necessary education, managerial capability and confidence to operate an agricultural cooperative, furniture factory, cooperative store or whatever other project is most appropriate to the community. In the Department of Jalapa the MGRR has established one of the most successful campesino cooperatives in Guatemala.

AID financing under this project (\$23,000 on a one-to-one matching basis for FY 71) will permit the MGRR to expand its operations from 6 to 15 communities and to organize 20 agricultural pre-cooperatives for the purpose of purchasing land and producing corn, peanuts, beans, fruits, etc. The funds will be used to pay additional village workers; to continue the services of four back-up technicians, one each in agriculture, health, cooperatives and education; and to purchase equipment, vehicles and other commodities.

2. The Guatemalan Development Foundation (Fundación del Centavo)

The Guatemalan Development Foundation is at present the only organization providing credit to small campesino organizations on a long term low interest basis. Commercial and public banking institutions have viewed such organizations as too high risk and too insignificant to be worth working with. Funds under this project (\$25,000 for FY 71) will be provided to the Foundation on a one-to-two matching basis to strengthen the Foundation and increase its capacity to provide credit for farm machinery, seeds, and fertilizers to the 20 pre-cooperative associations which will receive technical assistance from the MGRR as outlined in paragraph 1 above. The joint MGRR-GDF activity will complement but not be replaced by the new BANDESA (Government Agricultural Bank) which will be making loans to small farmers under the government rural development program.

3. National Development Center for Administration and Production (CENDAP)

This organization was originally 100% AID supported but is now 99% Guatemalan business and government supported. It has been recognized for its high performance/low cost programs providing (1) technical advice to firms and organizations lacking managerial capability; (2) training for middle-management; (3) basic skills and incentive training for non Spanish-speaking agricultural workers. Having helped bring this asset into being we now propose to utilize it in support of Guatemalan Government and USAID goals. Through this project, CENDAP will be further strengthened by the provision of funding and commodity (training materials) support (\$37,500 for FY 72) for an experimental training program for approximately 400 agricultural laborers in the altiplano region. Skills training will be provided in basic agricultural methods, animal husbandry, cottage industry (furniture-making, tailoring, artisanry), carpentry and related basic construction-work.

This training will be complemented by leadership and organizational development training and assistance which will be furnished by specially selected instructors. Trainees will be selected by local development agencies who will also provide post-training follow-up support. The end result of this activity is expected to be 10 operative small agricultural and industrial groups.

A complementary input, although not a part of this project, will be export promotion of products grown or manufactured in the altiplano which will include CENDAP training for managers and administrators of Guatemalan export firms.

4. The Center for Rural Leadership Training at Landivar University (CAPS)

CAPS is an in-country rural leadership training program which developed from the Loyola University regional training program funded by AID/W. It has been supported by USAID Guatemala since 1967. To date there have been 787 graduates from central courses and 1511 from municipal and departmental courses of the CAPS program, approximately 75% of whom are actively working with local cooperative groups, agricultural extension services, departmental campesino organizations, or individual village self-help projects.

The general courses now provided by CAPS are intended to provide a capacity for local problem solving, ability to relate to the national level structures and organizations of the country, the ability to obtain and utilize resources available from outside the immediate environment, ability to adapt, and acceptance of new norms and procedures.

A study made by Brandeis University and the Guatemalan National Institute for Development Administration in 1968 and 1969 has indicated that the training results in terms of problem solving capacity and resource utilization ability were not high, due to the low cognitive skill level of the trainees. Since then, however, we believe this situation has been improved through the provision of extension agents and the creation of departmental associations for post-training follow-up and reinforcement. In addition a series of advanced seminars for previous trainees are planned which will cover community organization methods, marketing, management, cooperativism, health, and nutrition. We would welcome suggestions from AID/W on additional ways of incorporating a cognitive skills component into the basic program.

The CAPS program has two other deficiencies: it is entirely U.S. funded and the training is not directly linked to other specific program activities. We plan to change both these aspects. U.S. direct financial support for CAPS will be reduced in annual increments each year over the life of the project according to the following schedule:

<u>75%</u>	FY 72
<u>50%</u>	FY 73
<u>20%</u>	FY 74
<u>00%</u>	FY 75

We anticipate that the loss of AID funding will be offset in two ways. Through direct fund appeals to the Guatemalan private sector and by CAPS contracting its services to other private sector or government organizations engaged in development activities. The latter approach also offers the most feasible method of insuring that CAPS training is linked to substantive development programs.

Internal alterations in the CAPS activity will also contribute to this need. Its training programs will be decentralized to rural areas in order to bring them closer to their clientele. This will also make possible an increase in the number of courses at decreased costs. The Departmental Association of Promotores (CAPS graduates) which now exists in every department (state) of the country will be strengthened and their support to the municipal and village level organizations and groups who utilize their services will be increased. Finally, CAPS will also offer courses to other individuals who are serving an intermediary role as resource brokers.* (Eight courses annually for 30 participants each). Any, or a combination of these activities could produce sufficient funds to sustain CAPS training activities, provided they are judged of sufficient value by these who participate in them.

* The term "resource brokers" as used here refers to individuals or groups who perform the function of linking community-oriented individuals who want to stabilize or improve their life chances, but who lack economic and political connections, with nation-oriented individuals or groups who are interested in mass penetration or mobilization. These "brokers" are the connecting links in the extended and "modernized" patron/client networks through which resources are transferred in the Guatemalan system. See, for example, Contemporary Culture and Societies in Latin America, edited by Dwight Harth and Richard Adams, particularly the chapter by Eric Wolf.

Although it is our purpose to gradually reduce CAPS financial dependency on the USAID and to encourage CAPS to alter its image and operations away from training for training's sake, we do believe strongly that CAPS activities over the past several years have had sufficient value in their present form to justify continued AID support. Some of its trainees are undoubtedly usefully performing the brokerage function referred to and are thus helping to get critically needed development resources to the local levels. More importantly, CAPS is one of the few, programs in the private sector aimed at helping the rural masses, which is working on a nation-wide basis. Thus it may contribute significantly to implementation of the USAID/GOG program for marginal farmer development.

The CAPS program stresses the need and creates opportunities for establishing working relationships with local functionaries such as alcaldes (Mayors), local church representatives, large and medium farmers, small businessmen, and so forth. These people will be highly influential in determining whether the small farmer accepts new technology and whether the resources needed to effectuate it are at his disposal. The government agencies do not have the capacity to either reach the small farmer directly on a mass basis or to adequately control or influence those who do. Other intermediary organizations and networks, such as cooperatives and farmers associations are too narrowly organized and do not exist on a sufficiently broad scale. The Departmental Associations of CAPS Promotores and their networks of contacts can serve as a valuable channel for disseminating resources and stimulating involvement in the government program.

5. Regional Community Development Liaison Centers.

This project has evolved from the Mission's SDF program. The Special Development Fund (Special Development Activities) program was established by AID in Guatemala in March of 1963 to permit the Mission Director to respond immediately, without reference to formal, documented goal plans, sectors of concentration, or other elements of country assistance strategy, to requests for economic assistance from small community based development activities. To date 473 projects have been approved with expenditures totaling \$366,399. They include school, bridge, and road construction, as well as water system introduction and various other projects falling under the type of activity envisioned by Title IX. The SDF budget has been as high as \$100,000.00 in a given year.

In keeping with, and in support of enhancing the role of the private sector in rural development by increasing the activities of organizations now active in this area and involving others, the Mission proposes to finance on a short term (for a period of time sufficient to bring into being an autonomous private development foundation) the operation of seven regional community development liaison offices. The Mission, in agreement with the Peace Corps, and with the approval of the Ministry of Economy, will staff these offices with Peace Corps Volunteers who are at the time this document is being prepared are in training for the specialized nature of the work this project will demand of them. The purpose of this project is to continue with the type of activity traditionally identified with SDF operations; that is, to support self-help initiatives in small, high impact projects on the local level, leading to economic, social, and political development while functioning as a fund of last resort. Special consideration will be given to those projects which are initiated by graduates of rural leadership courses especially emanating out of private sector efforts. Funds will be increasingly channelled to strengthen the rural organizations growing out of community leadership programs. The Regional Centers, under the full-time management of trained PCVs and Guatemalan counterparts, will devote time and effort in making contacts with international organizations, especially as concerns the sister city program. Through this program it is felt that much needed additional non-domestic resources can be effectively utilized while enhancing the precepts of the Alliance for Progress and fomenting greater private sector participation.

The specific needs of this program are based upon recent evaluations of the SDF activity during the past seven years, as well as USAID/G and GOG intent in regionalizing (decentralizing) operations in Guatemala, utilizing to a greater extent the employed services of Guatemalans and incorporating the activities of the fund into the development efforts of Guatemalan public and private agencies. Of importance to the Mission, is the fact that the placement of PCVs in regional offices is seen as a first step in the creation of Regional Development Centers. The second step will be the employment of young Guatemalans who will initially work with each of the volunteers in the regional offices as counterparts and who will later assume full responsibility for the development and administration of the program. It is proposed that these Regional Development Centers will be incorporated into a National Development Foundation, and will serve as the initial regional structure for its operations. In the meantime, the offices will function as liaison between local rural community development groups and organizations, both private and public, operating out of Guatemala City on a national level. It is proposed that the funds provided to individual projects will be used on a matching or tripartite basis thus intensifying and proliferating contacts between development oriented center groups and local level organizations. This program is in direct support

of our stated strategy and implementation plan in that it will use the leverage provided by our funds to encourage an increased flow of domestic resources into development activity at local levels, while serving both a liaison and coordination function in fomenting increased cooperation between public and private development efforts and minimizing duplication of activities. In addition, the marginal sectors of the population will increasingly, by direct participation in the decisions and processes which determine the quality of their lives, become a force for greater political stability.

In summary, the Regional Community Development Liaison Centers are to be financed in the amount of approximately \$26,000.00. The short term objective of this project is insured effort by local self-help community action groups to carry out community improvements by proliferating contacts between development oriented center groups and local level organizations, by offering or helping to secure technical assistance in community organization and project planning, and by making cash grants on a matching or tripartite fund basis. The long term objective is the institutionalization of self-help activities in the development of communities as socio-economic-political entities as assisted by a local level oriented regional agencies of the National Development Foundation.

Funding provided under this project will be used only for support of the regional centers (rent, transportation, salaries of Guatemalan personnel, etc.), with all community project resources supplied by the communities, Special Development Fund and other donors.

SECOND PHASE

The first phase activities of this project represent in essence a series of "do-able" support activities which can be undertaken immediately and which will keep the Mission involved with private sector organizations already engaged in development activities in rural areas with demonstrated capability in their respective specialties. Through the assistance we provide, we will assist them to expand, coordinate and, where feasible and desirable, integrate their efforts. We will avoid assistance for general support purposes but will seek through our support to bring the capability of the entity assisted to bear directly on rural development in the context of the program of the GOG.

Once we have these activities in hand, and assuming government policy continues increasingly to favor the private sector expanding its involvement in national development, a policy which we will be doing everything we can to encourage, we will proceed to phase two of the project.

During this phase we will attempt to involve other national level private organizations in development activities.

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This will be done by: (a) publicizing the above activities and pointing out how they contribute to the development goals of the Government of Guatemala; (b) informally encouraging other development-minded groups within the upper strata of society with whom we have contact to become similarly involved; (c) providing support, usually on a matching grant basis, to several of the 160 other existing development organizations, such as those identified in phase one, provided they meet the criteria which follow ■

1. The activities to be supported are developmental rather than welfare in nature and supportive to the government rural development program. Priority will be given to activities which are intended to (a) increase the productivity of the campesino in the land, (b) offer him new gainful employment off the land, (c) insure that the bulk of the return from his increased productivity accrues to him and (d) create new enabling or functional linkages, coordination, cooperation and the formation of new alignments among campesinos or between them and other strata of the society.
2. The activities benefit the campesino directly not incidentally.
3. The end results of the activity are sustainable by the target groups, i.e. that the latter will not become dependent on the organization providing the support or faced with the prospect of reverting to their previous condition when support is discontinued.
4. The organization receiving AID support will not be wholly dependent on AID support to sustain its operations.
5. The USAID assistance provided will be primarily for operational activities not administrative overhead.
6. Individual projects supported have high potential for applicability on a greater scale.
7. Organizations receiving the support have a high existing or potential level of productivity.

We have programmed a total of \$100,000 in FY 71 for additional support to private development organizations. We anticipate that approximately \$40,000 of this will be used to support rural development activities of the Guatemalan Government's National Community Development program. The Director of the National Community Development Agency is presently preparing proposals for our consideration. We believe that it is important that we respond favorably to those which meet our criteria and are within our funding capacity in order to maintain balance between our public and private sector programming in this area and to facilitate coordination between the two on the Guatemalan side.

outputs

Obviously specific inputs and ~~outputs~~ for the second phase of the project will have to be specified at a later time as agreements are reached with the various organizations which will be involved. It is anticipated that they will be similar in size and scope to those outlined in the first phase activity.

As previously noted, heavy emphasis will be placed in both public and private support activities on coordination with the Government Rural Development Program which we are also supporting through the agriculture and education loans. The Rural Development Program in particular gives meaning and purpose to the activities which this project supports since the development of marginal farmer capacities to receive and effectively utilize the resources which the government will be putting into the rural areas for agricultural development purposes will be a critical factor in the success of the program.

THIRD PHASE

Organization of the National Development Foundation

During calendar year 1971, the Mission will lend encouragement and assistance to the establishment of a National Development Foundation. The Foundation, it is anticipated, as it gains experience, resources and prestige will gradually assume the primary coordination function for private sector development programs. The Mission, as the Foundation demonstrates capacity, will, over a period of time, gradually shift much of its phase one and phase two institutional financial inputs through the Foundation. The Foundation, as it becomes recognized as the primary source of guidance and funding, and supplants the Mission's activities in this respect, will assume responsibility for marshalling local resources as well as serving as the prime agent in future negotiations with government agencies, with ISDI and other outside, international sources of support.

The Foundation will be headed by a Council of distinguished citizens. The Council will have two representatives of the government, two named by the private sector organizations, and be headed by a senior chairman to be named by the President of the Republic. All will serve ad-honorem, be removed from identification with any one public or private development organization or political party, and will serve for lengthy, and overlapping terms.

The Council will be served by an executive secretary, and will utilize the services of development interns assigned by the National Institute for Development Administration, and students from the social service schools and other university programs oriented toward social development.

Naturally, the Foundation's final form will be determined by the Guatemalans who make it up.

USAID will assist the Foundation in its first years by providing funds for the employment of the Executive Secretary, clerical assistance, and in the equipping of a modest office.

Support will be provided to enable the Council to initially publicize its activities, to reimburse student researcher's expenses while engaged in field evaluation studies, to sponsor work group problem solving sessions, and to disseminate information on development programs.

Factors Propitious for Establishment of Foundation Coordinating Role
at Present Time

The timing is favorable for the establishment of the Foundation. Within the past few months, national congresses, bringing together several thousand professionals, have been held on agricultural development, community development, and social welfare. All identified the need for more coordination and cooperations, and recommended the establishment of a coordinating body. During the first five months of the new government, all public welfare organizations (many of which conduct vocational training projects) have been placed under the new Secretariat of the Presidency for Social Welfare. The Government's rural organization and training development activities also have been brought together in a presidential level National Program for Community Development. The Federation of Protestant Churches just completed (and the National Catholic Secretariat is programming) a national seminar on social development.

Primary attention to rural development needs was promised as the first goal of the government by the President and his cabinet before the National Assembly of Municipal Governments, held in early December 1970. The seat of government was moved to the distant highlands town of Huehuetenango for the annual Congress. Six hundred municipal officials, and the chiefs of all concerned governmental agencies attended, under the "Partners for Development" theme. Decentralization of government functions to the interior of the country was made an urgent goal of the administration.

Restructuring the curriculum of the social services schools, and professionalization of social workers are the subject of two up-coming seminars. The AID Advisory Committee of the American Chamber of Commerce (a local organization which includes Guatemalans) is a new, dynamic group engaged in evaluating development programs, advising the Mission, and gaining private sector support.

The National Council of ... 58 organizations, ... representing 28 private ... aggressive role. ... Catholic ... Integrated ...

Foundation Purpose

The Foundation will provide a ... public and private ... It will advise, assist and ... assume a hierarchical or supervisory role.

There are well over a hundred private ... phase of development. They range from a ... country-wide programs to very small-scale ... assistance inputs. There are at least a thousand ... thousand, local ... educational improvement programs at the ...

The Foundation should focus on:

- strengthening those private institutions which are economically viable and independent and which are ...
- encouraging the unification, or restructuring, of institutions more adequately served;
- fortifying those institutions which contribute to the growth and effectiveness of local level ...
- developing the understanding and necessary linkages and between the private and public sectors.

Foundation Activities

The Foundation, through its Executive secretariat, ... of its student interns, should provide support ... through activities such as the following:

- build a roster of citizen volunteers, ... to be at the service of institutions and agencies ...

- Channel REAC and other technical publications to organizations.
- Assist university social service, and law students to visit and conduct research studies in the rural area programs.
- Publish an information newsletter publicizing available resources and exchanging information on activities.
- Provide a central repository of development publications and audio visual aids; promoting the development of local materials.
- Sponsor occasional seminars, technician up-grading training sessions, TV/Radio discussions and press releases.
- Arrange Title IX type observation tours for media, university and business groups to rural development projects.
- Facilitate agreements between public and private sector institutions to avoid duplication and to encourage mutual reinforcement and sharing of training and other services.
- Serve as a resource contact point with international organizations, foreign educational and research groups, and with outside organizations providing assistance.
- Promote legislation favorable to social development.
- Establish a trust fund, arranging central fund drives and seeking donations, government grants, and bequests.
- Assist organizations to design projects for presentation to interested sponsors.
- Establish criteria, and evaluate programs on a continuing basis.
- Channel financial and material assistance to local development institutions thru the Regional Liaison Centers, or directly to local vocational training and other projects when no intermediary institution is appropriate.

IV. ALTERNATIVES

Because of uncertainties in the present situation we have considered four alternative approaches, none of which we believe is as desirable as the one proposed above:

1. We could forego an attempt to involve the private sector more fully in development and concentrate on assisting public sector agencies. In this approach we would not have to concern ourselves with the need for favorable relationships between the public and private sectors or the degree and type of commitment to development and reform within the private sector. We would also be able to concentrate our resources and attention so as to maximize their input to government plan implementation. On the other hand we believe that involving the private sector will produce a more balanced approach, will bring a greater amount of resources to bear on development, and that the effects of our assistance are likely to be more lasting and more supportive of our overall and long range goals. We also believe that the private sector can do many activities more efficiently and at less cost than the government. We also believe that the project as proposed has sufficient flexibility that we can adjust (re-plan and re-program) to cope with problems which might arise from adverse government policies on attitudes towards private sector programs or organizations with which we will be working.
2. A second alternative would be to concentrate on the activities which we are now supporting and perhaps one or two other small projects. The advantages of this approach are that it would be a safer, easier, more manageable project. The disadvantages are that the project would be too small to have a significant impact; we would be foregoing the opportunity to provide the critical margin of difference in stimulating dynamic and self-sustaining private sector development in Guatemala; and there would be little institution-building result in that the activities we support would probably remain dependent on us for the foreseeable future.
3. A third alternative would be to target the project entirely on support to the education and agricultural sector loan implementation. The advantage of this would be that it would permit a greater concentration and coordination of the total Mission effort; and would conform to AID/W policy guidelines calling for country programming to be concentrated on priority sectors. On the other hand we feel that the project as proposed will contribute significantly to the implementation of our sector loans and that the benefits of a greater concentration are outweighed by the liabilities. We cannot control the private sector and would have to forego opportunities for working with some elements. The government's loan implementation plan for the rural development program is not sufficiently developed for us to really target the project in more direct support of it at this time in any event. We also feel that the private

sector infrastructure development at both the national and local levels which will result from the project as presently conceived will over the long run be more supportive of our loan program objectives than would a narrower concentration over the short run.

4. A final alternative approach would be to attempt to build broadly based, functionally organized, "grass-roots" organizations among various elements of the rural masses (e.g. associations of landless laborers, tenant farmers, small-holders, etc.) which would have sufficient leverage by virtue of their size and autonomy to represent their members in exchanges with other elements of the society. ~~The Mission has a separate AFRID proposal under consideration now which aims at creating an autonomous member-controlled, mass-based labor organization which would have both urban and rural worker affiliates.~~ While ~~the~~ approach under this project is attractive in theory, particularly in terms of higher potential popular participation pay-off, we doubt that it would be ~~politically~~ feasible in this case. Furthermore it is doubtful that Guatemalan marginal farmers could be organized on a broad scale in the fashion of urban industrial or rural plantation wage laborers, at least in the short run.

V. CONDITIONS EXPECTED TO EXIST AT END OF PROJECT

The following conditions have been tentatively identified as representative of the kinds of changes we would expect to see resulting from the project. We plan to begin now ~~to~~ establish baseline data against which to measure progress and will add to and refine the list as a part of the project evaluation process.

1. Increased development activity by private sector as measured by number of quetzales inputs then as opposed to now, number of private organizations active in private sector projects then versus now.
2. Changed local and national political patterns as reflected by:
 - a) extent and importance of local and regional issues in election campaigns.
 - b) number of election contests decided on basis of issues.

- c) $\frac{1}{2}$ Correlation between election results and government resource allocations.
 - d) number of national legislative Deputies who are residents of their electoral areas and extent to which they concern themselves with local development issues in their areas.
3. Growth in number and effectiveness of local organizations as measured by capital flows and number of localities affected.
 4. Social legislation enacted and implemented.



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AIDAC:

SUBJ: RURAL COMMUNITY LEADERSHIP PROP PROJECT 187

REF: TOAID A-442

1. SUBJECT PROP APPROVED FOR LIFE OF PROJECT DURING REVIEW JANUARY 15 WITH MISSION DIRECTOR CULBERTSON AND PPCS J. FRENCH PARTICIPATING.

2. MISSION STAFF THAT PARTICIPATED IN EXTENSIVE RESIVION OF EARLIER PROP ARE TO BE COMMENDED FOR EXCELLENT DOCUMENT. REPRESENTATIVES OF OTHER AID LA COUNTRY DESKS WERE INVITED TO MEETING TO PROVIDE OPPORTUNITY LEARN HOW USAID AND GOG ARE COLLABORATING IN MOBILIZING PRIVATE SECTOR FOR DEVELOPMENT.

3. AID/W WILL APPRECIATE TIMELY PROGRESS REPORTS SUPPLEMENTING MORE FORMAL EVALUATIONS THROUGH PARS AS OPPORTUNITIES DEVELOP TO REPORT ON PHASED DEVELOPMENT UNDER PROJECT. ROGERS

*Discussed w/
Bill Wren
2-12-71.
and met
interd formal
report require-
ment.*

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this is the kind of thing that someone in the agency ought to put a stop to. we told the field "you have a reduced reporting requirement now;" only to up the ante when they back up.

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FROM - GUATEMALA

SUBJECT - RURAL COMMUNITY LEADERSHIP PROP PROJECT 187

REFERENCE - STATE 10321

1. We much appreciate AID/W's prompt and positive response to the Rural Community Leadership PROP. The fact that it was approved for the life of the project reinforces our confidence that the long-term goals are sound and that we are on the right track to achieving them. Much is likely to change in Guatemala over the next four years which will affect this project, but we believe that with sufficient flexibility and resources we will be able to take advantage of new situations as they arise and guide the project to a successful completion. Any fundamental modifications to the project will, of course, be reported to AID/W.
2. We also have a strong interest in evaluating the progress of this project on a continuing basis. Intermittent reports will be passed on to AID/W in addition to the PAR's, as suggested in refotel. Already we have incorporated in the new CAPS ProAg a heavy requirement for evaluation, both of the training courses themselves and of the activities of the promotores sociales after they return to their communities.
3. Those of the Mission staff who participated in the preparation of the new PROP appreciate the words of commendation included in refotel. We would like to express our appreciation to Mr. Jerome T. French, FPC, who participated in the preparation of the PROP and whose insight and editorial skill were such a vital contribution to the planning of the project and the effectiveness of the document.

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AID AND OTHER CLEARANCES
S&CDD: RLde Vivero *[Signature]*
ADIR: HHarrison *[Signature]*

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