

I. PROJECT IDENTIFICATION

1. PROJECT TITLE
 CORE SERVICES - RURAL DEVELOPMENT

APPENDIX ATTACHED
 YES NO

2. PROJECT NO. (M.O. 1025.2)
 522-11-190-~~036~~ 118

3. RECIPIENT (specify)
 COUNTRY HONDURAS
 REGIONAL INTERREGIONAL

4. LIFE OF PROJECT
 BEGINS FY 74
 ENDS FY 77

5. SUBMISSION
 ORIGINAL
 REV. NO. 2 DATE 2/9/75
 CONTR./PASA NO. _____

II. FUNDING (\$000) AND MAN MONTHS (MM) REQUIREMENTS

A. FUNDING BY FISCAL YEAR	B. TOTAL \$	C. PERSONNEL		D. PARTICIPANTS		E. COMMODITIES \$	F. OTHER COSTS \$	G. PASA/CONTR.		H. LOCAL EXCHANGE CURRENCY RATE: \$ US 1=2 L; (U.S. OWNED)		
		(1) \$	(2) MM	(1) \$	(2) MM			(1) \$	(2) MM	(1) U.S. GRANT LOAN	(2) COOP COUNTRY	
											(A) JOINT	(B) BUDGET
1. PRIOR TRU ACTUAL FY	539	207	74	199	383	-	133	207	74			187
2. OPR'Y FY 75	366	218	53	45	144	19	84	218	53			156
3. BUDGET FY 76	399	205	47	65	147	51	78	205	47			140
4. BUDGET FY 77	73	58	13	6	3	4	5	58	13			35
5. BUDGET FY 77	200	111	27	65	147	10	14	111	29			140
6. BUDGET FY 73												
7. ALL SUBQ. FY												
8. GRAND TOTAL	1,577	799	214	300	324	84	314	799	217			300

9. OTHER DONOR CONTRIBUTIONS

(A) NAME OF DONOR	(B) KIND OF GOODS/SERVICES	(C) AMOUNT
(See text)		

III. ORIGINATING OFFICE CLEARANCE

1. DRAFTER R.V. Curtis J.O. Bleidner	TITLE Ag. Econ. RDO: _____	DATE 1/10/75
2. CLEARANCE OFFICER Frank E. Kimball	TITLE Director	DATE _____

IV. PROJECT AUTHORIZATION

1. CONDITIONS OF APPROVAL

The assistance to the National Agricultural School at Catacamas is not approved at this time (see State _____). Funding levels have been appropriately reduced.

2. CLEARANCES

BUR/OFF.	SIGNATURE	DATE	BUR/OFF.	SIGNATURE	DATE
LA/DR	M. Dagata C. Breitenbach (draft)	5/6/75	LA/OPNS	C. Uyehara (draft)	4/26/75
LA/DP	E. Szepeay (draft)	5/6/75	LA/MRSD	M. Zak (draft)	4/27/75
LA/CEN GC/LA	E. Carter L. Lundy (draft)	5/6/75 4/28/75	LA/DR	John R. Breen	5/9/75

3. APPROVAL AAS OR OFFICE DIRECTORS

SIGNATURE _____
 DATE _____
 TITLE Deputy U.S. Coordinator

4. APPROVAL A/AID (See M.O. 1025.1 VI C)

SIGNATURE _____
 DATE _____
 ADMINISTRATOR, AGENCY FOR INTERNATIONAL DEVELOPMENT

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Introductory Statement

The purpose of this revision is to adjust the PROP to the expanded GOH activities in the agricultural sector. This includes assistance to an effort by the GOH in the field of aquaculture as a means to increase the supply of protein-rich foods. It also includes technical assistance to the Agricultural School at Catacamas (under the management of the Ministry of Natural Resources) to complement an IRRD loan to the GOH.

There is no change in the goal or purpose contained in the original PROP.

The overall level of inputs will increase by \$539,000. The original PROP level of \$701,000 changed to \$1,292,000 with PROP revision #1, which became effective in September 1974. The new level of \$1,831,000 includes \$539,000 obligated in FY 1974, \$366,000 in FY 1975, \$559,000 in FY 1976, \$103,000 in the interim period, and \$264,000 in FY 1977.

1. Addition to II - Rationale, Paragraph A, Background, becoming Paragraph 6.

The GOH, through the Agrarian Reform Program, is settling farmers on asentamientos. The asentamiento provides land for agricultural production and a focal point for technical assistance which will enable the members of the asentamiento to develop a farm enterprise. The enterprise is to be the means for the generation of food, employment and income.

2. Addition to II - Rationale - Paragraph C - GOH Approach - becoming paragraphs 7 and 8.

In May 1974, a Directorate of Renewable Resources and Ecology was created in the Ministry of Natural Resources to control and develop fisheries as well as wildlife and related matters. This office has assumed the functions of licensing, registering and controlling fishing and processing of marine products, studies, statistics and operation of two installations to produce fingerlings to stock rivers and ponds. The National Development Bank is encouraged to lend to fisheries enterprises under a guarantee fund of the Central Bank for small industry and artisans. The Directorate of Cooperative Development has extension agents who work with artisan fisherman's coops.

The Directorate of Renewable Resources and Ecology has prepared ten projects for food production in marine, coastal and inland waters. These projects contain production, cooperatives, marketing, controls, culture and research elements.

3. Addition to II - Rationale - Paragraph D - Other Donors, becoming paragraph 3

FAO/IDB are studying the prospects and feasibility for provision of technical and capital assistance to the bulk of the projects mentioned above. The principal interest of other donors is in the fishing and aquaculture industry of marine and coastal waters. Other donor agencies express little interest to participate in fresh water fish culture at this time. A technical mission from Taiwan is present in Honduras on TDY during the first quarter of 1975.

AID 1033-1A (7-71) (NARRATIVE DESCRIPTION)

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4. Addition to II - Rationale - Paragraph E - USAID Approach, becoming paragraphs 33, 34, 35, 36, 37.

Given the interest in artisan fisheries which is increasing in the Ministry of Natural Resources as a result of the activities of the recently created Directorate of Renewable Resources and Ecology; and taking into consideration the interest of other donors in marine and coastal fisheries, the USAID wishes to support the promotion of farm pond fish culture which is included in the program of the Directorate.

On farms where the soil and ecological conditions are appropriate to establish farm fish ponds, labor which is underutilized in the normal succession of agricultural crops can be used first in the construction of the farm ponds and later in the production and harvesting aspects of aquaculture. Thus, the available labor of the small farmer family will be more completely used, land otherwise unsuitable for food production will be producing high-quality protein for use by the farm family and to earn extra cash income, and crop/animal residues will be converted into human food by providing part of the food requirements of the fish.

To the extent that credit may be needed to construct and operate farm fish ponds as an enterprise within the farm business of agrarian reform settlements and cooperatives, the agricultural sector loan, 025, can be utilized. However, it is essential that expert technical assistance be provided by the Core Services Institutions, especially the Ministry of Natural Resources, to identify possibilities, select sites, estimate investment and operating costs, supervise construction, provide proper fish species, instruct the campesinos in management of the ponds, harvest and preparation of the fish for market and "trouble-shoot" when parasites, disease or ecological changes threaten to reduce fish production.

Contracted technical assistance from Auburn University and the University of Rhode Island will help provide the immediate technical expertise to the Ministry of Natural Resources. Short-term training will be provided in the U.S. and Third countries to improve the level of Honduran expertise in aquaculture. Commodity assistance will be provided in the form of demonstration and laboratory material and to equip the marine biologists so they can perform the research, resource analysis and demonstration functions which the Core Services Institutions should provide. Since there are virtually no farm fish ponds in operation in Honduras, it is proposed to establish at least two operational fish ponds on cooperating asentamientos as a practical demonstration and research tool to get economic and biologic data which will serve as the basis for future expansion.

The Ministry of Natural Resources is responsible for the administration of the National Agricultural School at Catacamas. The School has long languished as a second-rate institution and graduates are not well accepted in the market place. To correct this deficiency and to widen the base of trained agricultural technicians in Honduras, the GOH solicited and received a loan from the World Bank for reconstruction and reorganization of the School.

The administration of the loan project is under the Office of Human Resources of the Ministry of Natural Resources. To successfully carry out the proposed project, a need for technical assistance has been identified. This technical

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assistance is to work with the administration and instructors of the School to up-grade the skills of personnel and assist in the implementation of reconstruction/reorganization effort. The technical assistance was originally programmed in the IBRD loan but no allowance was made for supervision of construction. The loan is now being reprogrammed for supervision of construction at the expense of the technical assistance. Six man-years of technical assistance will be required for the project.

5. Addition to III. Narrative Statement - Paragraph B, Purpose

2. End of Project Status

1. The Directorate of Renewal Resources and Ecology of the Ministry of Natural Resources will have a trained staff to provide research and extension services for aquaculture projects.

m. The National Agricultural School will be reorganized and the staff capable of providing a broader curriculum.

6. Addition to III. Narrative Statement, Paragraph C, Project Outputs

1. Kind of Outputs

n. Training at sub-professional level in the field of aquaculture.

o. Economic and biological research in tropical aquaculture to reinforce extension services.

p. The National Agricultural School will be graduating students with more complete training in agricultural sciences.

2. Output Indicators

k. Four Hondurans per year (12 in total) will have received sub-professional training in aquaculture.

1. At least two demonstration fish production units for farms built and in operation.

m. At least 50 students of recognized quality will graduate from the National Agricultural School each year.

7. Addition to III. Narrative Statement, Paragraph D Project Inputs

1. Commodities (becoming paragraph 2)

Commodities needed to construct and place in operation on cooperating asentamientos at least two farm fish production demonstration and practical research units. Included are such items as nets, construction and installation of water

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control structures, valves, tanks for transportation of fry and mature fish, biological laboratory equipment, pumps, siphons, pipes, etc.

3. Training

Using the facilities at Auburn University, the University of Rhode Island, the tropical fishculture school in Brazil or other sources of short-term training, twelve participants will obtain sub-professional training during the life of the PROP for a total of 40 man weeks. The agriculture sector loan provides for financing a long term graduate and undergraduate training. Provision is made in the PROP for up to 12 MM of short-term training each year to take advantage of the short-term training courses, seminars, and visits to the international research centers sponsored by AID.

4. Technical Assistance

Technical assistance in aquaculture will involve approximately 26 man months. Consultants will be provided by Auburn University and the University of Rhode Island under a TDY series spread over the life of the PROP. Auburn University will provide the expertise required in connection with the construction and operation of a farm fish culture program under the patronage of the Ministry of Natural Resources. University of Rhode Island personnel will be called upon to help with resource evaluation, economic analysis, legislation and policy phases of aquaculture as well as post-harvest handling and marketing of fish and other aquaculture products.

Technical assistance in agricultural education will require 6 MY of experts in the following fields:

- a. 24 MM for administration
- b. 18 MM teaching methods in agricultural sciences
- c. 18 MM animal husbandry
- d. 12 MM agricultural engineering

Estimated cost: \$240,000

Technical assistance will be provided under grant-funded contracts for the Ministry of Natural Resources.

NATURE AND SCHEDULE OF ISSAID INPUTS
(\$ Thousands)

	Prior Years		FY 75		FY 76		Interim		FY 77		Total	
	\$	MM	\$	MM	\$	MM	\$	MM	\$	MM	\$	MM
1. Technical Assistance	207	74	218	53	365	95	88	22	161	42	1,039	286
a. Grain Marketing-USDA	13	3	-	-	12	3	8	2	-	-	-	-
b. Swine Prod.-FSU	9	2	-	-	-	-	-	-	-	-	-	-
c. ASA Consultant PSC	2	1	-	-	-	-	-	-	-	-	-	-
d. Economist-Grantee	50	18	-	-	-	-	-	-	-	-	-	-
e. Implementation Officer PSC	24	12	25	12	26	12	8*	3	28*	12	-	
f. Instit. Eval. PSC	-	-	25	10	-	-	-	-	-	-	-	-
g. Ministry Regional.-STC	25	6	-	-	-	-	-	-	-	-	-	-
h. Land Tenure - LTC	84	32	-	-	-	-	-	-	-	-	-	-
i. Baseline Survey - ATAC	-	-	38	8	32	7	-	-	-	-	-	-
j. In-service training - CALPOLY	-	-	-	-	40	6	15	3	35	5	-	-
k. Org. Dev. INCAE-CU	-	-	70	12	50	9	18	3	12	2	-	-
l. Mgt. Training - INCAE	-	-	60	11	-	-	-	-	-	-	-	-
m. Aquaculture - URI/AUB	-	-	-	-	45*	10	9*	2	36*	8	-	-
n. Agric. Education CALPOLY/STC/UPR	-	-	-	-	160*	48	30*	9	50*	15	-	-
2. Commodities	-	-	19	-	51	-	4	-	16	-	90	-
a. Soils Lab. Equipment	-	-	19	-	25*	-	-	-	-	-	-	-
b. Aquaculture Equipment	-	-	-	-	26*	-	4*	-	10*	-	-	-
c. Agric. Educ. Audio-Visual	-	-	-	-	-	-	-	-	6*	-	-	-
3. Training ^{1/}	199	383	45	144	65	147	6	3	65	147	380	824
4. Other Costs	133	-	84	-	78	-	5	-	22	-	322	-
a. Sector Analysis	119	-	-	-	28	-	-	-	-	-	-	-
b. Other Project Costs	14	-	13	-	10	-	5	-	10	-	-	-
c. Baseline Study - ATAC	-	-	56	-	25	-	-	-	-	-	-	-
d. Mgt. Training - INCAE	-	-	15	-	15	-	-	-	-	-	-	-
e. Aquaculture	-	-	-	-	-	-	-	-	4*	-	-	-
f. Agric. Education	-	-	-	-	-	-	-	-	8*	-	-	-
5. TOTAL	539	-	366	-	559	-	103	-	264	-	1,831	1,110

* indicates new funds added by Revision #2

^{1/} All new funds are for short-term training, FY 76 = \$30, Interim = \$6, FY 77 = \$ 30.

AID 1028-1A (7-71) (NARRATIVE DESCRIPTION)

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D. Project Inputs

Statement of Inputs (000\$)

<u>USAID</u>	<u>Prior Year</u>	<u>FY 75</u>	<u>FY 76</u>	<u>Interim</u>	<u>FY 77</u>	<u>Total</u>
Technical Assistance	207	218	365	88	161	1,039
Commodities		19	51	4	16	90
Training	199	45	65	6	65	380
Other Costs	<u>133</u>	<u>84</u>	<u>78</u>	<u>5</u>	<u>22</u>	<u>322</u>
Total	539	366	559	103	264	1,831
<u>GOI</u>						
Personnel	84	84	75	20	75	338
Commodities	3	2	-	-	-	5
Training	50	50	65	15	65	245
Other Costs (ASA)	<u>50</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50</u>
Total	187	136	140	35	140	638

5. Nature of USAID inputs. This substitutes for Section III.E. and Annex A in prior PROP revision. See next page for table.