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DEVELOPMENT**



# **ANNUAL BUDGET SUBMISSION**

**FY 82**

**ROCAP**

**MAY 1980**

**UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY**  
WASHINGTON, D.C. 20523

REGIONAL OFFICE FOR CENTRAL AMERICAN PROGRAMS  
(ROCAP)

FY 1982  
ANNUAL BUDGET SUBMISSION

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REGIONAL OFFICE FOR CENTRAL AMERICAN PROGRAMS

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FY 1982 ANNUAL BUDGET SUBMISSION

TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$ Thousands)

Development Assistance	FY 1980 EST.	FY 1981 EST.	Decision Unit			ROCAP			
			FY 1982 REQUEST			PLANNING PERIOD			
			MIN	CURR	AARL	1983	1984	1985	1986
<u>Agriculture Rural Dev. &amp; Nutrition</u>									
Grants	3310	3965	3715		4425	4425	3800	3700	3500
Loans					(5000) <sup>1/</sup>	(5000) <sup>1/</sup>	(5000) <sup>1/</sup>		
<u>Education</u>									
Grants	320	205	105		245	245	550	600	800
Loans									(3000) <sup>1/</sup>
<u>Selected Dev. Activities</u>									
Grants	15	330	330		330	330	650	700	700
Loans					(4000) <sup>1/</sup>			(5000) <sup>1/</sup>	
TOTAL DA ACCTS	3645	4500	4150		5000	5000	5000	5000	5000
<hr/>									
Housing Guaranties	25000				25000		25000		25000
<hr/>									
TOTAL PERSONNEL									
USDH	14	16 <sup>2/</sup>	17		17	17	17	17	17
FNDH	23	24	24		24	24	24	24	24

<sup>1/</sup> Loans exceed AAPL. Non-add.

<sup>2/</sup> Assigned personnel level not sufficient to implement projected expansion of regional services. See narrative.

TABLE I NARRATIVE

In our FY 1982 CDSS we stated that:

"ROCAP's activities are multi-national activities - they foster cooperation not only between national and regional institutions but also among the national institutions themselves. Experiences in one nation are transferred to other countries; mutual support and exchange of personnel within the region is an increasingly frequent occurrence. This transfer of experience and regional application and adaptation of methodologies, technologies and production systems is a hallmark of the regional assistance model....

"The regional model is an efficient model. It enables efficient use of scarce, highly trained technical personnel, as well as monetary resources, by supporting regional institutions which then can efficiently allocate these resources to assist five or six countries. This then facilitates transfer of experience and increases the number of affected national personnel and institutions, which have the final responsibility to provide services to targeted populations."

The ROCAP CDSS Review Message (STATE 12863) reaffirmed this concept and stated that "ROCAP as presently constituted remains an effective instrument serving the interests of U.S. policy and the USAID's in the region." This same message tasks ROCAP with a broad set of regional responsibilities. In addition to providing selected regional services to the USAIDs, these include six specific areas in which to assist broader regional cooperation among the Central American countries: (1) agriculture, (2) employment generation/manpower development, (3) trade promotion, (4) development of alternative energy systems appropriate to the region, (5) population and (6) public sector management. Also, ROCAP is tasked with taking new initiatives in monitoring the status and progress of the Central American Common Market (CACM) and recommending ways it could be improved as a means of achieving more equitable distribution of resources within the region.

Within this context, ROCAP's functions, as it is presently constituted, fall into three major categories: (1) continued development of regional centers of excellence to provide technical services to national, as well as regional development programs, (2) expanded analysis and reporting of

progress of the CACM and ways to achieve increased and improved integration, and (3) continued, and if appropriate, expanded regional services to bilateral AID missions in Central America and Panama in areas where need or staffing limitations do not permit bilaterally assigned expertise. In addition, ROCAP plays an important, if less visible role as a disseminator of information on development problems affecting the region and as a "broker" and point of liaison among a broad range of donor and recipient entities.

Regional service personnel assigned to ROCAP are housed in Guatemala and Tegucigalpa (RHUDO: Regional Housing and Urban Development Office). (A regional lawyer is also housed in Tegucigalpa and assigned to the USAID/Honduras personnel level). ROCAP regional personnel presently include a Regional Supply Management Officer (RSMO), a Regional Economist and one USDH and two FNDH Regional Financial Analysts. These personnel provide essential program analysis, planning, design and implementation services which the bilateral Missions cannot justify as full-time positions. Additionally, two U.S. contractors - a Regional Pest Management Advisor and a Regional Science and Technology Advisor - are stationed at ROCAP and financed from LAC bureau regional resources.

Since one of ROCAP's functions relates to the Central American Common Market (CACM), which was the original motivating force for ROCAP's creation in 1962, certain ROCAP personnel have an important analytical role. The USDH Regional Economist and FN economist, the Director and to a lesser extent the Program and Rural Development Officers, hold additional responsibilities including monitoring, reporting, analyzing, and to a limited extent, principally through support of special studies and seminars, affecting the direction of the CACM. As stated in greater detail in the 1982 CDSS, the CACM continues to be a unifying symbol within an increasingly turbulent region. 1980 is seen by all five members as a year during which decisions on long deferred reforms must be made. A new integration treaty, replacing the current 1960 Economic Integration Treaty and following two unsuccessful reform efforts developed during the last four years, is to be prepared during the year. Representatives of the five member states - Ministers of Economy, of Foreign Affairs, of Planning and of Agriculture - have begun a series of meetings during which the common theme of greater interdependence has been faced. These meetings have only recently begun.

The direction CACM members will take is uncertain; political differences, distrust and continuing strong nationalistic feelings run counter to furthering integration. The U.S. role in this situation requires skilled and sensitive officers. ROCAP is the only U.S. Mission with regional scope and responsibility to help assess developing events and suggest appropriate U.S. policies towards the CACM and Central America. Regional analytical personnel will lead this effort. Recent events in the region call for expanded political and economic reporting. ROCAP will take the initiative in directing this analytical function and will enlist Embassy and AID officers in the region to establish a network sensitive to events and trends likely to affect the direction of CACM developments.

ROCAP as presently organized has an authorized staffing level of 14 USDH and 23 FNDH. In addition, it has the services of two AID/W funded contractors and three project-funded USDA PASA employees. The latter are heavily engaged in ongoing ROCAP projects with CATIE and IICA. ROCAP and USAID/Guatemala share combined financial management and administrative management staff, with the latter carried on USAID/Guatemala ceiling and the former on ROCAP's ceiling.

This staff is currently responsible for carrying out 11 projects with a total pipeline and future incremental funding of over \$21 million (excluding two HIGs whose pipeline is \$44 million). This is in addition to the service function described above. This has left precious little staff time available to devote to other major functions and responsibilities such as monitoring, analysis and new initiatives in integration and new project development to increase the effectiveness of regional institutions in support of objectives of bilateral AID Missions and national institutions.

Projected funding levels, in terms of ROCAP's assigned functions and responsibilities, is also foreseen as a problem. The AAPLS for FY 1982 and beyond are projected at \$5 million each year. We do not consider this sufficient to be more than minimally responsive to the CDSS guidance. ROCAP therefore, beginning in FY 1982, is proposing programs the funding for which exceeds the AAPLS. Even so, the FY 1982 ABS projections are not fully responsive to the CDSS Review Message. For example, it does not include programs in population and public sector management. It will permit, however, a significant response to such suggested key areas as low cost alternative

energy systems, employment creation, and agricultural and non-agricultural trade promotion, pest management, as well as exploration of some other key areas in terms of furthering regional cooperation and economic integration. It will also permit continued advances under on-going projects for development of fuelwoods, integrated small farm production systems, nutrition, technology transfer, as well as establishing a firm regional informational and planning base for the rural sector.

In the FY 1982 ABS ROCAP is proposing four new project starts. At the PID stage, and in order to reduce the project development and implementation burden, ROCAP will attempt to consolidate two or three of these project proposals into one project. For example, depending upon progress and timing in establishing a Central American Agricultural Secretariat, the project proposals for Horticulture and Agribusiness Export Promotion, Agricultural Information Packaging and Use and the Regional Interchange of Technical Expertise might be consolidated with the Agricultural Secretariat project as a means of giving substantial support and impetus to that entity.

Current staffing will have to be increased slightly in FY 1982 to accomplish these objectives, as well as to continue and expand where possible ROCAP's important service role to bilateral Missions. Accordingly, as we now foresee the requirements, we believe the composition of ROCAP's minimal USDH staff in FY 1982 should be as follows:

Executive Director:	6	Director, Assistant Director, Program, Capital Development, Controller, Budget-Accounting
Regional Services :	3	RSMO, Financial Analyst, Food for Peace
Regional Analysis :	1	Economist
Project Direction :	5	RHUDO (2), General Development Officers (2), Assistant Rural Development
IDIs	: <u>2</u>	Controller, Program/Capital Dev.

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This will permit in FY 1982 additional regional USDH services in Food for Peace and Nutrition and in project design and development.

In addition, we are projecting for FY 1982 an increase of one in FNDH staffing from 23 to 24, together with additional support from contract and PASA employees. This will alleviate some of the burden of expanded project management responsibilities implicit in ROCAP's new project proposals and will strengthen its regional analysis capabilities in selected areas. We would foresee, however, even with this slightly increased staffing, the need for a heavy reliance on AID/W TDYs, AID/W and Mission funded consultants for project development, evaluation and new explorations and initiatives in inducing broader regional cooperation.

Beyond FY 1982, we foresee opportunities and demands that will exceed, under the following assumptions, the staffing capability described above: (a) opportunities continue to develop for assisting broader regional cooperation, (b) ROCAP will be expected to make a substantial response to the full scope of emphases and initiatives described in the CDSS Review Message, (c) demands for regional monitoring and analysis will continue to increase, and (d) expansion of regional services will continue as bilateral missions attempt to expand their programs with little or no increases in staffing. For example, even under the staffing projected at the FY 1982 levels, we can foresee the possibilities of unmet demands and conflicts in such areas as regional economic services versus demands for regional analysis of integration matters, regional science and technology (especially energy) services versus the regional planning and institution building in these areas, and pest management regional services versus the possibility of major joint project investments in this area in collaboration with other donors. There also may be a need and an opportunity for ROCAP to pay much closer attention to private enterprise development particularly as it pertains to agribusiness and non-traditional export-oriented labor-intensive industrialization.

To the extent possible we will try to resolve these conflicts through careful assignment of responsibilities, utilization of AID/W funded resources as well as development of local professional staff. We do not believe however, that under the assumptions listed above this will be sufficient to meet the requirement. For the moment, we are not projecting staff increases for the out years but beginning in FY 1983, ROCAP anticipates need for a significant augmentation in staff resources.

TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT  
 FY 1980 TO FY 1982  
 (\$ thousands)

Decision Unit ROCAP

APPROPRIATION ACCOUNT	FY 1980	FY 1981	FISCAL YEAR 1982		
			MINIMUM	CURRENT	AAPL
<u>Agriculture, Rural Development and Nutrition</u>					
0000.3 Program Development and Support (G)	100	100	50		75
0048 Agricultural Research & Info System (G)	700	200	-		-
0065 Nutrition Programs (G)	100	250	250		300
0083 Small Farm Production Systems (G)	1,665	1,665	1,665		1,665
0089 Fuelwood and Alternative Energy Sources (G)	745	1,300	1,400		1,400
0090 Pest Management (G)	-	250	200		250
0094 Central American Agricultural Secretariat (G)	-	-	-		185
0097 Horticultural Agribusiness Export Dev. (G)	-	-	-		400
(L)	-	-	-		(5,000) <sup>1/</sup>
0098 Agricultural Data Packaging and Use (G)	-	200	150		150
<u>Education</u>					
0000.5 Program Development and Support (G)	20	5	5		5
0066 Transfer of Technology(G)	300	-	-		-
0093 Regional Interchange of Technical Expertise (G)	-	200	100		240
<u>Selected Development Activities</u>					
0000.6 Program Development and Support (G)	15	30	30		30

TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT  
 FY 1980 TO FY 1982  
 (\$ thousands)

Decision Unit ROCAP

APPROPRIATION ACCOUNT	FY 1980	FY 1981	FISCAL YEAR 1982		
			MINIMUM	CURRENT	AAPL
0095 Alternative Energy Systems Development (G)	-	200	200		200
(L)	-	-	-		(4,000) <sup>1/</sup>
0096 Regional Cooperation Initiatives (G)	-	100	100		100
TOTAL ALL DA APPROPRIATION ACCOUNTS	3,645	4,500	4,150		5,000
Housing Guaranties					
0087 CABEI Central American Secondary Mortgage Market Development 596-HG-005	25,000	-	-		-
0092 CABEI Social Fund for Urban Upgrading 596-HG-006	-	-	-		25,000

<sup>1/</sup> Loans exceed AAPL. Non-add

DECISION UNIT  
ROCAP

TABLE IV PROJECT BUDGET DATA

NUMBER	PROJECT TITLE	O/F	OBLIGATION DATE		DATE OF NEXT PLANNED ROUTINE EVAL.	ESTIMATED U.S. DOLLAR COST (\$000)	FY 1980			FY 1981			FY 1982 APL OBLG.	FORWARD FUNDED TO (MO/YR)	FUTURE YEAR OBLIGATIONS	
			INITIAL	FINAL			OBLG.	EXPEND.	CYCL. PIPELINE	OBLG.	EXPEND.	CYCL. PIPELINE				
																CYCL. PIPELINE AS OF 9/30/79
	Pipeline					46,700										
0000.3	Agriculture, Rural Development and Nutrition	G	Continuing				77	100	147	30	100	90	40	75	9/82	
0048	Program Development & Support	G	1975	1981	6/81		609	700	870	439	200	639	-	-	-	-
0065	Agricultural Research & Information System	G	1976	1985*			504	100	404	200	250	400	50	300	12/82	900
0083	Nutrition Programs	G	1979	1983	6/81		690	1665	1855	500	1665	1800	365	1665	12/82	1468
0089	Small Farm Production Systems	G	1979	1985	12/80		500	745	945	300	1300	1200	400	1400	12/82	3555
0090	Fuelwood and Alternative Energy Sources	G	1981	1984			-	-	-	-	250	100	150	250	3/83	600
0094	Pest Management	G	1982	1985			-	-	-	-	-	-	-	185	12/82	800
0097	Central American Agricultural Secretariat	G	1982	1984			-	-	-	-	-	-	-	400	6/83	1300
0097	Horticultural Agribusiness Export Development	L	1982	1984			-	-	-	-	-	-	-	(5000) <sup>1</sup>		-
0097	Horticultural Agribusiness Export Development	L	1982	1984			-	-	-	-	-	-	-	-		-
0098	Agricultural Data Packaging and Use	G	1981	1984			-	-	-	-	200	100	100	150	3/83	600
0000.5	Education	G	Continuing				1	20	20	-	5	4	1	5	-	-

TABLE IV PROJECT BUDGET DATA

NUMBER	PROJECT TITLE	OFL	OBLIGATION DATE		DATE OF NEXT PLANNED ROUTINE EVAL.	ESTIMATED U.S. DOLLAR COST (\$000)	FY 1980			FY 1981			FY 1982 AAPL OBLG.	FORWARD FUNDED TO (MO/YR)	FUTURE YEAR OBLIGATIONS
			INITIAL	FINAL			OBLEG.	EXPEND.	CTM. PIPELINE	OBLEG.	EXPEND.	CTM. PIPELINE			
							9/30/79								
0066	Transfer of Technology	G	1976	1980	7/80	238	300	358	180	-	-	-	-	-	-
0093	Regional Interchange of Technical Expertise	G	1981	1984		-	-	-	200	125	75	240	3/83	680	
0000.6	<u>Selected Development Activities</u>														
	Program Development & Support	G		Continuing		-	15	10	30	25	15	30	9/82		
0095	Alternative Energy Systems Development	G	1981	1985		-	-	-	200	75	125	200	3/83	600	
0095	Alternative Energy Systems Development	L	1982			-	-	-	-	-	-	(4000) <sup>1</sup>			
0096	Regional Cooperation Initiatives	G	1981	1985		-	100	50	100	50	50	100	12/82	300	

<sup>1/</sup> Loans exceed AAPL. Non-add

NEW FY 1981 PROJECT NARRATIVE

596-0065 Nutrition Programs

		<u>Grant</u>
Proposed Funding:	(FN)	
	FY 1981	\$ 250,000
	FY 1982	\$ 300,000
	LOP	\$3,080,000

ROCAP concurs with the AID/W suggestion to extend the present nutrition project instead of proposing a new regional project in nutrition planning, analysis and evaluation. The extension will be from the present October 1980 termination to FY 1985. Project 596-0088, Nutrition Information and Technology Transfer, whose narrative appears in Annex III, page 50 of the FY 1981 Congressional Presentation, will not be further developed; subject to further review, the substance of the Congressional Narrative for that proposal will appear in the extension proposal.

This project has been thrice evaluated. Cooperating Central American institutions have expressed support for continuing the activity. During this period, impressive progress to date will be built upon to shift emphasis from nutrition planning and programming towards implementation and evaluation. Significant counterpart national, AID, and other donor support is expected to continue.

In accord with 79 STATE 333887 a PP supplement is in preparation and will be submitted by ROCAP during the current fiscal year.

NEW FY 1981 PROJECT NARRATIVE

596-0090 Pest Management

		<u>Grant</u>
Proposed Funding:	(FN) FY 1981	\$ 250,000
	FY 1982	\$ 250,000
	LOP	\$1,100,000

Purpose: To improve the institutional capacity within Central America and Panama to protect agricultural production and human welfare through coordination of control procedures against misuse of pesticides and other toxic substances.

Background: This activity appears in the FY 1981 CP with the title "Environmental Management"; we have renamed the activity to more accurately describe the intent of this activity to protect agricultural production from dangerous infections and to protect populations from direct or indirect pesticide over-exposure.

Project Description: Central America's agricultural and much of its economic base is increasingly threatened by the spread of damaging infections and pesticide misuse:

- coffee rust has spread from Nicaragua to El Salvador and can spread to the entire region from Southern Mexico to Panama,
- tobacco blue mold has destroyed plantings in Honduras,
- beef exports to the United States from El Salvador and Guatemala have been suspended due to unacceptably high pesticide residues in the meat,
- thousands of illnesses are still attributed to pesticide poisoning.

The proposed activity, in conjunction with bilateral AID efforts, will support such regional institutions as the Central American Research Institute for Industry (ICAITI), the International Regional Organization for Plant and Animal Sanitation (OIRSA), the Interamerican Institute for Agricultural Sciences (IICA), the Tropical Agricultural Research and Training Center

(CATIE) and national public and private sector institutions to develop and implement plant/animal disease control programs including:

- legislation to control pesticide use,
- development of appropriate application standards,
- production of crop varieties resistant to plant diseases,
- improvement of facilities which can rapidly detect disease outbreaks,
- training of national and regional experts,
- development of appropriate procedures for storage, shipment and formulation of pesticides.

The project will utilize U.S. technical experts from the Consortium for International Crop Protection (CICP) and the Title XII Purdue University Integrated Crop Protection Consortium as well as experts from the regional institutions themselves.

A secondary objective of the project will be to establish the institutional, technical and administrative base to support major multilateral financing to arrest or eliminate the major pest problems.

NEW FY 1981 PROJECT NARRATIVE

596-0095 Alternative Energy Systems Development

		<u>Grant</u>	<u>Loan</u>
Proposed Funding:	(SD)		
	FY 1981	\$ 200,000	--
	FY 1982	\$ 200,000	\$4,000,000
	LOP	\$1,000,000	\$4,000,000

N.B.: The following narrative updates one which first appeared in our FY 1980 ABS under the title "Non-Conventional Energy Feasibility Loan" (pp 64-71). The ABS Review Cable of October 21, 1978 (78 STATE 267752) encouraged us to develop further information on the project, particularly related to costs of adaptive testing, regionalality, etc. This was not done at the time due to a series of ROCAP status reviews. The recent ROCAP CDSS review cable (STATE 128631) encourages us to investigate the activity at this time. Our present plans follow.

Purpose: To select; test and demonstrate appropriate non-traditional energy technologies and to provide seed capital for initial production and commercialization of selected items within Central America.

Background: In spite of increased investment in hydro and geothermal power sources, Central America will still continue to be highly dependent upon, and increase its imports of oil and derivatives for agricultural production, industrial consumption and transportation. Reduction in these imports can only occur if: petroleum products are utilized more efficiently, local production of crude oil is increased and local sources of alternative energy can be substituted.

All the Central American countries are planning for the maximum use of their hydroelectric resources and the development of any possible geothermal energy sources, principally with IDB and World Bank financing. In addition, the investigation and development of possible oil reserves is being accomplished through government leases to private oil companies. Unfortunately, the massive investment required for hydro projects and geothermal energy investigation for electrical generation, along with limited resources, has resulted in little organized regional or national efforts in the development of other energy sources to satisfy the other energy consuming sectors.

The Central American countries authorized the formation of a Regional Energy Commission (Comisión Centroamericana de Energía - COMENER) in 1975 to establish a regional energy policy and to coordinate national energy plans. COMENER has met only once (June 1979) but included among its recommendations are:

"The desirability of promoting the use of natural energy sources, mainly those which are renewable, to diminish dependence on imported energy and the utilization of non-renewable resources.

"The need to obtain international cooperation in transfer of technology and experiences in tapping new energy sources within the reach of the majority of the population of the Central American countries."

COMENER's recommended action plan included:

- "accelerate the utilization...of biomass, solar energy and fuel alcohol"
- "Provide to the national and regional organizations the resources which allow them to increase their technical capacity in the energy field"
- "Establish an accelerated program for utilization of sugar cane alcohol as a hydrocarbon mixed with gasoline, and fuel alcohol"
- "Establish a program for biogas production at the rural and small community level"
- "Promote the development of industries which manufacture solar energy collectors for utilization as water heaters in homes,...whether isolated or interconnected to national systems."

Although COMENER has not held a second meeting - and has neither staff nor budget - later reviews of the energy situation in Central America conducted to prepare ROCAP's Fuelwood and Alternative Energy Sources (596-0089) program, by the MITRE Central American Energy Assessment, by USAIDs, the IDB, World Bank, and regional and national institutions, confirm that for Central America to begin to manage its energy situation, presently largely in the hands of its foreign energy suppliers, a multi-faceted effort of increased exploration, increased efficiency in use and increased use of non-traditional sources must be accelerated.

Project Description: This project will support regional efforts to identify and finance initial production of energy efficient non-traditional technologies. Technologies to be demonstrated are those that are already readily available or can be adapted, through modification, in Central America. Selection shall be made by the Central American Research Institute for Industry (ICAITI) in consultation with personnel of CABEI, SIECA, national Science and Technology institutions such as CONICYT in Costa Rica, university personnel, and government officials. COMENER may be supported to coordinate the program. Since the aim of the program is to demonstrate attractive energy technologies for production and sale by private entrepreneurs in the region, ICAITI shall maintain close contact with the Industrial Chambers (Cámaras de Industria) in all participating countries. These Chambers already host ICAITI's technology transfer agents, who may also act on behalf of ICAITI in this project in technology identification.

The Central American Bank for Economic Integration (CABEI) would act as regional lender. It would make funds available through sub-loans, to national government agencies, semi-autonomous government institutions, or private sector firms to finance pilot and/or operational projects throughout the region for development of alternative energy sources, especially including the manufacture within the CACM of small scale alternative energy devices.

Principal assumptions for this approach to become successful is that technology is sufficiently available and accessible for development, demonstration and production and that Central American authorities are interested in such a fund.

Possible examples of technologies suitable for support include:

- 1) Anhydrous Alcohol Fuel Production. Small to medium scale plants and technology are available to produce alcohol for fuel (either directly or in solution as gasohol) from a variety of renewable sources. In Central America medium sized plants up to 200 gallons per day can be demonstrated using sugar cane, sorghum and yuca. The ICTA/Guatemala experimental station at Zacapa would probably be an ideal site to locate at least a 50 gallon per day plant using sorghum as prime material. A larger (200 gallon per day) plant should be demonstrated at a cooperating ingenio (sugar mills). Systems presently in use in Brazil and Costa Rica are designed for sugar cane conversion. However

other systems based on e.g., sorghum, yuca, and a number of other tropical crops, may be tested under this program.

- 2) To help the development of a solar energy industry in Central America, fabrication of solar energy collection systems for passive solar systems, including panels built with local materials and photovoltaic collectors, for generation of electricity at remote locations. The solar cell technology has made impressive gains. Whereas the research and development of solar cells is high technology better left for developed countries, the fabrication of solar cells is akin to television circuit-board work which has been adapted with great success in developing countries to take advantage of labor surpluses.

This groundbreaking program is designed to result in a) development of an operational regional network detecting, testing, and financing initial production of energy-saving technologies, b) increased use of existing resources in production of new energy technologies, and c) increasing efficiencies in energy use for consumers, and national economies.

Issues: This activity raises a series of interrelated issues which ROCAP will consider during project design. These include:

- A. Target and Scale: are technologies to be developed for use by industrialists, small producers and/or consumers?
- B. Funding criteria: at what stage do loan funds replace grant funding in the acquisition - demonstration - production cycle?
- C. Demand: is concessional funding necessary once a technology is demonstrated to be feasible and cost-effective for production in the region and a market is shown to exist?

NEW FY 1981 PROJECT NARRATIVE

596-0096 Regional Cooperation Initiatives

		<u>Grant</u>
Proposed Funding:	(SD) FY 1981	\$100,000
	FY 1982	\$100,000
	LOP	\$500,000

Background: The FY 1982 ROCAP CDSS describes in some detail the status of and problems that afflict the Central American Common Market (CACM). The thrust of this analysis is that while all the countries continue to affirm their support for the CACM, they have tempered that support with calls for significant broadening of the collaborative base within and among major public and private sector agencies among the countries. Despite the region's current political instabilities, there appears to be an emerging consensus that reform is needed and desirable, either within or without the formal integration structure.

The most likely vehicle to strengthen the region's common goals of social and economic development is to focus short run progress on areas in which common concern exists, regional consensus can be developed and strategies and programs can be implemented collaboratively among the region's governments. Four of the member countries have expressed a desire for broadened cooperation and collaboration to address major social issues, e.g., health, housing, education, employment, etc. as well as the economic aspects of the five CACM countries.

Central America has many advantages, social, ecologic and geographic which can be forged into a new, stronger, regionally cohesive unit. Some of these areas include:

1. Energy. Central American countries in 1978 spent over \$700 million on fossil fuel, using scarce foreign exchange needed for other infrastructure, employment generation and social benefit programs.

Production of sugar cane, sorghum, fast-growing trees, common electric system linkages, etc. can materially augment the region's energy self-sufficiency. The governments are all interested in and wish to expand these "home grown" resources to offset present imports. Collaboration through a range of options are possible.

2. Social Action Programs. Employment, public health, child feeding, water purification and education all materially contribute to improvement of the quality of life of rural and urban people. Ministers of Agriculture and Health are becoming aware that their problems are not unique and through collaboration strong new strides are possible.
3. Labor Intensive Exports. Central America has cheap labor and ecological conditions to greatly expand employment in rural and urban sectors. Development of priority programs under a common strategy for the production and sale of value-added raw materials, food processing, and sub-assembly offer a major area for future employment and the introduction of new methods and technology. This, when coupled with freer labor movement, can become a major new focus for regional development.
4. Natural Resource Use and Conservation. Central America still has approximately 50 percent of its land area unused. Its marine resources along two 1,500 mile coastlines are not presently well exploited. In its primary production areas, streams are polluted, soils are eroding and mineral assets are untapped. No one country can have all of the required R and D capacity to properly address these major issues. Each, however, has expertise in given areas and can make major contributions to a common effort on priority short and long term mutual problems.

ROCAP's FY 1982 CDSS Review Message (STATE 128631) charged ROCAP, among other tasks, with "promoting a regional dialogue among the five countries and identifying ways to assist broader regional cooperation among the Central American countries." Consequently, ROCAP will be prepared to support selected initiatives to restructure the CACM in areas which contribute to more equitable distribution of resources, e.g., employment creation, intra- and extra-regional trade, free movement of labor, rural development, etc.

The ABS proposes several new activities which are also responsive to this guidance. See, for example, the proposals concerning a Central American Agricultural Secretariat, Horticultural Export Development, and Alternative Energy Systems Development.

This proposed new initiative will help bring together decision makers and technical expertise to address such basic concerns as:

- a) What are the most pressing problems facing Central America and what are their long-term consequences for the entire region;
- b) How can a political consensus be achieved on the broad outlines of a strategy and priority order for addressing problems;
- c) How can the region's national planners and implementers be brought together to implement policy decisions, and
- d) How can Central America's regional institutional structure be improved or modified to better support and accelerate this process.

Within AID's limited resource availabilities, and reinforced by other projects, ROCAP proposes to develop a project along the following lines as an initial vehicle to stimulate and direct analysis and dialogue on the above questions and issues.

Project Description: The primary purpose of the project is to promote through collective high-level decision making a strategy or strategies in various sectors to promote action region-wide on major problems that the C.A. countries believe can best be addressed by common action. This will require analyses and development of feasible options for addressing specific issues within the context of broader and more effective regional cooperation. Funds proposed under this technical assistance project will be used to finance a series of high level meetings and conferences, supported by analyses and training to define some of the issues and develop regionally compatible solutions involving operationally collaborative efforts.

It is envisioned that the technical assistance requested will focus on part or all of the following major areas:

- a) A realistic definition of both major development problems and development opportunities that Central America as a region will face over the next 5 to 20 years;
- b) Identification and assessment of policy, planning, program and investment options, distinguishing between those that are short and long term, and regional and bilateral;
- c) Trade restructuring, e.g., tariffs, incentives, regional institutional structures, to promote more dynamic

movement of products within the region;

- d) Means of increasing and integrating social action programs within a regionally coordinated framework;
- e) Coordinating national and regional institutional analysis, planning and actions to stimulate employment generation, taking into account political, economic, social and demographic factors, and including labor intensive agricultural and industrial export promotion within and outside the CACM;
- f) The future role of the regional and affiliated Central American technical institutions, i.e., their financing, charters, objectives and policy direction. These institutions include CATIE and IICA in agriculture, INCAP in nutrition, ICAP and INCAE in management, OIRSA in environmental problems and COMENER in energy; and
- g) Urban development problems and solutions.

Agriculture and rural development, while dominant concerns, will be addressed primarily through other new projects, particularly ROCAP's proposal in support of a Central American Agriculture Secretariat.

Where possible, other international donors, including the IDB, World Bank, EEC as well as CATIE, will be encouraged to participate and finance the new regional initiatives generated and supported by the Central American governments.

A more precise selection of areas for priority concentration, based on discussions and meetings with public sector decision makers including Ministers of Economy, Agriculture, Health, etc., will be made at the PID and PP stages. Also, we will then pinpoint not only the major assistance sources but also the most appropriate regional institutions and entities that should lead these efforts. We also foresee a spread effect as this technical assistance serves to strengthen the capacity of the regional and national institutions involved.

SIECA certainly will be a key institution in the total project. The project will be structured, however, to involve other key regional and national entities of the region's public and private sector. A major constraint now foreseen is the current

weakness of SIECA as a dynamic and catalytic forum and mechanism for accelerating the process described. One objective of the project, therefore, would be to improve its institutional structure and prestige through well developed strategies, analyses, projects and programs developed with national and regional counterparts and seek a means whereby the region's planning and technical ministries, central banks and major private sector organizations can collaborate more closely and effectively.

At a minimum, this technical assistance program will be directed toward producing regional strategies in several key areas and improved structures for dealing with some of the major problems confronting the region over the next 5 to 20 years.

NEW FY 1981 PROJECT NARRATIVE

596-0098 Agricultural Data Packaging and Use

		<u>Grant</u>
Proposed Funding: (FN)	FY 1981	\$200,000
	FY 1982	\$150,000
	LOP	\$950,000

Purpose: To support effective utilization of data bases in natural resources, socio-economic data, marketing information, progress indicators, and research results by regional and national public and private sector agencies as well as by end users - the small farmers and agri-businessmen, etc. Effective utilization will support improved formulation of rural sector policies, programs and project design.

Background: Regional and national planners, researchers, marketers and farmers at all levels have been using extremely poor quality data for the formulation of rural sector activities from policy to production. Due to this poor data quality, many programs and projects have been poorly designed and are often based on inappropriate premises. Consequently, large amounts of scarce resources have been poorly invested by governments and banks, producers have invested time and money in inappropriate or low-income production and marketers have not been able to satisfy consumer demand or apply appropriate prices.

Since 1975, ROCAP, through the Agricultural Research and Information (PIADIC) project (596-0048), has been assisting national and regional institutions to improve their data and information systems. The area frame sampling method, when fully in-place throughout the region in 1981, will permit reduction of crop prediction errors on a national basis, from as high as forty percent in some cases to below five percent. This technique will permit low-cost collection of income, labor use, and quality of life data as well as land ownership trends, new technology use, etc. in a manner both accurate and reproduceable. In addition, this project has made major strides in the development of national and regional data networks and has promoted the systematic collection and processing of key data and research results in formats useable for policy option

formulation, program and project design, as well as in determining research and extension priorities. Methodologies for farmer production recommendations for specific commodities and ecologies are evolving from both the PIADIC and Small Farm Production Systems projects (596-0083) which can lead to valid production and socio-economically sensitive alternatives for large numbers of small farmers.

These information systems and methodologies now can be used in many ways not yet fully understood or used by governments or the private sector to improve rural sector and small farm decision-making. This project will focus attention on the use of the new systems and through training, significantly broaden and make more dynamic their regional application. The Ministers of Agriculture have repeatedly expressed formal support for this program to IICA and ROCAP. Indeed, even while political disturbances have occurred in several countries the national teams have continued to work and utilize IICA/PIADIC expertise.

Project Description: This project will build on the experience, inter-institutional collaboration and information systems developed to date. It will focus on training large numbers of public sector personnel on the uses of existing data systems to promote national, and through the Agricultural Secretariat, regional rural sector policies, programs and projects. Researchers will learn the data implications for selecting socio-economically sensitive production priorities for new investigations. Extension agents and researchers will be taught how to use area profile data (e.g., climate, soil, employment, land ownership, income, commodity selection) in the development of new production recommendations. Market input suppliers and credit agencies will be trained in the use of these new tools to better serve and satisfy rural sector requirements. As new data needs are identified, national technicians will be trained in methods of collection and sampling using existing systems to secure relevant information and incorporate it in their planning and farmer recommendation programs.

Seminars, workshops, in-service training programs, will be the primary tools used. Methodologies developed to date for data collection, analysis, and interpretation will be printed and used as course texts. As new methodologies are required, the national technicians will be instructed in their preparation, testing and use.

This project will be carried out by the Inter-American Institute for Agricultural Cooperation (IICA) in conjunction with the five Central American republics and Panama. IICA will collaborate closely and draw upon the experience of CATIE in cropping and animal systems for the design of farmer recommendations. The experience of the Basic Village Education project in mass media transmittal of agricultural messages and recommendations to large numbers of small farmers will be used as appropriate in training key national exchange agency personnel.

Beneficiaries: Small farmers will be the direct beneficiaries of the production systems recommendations packages and related market intelligence data. IICA regional staff and national technicians of the statistical and agricultural planning offices in participating countries will also benefit from the training techniques and application of methodologies.

Outputs: The primary outputs from this project will be:

1. Increase the use of primary data bases and other relevant information developed under the Agricultural Research and Information Project by national and regional sector planners as well as researchers through short courses, workshops, pilot demonstrations and in-service training to develop improved policies.

2. Further refinement of the project design and implementation strategy.

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NEW FY 1982 PROJECT NARRATIVE

596-0094 Central American Agricultural Secretariat

		<u>Grant</u>
Proposed Funding:	(FN) FY 1982	\$185,000
	LOP	\$985,000

Purpose: To support the Central American Agricultural Secretariat (CAAS) with technical assistance and training directed towards design and evaluation of coordinated approaches to regional agricultural sector problems for Central America, Panama and, perhaps, the Dominican Republic.

Background: The Central American Common Market (CACM) has recently been criticized for its relative neglect of rural sector development problems in favor of regional infrastructure and development. Indeed, no regional forum presently exists within which broad rural sector policies, e.g., joint marketing, investment, export, pricing policies, housing, etc. affecting the rural poor can be analyzed, decisions made at the highest level, and coordinated action taken on regional problems. The Agricultural Ministers have been able to hold joint informal sessions when they gather as CIRSA, the governing board of the International Regional Plant and Animal Sanitation Institute (OIRSA). At the informal meeting held in conjunction with the November 1979 CIRSA meeting, the Ministers expressed themselves as strongly supportive of developing their own regional, analytical and coordinating mechanism, either within the CACM - probably allied with SIECA - or apart from it were Panama or the Dominican Republic to join (both have expressed interest).

The Secretariat offers many opportunities for promotion of coordinated rural sector development. It could act as:

- A rural sector policy center, developing and organizing studies to utilize current information on rural social data (family income, expenditures, diet, vital statistics) in order to establish regionally coordinated policies and to better target and promote action on new development programs regionwide.

- A trade promotion coordination center linking agricultural production, pricing, market forecasting, export opportunities, labor supply and demand programs among and between the countries.
- A transfer agent for rural sector officials to learn, adopt and adapt successful rural sector activities and programs of one country to another.

The studies, policy alternatives, ministerial decisions, government actions and programs supported by the Agricultural Ministers, would more likely see regionwide fruition than similar programs developed only nationally.

ROCAP considers this proposal of major importance to the region but recognizes it as one which, to be successful, should be of, by, and for the respective republics. This activity is planned to assist the Secretariat in areas of interest of an agricultural and rural developmental nature with special concern for and support to small farmers and the rural poor especially through increased export promotion, agricultural technology transfer and integrated programs after it is created. In the event the Secretariat appears as a viable entity having formal commitment by the CAP countries during FY 1981, this activity may be proposed in FY 1981 instead of FY 1982, as presently contemplated. As discussed elsewhere, the Secretariat could be the ideal locus for a number of other proposals in this ABS including the RITE, Integration Policies, Export Promotion and Agricultural Data Packaging proposals. While these projects are presented separately, ROCAP would plan to combine as many of them as possible with this project, as timing and opportunity permits.

NEW FY 1982 PROJECT NARRATIVE

596-0097 Horticultural Agribusiness Export Development

		<u>Grant</u>	<u>Loan</u>
Proposed Funding:	(FN) FY 1982	\$ 400,000	\$5,000,000
	LOP	\$1,700,000	\$5,000,000

Purpose: To promote the expansion of Central American Agricultural Trade - both intra-regional and export - through an integrated program of technical assistance and financing for production and processing of fresh product trade in non-traditional horticultural products. Attendant benefits will accrue to small producers through use of improved production methods adapted to end user (processors or export markets) needs, increased income, employment generation, as well as production expansion of products adapted to the region's tropical and sub-tropical ecology. Increased processor production will expand market penetration, open new trade opportunities, and increase employment and foreign exchange earnings.

Background: ROCAP has provided financial support to three agribusiness loans. Of these, only the most recent, T-016 with CABEI is not fully disbursed but is expected to be fully drawn down before the TDD. Loan evaluations, Central American Ministers conferences and the private sector all concur that expanded trade through exports and product processing offers one of the greatest rural sector development opportunities regionwide at this time. Integrating multi-country exports of selected horticultural crops as well as expansion of trade within the CACM can best spearhead this initiative and as channels of trade - fresh and processed - expand a range of other products can be augmented utilizing similar modes of sale.

Project Description: The climate range, abundant labor, under-utilized land resources, irrigation and proximity to large markets make expansion of the CACM into new types of horticultural production an almost unique developmental opportunity. Analyses conducted to date indicate that these resources, ecological conditions and markets can permit major expansion of fruit, vegetables, spices and other crops in the United States, Southern Mexico, Venezuela, the Caribbean as well as among the countries themselves.

This project will select approximately five major fresh products and five major processable products adapted to large land areas within the region and processor outlets. Each will be geared to meeting specific market outlet needs and permit the CACM countries to export in fresh or processed form through a regionally coordinated pattern. Market analyses, evaluation of climatic, soil, socio-economic data and other basic information available through PIADIC (596-0048) and national sources, will permit selection of product options offering major opportunities, delineation of prime production areas and the preferred export form -fresh or processed- for the commodities chosen for production. Analysis of the horticultural production methods existing or required to meet processor or fresh market requirements will be determined and critical research conducted and national public and private sector technicians trained to meet producer, processor or export market requirements.

Research results, market distribution and processor linkages to small producers will be forged to form vertically integrated systems. The proposed supporting loan will join CABEI's financial acumen and resources as well as LAAD's proven track record in promoting marketeer, processor and producer teamwork in production, processing and sale of these non-traditional commodities. CATIE will provide the technical research and fresh market analysis. CATIE, CABEI, LAAD, and national agencies, will serve as an integrated team with the private agro-industrial sector and small farmers to design, implement and sell products to regional and extra-regional markets. Likewise as specific problems are identified, IICA, ICAITI and INCAE will assist in areas where their specialized expertise can assist producers, processors and market exporters more effectively carry out their plan of work.

Outputs: This activity will accelerate opportunities to export labor intensive crops. It will a) produce new cropping alternatives for small farmers which, in turn will b) increase employment opportunities for agricultural workers. Finally, through technical and capital assistance, it will c) expand export opportunities for new crops produced in the region.

DECISION PACKAGE NARRATIVE

A. Decision Package: Minimum/Current

ROCAP has chosen to combine the Minimum and Current Packages at a level of \$4,150,000. This combined package supports pipeline projects (two housing guaranties and one development loan - all with CABEI) and eight ongoing technical assistance projects including one financed by AID/W through ROCAP. The decision to combine what are normally two packages is based upon the definition of the Minimum Package as one without a budget control and being "that combination of projects which will continue to move the total program forward, though at a scaled down level, towards achievement of the most important CDSS objectives."

By its nature, the regional Central American AID program deals through regional institutions with national counterparts to meet shared, i.e., regional, national and AID, objectives. The creation of a Minimum package, to be properly done, should enlist regional and national institutions and USAIDs in dialogue to ascertain which programs or program segments could most easily be deferred to meet an artificial low resource level. While reluctant to do so under normal conditions, there clearly was no time to do this between receipt of the ABS guidelines and the ABS due date. Instead we have chosen to construct a combined Minimum/Current Package composed exclusively of pipeline plus ongoing projects.

We have ranked these activities and a Minimum package level could be developed by drawing a line below, say, project 4. Although we could easily have constructed a separate package in this manner, to do so would force us to make such Solomonic decisions as whether continuing assistance in developing small farmer production systems - efficient in input use and having potential to increase demand for rural labor, income or nutrition output - is more worthwhile than continuing assistance in fighting destructive pests and plant and animal diseases, some directly related to target group wellbeing. Further, the projects included within this combined package are difficult to reprogram. The two major ongoing regional agricultural activities, Agricultural Research and Information System (0048) with IICA, and Small Farm Production Systems (0083) with CATIE, involve financing by AID and the cooperating institutions for core teams of experts, and support for their

close collaboration with national agencies in the six participating countries. Participating national counterpart agencies "use" project services and link them with target populations. With minor variations, many of our regional activities follow this model of a central source of expertise with outreach to national counterparts. This core expertise may take years to assemble and helps create over time centers of excellence within the region. Therefore, deferral or reduction of funds for regional activities included within this package, instead of having a temporary delaying effect on attainment of project goals, could well result in serious loss of momentum and confidence, and inefficient utilization of expensive and scarce skilled manpower. Consequently, ROCAP does not exclude funds for any ongoing activity from the Minimum/Current Package.

Also included within the Minimum/Current package are AID/W funded activities which ROCAP will help manage. One involves continuance of an LAC bureau funded Pest Management Specialist at ROCAP, who, through links with a number of Central American regional institutions, provides Central American USAIDs and ROCAP with specialized skills towards development of regional and national pest management and more generalized environmental protection activities. He is a major resource for project development skills in this field for all Central American AID missions. Funds for his services are obligated by ROCAP. Similarly an AID/W contract-funded Science and Technology advisor, now stationed at ROCAP, provides regional expertise in development of new energy-efficient technologies. The remaining activity, with SIECA's Central American Economic Integration Studies Unit (ECID), supports a cooperative research program into development of Rural Progress Indicators jointly with the Government of El Salvador. The implementation mode of these AID financed activities involves substantial project design, management and controller responsibilities for ROCAP.

The composition of the ROCAP workforce is discussed in the Table I narrative. The assigned personnel planning level of 14 USDH and 22 FN is especially tight when ROCAP's unique regional service and integration strategy functions are accounted for. The requested expansion to 17 USDH permits probable increased regional services, reflected in our CDSS review cable, and a program office training (IDI) position. We believe our continued ability to manage the Minimum/Current program and the additional activities contemplated in the AAPL without further workforce increases has been

directly dependent upon the proven skills of the cooperating regional institutions and national counterparts. As discussed in the Table I narrative, expanded regional services or integration related activities could require further personnel increases.

B. Decision Package: AAPL

ROCAP's assigned AAPL of \$5 million per year from FY 1982 through FY 1986 is not adequate to meet expanded technical assistance requirements reflected in ROCAP's CDSS Review Cable, and it would not permit any use of loan financing in response to opportunities for new initiatives. The AAPL, \$850,000 above the Minimum/Current package, supports initial increments for three new technical assistance projects and smaller increments for two Program Development & Support projects. Additional resources for the Pest Management project, also included within the AAPL, will support expanded services to national and regional institutions in pesticide residue detection, disease analysis and treatment procedures.

The "non-add" loans are listed under the AAPL. They are "non-add" because the \$5 million AAPL could not support regional loans even if no technical assistance programs were being supported. Their inclusion at this point reflects guidance contained in the ROCAP CDSS review cable to explore the "establishment of a Central American Fund for Development of Alternative Energy Systems" and to "explore trade beyond the CACM." The background of past efforts to promote regional trade are well-known to AID. The emerging focus on exports of agricultural products reflected in recent regional meetings indicates that future regional efforts in this area are likely to be welcomed by regional policy makers. Our present strategy for these two loans appears in their respective narratives. At this point, their inclusion is intended to alert AID to these increased resource requirements.

TABLE V - FY 1982 PROPOSED PROGRAM RANKING

RANK	DECISION PACKAGES/PROGRAM ACTIVITY DESCRIPTION	PIPELINE/ ONGOING/ NEW	LOAN/ GRANT	APPROP. ACCT.	ROCAP				
					PROGRAM FUNDING (\$000)		WORKFORCE (Number of Positions)		
					INCR	CUM	INCR	CUM	
	<u>DECISION PACKAGE MINIMUM/CURRENT</u>								
	<u>Pipeline Projects</u>								
	596-0075 CABEI - Guatemala Urban Shelter Improvement (HG-004)			HIG	(19000)	(19000)			
	596-0087 CABEI - Central American Secondary Mortgage Market Development (HG-005)			HIG	(25000)	(44000)			
	596-0069 CABEI - Regional Rural Agribusiness (T-016)	P	L	FN	( 2700)	(46700)			
	Subtotal (Non-Add)					(46700)	12	12	18
	<u>New and Continuing Projects</u>								
1	596-0083 Small Farm Production Systems	0	G	FN	1665	1665	5	17 <sup>3/</sup>	3
2	596-0089 Fuelwood & Alternative Energy Sources	0	G	FN	1400	3065	-	17	2
3	596-0095 Alternative Energy Systems Development	0	G	SD	200	3265	-	17	1
4	596-0098 Agricultural Data Packaging and Use	0	G	FN	150	3415	-	17	-
5	596-0093 Regional Interchange of Technical Expertise	0	G	EH	100	3515	-	17	-
6	596-0065 Nutrition Programs	0	G	FN	250	3765	-	17	-
7	596-0090 Pest Management	0	G	FN	200	3965	-	17	-
8	596-0096 Regional Cooperation Initiatives	0	G	SD	100	4065	-	17	-
9	596-0000.3 Program Development & Support	0	G	FN	50	4115	-	17	-
10	596-0000.6 Program Development & Support	0	G	SD	30	4145	-	17	-
11	596-0000.5 Program Development & Support	0	G	EH	5	4150	-	17	-
12	598-0605 Regional Development of Environmental Management Systems (Regional Pest Management Specialist)	0	G	FN	( 120)	4150	-	17	-
13	931-0236.05 Expanded Program - Progress Indicators (Rural Progress Indicators)	0	G	FN	( 200)	4150	-	17	-

DECISION UNIT

ROCAP

TABLE V - FY 1982 PROPOSED PROGRAM RANKING

RANK	DESCRIPTION	PIPELINE/ ONGOING/ NEW	LOAN/ GRANT	APPROP. ACCT.	PROGRAM FUNDING (\$000)		WORKFORCE (Number of Positions)	
					INCR	CUM	INCR	CUM
	Workforce Increment, New and Continuing Projects, Minimum/Current Package							
	Total Minimum/Current Package and Related Workforce <sup>2/</sup>				4150	5	17	24
	Decision Package AAPL							
14	596-0094 Central American Agricultural Secretariat	N	G	FN	185		17	24
15	596-0097 Horticultural Agribusiness Export Development	N	G	FN	400		17	24
16 <sup>4/</sup>	596-0097 Horticultural Agribusiness Export Development	N	L	FN	( 5000) <sup>4/</sup>		17	24
17 <sup>4/</sup>	596-0095 Alternative Energy Systems Development	O	L	SD	( 4000) <sup>4/</sup>		17	24
18	596-0093 Regional Interchange of Technical Expertise	O	G	EH	140		17	24
19	596-0065 Nutrition Programs	O	G	FN	50		17	24
20	596-0090 Pest Management	O	G	FN	50		17	24
21	596-0000.3 Program Development & Support	O	G	FN	25		17	24
22	596-0092 HIG Social Fund for Urban Upgrading (HG-006)	N		HIG	(25000)		17	24
	Total AAPL Package and Related Workforce				850			

1/ Part of LA Regional Project jointly managed by ROCAP and LAC. LAC Bureau funds obligated by ROCAP. Shown to support basic workforce. Funds non-add.

2/ Part of DSB Project jointly managed by ROCAP and DSB. DSB funds to be obligated by ROCAP. Shown to support basic workforce. Funds non-add.

3/ Exceeds Personnel Planning Level of USDH 14, FNDH 22.

4/ Proposed loans exceed AAPL. Funds non-add

**TABLE VI  
PROJECT SUMMARY**

**NUMBER OF PROJECTS**

	FY 79	FY 80	FY 81	FY 82 MIN	FY 82 CURR	FY 82 AAPL
IMPLEMENTATION AT BEGINNING OF YEAR.....	10	13	11	12	11	11
MOVING FROM DESIGN TO IMPLEMENTATION DURING YEAR.....	4	1	5	-	-	4
DESIGN FOR FUTURE YEAR IMPLEMENTATION.....	7	6	3	8	8	4
<b>SUBTOTAL.....</b>	16	16	16	17	17	17
NUMBER OF NON-PROJECT ACTIVITIES.....	-	-	-	-	-	-
<b>TOTAL.....</b>	16	16	16	17	17	17

**NUMBER OF PROJECTS MOVING FROM DESIGN TO IMPLEMENTATION BY PROJECT SIZE**

**AID'S CONTRIBUTION TO LIFE OF PROJECT COST**

	FY 79	FY 80	FY 81	FY 82 MIN	FY 82 CURR	FY 82 AAPL
LESS THAN \$1 MILLION.....	3	1	1			
\$1 TO \$5 MILLION.....			4			3
\$5 TO \$15 MILLION.....	1					1
\$15 TO \$25 MILLION.....						
MORE THAN \$25 MILLION.....						

TABLE VII  
OPERATING EXPENSE FUNDED PERSONNEL  
YEAR END POSITIONS

FUNCTIONS	FY 79			FY 80			FY 81					
	USDH	FNDH	US CONT	FN CONT	USDH	FNDH	US CONT	FN CONT	USDH	FNDH	US CONT	FN CONT
Executive Direction 1/	2	1			2	1			2	1		
Program Planning	2	1			2	1			2	1		
Project Design	1				2				2		1	1
Project Implementation	1	6			3	6			3	6	1	1
Financial Management	3	13		1	4	13		1	4	14		
Mission Support		1				1				1		
Non Mission Specific	3	1		3	3	1		3	3	1		3
TOTAL.....	12	23		4	16	23		4	16	24	2	5
PLUS: PASAs (OE & Program)	3				3				3			
LESS: JAO Details	0	IDIs			0	IDIs			0	IDIs		
MODE Required	15	0			19	2			19	2		

1/ Excludes one Part-Time Resident Hire (FSSR) Secretary (Non-Add)

**TABLE VII**

FUNCTIONS	FY 82 MINIMUM				FY 82 CURRENT				FY 82 AAPL			
	USDH	FNDH	US CONT	FN CONT	USDH	FNDH	US CONT	FN CONT	USDH	FNDH	US CONT	FN CONT
Executive Direction	2	1			2	1			2	1		
Program Planning	2	1			2	1			2	1		
Project Design	2		1	1	2		1	1	2		1	1
Project Implementation	4	6	1	1	4	6	1	1	4	6	1	1
Financial Management	4	14			4	14			4	14		
Mission Support		1				1				1		
Non Mission Specific	3	1		3	3	1		3	3	1		3
<b>TOTAL.....</b>	<b>17</b>	<b>24</b>	<b>2</b>	<b>5</b>	<b>17</b>	<b>24</b>	<b>2</b>	<b>5</b>	<b>17</b>	<b>24</b>	<b>2</b>	<b>5</b>
<b>PLUS: PASAs (OE &amp; Program)</b>	<b>3</b>				<b>3</b>				<b>3</b>			
<b>LESS: JAO Details</b>	<b>0</b>	<b>IDIs</b>			<b>0</b>	<b>IDIs</b>			<b>0</b>	<b>IDIs</b>		
<b>MODE Required</b>	<b>20</b>	<b>2</b>			<b>20</b>	<b>2</b>			<b>20</b>	<b>2</b>		

**TABLE VIII**  
**OPERATING EXPENSE SUMMARY**

COST SUMMARIES	FY 1979			FY 1980			FY 1981		
	(\$000's)	Related Workyear	Unit Cost	(\$000's)	Related Workyear	Unit Cost	(\$000's)	Related Workyear	Unit Cost
US Direct Hire	424.4	9.3	45.63	477.4	8.1	58.94	725.1	14.5	50.00
FN Direct Hire	329.5	23.0	14.33	372.8	23.0	16.21	422.7	24.0	17.61
US Contract Pers.	0	0	0	0	0	0	122.6	2.0	61.30
FN Contract Pers.	32.5	2.0	16.25	18.5	1.0	18.50	42.2	2.0	21.10
Housing Expense	89.4	13	6.88	106.3	15	7.08	172.4	16	10.77
Office Operations	216.7	xx	xx	324.1	xx	xx	332.3	xx	xx
Total Budget	1,092.5	xxx	xxx	1,299.1	xx	xx	1,817.3	xx	xx
Mission Allotment *	1,071.8	xxx	xxx	1,279.9	xx	xx	1,795.6	xx	xx
FAAS	20.7	xxx	xxx	19.2	xx	xx	21.7	xx	xx
Trust Fund	-.-	xxx	xxx	-.-	xx	xx	-.-	xx	xx

\* Includes Costs USDH Salaries and Benefits paid AID/W

**TABLE VIII**

	FY 1982 MINIMUM			FY 1982 CURRENT			FY 1982 AAPL		
	(\$000's)	Related Workyear	Unit Cost	(000's)	Related Workyear	Unit Cost	(\$000's)	Related Workyear	Unit Cost
US Direct Hire	740.8	15.5	47.79	740.8	15.5	47.79	740.8	15.5	47.79
FN Direct Hire	462.1	24.0	19.25	462.1	24.0	19.25	462.1	24.0	19.25
US Contract Pers.	125.0	2.0	62.50	125.0	2.0	62.50	125.0	2.0	62.50
FN Contract Pers.	43.8	2.0	21.90	43.8	2.0	21.90	43.80	2.0	21.90
Housing Expense	183.0	17	10.76	183.0	17	10.76	183.0	17	10.76
Office Operations	374.6	xx	xx	374.6	xx	xx	374.6	xx	xx
Total Budget	1,929.3	xx	xx	1,929.3	xx	xx	1,929.3	xx	xx
Mission Allotment *	1,903.7	xx	xx	1,903.7	xx	xx	1,903.7	xx	xx
FAAS	25.6	xx	xx	25.6	xx	xx	25.6	xx	xx
Trust Fund	--	xx	xx	--	xx	xx	--	xx	xx

COST SUMMARIES

US Direct Hire

FN Direct Hire

US Contract Pers.

FN Contract Pers.

Housing Expense

Office Operations

Total Budget

Mission Allotment \*

FAAS

Trust Fund

\* Includes Costs USDH Salaries and Benefits paid AID/W

TABLE IX - SUPPORTING DATA ON PROPOSED PROGRAM RANKING  
 POSITION REQUIREMENTS - FY 1980-1982  
 (By Function, Organizational Unit, Position Title and Professional Speciality)

FUNCTION/ORGANIZATIONAL UNIT/ POSITION TITLE/PROFESSIONAL SPECIALITY	DECISION UNIT																		
	FY 1980						FY 1981						FY 1982						
	Minimum		Current		AAFL		Minimum		Current		AAFL		Minimum		Current		AAFL		
	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	
<b>EXECUTIVE DIRECTION</b>																			
Director's Office																			
Director	1																		
Assistant Director	1																		
Part Time Resident Hire (FSSR) Secretary Non-Add																			
Local Secretary		1																	1
Sub Total Executive Direction	2	1	2	1	2	1	2	1	2	1	2	1	2	1	2	1	2	1	1
<b>PROGRAM PLANNING</b>																			
Program Officer	1																		
Program Economist	1																		
Planning Assistant (IDI)	1																		
All Other (Non-Professional)		1																	1
Sub Total Program Planning	3	1	3	1	3	1	3	1	3	1	3	1	3	1	3	1	3	1	1
<b>PROJECT DESIGN AND IMPLEMENTATION</b>																			
Regional Development Officer	1																		
Deputy Regional Development Office	1																		
Agricultural Economist																			
General Development Officer	1																		
Capital Development Officer	1																		
Assistant Capital Development Officer	1																		
Economist - Project Officer	1																		
Engineer - Project Officer	1																		
Agriculture Nutritionist (Food for Peace)	1																		
All Other ( Non-Professional )		3																	3
Sub Total Project Design and Implementation	4	7	4	7	4	7	4	7	4	7	4	7	4	7	4	7	4	7	7

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TABLE IX - SUPPORTING DATA ON PROPOSED PROGRAM RANKING  
 POSITION REQUIREMENTS - FY 1980-1982  
 (By Function, Organizational Unit, Position Title and Professional Speciality)

FUNCTION/ORGANIZATIONAL UNIT/ POSITION TITLE/PROFESSIONAL SPECIALITY	DECISION UNIT											
	ROCAP											
	NUMBER OF POSITIONS											
	FY 1980		FY 1981		FY 1982 - Current		AAPL					
USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	
<b>FINANCIAL MANAGEMENT</b>												
<u>Controller's Office</u>												
	1		1									
Controller												
Deputy Controller - Financial Analyst			1							1		
Budget & Fiscal Officer			1							1		
Financial Analyst (IDI)			1							1		
Financial Analysts		2									2	
Accountants		9									10	
All Other (Non-Professional)		1									1	
Sub Total Financial Management	4	12	4	13	4	4	13	4	13	4	13	
<b>MISSION SUPPORT</b>												
All Other (Non Professional)												
Sub Total Admin. Support		1		1			1		1		1	
<b>NON MISSION SPECIFIC</b>												
Regional Supply Advisor												
Housing Advisor	1			1								
Housing Advisor	1			1								
All Other (Non-Professional)	1			1								
Sub Total Non-Mission Specific	3	1	3	1	3	1	3	1	3	1	3	1
Total Increment	16	23	16	24	17	17	24	17	24	17	24	24
Cumulative Totals	16	23	16	24	17	17	24	17	24	17	24	24

TABLE X SPECIAL CONCERNS  
ADDITIONAL PROJECTS

PROJECT NUMBER AND TITLE	APPROP	CONCERN CODE		FUNDING FOR SPECIAL CONCERN (\$000)				
		PRIME	SUB 1/	FY 1980	FY 1981	FY 1982		
						MINIMUM	CURRENT	AAPI
0095 Alternative Energy Systems Development (G) (L)	SDA	ENER			200	200	4000	

1/ Use only for Environment Activities

TABLE X

FY 1982 ANNUAL BUDGET SUBMISSION  
PROJECT BUDGETS AND OBLIGATIONS  
TO MEET SPECIAL CONCERNS  
(THOUSANDS OF DOLLARS)

DECISION UNIT: 596 REG OFFICE CEN AMER & PANAMA-ROCAP

PROJECT NUMBER AND TITLE: 5960089 FUELWOOD AND ALTERNATIVE ENERGY SOURCES APPROPRIATION: AGRICULTURE, RURAL DEV. AND NUTRITION

A. BUDGET IN CP: FY 1980 - \$ 745 BUDGET IN ABS: FY 1980 - \$ \_\_\_\_\_  
 FY 1981 - \$ 1300 FY 1981 - \$ \_\_\_\_\_  
 FY 1982 - MINIMUM: \$ 1400 CURRENT: \$ 2000 AAPL: \$ 2000

B. OBLIGATIONS TO MEET SPECIAL CONCERNS:

ADP ITEM	SUB- CONCERN CODE	1980 BUDGET		1981 BUDGET		1982 BUDGET IN ABS	
		IN CP	IN ABS	IN CP	IN ABS	MINIMUM:	CURRENT:
858	ENER	\$ 745	\$ _____	\$ 1300	\$ _____	\$ 1400	\$ _____
857	ENVR	\$ 373	\$ _____	\$ 650	\$ _____	\$ 700	\$ _____

PEST

PROJECT NUMBER AND TITLE: 5960090 ENVIRONMENTAL MANAGEMENT

AGRICULTURE, RURAL DEVELOPMENT  
APPROPRIATION: SELECTED DEVELOPMENT ACTIVITIES

A. BUDGET IN CP: FY 1980 - \$ 100 BUDGET IN ABS: FY 1980 - \$ \_\_\_\_\_  
 FY 1981 - \$ 200 FY 1981 - \$ 250  
 FY 1982 - MINIMUM: \$ 200 CURRENT: \$ 50 AAPL: \$ \_\_\_\_\_

B. OBLIGATIONS TO MEET SPECIAL CONCERNS:

ADP ITEM	SUB- CONCERN CODE	1980 BUDGET		1981 BUDGET		1982 BUDGET IN ABS	
		IN CP	IN ABS	IN CP	IN ABS	MINIMUM:	CURRENT:
855	ENVR	\$ 100	\$ _____	\$ 200	\$ 250	\$ 200	\$ 50