

**AGENCY FOR
INTERNATIONAL
DEVELOPMENT**



ANNUAL BUDGET SUBMISSION

FY 83

HONDURAS

JUNE 1981

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

ANNUAL BUDGET SUBMISSION

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TABLE OF CONTENTS

	<u>PAGE</u>
1. Table I - Long Range Plan and Narrative	1
2. Table III - Project Obligations by Appropriation Account: FY 1981-1983	3
3. Table IV - Project Budget Data	6
4. New Project Narratives	
A. Energy for Rural Development	12
5. Table V. - Proposed Program Ranking	15
6. Proposed Program Ranking Narrative	16
7. Workforce and Operating Expenses	17
A. Table VIII - Operating Expense Summary	17
B. Table IX - Overseas Workforce Requirements Schedule	19
C. Automatic Data Processing (ADP)/Word Processing (WP) Report	25
8. P.L. 480	27
A. P.L. 480 Narrative	27
B. Table XI - P.L. 480 Title I/III Requirements	33
C. Table XII - P.L. 480 Title I/III Supply and Distribution	34
D. Table XIII(a) - P.L. 480 Title II - CARE	35
E. Table XIII(b) - P.L. 480 Title II - CRS	42

Table I Narrative

The Mission has attempted to meet the new forward funding guidelines to the extent possible without compromising our ability to achieve our approved CDSS objectives. AID/W will recall that this Mission more than doubled the size of its program in FY 1980 in response to instructions to give greater support to Honduras during its transition to democratic government in the midst of Central American turmoil. Thus, in FY 1980, we obligated over \$45 million in Development Assistance, expended over \$11.5 million from the FY 1979 pipeline of \$66 million, and entered FY 1981 with a mortgage of \$46 million, a pipeline of \$83 million, and an OYB of nearly \$24 million. Because of improved implementation, including the effect of having a greater number of active projects, expenditures in FY 1981 are expected to reach \$35 million and climb further in FY 1982 to nearly \$46 million. Thus, the pipeline will drop \$11 million this year and another \$17 million in FY 1982, reaching approximately \$55 million at the end of that year. Because of the increased rhythm of implementation, and because the needs of Honduras for this kind of assistance are so great, this Mission, in its two most recent CDSS's, proposed substantially higher levels of development assistance than the Agency has been able to allocate for FY 1981 and FY 1982. We remain convinced that the goals and objectives of the CDSS remain valid, and indeed, the recent AID/W guidance from the CDSS review did not challenge the fundamentals therein. In order to come close to carrying our approved CDSS strategy, we should need to start several important new initiatives in FY 1982 (including two that we had hoped would be funded in FY 1981). We have proposed, in this document, fully funding the three smallest of these new initiatives, with full funding of the fourth being achieved in the following year. Thus, we are making some progress toward complying with new forward funding guidelines. However, the projects which had been incrementally funded in prior years would continue to receive incremental funding in FY 1982, FY 1983 and beyond in accordance with prior style. In FY 1982, \$9.8 million, or 32% of our \$29 million Congressional Presentation level would be for incremental funding; in FY 1983, the amount rises to \$20.4 million, or 75% of the AAPL of \$27 million. By FY 1984, the need for incremental funding drops to \$13.3 million out of an AAPL of \$25 million. We believe this is a reasonable transition to the new forward funding guidelines given the approved CDSS strategy for Honduras.

TABLE III- PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT
FY 1981 to FY 1983
(\$ Thousands)

<u>APPROPRIATION ACCOUNT</u>	<u>L/G</u>	<u>FY 1981</u>	<u>FY 1982</u>	<u>USAID/Honduras</u>	
				<u>Fiscal Year 1983</u> <u>MINIMUM</u>	<u>AAPL</u>
<u>Agriculture, Rural Development and Nutrition</u>					
522-0139 Agricultural Research	G			300	300
522-0150 Agriculture Sector II	G	1,000	1,000	500	500
522-0150 Agriculture Sector II	L			2,000	2,000
522-0157 Rural Technologies	G	1,000	750	1,000	1,000
522-0164 Access Roads and Rural Trails	L			2,970	2,970
522-0168 Natural Resources Management	G	250	500	743	743
522-0168 Natural Resources Management	L		2,000	2,752	2,752
522-0172 Forestry Development	G		2,500		
522-0172 Forestry Development	L		7,000		
522-0173 Small Farmer Titling and Services	G		1,000		
522-0173 Small Farmer Titling and Services	L		4,000		
522-0171 Rural Housing	G	200			
522-0171 Rural Housing	L	2,300			
522-0176 Coffee Production, Expansion and Improvement	G	400		150	150
522-0176 Coffee Production, Expansion and Improvement	L	5,400*			
522-0177 Cooperative Development FACACH (OPG)	G	200	200	100	100
522-0178 Small Farmer Credit Systems	L		4,000	7,000	7,000
522-0178 Small Farmer Credit Systems	G			1,000	1,000
522-0182 Legal Services for the Rural Poor (OPG)	G		90		
522-0191 Energy for Rural Development	G				1,000
	L				5,000
522-9103 PD&S	G	550	500	285	285
	G	3,600	6,540	4,078	5,078
	L	7,700	17,000	14,722	19,722
SUBTOTAL		<u>11,300</u>	<u>23,540</u>	<u>18,300</u>	<u>24,800</u>

* A subsequent OYB change increased this amount to 6,900.

TABLE III- PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT
FY 1981 to FY 1983
(\$ Thousands)

<u>APPROPRIATION ACCOUNT</u>	<u>L/G</u>	<u>FY 1981</u>	<u>FY 1982</u>	<u>USAID/Honduras</u>	
				<u>Fiscal Year 1983</u>	
				<u>MINIMUM</u>	<u>AAPL</u>
<u>Population</u>					
522-0153 Health Sector I	G	250	250	250	250
522-0175 Honduran Family Planning Support (OPG)	G	240			
522-9997 Proposed OPGs	G		500		500
	G	490	750	250	750
	L				
Sub Total		<u>490</u>	<u>750</u>	<u>250</u>	<u>750</u>
<u>Health</u>					
522-9108 PD&S	G	5	50	50	50
522-0153 Health Sector I	G	58	580	800	800
522-0153 Health Sector I	L	3000			
	G	63	630	850	850
	L	<u>3,000</u>			
Sub Total		<u>3,063</u>	<u>630</u>	<u>850</u>	<u>850</u>

TABLE III- PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT
FY 1981 to FY 1983
(\$ Thousands)

<u>APPROPRIATION ACCOUNT</u>	<u>L/G</u>	<u>FY 1981</u>	<u>FY 1982</u>	<u>USAID/Honduras</u>	
				<u>Fiscal Year 1983</u>	
				<u>MINIMUM</u>	<u>AAPL</u>
<u>Education and Human Resources</u>					
522-0160 Vocational Training (San Jose Obrero OPG)	G	125			
522-0167 Rural Primary Ed.	G	300	350		
522-0167 Rural Primary Ed.	L	8,000			
522-0170 Rural Pilot Schools (OPG)	G	57	97		
522-0174 Public Sector Administration	G		3,000		
522-0165 ANACH Training (OPG)	G	50			
522-0184 Horizons of Friend- ship OPG	G	27	100		
522-0189 SOS Training of Migrant Youth	G	70			
522-9105 PD&S	G	180	123	200	200
	G	809	3,670	200	200
	L	8,000			
Sub Total		<u>8,809</u>	<u>3,670</u>	<u>200</u>	<u>200</u>
<u>Selected Development Activities</u>					
522-0169 Special Development Activities	G	50	50	50	50
522-0155 Urban Upgrading	G	100			
522-9997 Proposed OPGs	G		200		100
522-9106 PD&S	G	150	160	250	250
	G	300	410	300	400
	L				
Sub Total		<u>300</u>	<u>410</u>	<u>300</u>	<u>400</u>
TOTALS	G	5,262	12,000	5,678	7,278
	L	18,700	17,000	14,722	19,722
TOTAL		<u>23,962</u>	<u>29,000</u>	<u>20,400</u>	<u>27,000</u>

A.I.D. PROGRAM IN FY 1983
ANNUAL BUDGET SUBMISSION
TABLE IV - PROJECT BUDGET DATA

522 - HONDURAS

BUREAU FOR LATIN AMERICA AND CARIBBEAN

PROJECT NUMBER	TITLE	G L	OBLIG DATE		LOPCOST AUTH PLAN		FY 80 PIPE-LINE	ESTIMATED U.S. DOLLAR COST (\$000)		FY 83 AAPL	FY 84 OBL	FY 85 OBL	FY 86 OBL	FY 87 OBL	FUT YR OBL	ITEM NO
			INIT	FIN				---FY 1981---	EXPEND-ITURES							
AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION																
522-0123 Small Farmer Technologies																
		G	76	79	1139	1139	710	---	410	---	---	---	---	---	---	728
		L	78	78	6000	6000	4010	---	4010	---	---	---	---	---	---	
5220124 Nutrition																
		G	76	80	1000	1000	373	---	240	---	97	---	---	---	---	727
		L	76	76	3500	3500	1565	---	1565	---	---	---	---	---	---	354
5220133 Rural Reconstruction II																
		L	77	77	7500	7500	3540	---	3540	---	---	---	---	---	---	341
5220138 Rural Electrification																
		L	78	78	10000	10000	8521	---	6877	---	1644	---	---	---	---	342
5220139 Agricultural Research																
		G	78	83	1600	1600	1000	---	299	---	500	300	---	---	---	723
5220150 Agriculture Sector II																
		G	79	84	4000	4000	1000	1000	471	1000	1000	500	500	---	---	721
		L	79	84	21000	21000	15652	---	4006	---	5950	2000	2500	---	---	720
5220157 Rural Technologies																
		G	79	84	5000	8930	2155	1000	960	750	2030	1000	1930	---	---	715
5220164 Access Roads and Rural Trails																
		G	80	83	230	230	230	---	83	---	60	---	---	---	---	713
		L	80	83	10970	10970	8000	---	2481	---	4500	2970	---	---	---	712
5220165 Municipal Development Bank																
		L	80	80	750	750	750	---	225	---	400	---	---	---	---	711
5220168 Natural Resources Management																
		G	80	84	2743	2743	750	250	273	500	1250	743	500	---	---	703
		L	80	84	12252	12252	5000	---	375	2000	2455	2752	2500	---	---	702

A.I.D. PROGRAM IN FY 1983
ANNUAL BUDGET SUBMISSION
TABLE IV - PROJECT BUDGET DATA

522 - HONDURAS

BUREAU FOR LATIN AMERICA AND CARIBBEAN

PROJECT NUMBER	TITLE	G L	OBLIG DATE		LOPCOST AUTH PLAN	FY 80 PIPE- LINE	---FY 1981---		---FY 1982---		ESTIMATED U.S. DOLLAR COST (\$000)					FUT YR OBLS	ITT NO
			INIT	FIN			OBLIG- ATIONS	EXPEND- ITURES	OBLIG- ATIONS	EXPEND- ITURES	FY 83 AAPL	FY 84 OBLS	FY 85 OBLS	FY 86 OBLS	FY 87 OBLS		
HEALTH																	
5220150	Integrated Rural Health Services																
		G	76	80	648 648	230	---	225	---	---	---	---	---	---	---	---	726
5220148	Health Sector Planning																
		G	79	79	475 475	337	---	337	---	---	---	---	---	---	---	---	722
5220153	Health Sector I																
		G	80	84	3114 3114	840	58	225	580	1055	800	---	---	---	---	---	719
		L	80	84	10965 10965	5000	3000	800	---	5260	---	2965	---	---	---	---	718
5220162	Eye Care Program - OPG																
		G	79	79	156 156	153	---	153	---	---	---	---	---	---	---	---	347
5220165	Municipal Development Bank																
		L	80	80	3000 3000	3000	---	1000	---	1000	---	---	---	---	---	---	710
5220166	Rural Water and Sanitation																
		G	80	80	500 500	500	---	80	---	120	---	---	---	---	---	---	707
		L	80	80	10000 10000	9997	---	2767	---	2722	---	---	---	---	---	---	706
5229108	Program Development and Support																
		G	73	C	831 831	82	5	60	50	100	50	---	---	---	---	---	734
APPROPRIATION		TOTAL		29689	29689	20139	3063	5647	630	10257	850	2965	---	---	---	---	
		GRANT		5724	5724	2142	63	1080	630	1275	850	---	---	---	---	---	
		LOAN		23965	23965	17997	3000	4567	---	8982	---	2965	---	---	---	---	

A.I.D. PROGRAM IN FY 1983
ANNUAL BUDGET SUBMISSION
TABLE IV - PROJECT BUDGET DATA

522 - HONDURAS

BUREAU FOR LATIN AMERICA AND CARIBBEAN

PROJECT NUMBER	G L	OBLIG DATE INIT	FLN	LOPCOST AUTH PLAN	FY 80 PIPE-LINE	---FY 1981---		---FY 1982---		ESTIMATED U.S. DOLLAR COST (\$000)					ITEM NO
						OBLIG- ATIONS	EXPEND- ITURES	OBLIG- ATIONS	EXPEND- ITURES	FY 83 AAPL	FY 84 OBL	FY 85 OBL	FY 86 OBL	FY 87 OBL	
SELECTED DEVELOPMENT ACTIVITIES															
5220073 Special Development Activities															
	G	66	80	---	---	49	---	49	---	---	---	---	---	---	---
5220120		Agro-Industrial Export Development													
	G	76	79	1220	1220	420	---	420	---	---	---	---	---	---	729
5220137		Rural Trails													
	G	78	79	400	400	225	---	225	---	---	---	---	---	---	724
5220155		Urban Upgrading													
	G	80	81	200	200	100	100	48	---	121	---	---	---	---	716
5220165		Municipal Development Bank													
	G	80	80	250	250	250	---	176	---	71	---	---	---	---	---
	L	80	80	1000	1000	1000	---	189	---	600	---	---	---	---	708
5220169		Special Development Activities													
	G	81	C	50	350		50	50	50	50	50	50	50	50	701
5220179		Federation of Industrial Coops - OPG													
	G	80	80	70	70	70	---	70	---	---	---	---	---	---	344
5220183		Environmental Education													
	G	80	80	25	25	25	---	25	---	---	---	---	---	---	307
5229106		Program Development and Support													
	G	73	C	---	1042	120	150	140	160	295	250	---	---	---	732
5229997		Proposed OPG													
	G	82	82	---	200	---	---	---	200	100	---	---	---	---	343
5229997		Proposed OPG													
	G	83	83	---	100	---	---	---	---	100	---	---	---	---	---
APPROPRIATION		TOTAL		3215	4857	2259	300	1392	410	1240	400	50	50	50	---
		GRANT		2215	3857	1259	300	1203	410	640	400	50	50	50	---
		LOAN		1000	1000	1000	---	189	---	600	---	---	---	---	---
COUNTRY		TOTAL	158099	200701	84466	23962	36228	29000	46036	27000	13295	312	50	50	---
		GRANT	34312	49914	11704	5262	7087	12000	9878	7278	3230	312	50	50	---
		LOAN	123787	156387	72762	18700	29141	17000	36158	19722	10065	---	---	---	---

ENERGY FOR RURAL DEVELOPMENT

Project Number: 522-0191
Project Title: Energy for Rural Development

Project Funding:

(US\$000)	FY 1983	LOP
GRANT	1,000	1,000
LOAN	5,000	5,000
TOTAL	6,000	6,000

Functional Account: Agriculture, Rural Development and Nutrition

Purpose

The purpose of this project is to further develop objectives, strategies, and programs in the energy sector, and to develop alternate energy sources and conservation techniques.

Problem

The A.I.D. financed Central American Energy Assessment by the Mitre Corporation (March, 1980) provides a useful summary of energy use, production and planning data for Honduras. Energy figures cited in this narrative are from the assessment.

The task of GOH energy planners is to assure adequate energy supplies at reasonable prices in order to support continued economic growth. As imported petroleum now accounts for 46 percent of total energy consumption and 17 percent of all imports, development of indigenous sources is essential to accomplish this task. Likewise, emphasis on conservation to reduce demand is likely to have highly favorable economic benefits. In general, there appear to be limited prospects for development of indigenous sources.

The World Bank has made a \$3 million loan to assist the GOH in developing a regulatory capability for petroleum development. While there are indications that oil bearing strata may exist within Honduras, exploration to date has failed to locate any commercially exploitable quantities.

Honduras has the most abundant forest resource in Central America, and its use as an energy source is apparent: in 1977, 47% of all energy consumed was in non-fossil fuels (fuelwood and agricultural wastes). Unfortunately, uncontrolled fuelwood use has already seriously deteriorated forests and watersheds, and large scale exploitation of this resource may be inconsistent with long range forestry development objectives.

Lignite and geothermal potential require further investigation, but appear unlikely to be economically feasible for the foreseeable future.

Honduras is blessed with significant hydro resources and has embarked on an ambitious program of hydroelectric power development through the El Nispero (\$58 million) and the El Cajon (\$600 million) projects. However, even after completion of these projects, there will still be numerous isolated diesel powered plants that will not be immediately connected to the grid, and there are large areas of the country in which electrical energy is not available at present.

On the demand side of energy economics, the Honduran strategy is to reduce consumption of energy through conservation, improve the efficiency of industrial energy use and promote better utilization of agricultural and forestry wastes.

Host country institutions involved in energy include the National Electric Company (ENEE), the Ministry of Economy, the Economic Planning Council (CONSUPLANE), the Ministry of Natural Resources (MNR), the Forestry Development Corporation (COHDEFOR), the National University (UNAH), and the Industrial Development Center (CDI). Partly because of this proliferation of government entities concerned with energy matters and the apparent lack of coordination among them, there has been some discussion of the formation of an energy ministry or coordinating body.

Proposed Project

The Project will include activities to augment the GOH capacity to further rationalize energy use, and more specifically, delineate available resources to improve the utilization of alternate and/or renewable resources and to implement small, rural energy development projects. The USAID has already sponsored several Hondurans for advanced energy training under central A.I.D. projects.

The Mitre Corporation Report outlined a number of energy resources which require further evaluation and recommended that A.I.D. assist in demonstration projects in rural energy development. Continuing coordination with ROCAP projects - particularly the Fuelwood and Alternative Energy Sources Project - and the Peace Corps is planned. Possible Project activities include:

1. Institutional Development

- 1.1 Improve GOH energy policies and regulations affecting small energy use and planning and programming capabilities.
- 1.2 Improve and expand the human resource base through external training.
- 1.3 Expand the applied research capacity to develop and adapt energy technologies in small hydro, solar, and biomass.

2. Energy Demonstration

- 2.1 Develop and test new policies and incentives for energy conservation and renewable energy development and use.
- 2.2 Install mini (10-100 kw) and small (100-1000 kw) hydroelectric facilities in remote areas where interconnection with the national power grid is not feasible.
- 2.3 Develop, install, and test small demonstration projects such as: combustion/steam, and producer gas plants, solar dryers and hot water heaters.

Host Country and Other Donors: The Taiwan Power Commission is assisting ENEC in the identification and preliminary assessment of small hydroelectric sites. The UNDP has provided assistance for geothermal studies but almost no exploration has been done to quantify potential. ROCAP's Fuelwood and Alternative Energy Sources Project will provide valuable research and development results appropriate for application in Honduras.

Target Groups

The principal beneficiaries of the proposed project will be the low income rural population which currently does not have access to low-cost energy for domestic and light industrial consumption.

FY 1983 ANNUAL BUDGET SUBMISSION

TABLE V - FY 1983 PROPOSED PROGRAM RANKING						TECHNICALS/STAFF						
RANK	DECISION PACKAGES/PROGRAM ACTIVITY DESCRIPTION	ONGOING/ NEW	LOAN/ GRANT	APPROP. ACCOUNT	PROGRAM FUNDING (\$000)		WORKFORCE (Number of Workmonths)					
					INCR	CIM	USBI		PWH			
							INCR	CIM	INCR	CIM		
<u>DECISION PACKAGE MINIMUM</u>												
<u>Pipeline Projects</u>						(33,488)						
							396	396	396	396		
<u>New and Continuing Projects</u>												
1	522-0139 Agricultural Research	0	G	ARDN	300	300						
2	522-0150 Agriculture Sector II	0	G	ARDN	500	800						
3	522-0150 Agriculture Sector II	0	L	ARDN	2,000	2,800						
4	522-0157 Rural Technologies	0	G	ARDN	1,000	3,800						
5	522-0164 Access Roads and Rural Trails	0	L	ARDN	2,970	6,770						
6	522-0168 Natural Resources Management	0	G	ARDN	743	7,513						
7	522-0168 Natural Resources Management	0	L	ARDN	2,752	10,265						
8	522-0176 Coffee Production, Expansion and Improvement	0	G	ARDN	150	10,415						
9	522-0177 Cooperative Development FACAGH (OPG)	0	G	ARDN	100	10,515						
10	522-0178 Small Farmer Credit Systems	0	L	ARDN	7,000	17,515						
11	522-0178 Small Farmer Credit Systems	0	G	ARDN	1,000	18,515						
12	522-9103 PD&S	0	G	ARDN	285	18,800						
13	P.L. 480 Title I/III				(8,000)							
14	522-0153 Health Sector I	0	G	POP	250	19,050						
15	522-9103 PD&S	0	G	HEA	50	19,100						
16	522-0153 Health Sector I	0	G	HEA	800	19,900						
17	522-9105 PD&S	0	G	ER	200	20,100						
18	522-4802 P.L. 480 Title II - CARE-CRS				(5,508)							
19	522-0169 Special Development Activities	0	G	SDA	50	20,150						
20	522-9106 PD&S	0	G	SDA	250	20,400						
21	Basic Workforce Total Minimum Package and Related Workforces					20,400			396		396	
<u>DECISION PACKAGE AAPL</u>												
22	522-9997 Proposed OPGs	N	G	POP	500	20,900						
23	522-0191 Energy for Rural Development	N	G	ARDN	1,000	21,900						
24	522-0191 Energy for Rural Development	N	L	ARDN	5,000	26,900						
25	522-9997 Proposed OPGs	N	G	SDA	100	27,000						
26	Workforce increment AAPL Package TOTAL AAPL Package and Related Workforce					6,600						

PROPOSED PROGRAM RANKING NARRATIVE

As described in the narrative attached to Table I, the bulk of this Mission's effort to pay off its mortgage occurs in FY 1983. Nearly three-fourths of the AAPL for FY 1983 will go for incremental funding for ongoing projects. This level is largely dictated by the need to make commitments and expenditures for these projects during FY 1983 and early FY 1984. The aggregate of this incremental funding is our Minimum Decision Package. Within this package, we have not attempted to rank the various projects as they all have essentially the same characteristics. The Minimum Package also includes FY 1983 increments to ongoing P.L.480 Title I/III and Title II programs.

In its AAPL Decision Package, the Mission proposes that we undertake one major new loan/grant project (522-0191), Energy for Rural Development, plus two new OPG's. One of the OPG's will continue the expansion of the Honduran Family Planning Associations' program and the other will be in support of small scale private sector employment generation activities.

Since the Mission's FY 1983 AAPL of \$27 million is less than its FY 1982 Congressional Presentation level, only two packages are presented. At the Minimum level of \$20,400,000, we would be scaling down our objectives, particularly in the Population Sector and would be passing up or postponing an important opportunity in the Energy/Rural Development Sector. It should also be noted that the Minimum Package is less than half our expected FY 1982 expenditure level of \$46 million, a level we fully expect to carry into FY 1983. At both the Minimum and AAPL levels, our expenditure rate in future years will be forced to decline as our pipeline shrinks. We believe this will be considered undesirable by policy makers, and recommend that our FY 1983 and future AAPL's be increased to at least the \$40 million level. While no increase in USDH workforce is indicated between the FY 1983 Pipeline, Minimum and AAPL levels, there is an addition of two full-time PASA technicians between the Pipeline and Minimum levels.

USAID/HONDURAS

WORKFORCE AND OPERATING EXPENSES

TABLE VIII
OPERATING EXPENSE SUMMARY

COST SUMMARIES	FY 1980		FY 1981		FY 1982	
	(\$000's)	Related Workyear Cost	(\$000's)	Related Workyear Cost	(\$000's)	Related Workyear Cost
US Direct Hire	1449.2	30.2	1740.7	33.9	1711.4	33
FN Direct Hire	443.8	33	508.8	33	581.9	33
US Contract Personnel	141.0	3.4	171.3	3.6	213.5	4
FN Contract Personnel	12.7	2.3	24.0	3.1	98.3	9
Housing Expense	283.1	34	397.3	38.9	424.4	38
Office Operations	691.0		1077.5		1289.9	
Total Budget	3020.8		3919.6		4319.4	
Mission Allotment	1543.5		2054.0		2433.2	
FA/AS	240.2		344.6		396.3	
Trust Fund			0		0	

USAID/HONDURAS

WORKFORCE AND OPERATING EXPENSES

TABLE VIII
OPERATING EXPENSE SUMMARY

	Minimum/Current/AAPL FY 1983		
	(\$000's)	Related Workyear	Unit Cost
<u>COST SUMMARIES</u>			
US Direct Hire	1755.8	33	53.2
FN Direct Hire	613.1	33	18.6
US Contract Personnel	226.5	4	56.6
FN Contract Personnel	109.8	9	12.2
Housing Expense	595.1	38	15.6
Office Operations	1361.3		
Total Budget	4660.6		
Mission Allotment	2702.3		
FAAS	455.7		
Trust Fund	0		

Bureau: Bureau for Latin America and the Caribbean
 Decision Unit: USAID/Honduras

TABLE IX
 OVERSEAS WORKFORCE REQUIREMENTS SCHEDULE

DIRECTOR'S OFFICE

US/ FN	FUNC TION	SKILL	POSITION NUMBER	TITLE	LEVEL	PERS CAT	WORK SHC	FY 81	FY 82	AT MIN	-----FY 1983-----			FY 85
											AT CURR	AT AAPL	ABOVE PLAN LEVEL	
U	10	011	21012	Mission Director	S		40	12	12	12	12	12	12	12
U	10	012	21025	Deputy Mission Director	S		40	12	12	12	12	12	12	12
U	10	850	21060	Regional Legal Advisor	H		40	12	12	12	12	12	12	12
U	10	050	21035	Secretary	E		40	12	12	12	12	12	12	12
F	60	050		Translator	N		40	12	12	12	12	12	12	12
F	10	050		Secretary	N		40	12	12	12	12	12	12	12
F	10			Chauffeur	N		40	12	12	12	12	12	12	12
								TOTALS U	48	48	48	48	48	48
								TOTALS F	36	36	36	36	36	36

MANAGEMENT OFFICE

US/ FN	FUNC TION	SKILL	POSITION NUMBER	TITLE	LEVEL	PERS CAT	WORK SHC	FY 81	FY 82	AT MIN	-----FY 1983-----			FY 85
											AT CURR	AT AAPL	ABOVE PLAN LEVEL	
U	60	052	21051	Management Officer	H		40	12	12	12	12	12	12	12
F	60	072		C&R Supervisor	N		40	12	12	12	12	12	12	12
F	60	072		Assistant C&R Supervisor	N		40	12	12	12	12	12	12	12
F	60	072		Librarian	N		40	12	12	12	12	12	12	12
F	60	932		Purchasing Agent	N		40	7	12	12	12	12	12	12
F	60	050		Secretary	N		40	12	12	12	12	12	12	12
F	60	034		Assistant Office Manager	P		40	-	12	12	12	12	12	12
								TOTALS U	12	12	12	12	12	12
								TOTALS F	55	48	48	48	48	48

PROGRAM AND CAPITAL RESOURCES

US/ FN	FUNC TION	SKILL	POSITION NUMBER	TITLE	LEVEL	PERS CAT	WORK SIC	FY 81	FY 82	AT MIN	AT CURR	AT ANPL	ABOVE PLAN LEVEL	FY 84	FY 85					
																-----FY 1983-----				
U	20	023	23112	Program Officer	S		40	6	6	6	6	6		6	6					
U	30	023	23112	Program Officer	S		40	6	6	6	6	6		6	6					
U	30	940	25012	Capital Resources Dev. Officer	H		40	6	6	6	6	6		6	6					
U	40	940	25012	Capital Resources Dev. Officer	H		40	6	6	6	6	6		6	6					
U	20	023	23120	Deputy for Program/Economist	H		40	12	12	12	12	12		12	12					
U	30	940	25022	Capital Projects Dev. Officer	H		40	12	12	12	12	12		12	12					
U	30	940	25028	Capital Projects Dev. Officer	H		40	12	6	12	12	12		12	12					
U	40	940	25035	Asst. Capital Proj. Dev. Off.	M		40	12	12	6	6	6		4	12					
U	40	940	25033	Asst. Capital Proj. Dev. Off.	M		40	2	12	12	12	12		6	--					
U	30	020		IDL Position	E	I	40	10	--	--	--	--		--	--					
U	40	940		IDL Position	E	I	40	3	8	--	--	--		--	--					
U	40	020		IDL Position	E	I	40	--	--	4	4	4		8	--					
U	40	940		IDL Position	E	I	40	--	--	--	--	--		--	--					
F	20	073		Program Assistant	N		40	12	12	12	12	12		12	12					
F	20	020		Economic Specialist	P		40	12	12	12	12	12		12	12					
F	30	050		Secretary	N		40	12	12	12	12	12		12	12					
													TOTALS U	87	86	82	82	78	78	
													TOTALS F	36	36	36	36	36	36	36

HUMAN RESOURCES DEVELOPMENT

US/ FN	FUNC TION	SKILL	POSITION NUMBER	TITLE	LEVEL	PERS CAT	WORK SHC	FY 81	FY 82	AT MIN	AT CURR	AT AAPL	AT PLAN LEVEL	FY 84	FY 85	
																-----FY 1983-----
U	40	091	27013	General Development Officer	S		40	12	12	12	12	12	12	12	12	
U	40	502	27046	Public Health Advisor	H		40	12	12	12	12	12	12	12	12	
U	40	600	27043	Education Advisor	H		40	12	12	6	6	6	6	6	12	
U	40	600	27044	Education Advisor	H		40	6	12	12	12	12	12	12	12	
U	40	090	27039	Human Resources Dev. Advisor	H		40	12	12	--	--	--	--	--	--	
U	40	502		IDI Position	E	I	40			6	6	6	6	6	--	
U	40	804		Social Analyst	H		40			12	12	12	12	12	12	
U	40	700		Public Administration Spec.	H		40			12	12	12	12	12	12	
F	40	500		Program Specialist (Nutrition)	P		40	12	12	12	12	12	12	12	12	
F	40	910		Participant Training Specialist	N		40	12	12	12	12	12	12	12	12	
F	40	075		Program Assistant	N		40	12	12	12	12	12	12	12	12	
F	40	050		Secretary	N		40	12	12	12	12	12	12	12	12	
F	40	050		Secretary	N		40	12	12	12	12	12	12	12	12	
TOTAL U								54	60	72	72	72	72	72	72	
TOTAL F								60	60	60	60	60	60	60	60	60

ENVIRONMENT AND TECHNOLOGY

US/ FN	FUNC TION	SKILL	POSITION NUMBER	TITLE	LEVEL	PERS CAT	WORK SHC	FY 81	FY 82	AT MIN	AT CURR	AT AAPL	AT PLAN LEVEL	FY 84	FY 85
U	40	091	28017	General Development Officer	H		40	12	12	12	12	12	12	12	12
U	40	091	28021	Asst. Gen. Development Officer	M		40	12	12	12	12	12	12	12	12
U	40	250	20225	Natural Resources Advisor	M		40	4	12	2	2	2	2	6	12
U	40	250		Watershed Mgt. Specialist	M	P	40	12	12	12	12	12	12	12	12
U	40	250		IDI Position	E	I	40	8	--	--	--	--	--	--	--
U	40	091		Asst. Gen. Development Officer	M		40	--	--	6	6	6	6	12	12
U	40	091		IDI Position	E	I	40	--	--	12	12	12	12	6	--
F	40	073		Program Assistant	N		40	12	12	12	12	12	12	12	12
F	40	091		Program Specialist	P		40	--	--	12	12	12	12	12	12
TOTAL PASA								12	12	12	12	12	12	12	12
TOTAL U								36	48	44	44	44	44	48	48
TOTAL F								12	24	24	24	24	24	24	24

CONTROLLER

US/ FN	FUNC TION	SKILL	POSITION NUMBER	TITLE	LEVEL	PERS CAT	WORK SIC	FY 81	FY 82	AT MIN	AT CURR	AT AAPL	ABOVE PLAN LEVEL	FY 84	FY 85
U	50	043	23013	Controller	H		40	12	12	12	12	12		12	12
U	50	042	23034	B&A Officer	H		40	12	12	12	12	12		12	12
U	50	041	23022	Accountant/Financial Analyst	H		40	12	12	12	12	12		12	12
U	50	041		IDI Position	E	I	40	5	6						
F	50	040		Program Specialist (Cont)	P		40	12	12	12	12	12		12	12
F	50	040		Accountant	P		40	12	12	12	12	12		12	12
F	50	040		Accountant	P		40	12	12	12	12	12		12	12
F	50	040		Accountant	P		40	12	12	12	12	12		12	12
F	50	040		Accountant Tech.	N		40	12	12	12	12	12		12	12
F	50	040		Voucher Examiner	N		40	12	12	12	12	12		12	12
F	50	040		Voucher Examiner	N		40	12	12	12	12	12		12	12
F	50	040		Voucher Examiner	N		40	12	12	12	12	12		12	12
F	50	050		Secretary	N		40	12	12	12	12	12		12	12
								TOTAL U	41	42	36	36		76	36
								TOTAL F	152	132	132	132		132	132

JOINT ADMINISTRATIVE OFFICE

US/ FN	FUNC TION	SKILL	POSITION NUMBER	TITLE	LEVEL	PERS CAT	WORK SIC	FY 81	FY 82	AT MIN	AT CURR	AT AAPL	ABOVE PLAN LEVEL	FY 84	FY 85
U	60	055		Personnel Officer	M	J	40	12	12	12	12	12		12	12
								TOTAL U	12	12	12	12		12	12
						TOTAL FOR DECUMIT	814	828	828	804	828	828		828	828

WORK MONTHS SUMMARY

	---FY 1981----			---FY 1982----			---FY 1983----			---FY 1984----			---FY 1985----		
	P	U	F	P	U	F	P	U	F	P	U	F	P	U	F
OFFICE															
Director's		48	36		48	36		48	36		48	36		48	36
Management		12	55		12	48		12	48		12	48		12	48
PCR		87	36		86	36		82	36		78	36		78	36
ENG		24	24		24	24		24	24		24	24		24	24
AGR	24	73	36	24	64	36	24	66	36	24	66	36	24	66	36
HRD		54	60		60	60		72	60		72	60		72	60
OET	12	36	12	12	48	24	12	44	24	12	48	24	12	48	24
CONT		41	132		42	132		36	132		36	132		36	132
JAO		12	0		12	0		12	0		12	0		12	0
TOTALS	36	387	391	36	396	396	36	396	396	36	396	396	36	396	396

AUTOMATIC DATA PROCESSING (ADP) AND WORD PROCESSING (WP) REPORT

Narrative Statement - ADP/WP

USAID/H has been operating a combined data processing/word processing WANG computer system since mid-FY 1980. Current plans are to install the Master Accounting and Control System (MACS) during the first quarter of FY 1982. The equipment owned is a WANG 2200VS with 7 CRT's, 2 75MB disk drives, 1 300 LPM printer, and 3 daisy wheel printers. This system must be expanded with 5 CRT's, one 600 LPM printer, and one 288MB disk drive in order to install MACS. Since these items will be funded by FM in FY 1981, financial requirements will not be estimated here.

Mission is planning to acquire new ADP/WP resources in FY 1982 and FY 1983. This includes a 600 LPM printer for combined ADP/WP use, with minimum funding priority and a VS100 256K CPU, with AAPL funding priority. The VS100 CPU would be acquired after evaluating the performance of MACS.

Table VIII (a)ADP/WP Systems Inventory

	FY'81	FY'82	FY'83
A. Capital Investments			
1. Purchase of ADP equipment	12,366	99,408	0
2. Purchase of Software			
SUBTOTAL	<u>12,366</u>	<u>99,408</u>	<u>0</u>
B. Personnel			
1. Compensation, Benefits, Travel	0	0	0
2. Workyears	0	0	0
SUBTOTAL			
C. Equipment Rental & Other Operating Costs			
1. ADP Rentals	0	0	0
2. Supplies and Leased Software	0	0	0
SUBTOTAL			
D. Commercial Services			
1. ADP Service Bureau	0	0	0
2. Systems Analysis and Programming	24,528	40,000	45,000
3. ADPE Maintenance	20,000	25,000	35,000
SUBTOTAL			
E. Total Obligations (A-D)	56,894	164,408	80,000
F. Interagency Services			
1. Payments			
2. Offsetting Collections	8,557	17,680	17,680
G. GRAND TOTAL (EFF)	48,337	146,728	62,320

USAID HONDURAS

P.L. 480 NARRATIVE

A. Current P.L. 480 Programs

A \$5.8 million Title I Agreement was signed with the GOH on May 22, 1981. The Agreement calls for the importation of approximately 20,000 M.T. of wheat. Proceeds from the sale of the wheat to millers are to be used to help support 11 self-help activities in the agricultural sector. Three of these carry high priority: (1) to support ongoing agricultural and health sector activities under current A.I.D. development agreements; (2) to assist the National Agricultural Development Bank (BANADESA) improve its program of agricultural credit support to small Honduran farmers and (3) to provide additional GOH inputs in the agricultural diversification program of non-traditional crop development for both export and internal marketing from small farms.

A Title I/III Agreement was also in force with the GOH from FY 1979 and FY 1980 under which 24,000 MT of wheat, worth a total of \$4.0 million, was imported. The proceeds from the sale of these concessionary wheat imports have been designated under the "Food for Development" terms of Title III to support the basic grains price and market supply stabilization program of the GOH. The local currency generated was utilized to buy commodities in short supply, to support a minimum price/purchase program with small farmers, to improve grain storage and handling equipment of IHMA (the Honduran Institute of Agricultural Marketing) and to contract technical assistance in grain marketing research and operations management.

USAID/Honduras currently has P.L. 480 Title II Agreements with both CARE and Catholic Relief Services of Honduras (CRS). CRS distributes, through CARITAS, P.L. 480 Title II food under two program categories: Maternal Child Health and Food-for-Work. CARE continues to utilize Title II food in three distinct program activities: School Feeding, Maternal/Child Health and Other Child Feeding. Each of the programs is discussed in detail later in this narrative.

Political instability and agricultural sector dislocations in countries surrounding Honduras in recent years have caused market price and supply distortions for basic grains, the staple food of the Honduran population. Monies generated from the P.L. 480 Title I and Title III programs have been used to support a program to ensure a stable food supply of these basic grains at fair prices. Distortions in marketing factors have been kept to a minimum because of the GOH food stabilization program partially supported by our P.L. 480 Agreements. It has also made the Mission's other development assistance activities, particularly with small farmers, more effective as they accept production improvement recommendations in a climate of more stable prices and certainty of

markets for their products. A Program Evaluation (PES No. 522-81-12) conducted in late 1980 indicated that the GOH basic grains price and supply stabilization program is making progress, but requires an improvement in its information base on which to make accurate policy decisions. This should be accomplished with the Kansas State University T.A. Contract, additional training and further Title I/III assistance.

The Government of Honduras is attempting to address the malnutrition problem through large-scale, comprehensive programs to improve food production, food marketing, distribution and storage systems, a concerted effort to improve public health, water supply, and environmental sanitation services. The National Nutritional Planning and Analysis System (SAPLAN) has been established to refine the definition of the problem and attempt to coordinate planning to address it. During the period 1980-1983, SAPLAN will implement a nation-wide surveillance system, conduct evaluations of nutrition related activities, and undertake the design and coordination of nutrition related programs of various ministries and agencies.

Among the problems faced by ongoing supplementary feeding programs are inadequate monitoring and supervision, inadequate storage facilities in the distribution network, lack of utensils at feeding centers, and lack of coordination between programs. The Mission and the voluntary agencies are proposing various means, including outreach grants, to help solve these problems in order to contribute to the goal of reducing by 1983-84 the level of malnutrition among children from the present 75% to 60% and among new-born infants from the present 30% to 20%. Components of the Health Sector I Project (522-0153) and the Rural Water and Sanitation Program (522-0166) also contribute to this goal. The beneficiary levels of supplementary feeding programs will be increased as effectiveness, efficiency, and development impact of these programs are improved.

B. P.L. 480 Title I/III Request

Although Honduras had projected surplus corn, bean and rice production for the 1980-1985 period in earlier estimates, these targets were not met in the 1980-81 crop year. According to the crop forecast by the USDA Agricultural Attache Office, several factors have combined to cause shortfalls, including flood damages, tight credit, disease, and market disequilibria in surrounding countries. The same source anticipates that Honduras will import 70,000 M.T. of corn in 1981 and early 1982 to supplement a 1980 crop reported to be 358,000 M.T. Dry bean production in 1980 of less than 40,000 M.T. will require imports of 7,000 to 8,000 M.T. to meet expected requirements in 1981-82. Similarly, a rice crop of 41,500 M.T. (paddy basis) will require importing 2,000 to 3,000 M.T. to meet needs in 1981-82.

Since Honduras has all but stopped wheat production due to agronomic and climatic factors, all wheat must be imported to meet a rapidly increasing domestic demand. Wheat consumption has been growing at about 10 per cent per year, and will require approximately 97,000 M.T. in 1982. This represents a significant demand on Honduras' balance of payments. Bulk grain storage capacity (excluding on-farm storage) in the country has increased to approximately 109,000 M.T., and port handling capacity has been increased to 1,000 M.T. per day.

P.L. 480 Title I/III financing will make an important contribution to Honduras' difficult macroeconomic situation. Recent balance of payments deterioration has been caused by declining exports earnings as a result of soft prices for Honduras' exports, especially coffee. The total quantities of Honduras' four major exports (bananas, coffee, meat, and wood), actually decreased in the 1980-81 period. Total export earnings rose only 10 per cent while import demand increased 23 per cent. Growth in Honduras' Gross Domestic Product will, unfortunately, be close to zero in 1981. At the same time, capital flight continues because of political conditions in surrounding countries and uncertainty at home. Slow economic growth has prevented the GOH from increasing its budget to meet the financial needs of an aggressive agricultural development program. With the P.L. 480 financing of wheat, foreign exchange losses will be reduced by an equivalent amount, while the GOH budget available for the rural sector will increase by a like amount.

The GOH projected budget deficit for 1981 is \$119 million. Since a significant portion of the GOH agricultural sector budget represents counterpart requirements, the level of commitment to agricultural development causes a large drain on scarce resources and P.L. 480 financing will be helpful in agricultural sector improvement programs.

Honduras has made an impressive commitment to agricultural development despite its limited resources. The GOH wishes to increase the resources directed to activities which have discernable impact on the welfare of the population in order to reinforce the public's positive attitude regarding constitutional government. External assistance through P.L. 480 will help it accomplish this goal.

USAID/H has initiated discussions with GOH officials concerning major elements of a proposed three-year Title I/III Agreement covering FY 1982-84. Final definition of the activities to be financed under this agreement cannot be done until preliminary analyses are completed and bilateral negotiations concluded. The activities which are presently being analyzed are the following:

1. Credit Crop Insurance Program

This program would provide seed capital and initial operating costs for a private credit crop insurance company owned and controlled by farmer associations and cooperatives. Credit crop insurance has been

promoted on a regional pilot basis and is proving successful at promoting increased use of technologies by small farmers. This activity would complement the proposed Small Farmer Credit Program and pursue the policy objective of reform of the Honduran rural credit markets.

2. Water Resources Management

Funds would be provided to finance a series of activities to improve the institutional capability of the GOH to develop its water resources. These activities would include improvement of water resource planning, adaptive research, training and demonstration in irrigation and drainage, human resource development, extension efforts in low cost irrigation, development of water user organizations, and construction of small dams. This activity complements the USAID assisted Natural Resources Project and pursues the policy objective of refocusing GOH resource allocations toward increased farmer access to improved factors of production.

3. Farmer Training Program

This activity would fund an integrated, expanded effort at farmer training in Honduras. An inter-institutional farmer training committee was recently created to coordinate the efforts of all institutions providing training programs to the target population. This committee has requested USAID assistance in financing an expanded program of farmer training by all GOH institutions represented. This activity would directly complement human resource development under the Agriculture Sector II Program, and would focus on increasing the productive capability of both men and women in the small farmer and agrarian reform sectors.

4. Institutional Strengthening of the Public Agricultural Sector

This activity would fund the local costs required to achieve a reorganization of the Ministry of Natural Resources. The operational arms of the Ministry would be separated into autonomous institutes under the control of the Minister and his small, highly qualified staff. This reorganization would accompany a reform of salary levels for sector employees and would complement the institutional development activities under the Agriculture Sector II Program. This activity would directly pursue the policy objective of improved GOH service delivery to the agriculture sector.

5. IHMA Basic Grain Price Stabilization

Funds under this activity would be used to complete financing of technical assistance and training to the Honduran Agricultural Marketing Institute initiated under the 1979-80 P.L. 480 Title I/III Agreement. Funds under that agreement financed the first two years

of a four-year effort to improve the institutional capability of the Marketing Institute. Funds would also be provided to finance small scale storage activities developed by the contract technical assistance team. This activity pursues the policy of rationalizing GOH interventions in the marketing of basic grains.

6. Land Sale

This activity would finance a program to promote greater private sector financing of land transfers. Title I/III funds would finance the sale of large estates in traditional areas of Honduras to small individual farmers. This activity complements the USAID proposed Small Farmer Titling and Services development assistance project and pursues the policy objective of an equitable and productive land distribution pattern in Honduras based on the market system and individual incentives.

7. Diversified Crop Marketing

This effort would finance research in non-traditional crops, preparation of feasibility studies, and development of private marketing organizations to stimulate exports and improve internal marketing efficiency for non-traditional crops. The activity would be an outgrowth of the USAID-assisted Agro-Industrial Development Project and pursue the policy objective of increased private sector involvement in the development process.

8. Regional Cooperative Development

During the last two years fourteen multi-service, multi-community agricultural cooperatives have been created spontaneously in rural Honduras, and a number of others are currently being created. This activity would provide resources to these organizations to finance contracting of competent personnel, procurement of equipment and provision of working capital, in an effort to provide professional competence to an indigenous popular movement.

All of the proposed activities interface well with other USAID assisted efforts to improve the GOH ability to efficiently and effectively serve Honduran small farmers. The selection of these activities is based on the 1978 Agricultural Sector Assessment, recent efforts to supplement that assessment, and experience gained during initial implementation of the Agriculture Sector II Program. Therefore, although the activities to be financed are discrete, they should be seen as integral parts of the overall policy objectives of that sectoral effort.

C. P.L. 480 Title II Request

Malnutrition is a serious problem in Honduras; approximately 80% of the population is at risk of malnutrition as a result of low income levels, and the groups most seriously affected are infants and children under the age of 14, 75% of whom suffer some degree of malnutrition. The principal nutritional problems in Honduras are protein and caloric malnutrition (PCM) and vitamin, iodine, and iron deficiencies caused by dietary inadequacies or the presence of gastro-intestinal infections and infestations which prevent the proper absorption of food and exacerbate the already serious health problems of the country. The prevailing poor health conditions linked with malnutrition produce a high incidence of contagious diseases to which resistance is very low. The resulting infant mortality rates of 103/1000 lives births testifies to the seriousness of the problem.

P.L. 480 Title II commodities are supplied to selected groups of people in rural areas and marginal urban areas where the incidence of serious malnutrition is highest and risk of permanent damage is greatest; i.e., among primary school children and pregnant or lactating mothers and their infants. Since domestic production of traditional foodstuffs has not kept pace with population growth over the past several years, and since agricultural production and health improvement efforts still require some time for their impact to be felt in this regard, there is a growing need for these commodities in the near term.

The Mission strategy is two-fold, addressing both the obvious humanitarian and GOH developmental concerns. The strategy is based on the recognition that the scarcity of human resources for development is the single most serious and pervasive problem in all sectors and that malnutrition is the root cause of this deficit. The Mission is working with the GOH in a comprehensive agricultural sector program which will effect systemic changes in the sector to increase incomes in the small farmer target group, and stimulate production for domestic consumption. The current GOH policy is to attain full self-sufficiency in most basic grains, fruits and vegetables, and oilseeds over the life of the 1979-83 National Development Plan. This policy is being addressed with programs which involve production of these commodities on small farms, cooperatives, and agrarian reform settlements since these families form the bulk of the nutritionally at risk population in rural areas.

The Project Evaluation dated January 22, 1981 (PES No. 522-81-9) indicated that, while there is need for improvement in the handling of this program by VolAgs, they are functioning reasonably well and efforts are underway to increase their efficiency.

D. Storage and Distributions and Disincentives

With respect to P.L. 480 commodities, the Mission has determined that existing storage facilities and distribution mechanisms are adequate to handle current and potential needs. Further, it has been determined that there will be minimal production disincentives to farmers as a result of these P.L. 480 programs.

USAID HONDURAS
FY 1983 ANNUAL BUDGET SUBMISSION

TABLE XI
PL-480 TITLE I/III REQUIREMENTS
(Dollars in Millions, Tonnage in Thousands)

Commodity: Wheat
Title I (of which 1982 and 1983 are Title III)

<u>FISCAL YEAR</u>	<u>A G R E E M E N T</u>		<u>S H I P M E N T S</u>		<u>CARRY-IN TO NEXT FY</u>	
	<u>\$</u>	<u>MT</u>	<u>\$</u>	<u>MT</u>	<u>\$</u>	<u>MT</u>
1981	3.8	20.0	3.8	20.0	0	0
1982	7.5	38.0	7.5	38.0	0	0
1983	8.0	38.0	8.0	38.0	0	0

COMMENTS CONCERNING POINTS RAISED IN ABS GUIDANCE:

- (1) Rationale for program increase will be found in the P.L. 480 Narrative.
- (2) Time frame for delivery is not restricted except that port and storage facilities cannot accept more than 30,000 MT per month.
- (3) See P.L. 480 Narrative.
- (4) Mission proposes that there be no change in terms and conditions.
- (5) None.

USAID/HONDURAS
FY 1983 ANNUAL BUDGET SUBMISSION

TABLE XII
P.L. 480 TITLE I/III

Supply and Distribution
 (000 Metric Ton)

<u>STOCK SITUATION</u>	<u>FY 1981</u>	<u>Estimated FY 1982</u>
Commodity -- <u>Wheat</u>		
Beginning Stocks	7.7	2.0
Production	0	0
Imports		
Concessional	25.5	44.0
Non-Concessional	56.8	59.0
Consumption	88.0	97.0
Ending Stocks	2.0	8.0

COMMENTS ON POINTS RAISED IN ABS GUIDANCE:

- (1) FY 1981 ending stock is uncomfortably low.
- (2) We expect the same trends to hold for FY 1983.

FY 1983 ANNUAL BUDGET SUBMISSION

TABLE XIII(a)
PL 480 TITLE III. Country HONDURASSponsor's Name CARE1983A. Maternal and Child Health.....Total Recipients 110,000

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
110,000	Wheat Soy Blend	1,197.2	596.2
110,000	N.F.D.M.	1,197.2	501.6
110,000	A.P. Flour	897.9	303.5
110,000	Rice	897.9	457.9
110,000	Salad Oil	599.0	657.1
Total MCH		4,789.2	2,516.3

B. School Feeding.....Total Recipients 360,000

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
360,000	Wheat Soy Blend	3,265.2	1,626.1
Total School Feeding		3,265.2	1,636.1

C. Other Child Feeding - Institutions.....Total Recipients 4,000

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
4,000	Wheat Soy Blend	65.3	32.5
4,000	A.P. Flour	43.5	14.7
4,000	Rice	43.5	22.2
4,000	Salad Oil	21.8	23.9
Total - Institutions		174.1	93.3

C. Other Child Feeding - Guarderias.....Total Recipients 2,500

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
2,500	Wheat Soy Blend	40.8	20.3
2,500	N.F.D.M.	27.2	11.4
2,500	A.P. Flour	13.6	4.6
2,500	Rice	13.6	6.9
2,500	Salad Oil	13.6	14.9
Total - Guarderias		108.8	58.1

FY 1983 ANNUAL BUDGET SUBMISSION
 CARE OPERATIONAL PLAN AND MISSION REVIEW
 TABLE XIII(a)

PL 480 TITLE II

I. Country HONDURAS

Sponsor's Name CARE 1984

A. Maternal and Child Health.....Total Recipients 130,000

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
130,000	Wheat Soy Blend	1,414.9	704.6
130,000	N.F.D.M.	1,414.9	592.8
130,000	A.P. Flour	1,061.2	358.7
130,000	Rice	1,061.2	541.2
130,000	Salad Oil	707.5	776.1
Total MCH		5,659.7	2,973.4

B. School Feeding.....Total Recipients 420,000

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
420,000	Wheat Soy Blend	3,809.4	1,897.1
Total School Feeding		3,809.4	1,897.1

C. Other Child Feeding - Institutions.....Total Recipients 4,000

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
4,000	Wheat Soy Blend	65.3	32.5
4,000	A.P. Flour	43.5	14.7
4,000	Rice	43.5	22.2
4,000	Salad Oil	21.8	23.9
Total - Institutions		174.1	93.3

C. Other Child Feeding - Guarderias.....Total Recipients 2,500

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
2,500	Wheat Soy Blend	40.8	20.3
2,500	N.F.D.M.	27.2	11.4
2,500	A.P. Flour	13.6	4.6
2,500	Rice	13.6	6.9
2,500	Salad Oil	13.6	14.9
Total - Guarderias		108.8	58.1

FY 1983 ANNUAL BUDGET SUBMISSION
CARE OPERATIONAL PLAN AND MISSION REVIEW
TABLE XIII(a)

PL 480 TITLE II

I. Country HONDURAS

Sponsor's Name CARE

1985

A. Maternal and Child Health.....Total Recipients 150,000

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
(Thousands)			
150,000	Wheat Soy Blend	1,632.6	813.0
150,000	N.F.D.M.	1,632.6	684.1
150,000	A.P. Flour	1,224.5	413.9
150,000	Rice	1,224.5	624.5
150,000	Salad Oil	816.3	895.5
Total MCH		6,530.5	3,431.0

B. School Feeding.....Total Recipients 450,000

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
(Thousands)			
450,000	Wheat Soy Blend	4,081.5	2,032.6
Total School Feeding		4,081.5	2,032.6

C. Other Child Feeding - Institutions.....Total Recipients 4,000

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
(Thousands)			
4,000	Wheat Soy Blend	65.3	32.5
4,000	A.P. Flour	43.5	14.7
4,000	Rice	43.5	22.2
4,000	Salad Oil	21.8	23.9
Total - Institutions		174.1	93.3

C. Other Child Feeding - Guarderias.....Total Recipients 2,500

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
(Thousands)			
2,500	Wheat Soy Blend	40.8	20.3
2,500	N.F.D.M.	27.2	11.4
2,500	A.P. Flour	13.6	4.6
2,500	Rice	13.6	6.9
2,500	Salad Oil	13.6	14.9
Total - Guarderias		108.8	58.1

FY 1983 ANNUAL BUDGET SUBMISSION
 CARE OPERATIONAL PLAN AND MISSION REVIEW
 TABLE XIII(a)

PL 480 TITLE II

I. Country HONDURAS

Sponsor's Name CARE 1986

A. Maternal and Child Health.....Total Recipients 150,000

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
150,000	Wheat Soy Blend	1,632.6	813.0
150,000	N.F.D.M.	1,632.6	684.1
150,000	A.P. Flour	1,224.5	413.9
150,000	Rice	1,224.5	624.5
150,000	Salad Oil	816.3	895.5
Total MCH		6,530.5	3,431.0

B. School Feeding.....Total Recipients 450,000

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
450,000	Wheat Soy Blend	4,081.5	2,032.6
Total School Feeding		4,081.5	2,032.6

C. Other Child Feeding - Institutions.....Total Recipients 4,000

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
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4,000	A.P. Flour	43.5	14.7
4,000	Rice	43.5	22.2
4,000	Salad Oil	21.8	23.9
Total - Institutions		174.1	93.3

C. Other Child Feeding - Guarderias.....Total Recipients 2,500

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
2,500	Wheat Soy Blend	40.8	20.3
2,500	N.F.D.M.	27.2	11.4
2,500	A.P. Flour	13.6	4.6
2,500	Rice	13.6	6.9
2,500	Salad Oil	13.6	14.9
Total - Guarderias		108.8	58.1

FY 1983 ANNUAL BUDGET SUBMISSION
CARE OPERATIONAL PLAN AND MISSION REVIEW
TABLE XIII(a)

PL 480 TITLE II

I. Country HONDURAS

Sponsor's Name CARE

1987

A. Maternal and Child Health.....Total Recipients 150,000

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
150,000	Wheat Soy Blend	1,632.6	813.0
150,000	N.F.D.M.	1,632.6	684.1
150,000	A.P. Flour	1,224.5	413.9
150,000	Rice	1,224.5	624.5
150,000	Salad Oil	816.3	895.5
Total MCH		6,530.5	3,431.0

B. School Feeding.....Total Recipients 450,000

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
450,000	Wheat Soy Blend	4,081.5	2,032.6
Total School Feeding		4,081.5	2,032.6

C. Other Child Feeding - Institutions.....Total Recipients 4,000

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
4,000	Wheat Soy Blend	65.3	32.5
4,000	A.P. Flour	43.5	14.7
4,000	Rice	43.5	22.2
4,000	Salad Oil	21.8	23.9
Total - Institutions		174.1	93.3

C. Other Child Feeding - Guarderias.....Total Recipients 2,500

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
2,500	Wheat Soy Blend	40.8	20.3
2,500	N.F.D.M.	27.2	11.4
2,500	A.P. Flour	13.6	4.6
2,500	Rice	13.6	6.9
2,500	Salad Oil	13.6	14.9
Total - Guarderias		108.8	58.1

CARE OPERATIONAL PLAN AND MISSION REVIEW

1. Background

During 1980 CARE, with close cooperation from the Ministries of Education and Health, improved its distribution system and field supervision activities. As a result, CARE is in a position to increase the number of beneficiaries in both the MCH and SF programs. An A.I.D. audit conducted in 1980 indicated that CARE's management and controls were adequate and that its programs were effective.

2. Program Implementation - Recipient Categorya. School Feeding

The Mission has supported CARE's proposal to raise the number of recipients to 300,000 in the school feeding program during FY 1982 permitting approximately 45% of all enrolled primary school children to participate in the program. Ministry of Education supervisors have been working with CARE officials in a joint effort to conduct field inspections. These joint visits have not only improved programs at the school level, but also have served to increase the MDE knowledge of the program for better planning at the national level. In addition, many problems have been or are being solved; for example, transport problems with MDE contractors have been reduced substantially, thus increasing program efficiency. In addition to the P.L. 480 WSB, the Ministry of Education provides to the same beneficiaries a daily ration of 30.0 grams of NFD, donated by the European Economic Community, and 10.0 grams of locally purchased sugar. This provides 391.5 calories and 24.3 grams of protein a day, meeting approximately 19.1% of the calorie and 51.7 of the daily protein requirements of the recipients. The recipient levels proposed by CARE for school feeding program are as follows:

FY 1981	220,000
FY 1982	300,000
FY 1983	360,000
FY 1984	420,000
FY 1985	450,000

b. Maternal Child Health

As a result of increased cooperation between CARE and the Ministry of Health in improving the operation of the MCH program, the full authorized recipient level (85,000) of the program was reached in 1981, and the Mission has indicated its support for CARE's request to raise the level to 95,000 pregnant or lactating mothers and their infants. The commodities to be distributed among recipients will provide 438.0 calories and 23.36 grams of protein daily. Since almost 30% of

Honduran children 0-5 years of age (approximately 230,000) suffer from 2nd and 3rd degree malnutrition, the Mission has projected the following recipient levels:

FY 1981	85,000
FY 1982	95,000
FY 1983	110,000
FY 1984	130,000
FY 1985	150,000

c. Other Child Feeding

Title II assistance under this category reaches 6,500 beneficiaries and is projected to remain at that level throughout the multi-year period. This food distribution for children one to five years of age is carried out through day care centers, orphanages, and nutritional recuperation centers. The latter treat the most severe cases.

3. Management - P.L. 480 Title II Programs - CARE-Honduras

a. Staff

A CARE staff of three international, and twenty-three Honduran staff members is working on P.L. 480 projects and other CARE programs. The CARE offices are located in Tegucigalpa, San Pedro Sula and Puerto Cortes.

b. Commodity Accountability and Control

The FY 1982 ABS (June 1980) remains current in its presentation of the operational plan.

FY 1983 ANNUAL BUDGET SUBMISSION

TABLE XIII(b)

PL 480 TITLE III. Country HONDURASSponsor's Name Catholic Relief Services - USCC 1983A. Maternal and Child Health.....Total Recipients 37,500

No. of Recipients by Commodity	Name of Commodity	KGS	(Thousands) Dollars
Children 31,500	N.F.D.M.	407	171
Mothers 6,000	Rice	204	105
	Corn Soy Milk	204	95
	Soybean Salad Oil (cans)	204	225
Total MCH		1,275	1,211

B. School Feeding.....Total Recipients _____

No. of Recipients by Commodity	Name of Commodity	KGS	(Thousands) Dollars
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---	---	---	---
Total School Feeding		---	---

C. Other Child Feeding.....Total Recipients 3,000

No. of Recipients by Commodity	Name of Commodity	KGS	(Thousands) Dollars
Children 3,000	N.F.D.M.	33	14
	Rice	17	9
	Corn Soy Milk	17	8
	Soybean Salad Oil (cans)	17	19
Total Other Child Feeding		84	50

D. Food for Work.....Total Recipients 25,000

No. of Recipients by Commodity	Name of Commodity	KGS	(Thousands) Dollars
Voluntary 5,000	Rice	566	290
Dependent 20,000	Corn Soy Milk	566	290
	Soybean Salad Oil (cans)	95	104
Total Food for Work		1,227	568

E. Other (Specify).....Total Recipients _____

No. of Recipients by Commodity	Name of Commodity	KGS	(Thousands) Dollars
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---	---	---	---
Total Other		---	---

FY 1983 ANNUAL BUDGET SUBMISSION

TABLE XIII(b)

PL 480 TITLE III. Country HONDURASSponsor's Name Catholic Relief Services - USCC 1984A. Maternal and Child Health.....Total Recipients 47,000

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
Children 39,000	N.F.D.M.	510	215
Mothers 8,000	Rice	255	131
	Corn Soy Milk	255	119
	Soybean Salad Oil (cans)	255	746
Total MCH		1,275	1,211

B. School Feeding.....Total Recipients _____

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
---	---	---	---
---	---	---	---
Total School Feeding		---	---

C. Other Child Feeding.....Total Recipients 4,200

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
Children 4,200	N.F.D.M.	46	19
	Rice	23	12
	Corn Soy Milk	23	11
	Soybean Salad Oil (cans)	23	25
Total Other Child Feeding		115	67

D. Food for Work.....Total Recipients 42,000

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
Voluntary 7,000	Rice	950	487
Dependent 35,000	Corn Soy Milk	950	444
	Soybean Salad Oil (cans)	133	147
Total Food for Work		2,033	1,078

E. Other (Specify).....Total Recipients _____

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
---	---	---	---
---	---	---	---
Total Other		---	---

FY 1983 ANNUAL BUDGET SUBMISSION

TABLE XIII(b)

PL 480 TITLE III. Country HONDURASSponsor's Name Catholic Relief Services - USCC1985A. Maternal and Child Health.....Total Recipients 47,000

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
Children 39,000	N.F.D.M.	510	215
Mothers 8,000	Rice	255	131
	Corn Soy Milk	255	119
	Soybean Salad Oil (cans)	255	746
Total MCH		1,275	1,211

B. School Feeding.....Total Recipients _____

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
---	---	---	---
---	---	---	---
Total School Feeding		---	---

C. Other Child Feeding.....Total Recipients 4,200

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
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	Soybean Salad Oil (cans)	133	147
Total Food for Work		2,033	1,078

E. Other (Specify).....Total Recipients _____

No. of Recipients by Commodity	Name of Commodity	KGS	Dollars
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---	---	---	---
Total Other		---	---

FY 1983 ANNUAL BUDGET SUBMISSION

TABLE XIII(b)

PL 480 TITLE III. Country HONDURASSponsor's Name Catholic Relief Services - USCC 1986A. Maternal and Child Health.....Total Recipients 47,000

No. of Recipients by Commodity		Name of Commodity	KGS	Dollars
Children	39,000	N.F.D.M.	510	215
Mothers	8,000	Rice	255	131
		Corn Soy Milk	255	119
		Soybean Salad Oil (cans)	255	746
Total MCH			1,275	1,211

B. School Feeding.....Total Recipients _____

No. of Recipients by Commodity		Name of Commodity	KGS	Dollars
---	---	---	---	---
---	---	---	---	---
Total School Feeding			---	---

C. Other Child Feeding.....Total Recipients 4,200

No. of Recipients by Commodity		Name of Commodity	KGS	Dollars
Children	4,200	N.F.D.M.	46	19
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		Soybean Salad Oil (cans)	23	25
Total Other Child Feeding			115	67

D. Food for Work.....Total Recipients 42,000

No. of Recipients by Commodity		Name of Commodity	KGS	Dollars
Voluntary	7,000	Rice	950	487
Dependent	35,000	Corn Soy Milk	950	444
		Soybean Salad Oil (cans)	133	147
Total Food for Work			2,033	1,078

E. Other (Specify).....Total Recipients _____

No. of Recipients by Commodity		Name of Commodity	KGS	Dollars
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---	---	---	---	---
Total Other			---	---

FY 1983 ANNUAL BUDGET SUBMISSION

TABLE XIII(b)

PL 480 TITLE III. Country HONDURASSponsor's Name Catholic Relief Services - USCC1987A. Maternal and Child Health.....Total Recipients 47,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	(Thousands)	
		<u>KGS</u>	<u>Dollars</u>
Children 39,000	N.F.D.M.	510	215
Mothers 8,000	Rice	255	131
	Corn Soy Milk	255	119
	Soybean Salad Oil (cans)	255	746
Total MCH		1,275	1,211

B. School Feeding.....Total Recipients _____

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	(Thousands)	
		<u>KGS</u>	<u>Dollars</u>
---	---	---	---
---	---	---	---
Total School Feeding		---	---

C. Other Child Feeding.....Total Recipients 4,200

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	(Thousands)	
		<u>KGS</u>	<u>Dollars</u>
Children 4,200	N.F.D.M.	46	19
	Rice	23	12
	Corn Soy Milk	23	11
	Soybean Salad Oil (cans)	23	25
Total Other Child Feeding		115	67

D. Food for Work.....Total Recipients 42,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	(Thousands)	
		<u>KGS</u>	<u>Dollars</u>
Voluntary 7,000	Rice	950	487
Dependent 35,000	Corn Soy Milk	950	444
	Soybean Salad Oil (cans)	133	147
Total Food for Work		2,033	1,078

E. Other (Specify).....Total Recipients _____

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	(Thousands)	
		<u>KGS</u>	<u>Dollars</u>
---	---	---	---
---	---	---	---
Total Other		---	---

CRS OPERATIONAL PLAN AND MISSION REVIEW

1. Background

CRS/Caritas in Honduras has for years been trying to reach a level of 55,000 beneficiaries. This small percentage of the total poor of the country is not an overly ambitious target, yet the program has been only 40% effective in recent years. The principal reason is that CRS/Caritas is severely limited in funding for transportation of commodities and the hiring of adequate managerial and supervisory personnel.

Since the Ministry of Health's promise to increase the yearly subsidy from \$50,000 to \$118,000 for CRS/Caritas operations has not materialized, CRS has made a request to A.I.D. for an Outreach Grant in the amount of \$190,00. These grant funds would be used to increase CRS/Caritas warehouse space and increase budgets for field inspection and transportation. The Mission has indicated to AID/W its support for the CRS Outreach Grant Proposal.

2. Program Implementation - Recipient Categorya. Maternal Child Health

The Mission has approved 30,000 beneficiaries in the MCH category. The CRS MCH program operates through housewives clubs associated with Caritas. Because of the magnitude of the malnutrition problem, the Mission is encouraging the host government to increase its financial support so that the beneficiary level may be raised as indicated below:

<u>MCH</u>	
FY 1981	30,000
FY 1982	30,000
FY 1983	37,500
FY 1984	47,000
FY 1985	47,000

b. Food for Work

The fundamental objectives of the Food for Work program are to improve family nutrition and promote rural community development through cooperative action. Projects are developed and executed with the assistance of 60 Caritas promoters who make end-use checks and verify project results. The number of beneficiaries has been reduced from 25,000 in 1981 to 20,000 in 1982 for lack of funds to cover inland transportation. However, it is expected that beneficiary levels will be increased in subsequent years. The projected recipient levels are:

	<u>FFW</u>
FY 1981	25,000
FY 1982	20,000
FY 1983	25,000
FY 1984	42,000
FY 1985	42,000

In 1980, the following Food-for-Work and MCH projects were completed by CRS/Caritas:

Project	<u>Quantity</u>	<u>Kms.</u>	<u>Manzanas</u>	<u>Units</u>	<u>School Rooms</u>
Vegetable gardens	78		83		
Community Centers	76			76	
Potable Water	24			24	
School Construction	27				56
Basic grain cultivation	178		1,385		
Well drilling	27			27	
Latrines	9			269	
Housing Improvement	93			1,693	
Hen houses	4			4	
Beekeeping	3			3	
Potato production	4			4	
Access road repairs	52	190		190	
Repair of urban roads	6			16	
Artesan work	3			3	
Practical agriculture courses	8			8	
TOTAL	592	190	1,468	2,317	56

CONTRIBUTION TO PROGRAM:

Food for Work Program:

<u>Man/days worked</u>	16,000
Voluntary work	\$400,000.00
Local contributions	262,917.00
Freight	50,000.00
Salaries	15,000.00
CIF Value - Food	284,887.00

MCH Program:

Man/days worked	8,000
Voluntary work	\$150,000.00
Local contributions	35,000.00
Freight*	
Salaries	7,500.00
CIF Value - Food	288,908.00

* All freight costs have been charged to the Food for Work Program.

3. Management - P.L. 480 Title II Program - CRS/Honduras

a. Staff

A CRS staff of two international, and 28 national members is working on P.L. 480 projects. In addition, Caritas has a total of 60 employees and volunteers engaged in P.L. 480 Title II activities.

b. Commodity Accountability and Control

The FY 1982 ABS (June 1980) remains current in its presentation of the operational plan.