

AGENCY FOR  
INTERNATIONAL  
DEVELOPMENT

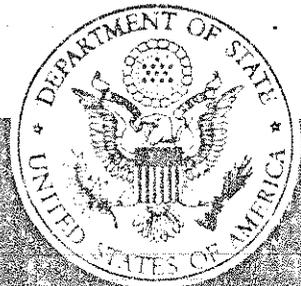


ANNUAL BUDGET SUBMISSION  
FY 1981

GUATEMALA

DEPARTMENT  
OF  
STATE

JUNE, 1979



USAID/GUATEMALA  
ANNUAL BUDGET SUBMISSION  
TABLE OF CONTENTS

	<u>Page</u>
1. TABLE I - Long Range Plan	1
2. TABLE III - Project Obligations FY 1979 - FY 1981	2
3. TABLE IV - Project Budget Data	4
4. NEW PROJECT NARRATIVES	
0263 - Integrated Family Planning (To be forwarded under sep- arate cover - LOU)	--
0264 - Non-Formal Education	5
0268 - Integrated Non-Formal Education	7
5. DECISION PACKAGE NARRATIVE	
A. Minimum	9
B. Current	12
C. AAPL	13
6. TABLE V - FY 1981 Proposed Program Ranking	16
7. WORKFORCE AND OPERATING EXPENSES	
A. Table VI - Project Summary	17
B. Table VII - Operating Expense Funded Personnel	18
C. Table VIII - Operating Expense Summary	19
D. Table IX - Supporting Data on Position Requirements (Narrative portion is included in Decision Package Narrative)	20

	<u>Page</u>
8. Table X - Special Concerns (To be forwarded under separate cover)	--
9. P.L. 480, Title II	
A. Narrative	23
B. Table XIII - CARE and CRS	30

0 RECORDS SAVED ON FILE S1  
1 RECORDS SAVED ON FILE S1

ANNUAL BUDGET SUBMISSION  
BY APPROPRIATION ACCOUNT (4 THOUSANDS)  
BUREAU FOR LATIN AMERICA AND THE CARIBBEAN

520 GUATEMALA	FY 1979 EST.	FY 1980 REVISED	FY 1981 CURRENT	APRIL	FISCAL YEAR PERIOD			1985 RU
					1981	1982	1983	
AGRICULTURE, RURAL DEV. AND NUTRITION								
TOTAL	15,955	7,901	1,040	1,421	17,492	1,465	3,000	24,525
GRANTS	1,355	1,901	1,040	1,421	2,977	1,465	3,000	2,525
LOANS	14,600	6,000			14,500	14,000		22,000
POPULATION PLANNING								
TOTAL	420	650	625	650	700	1,550	1,550	125
GRANTS	420	650	625	650	700	1,550	1,550	125
LOANS								0
HEALTH								
TOTAL	80	500	5,525	5,560	1,205	100	17,280	70
GRANTS	80	500	525	560	1,205	100	1,280	70
LOANS			5,000	5,000			16,000	163
EDUCATION AND HUMAN RESOURCES								
TOTAL	510	880	2,910	8,960	1,070	8,100	5,880	80
GRANTS	510	880	910	960	1,070	100	1,080	80
LOANS			2,000	8,000		8,000	4,800	165
SELECTED DEVELOPMENT ACTIVITIES								
TOTAL	105	430	346	366	320	335	340	350
GRANTS	105	430	346	366	320	335	340	350
LOANS								0
SUBTOTAL FUNCTIONAL ACCOUNTS								
TOTAL	17,070	14,497	10,446	16,957	20,787	25,550	28,050	25,150
GRANTS	2,470	4,441	3,446	3,957	6,287	3,550	7,250	3,150
LOANS	14,600	6,000	7,000	13,000	14,500	22,000	20,800	22,000

(N O R A D S)

FL 480 TITLE II

HOUSING GUARANTIES

5,777

3,792

5,000

5,000

5,000

5,000

5,000

5,000

5,000

5,000

5,000

5,000

5,000

ANNUAL BUDGET SUBMISSION  
TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION  
BUREAU FOR LATIN AMERICA AND THE CARIBBE  
(#000)

520 - GUATEMALA

05/31/79

APPROPRIATION ACCOUNT PROJECT NO. TITLE	L/G	FY 79 ESTIMATE	F Y 1 9 8 0 CP REQUEST	----- F Y 1 9 8 1 ----- MINIMUM CURRENT AAFL			
<b>AGRICULTURE, RURAL DEV. AND NUTRITION</b>							
<b>OPGs TO BE IDENTIFIED</b>							
5200000.1 PD AND S - FOOD AND NUTRITION	G	---	---	321	---	104	410
5200232 FOOD PRODUCTIVITY AND NUTRITIONAL IMPR	G	100	---	100	75	75	150
5200233 SMALL FARMER IMPROVEMENT	G	330	---	---	---	---	---
5200238 SMALL FARMER MARKETING SYSTEM	G	100	655	300	---	---	---
5200245 RURAL ENTERPRISES DEVELOPMENT	G	111	139	139	---	---	---
5200245 RURAL ENTERPRISES DEVELOPMENT	G	200	308	370	400	400	400
5200248 RURAL ELECTRIFICATION	L	6,000	---	1,000	---	---	---
5200249 INTEGRATED AREA DEV. STUDIES	L	8,600	---	---	---	---	---
5200255 SMALL FARMER DIVERSIFICATION SYSTEM	G	278	---	---	---	---	---
5200255 SMALL FARMER DIVERSIFICATION SYSTEM	G	---	400	400	400	400	400
5200266 MUNICIPAL ENTERPRISES DEVELOPMENT (OPG)	L	---	---	5,000	---	---	---
5200267 TRAINING SCHOOLS FOR PROMOTERS	G	136	---	---	---	---	---
		100	---	71	61	61	61
<b>APPROPRIATION TOTALS</b>		<b>15,955</b>	<b>1,502</b>	<b>7,901</b>	<b>936</b>	<b>1,040</b>	<b>1,421</b>
<b>GRANTS</b>		<b>1,355</b>	<b>1,502</b>	<b>1,901</b>	<b>936</b>	<b>1,040</b>	<b>1,421</b>
<b>LOANS</b>		<b>14,600</b>	<b>---</b>	<b>6,000</b>	<b>---</b>	<b>---</b>	<b>---</b>
<b>POPULATION PLANNING</b>							
5200000.5 PD AND S - POPULATION	G	60	---	50	25	25	50
5200237 POPULATION AND FAMILY PLANNING	G	360	---	---	---	---	---
5200263 INTEGRATED FAMILY PLANNING SERVICES	G	---	600	600	600	600	600
<b>APPROPRIATION TOTALS</b>		<b>420</b>	<b>600</b>	<b>650</b>	<b>625</b>	<b>625</b>	<b>650</b>
<b>GRANTS</b>		<b>420</b>	<b>600</b>	<b>650</b>	<b>625</b>	<b>625</b>	<b>650</b>
<b>LOANS</b>		<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>
<b>HEALTH</b>							
5200000.2 PD AND S - HEALTH	G	80	---	80	25	25	60
5200251 RURAL HEALTH AND NUT. SYS. IMPR.	G	---	500	500	500	500	500
5200251 RURAL HEALTH AND NUT. SYS. IMPR.	L	---	5,000	---	3,000	5,000	5,000
<b>APPROPRIATION TOTALS</b>		<b>80</b>	<b>5,500</b>	<b>580</b>	<b>3,525</b>	<b>5,525</b>	<b>5,560</b>
<b>GRANTS</b>		<b>80</b>	<b>500</b>	<b>580</b>	<b>325</b>	<b>525</b>	<b>560</b>
<b>LOANS</b>		<b>---</b>	<b>5,000</b>	<b>---</b>	<b>3,000</b>	<b>5,000</b>	<b>5,000</b>
<b>EDUCATION AND HUMAN RESOURCES</b>							
5200000.3 PD AND S EDUCATION	G	110	---	150	30	30	80
5200228 BASIC RURAL EDUCATION	G	100	---	---	---	---	---
5200258 BILINGUAL EDUCATION	G	200	280	280	350	350	350
5200259 EDUCATION ADMINISTRATION	G	100	200	200	180	180	180
5200264 NON-FORMAL EDUCATION	G	---	250	250	350	350	350
5200265 RURAL PRIMARY ED	L	---	6,000	---	---	---	6,000
5200268 INTEGRATED NON-FORMAL EDUCATION	L	---	---	---	2,000	2,000	2,000
<b>APPROPRIATION TOTALS</b>		<b>510</b>	<b>6,730</b>	<b>830</b>	<b>2,910</b>	<b>2,910</b>	<b>8,960</b>
<b>GRANTS</b>		<b>510</b>	<b>730</b>	<b>830</b>	<b>910</b>	<b>910</b>	<b>960</b>
<b>LOANS</b>		<b>---</b>	<b>6,000</b>	<b>---</b>	<b>2,000</b>	<b>2,000</b>	<b>8,000</b>
<b>SELECTED DEVELOPMENT ACTIVITIES</b>							
<b>OPGs TO BE IDENTIFIED</b>							
5200000.1 PD AND S - SELECTED DEVELOPMENT	G	55	---	225	---	149	149
5200147 SPECIAL DEVELOPMENT ACTIVITIES	G	50	---	40	20	20	40
5200143 EARTHQUAKE HOUSING RECONSTRUCTION	G	50	50	50	50	50	50
		---	115	115	127	127	127
<b>APPROPRIATION TOTALS</b>		<b>105</b>	<b>165</b>	<b>430</b>	<b>197</b>	<b>346</b>	<b>366</b>
<b>GRANTS</b>		<b>105</b>	<b>165</b>	<b>430</b>	<b>197</b>	<b>346</b>	<b>366</b>
<b>LOANS</b>		<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>
<b>FUNCTIONAL ACCOUNT TOTALS</b>		<b>17,070</b>	<b>14,497</b>	<b>10,441</b>	<b>8,193</b>	<b>10,446</b>	<b>14,957</b>
<b>GRANTS</b>		<b>3,470</b>	<b>3,497</b>	<b>4,441</b>	<b>3,193</b>	<b>3,446</b>	<b>3,957</b>
<b>LOANS</b>		<b>14,600</b>	<b>11,000</b>	<b>6,000</b>	<b>5,000</b>	<b>7,000</b>	<b>13,000</b>
<b>(NGHADP)</b>							
<b>PL 180 TITLE II</b>							
520PL02 PL 180 TITLE II		5,777	3,792	5,000	4,000	4,000	5,000
<b>HOUSING GUARANTIES</b>							
5200261 SECONDARY CITY AND RURAL HOUSING		---	10,000	---	---	---	15,000

USAID/Guatemala

Explanatory Annex to Table III

<u>Project No.</u>	<u>Change (+ or -) (\$000)</u>	<u>Explanation of Change in FY 1980 Funding Level</u>
0233	- 355	Revised budget estimates due to reduction in T.A. requirements.
0245	+ 262	To pick-up part of grant funding not provided in FY 1979.
0245	+1,000	To pick-up balance of loan funding not provided in FY 1979.
0255	+5,000	Loan delayed from FY 1979 to FY 1980.
0265	-6,000	Loan deferred from FY 1980 to FY 1981.

PROJECT NUMBER	TITLE	OBLIG L	NEXT DATE INIT	NEXT EVAL FIN DATE	ESTIMATED U.S. DOLLAR COST (\$000)										ITEM NO	
					FY 78 PIPE-LINE	FY 79 OBLIG-ATIONS	FY 79 EXPEND-ITURES	FY 80 PIPE-LINE	FY 80 OBLIG-ATIONS	FY 80 EXPEND-ITURES	PIPE-LINE	FY 81 FUNDED AARL	FY 81 FUNDED TO:	FY 82		FY 83
AGRICULTURE, RURAL DEV. AND NUTRITION																
OPGs TO BE IDENTIFIED																
5200000.1	FD AND S - FOOD AND NUTRITION	G			---	---	---	---	321	---	321	410	---	---	140	
	G				63	100	150	5	100	105	---	150	---	---	120	
	L				518	330	500	348	---	348	---	---	09/80	---	129	
5200233	SMALL FARMER IMPROVEMENT	G	76	80	984	100	569	515	300	515	300	---	04/81	---	130	
5200238	SMALL FARMER MARKETING SYSTEM	G	78	80	550	111	120	541	139	570	310	---	12/81	---	131	
5200245	RURAL ENTERPRISES DEVELOPMENT	G	77	81	---	200	---	200	570	250	520	400	06/84	---	132	
5200245	RURAL ENTERPRISES DEVELOPMENT	G	77	81	---	6000	---	6000	1000	1500	5500	---	06/84	---	133	
5200248	RURAL ELECTRIFICATION	L	79	79	---	8600	---	8600	---	1000	7600	---	06/84	---	134	
5200249	INTEGRATED AREA DEV. STUDIES	G	78	79	220	278	300	198	---	160	38	---	12/80	---	135	
5200255	SMALL FARMER DIVERSIFICATION SYSTEM	G	80	82	---	---	---	---	400	---	400	400	06/82	1542	136	
5200255	SMALL FARMER DIVERSIFICATION SYSTEM	L	80	80	---	---	---	---	5000	---	5000	---	09/85	---	137	
5200266	MUNICIPAL ENTERPRISES DEVELOPMENT (OPG)	G	78	79	96	136	85	147	---	89	50	---	05/81	---	138	
5200267	TRAINING SCHOOLS FOR PROMOTERS	G	79	81	---	100	20	80	71	125	26	61	06/82	---	139	
	APPROPRIATION			TOTAL	2431	15955	1752	16634	7901	4462	20073	1421		1542	---	
				GRANT	2431	1355	1752	2034	1901	1962	1973	1421		1542	---	
				LOAN	---	14600	---	14600	6000	2500	18100	---		---	---	
POPULATION PLANNING																
5200000.5	FD AND S - POPULATION	G			---	60	55	5	50	50	5	50	---	---	141	
5200237	POPULATION AND FAMILY PLANNING	G	77	79	91	360	361	90	---	90	---	---	12/79	---	142	
5200263	INTEGRATED FAMILY PLANNING SERVICES	G	80	81	---	---	---	---	600	450	150	600	12/81	600	143	
	APPROPRIATION			TOTAL	91	420	416	95	650	590	155	650		600	---	
				GRANT	91	420	416	95	650	590	155	650		600	---	
				LOAN	---	---	---	---	---	---	---	---		---	---	
HEALTH																
5200000.2	FD AND S - HEALTH	G			---	80	116	10	80	80	10	60	---	---	144	
5200251	RURAL HEALTH AND NUT. SYS. IMPR.	G	80	82	---	---	---	---	500	50	150	500	12/82	1125	145	
5200251	RURAL HEALTH AND NUT. SYS. IMPR.	L	81	81	---	---	---	---	---	---	---	---	12/85	---	146	
	APPROPRIATION			TOTAL	16	80	116	10	530	130	160	500		1125	---	
				GRANT	16	80	116	10	480	13	160	500		1125	---	
				LOAN	---	---	---	---	---	---	---	---		---	---	
EDUCATION AND HUMAN RESOURCES																
5200000.7	FD AND S - EDUCATION	G			---	110	116	23	150	150	23	90	---	---	147	
5200258	BASIC RURAL EDUCATION	G	75	79	367	199	240	227	---	227	---	---	09/80	---	148	
5200258	BILINGUAL EDUCATION	G	79	82	---	200	75	125	280	200	295	350	12/82	370	149	
5200259	EDUCATION ADMINISTRATION	G	79	81	---	100	---	100	200	65	235	180	06/82	---	150	
5200264	NON-FORMAL EDUCATION	G	80	82	---	---	---	---	250	50	200	350	06/82	600	151	
5200265	RURAL PRIMARY ED	L	81	81	---	---	---	---	---	---	---	---	06/85	---	152	
5200268	INTEGRATED NON-FORMAL EDUCATION	L	81	81	---	---	---	---	---	---	---	---	06/85	---	153	
	APPROPRIATION			TOTAL	396	510	431	475	880	692	663	8960		970	---	
				GRANT	396	510	431	475	880	692	663	760		770	---	
				LOAN	---	---	---	---	---	---	---	8000		---	---	
SELECTED DEVELOPMENT ACTIVITIES																
OPGs TO BE IDENTIFIED																
5200000.4	FD AND S - SELECTED DEVELOPMENT	G			---	---	---	---	225	---	225	149	---	---	157	
5200145	SPECIAL DEVELOPMENT ACTIVITIES	G	76	79	47	55	97	5	40	40	5	40	---	---	154	
5200243	EARTHQUAKE HOUSING RECONSTRUCTION	G	80	81	1	50	46	5	50	50	5	50	---	---	155	
	APPROPRIATION			TOTAL	48	105	143	10	430	170	250	366		---	---	
				GRANT	48	105	143	10	430	170	250	366		---	---	
				LOAN	---	---	---	---	---	---	---	---		---	---	
	FUNCTIONAL ACCOUNT			TOTAL	3012	17070	2858	17224	10441	6064	21601	16957		4237	---	
				GRANT	3012	2470	2058	2624	4441	3564	3501	3957		4237	---	
				LOAN	---	14600	---	14600	6000	2500	18100	13000		---	---	
(NONAD)																
ANNUAL BUDGET SUBMISSION																
05/31/77																
PL 480 TITLE II																
5200602	PL 480 TITLE II				---	5777	5777	---	5000	5000	---	5000		5000	---	148
HOUSING GUARANTIES																
5200261	SECONDARY CITY AND RURAL HOUSING				---	---	---	---	---	---	---	---	17000	06/85	---	158

Decision Unit: USAID/Guatemala

Project Number and Title

520-0264 - Non Formal Education

Proposed Funding (Grant)

FY 1980	\$ 250,000
FY 1981	\$ 350,000
LOP	\$1,200,000

Project Purpose

To assist the Ministry of Education in expanding its Basic Village Education project in terms of additional program content, coverage, and training capability in order to be more responsive to the needs of the rural population.

Background

The Guatemalan National Development Plans of 1975-1979 and 1979-1982 recognize that formal education alone cannot approach complete coverage of the educational needs of the rural population. In 1976 fewer than half of the rural school-age and adult population had completed fourth grade. The Ministry of Education and the Planning Council therefore developed a strategy, based upon a needs survey, whereby more educational resources would be directed to rural adults and out-of-school youth while not neglecting the expansion and improvement of the rural school system. Under the Basic Village Education (BVE) project, a small group of Ministry staff was trained and various NFE teaching methods and materials were developed and tested. While successful, the BVE project was a pilot effort with limited scope and impact.

### Project Description

The project will assist the Ministry of Education in its effort to expand and improve its non-formal education (NFE) program development, training, and administrative capacities. The Ministry/NFE Unit will utilize combinations of printed materials, radio and interpersonal contact to reach rural populations with programs of numeracy, literacy and Spanish language instruction for Indian language speakers. Program content will include agriculture, health, nutrition, handicrafts, and other information of utility in rural areas. New radio program content and printed materials will be continuously developed and tested with the help of AID-financed technical assistance. Technical assistance and commodities will support expansion of a teaching materials production unit. Radio programming will support formal and non-formal efforts in bilingual education. AID technical assistance and commodities will assist the Unit in establishing a major training capability for Ministry teachers and para-professionals so that a truly large-scale national program of NFE via radio can be realized.

An issue requiring intensive review is the manner in which this NFE activity of the Ministry will be coordinated with the inter-ministerial National Non-Formal Education Program which is charged with coordination of all NFE programs.

### Beneficiaries

The target population will be low-income farm families, mainly in the Highlands and in selected Ladinno regions of the Oriente. Men and women and children, in and out of school, are to be reached with appropriate messages in Indian languages where necessary.

Decision Unit: USAID/Guatemala

Project Number and Title

520-0268 - Integrated Non-Formal Education

Proposed Funding (Loan)

FY 1981     \$2,000,000

LOP             \$2,000,000

Project Purpose

To assist the Government of Guatemala to improve and expand on a national scale an integrated non-formal education (NFE) program which coordinates the NFE efforts of all public sector entities directed to the rural poor.

Background

Because of the wide dispersion of the rural population, difficult access to many areas, diversity of culture and language and the limited coverage of the formal education system, basic health, education and agricultural information which could help improve the quality of lives of rural inhabitants is usually unavailable. Many private and public organizations are attempting to introduce such information through non-formal education (NFE) programs. These programs have been plagued with overlap and inefficiency.

In 1975 a National Board of Non-Formal Education was established to set NFE priorities, coordinate available resources and rationalize all public sector NFE activities. AID has been assisting the Board and its secretariat, Educación Extra Escolar, in formulating and implementing its programs through the Basic Rural Education Project. Activities are underway on a pilot basis - concentrating on the Highlands.

Project Description

The proposed project is a follow-on to the Basic

Rural Education Project and will strengthen and extend the current scope and coverage of Educación Extra Escolar into a truly national program that supports the integration of the efforts of government and/or private groups in serving rural communities. The GOG institutions participating in this expanded project will be the Ministries of Education, Health and Agriculture, Community Development, Army Education Programs, INTECAP, and the National Economic Planning Council. Using a community participatory methodology, content will be determined for didactic materials, for radio instructional messages and for cassette use dealing with agriculture, health, hygiene and other community themes. Loan financing will provide basic teaching and demonstration equipment.

Additional regional NFE program development units and radio transmission stations will be set up with the help of technical assistance, training and the procurement of equipment. Promoters and volunteer leaders will be trained and dispersed nationally to stimulate community participation, give demonstrations and encourage positive actions on the part of the target group.

#### Beneficiaries

Direct project beneficiaries will be subsistence rural families. First priority will be given to the Highland Indians who comprise the largest portion of the rural poor population. As soon as possible, NFE coverage will be extended to other geographic areas in which other rural poor (Ladinos) suffer hardships similar to those of the Highland Indians.

Decision Unit: USAID/Guatemala

Decision Package: MINIMUM

Decision Package Narrative

The minimum funding and workforce package will allow only a reduced rate of progress toward the long-term goals set forward in the FY 81-85 CDSS:

- a. Increase the relative incomes of the poorest majority by:
  - Increasing the return to the factors of production now held by the poor (productivity).
  - Increasing the productive base of the poorest groups.
- b. Satisfy the basic human needs of the poorest majority by:
  - Increasing access to social services.

It should be noted that, under this required 7BB assumption, the overall size of the Mission's FY 81-85 program has been reduced with several programs in FN being delayed a year. Because it will take longer than originally projected to reach the targets set forth in the CDSS, the FY 82-86 CDSS will be adjusted accordingly.

Taking as a given a reduced FY 81-85 program, the Minimum Package provides the necessary funding to implement the Mission's rural development and population strategies on an extended timeframe as discussed above, as well as funding to initiate important programs in health through a new loan which would only be partially funded in FY 81. The Mission's strategies for education and health would have to be cut back to focus primarily on changes in quality and effectiveness, while requiring postponement of new programs in school construction and water systems. The shelter strategy would be deferred and no new OPGs would be initiated.

More specifically, within the Minimum Package the program will continue to be targeted at the improvement of incomes of the poor through the stimulation of high value, labor-intensive crop diversification, the colonization of new agricultural land, soil conservation, small-scale irrigation, technology development, and small-scale industry development in rural areas. The strengthening of institutions working in these and related areas will also be supported. These highest priority efforts can be financed out of the pipeline with only relatively small increments in the Agriculture, Rural Development and Nutrition account, totaling

less than \$1 million in grants, required in FY 81. The minimum amount of PD&S funds for the Agriculture, Rural Development and Nutrition account has been requested in this package to ensure that the design of the proposed FY 82 program proceeds in a timely fashion. (In addition to meeting normal requirements for program support, evaluations and special studies.) New funding will be required for soil conservation, small-scale irrigation and other small-scale infrastructure beginning in FY 82.

The Minimum Package funding level will allow important activities to progress in the areas of formal and non-formal education, health, population and nutrition. The on-going efforts of the Bilingual Education and Education Administration projects to improve the efficiency of primary education will receive increments in funding. An increment to the Non-Formal Education grant as well as the obligation of a new loan for Integrated Non-Formal Education will help consolidate and expand achievements in two aspects of non-formal education: (1) the quality of non-formal education, including the improvement of the coordination among the various Guatemalan non-formal outreach mechanisms, the training of promoters and other non-formal system personnel and the development of training materials; and, (2) the expansion of communications systems, including radio and other forms of mass media. The new Integrated Non-Formal Education loan is included in the Minimum Package to ensure that momentum generated by the on-going Basic Rural Education project is maintained.

In the area of health, the Minimum Package calls for a new loan for improving the health and nutrition delivery systems which, because of funding limitations, would have to be funded in two tranches (FY 81 and 82). The loan is expected to consist of several components, including the expansion of coverage of low-cost health delivery systems in rural areas, a medium-scale program in potable water and environmental sanitation and, perhaps, several small nutrition projects. In addition, funding would be provided for ongoing health programs directed at improving the institutional capability of the Ministry of Health; and the on-going Maternal Child Health Care P.L. 480 Title II feeding program would be funded as a non-add item in the Minimum Package (see separate narrative).

In the area of population, the Minimum Package funding level would fund the extension of coverage of family planning services.

The funding level of the Minimum Package is smaller than required -- less than \$3.2 million in grants and \$5.0 million in loan funding. Because of timing considerations, no new loans are projected in FY 81 for agriculture and rural development -- USAID/Guatemala's highest priority sector. The level of the Minimum Package in subsequent years, especially in FY 82 and FY 83, will have to be higher than the level set for FY 81 if the minimum desirable objectives in increasing the productivity and productive

base of the poor are to be achieved.

The personnel requirements of the Minimum Package are dictated by the size of the on-going loan and grant portfolio in FY 81 (the pipeline is projected to total almost \$35 million) and the size of the Mission's New and Continuing portfolio, totaling nearly \$8.2 million. An acceptable rate of implementation of the pipeline will require almost a full complement of USDH and FNDH personnel in the Director's, Capital Development, Rural Development and Engineering Offices. The obligation of new funds for the implementation of the New and Continuing Projects will require almost a full complement of staff in the Program Office and Education and Human Resources and Public Health Divisions, which consist of only two USDH officers in each Division.

At a Minimum Level, the Program staff (reduced by two USDH) would be able to devote only a small amount of time to assist in the development and review of OPG proposals and Mission evaluation would suffer, as would liaison with Peace Corps and PVOs. Staffing at the Minimum Level would allow minimum new project development work in the Capital Development Office and Education and Human Resources and Public Health Divisions (all would have staff reduced by one person -- US, FN, and FN respectively). The Office of Rural Development (reduced by one FN from the AAPL) would be able to devote a medium level of effort to project design in addition to carrying a full workload of project implementation. The Administrative Office would be reduced by one USDH and two FNDH from the AAPL.

FY 81 - MINIMUM

Grants	-	\$3.19	USDH	17
Loans	-	\$5.00	FNDH	35
Total	-	\$8.19 Million	FNCONT	0

Decision Unit: USAID/Guatemala

Decision Package: CURRENT

Decision Package Narrative

The Current funding and workforce package will allow the initiation and full funding in FY 81 of important programs in health through the new loan focusing on health problems of the rural poor by extending coverage and improving the effectiveness of the Ministry of Health's rural health delivery system. This package also includes new, yet to be identified, OPGs so that PVO programs can continue to be supported by USAID/Guatemala.

Workforce increments include a U.S. Assistant Program Officer to help handle the increased workload of aiding local PVOs to develop projects, and of discussing, reviewing and negotiating, OPG proposals; and a Capital Projects Officer and FN Public Health Assistant to help cover the increased workload implied by the implementation of the Rural Health and Nutrition Systems Improvement loan. One FNDH is also added to Mission Support. These workforce increments are not attributed specifically to the health loan or OPGs listed in the Current Package in Table V for two reasons: first, the projects add to the overall workload of the offices and it should not be inferred that a particular officer will work only on these specific projects; and, second, part of the increased workload of the offices will stem from increased new project development for future years implied by the increased overall funding level for the Mission.

FY 81 - CURRENT

Grants	- \$ 3.44	USDH	19
Loans	- \$ 7.00	FNDH	37
Total	- \$10.44 Million	FNCONT	0

Decision Unit: USAID/Guatemala

Decision Package: AAPL

Decision Package Narrative

The AAPL funding and workforce package will bring the Mission closer to the achievement of the construction goals for Rural Primary Education, an on-going loan set back by inflation; and will permit full funding of projected needs for the PD&S accounts, the non-add P.L. 480 Title II program, the initiation of a bilateral Housing Guaranty Program, and an appropriate OPG level for new PVO efforts.

The \$6.0 million increment for the Rural Primary Education school construction program will allow the program to meet its original objectives for primary school construction. Construction costs have more than doubled in relation to original projections because of the 1976 earthquake and subsequent reconstruction programs. Other Child Feeding (child feeding in charitable institutions) and Food for Work programs requested by CARE and CRS can be accommodated with the increment indicated for P.L. 480 Title II. The bilateral HIG will demonstrate the feasibility of the GOG and private sector institutions' expansion of formal shelter sector activity in secondary cities and rural areas, as well as to improve their capacity to carry out such programs.

Staffing increments for the AAPL package are based upon a general need for additional positions if a program of an AAPL magnitude is to be successfully designed, negotiated, and implemented each year over the planning period. A U.S. economist is added to help plan and carry out analyses needed for program development and project design. It is anticipated that at least one large project will be designed in each year of the planning period. The quality and quantity of the analyses and studies would result in improved inputs for developing/designing projects if carried out under the direction of an experienced economist.

Since the majority of the new programs over the planning period will be designed and implemented by the Mission's Office of Rural Development, a FNDH professional has been added to help carry the additional workload. A USDH Executive Officer as well as a FNDH Assistant Supplies and Contracts Officers are added to provide the necessary support for an increasingly active Mission. With the funding of the Rural Primary Education Add-on, a FNDH professional is provided to the Education and Human Resources Division to help cover the additional workload.

FY 81 - AAPL

Grants	-	\$ 3.92	USDH	21
Loans	-	\$13.00	FNDH	40
Total	-	\$16.95	FNCONT	0

Overall staffing levels for FY 81 show an increase of one USDH (the economist discussed above) and one FNDH (the Assistant Supplies and Contracts Officer) from the FY 80 level. The three FNCONT personnel shown in FY 79 will be converted to FNDH status in FY 80 to more accurately reflect their actual job positions.

<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>			
		<u>AAPL</u>	<u>CURRENT</u>	<u>MINIMUM</u>	
USDH	20	20	21	19	17
FNDH	36	39	40	37	35
FNCONT	3	0	0	0	0

Bureau Code: 05 Decision Code:

DECISION UNIT		USAID/Guatemala		PROGRAM FUNDING (\$000)		WORKFORCE (Number of Positions)				
RANK	DECISION PACKAGES/PROGRAM ACTIVITY	TERM/ NEW/ CONT.	LOAN/ GRANT	APPROP. ACCT.	INCR	CUM	INCR	CUM	INCR	CUM
<b>DECISION PACKAGE MINIMUM</b>										
	Ongoing Projects Without Obligation in FY 198									
	520-0229 Rural Primary Education	T	L	EH	( 2,800)	( 2,800)				
	520-0233 Small Farmer Improvement	T	G	FN	( 300)	( 3,100)				
	520-0234 Small Farmer Development	T	L	FN	( 5,600)	( 8,700)				
	520-0236 Municipal Earthquake Recovery	T	L	SD	( 1,900)	(10,600)				
	520-0238 Small Farmer Marketing Systems	T	G	FN	( 310)	(10,910)				
	520-0238 Small Farmer Marketing Systems	T	L	FN	( 2,050)	(12,960)				
	520-0242 Primary School Reconstruction	T	L	EH	( 3,500)	(16,460)				
	520-0245 Rural Enterprises Development	T	L	FN	( 5,500)	(21,960)				
	520-0248 Rural Electrification	T	L	FN	( 7,600)	(29,560)				
	520-0249 Integrated Area Development Studies	T	G	FN	( 38)	(29,598)				
	520-0255 Small Farmer Diversification Sys- tems									
	520-0266 Municipal Enterprises Development (OPG)	T	L	FN	( 5,000)	(34,598)				
	Sub-Total (Non-Add)		G	FN	( 58)	(34,656)				
	* Unliquidated balance as of 09-30-80.									
	** Approved PP as of 04-30-79.									

TABLE V - PROPOSED PROGRAM RANKING  
05/25/79

DECISION UNIT	520 GUATEMALA	DECISION PACKAGES/PROGRAM ACTIVITY	TERM/ NEW/ CONT	LOAN/ GRANT	AFFIDAVIT	PROGRAM FUNDING (\$000)		WORKING CAPITAL		FINANCIAL		ITEM NO	
						INCR	CUM	TRCK	CUH	INCR	CUH		
MINIMUM (12) - CONTINUING AND NEW ACTIVITIES													
1	5200255	SHALL FARMER DIVERSIFICATION SYSTEM	0	G	FN	400	400					95	
2	5200265	RURAL ENTERPRISES DEVELOPMENT	0	G	FN	800	800					96	
3	5200263	INTEGRATED FAMILY PLANNING SERVICES	0	G	FN	1400	1400					97	
4	5200258	BILINGUAL EDUCATION	0	G	EH	1750	1750					98	
5	5200259	EDUCATION ADMINISTRATION	0	G	EH	1930	1930					99	
6	5200264	NON-FORMAL EDUCATION	0	G	EH	2280	2280					100	
7	5200268	INTEGRATED NON-FORMAL EDUCATION	N	L	CUH	4280	4280					101	
8	5200251	RURAL HEALTH AND NUT. SYS. IMPR.	0	G	HE	4780	4780					102	
9	5200251	RURAL HEALTH AND NUT. SYS. IMPR.	N	L	HE	3000	7780					103	
10	* 5200145	SPECIAL DEVELOPMENT ACTIVITIES	0	G	SD	50	2830					104	
11	* 5200243	EARLY INFANT HOUSING RECONSTRUCTION	0	G	SH	127	7957					105	
12	* 5200267	TRAINING SCHOOL FOR PROMOTERS	0	G	FN	61	8018					106	
13	5200000.1	PD&S	0	G	FN	75	8093					107	
14	5200000.2	PD&S	0	G	HE	25	8118					108	
15	5200000.3	PD&S	0	C	EH	30	8148					109	
16	5200000.4	PD&S	0	G	SD	20	8168					110	
17	5200000.5	PD&S	0	G	FN	25	8193					111	
18	520FLO2	FL 480 TITLE II			P2	( 4000)	8193					112	
MINIMUM (15) - BASIC WORKFORCE													
TOTAL MINIMUM PACKAGE AND RELATED WORKFORCE													
							8193		17	17	35	35	113
CURRENT (30)													
19	5200251	RURAL HEALTH AND NUT. SYS. IMPR.	N	L	HE	2000	10193			17	17	35	114
20	OPG'S	TO BE DETERMINED	N	G	FN	104	10297			17	17	35	115
21	OPG'S	TO BE DETERMINED	N	G	SD	149	10446			17	17	35	116
22	WORKFORCE	INCREMENT CURRENT PACKAGE					10446		2	19	2	37	117
TOTAL CURRENT PACKAGE AND RELATED WORKFORCE													
							2253		2	2			
AAFL (50)													
23	5200265	RURAL PRIMARY ED	N	L	EH	6000	16446			19	19	37	118
24	OPG'S	TO BE DETERMINED	N	G	FN	306	16752			19	19	37	119
25	5200261	SECURITY CITY AND RURAL HOUSING			HG	( 15000)	16752			19	19	37	120
26	5200000.1	PD&S	0	G	FN	75	16827			19	19	37	121
27	5200000.2	PD&S	0	G	HE	35	16862			19	19	37	122
28	5200000.3	PD&S	0	G	EH	50	16912			19	19	37	123
29	5200000.4	PD&S	0	G	SH	20	16932			19	19	37	124
30	5200000.5	PD&S	0	G	FN	25	16957			19	19	37	125
31	520FLO2	FL 480 TITLE II			P2	( 1000)	16957		2	21	3	40	126
32	WORKFORCE	INCREMENT AAFL PACKAGE					16957		2	21	3	40	127
TOTAL AAFL PACKAGE AND RELATED WORKFORCE													
							6511		2	2	3		

page 2 of Table V

TABLE VI  
PROJECT SUMMARY

NUMBER OF PROJECTS

	FY 77	FY 78	FY 79	FY 80	FY 81	
					MINIMUM	AAPL
Implementation at Beginning of Year	18	13	14	16	17	17
Moving from Design to Implementation During Year	2	4	5	7	1	3
Design for Future Year Implementation	6	7	8	4	2	4
<b>▲</b> SUBTOTAL	26	24	26	27	20	24
HIG & PL-480	1	1	1	1	1	2
<b>▲</b> TOTAL	27	25	27	28	21	26

NUMBER OF PROJECTS MOVING FROM DESIGN TO IMPLEMENTATION BY PROJECT SIZE

	FY 77	FY 78	FY 79	FY 80	FY 81	
					MINIMUM	AAPL
AID'S CONTRIBUTION TO LIFE OF PROJECT COST						
Less than \$1 Million	1	2	2	3		2
\$1 To \$5 Million	1	1	1	2	1	1
\$5 To \$15 Million		1	2	2		
\$15 To \$25 Million						
More Than \$25 Million						

AID 1510-6 (3-79)

TABLE VII - OPERATING EXPENSES UNDEVELOPED PERSONNEL IN POSITIONS

FUNCTIONS	FY 77				FY 78				FY 79				FY 80			
	USDH	FNDH	US CONT	FN CONT	USDH	FNDH	US CONT	FN CONT	USDH	FNDH	US CONT	FN CONT	USDH	FNDH	US CONT	FN CONT
Executive Direction	3	1	0	0	3	1		0	3	2		0	3	2		0
Program Planning	3	2	0	0	3	2		1	3	2		1	3	2		0
Project Design	6	6	1	1	6	6		0	6	6		0	6	6		0
Project Implementation	6	6	0	5	6	9		1	6	9		2	6	11		0
Financial Management	0	0	0	0	0	0		0	0	0		0	0	0		0
Mission Support	3	17	0	34	2	18		24	2	17		0	2	17		0
Non-Mission Specific	0	0	0	0	0	0		0	0	0		0	0	0		0
<b>TOTAL</b>	<b>21</b>	<b>32</b>	<b>1</b>	<b>40</b>	<b>20</b>	<b>36</b>		<b>26</b>	<b>20</b>	<b>36</b>		<b>3</b>	<b>20</b>	<b>39</b>		<b>0</b>
PLUS: PASA's (O.F. & Program)	5*				5*				4*				4*			
LESS: JAO Details	0				0				0				0			
MODE Requested	22				21				21				21			
																21

FUNCTIONS	FY 81 ADEL				FY 81 MINIMUM				FY 81 CURRENT			
	USDH	FNDH	US CONT	FN CONT	USDH	FNDH	US CONT	FN CONT	USDH	FNDH	US CONT	FN CONT
Executive Direction	3	2			3	2			3	2		
Program Planning	4	2			2	2			3	2		
Project Design	6	6			6	6			6	6		
Project Implementation	6	12			5	9			6	10		
Financial Management	0	0			0	0			0	0		
Mission Support	7	18			1	16			1	17		
Non-Mission Specific	0	0			0	0			0	0		
<b>TOTAL</b>	<b>21</b>	<b>40</b>	<b>0</b>	<b>0</b>	<b>17</b>	<b>35</b>	<b>0</b>	<b>0</b>	<b>19</b>	<b>37</b>	<b>0</b>	<b>0</b>
PLUS: PASA's (O.F. & Program)	4*				4*				4*			
LESS: JAO Details	0				0				0			
MODE Requested	21				17				19			

\* PASAs not included in MODE ceiling as per 78 GUATEMALA 4319.  
AND 1510-4 (379)

TABLE VIII - OPERATING EXPENSE SUMMARY

COST SUMMARIES	FY 77			FY 78			FY 79			FY 80		
	(\$000's)	RELATED WORKYRS.	UNIT COST									
US Direct Hire	694.9	16.3	42.6	809.5	19.7	41.1	766.2	18.6	41.2	825.2	20.7	39.9
FN Direct Hire	296.5	32.0	9.3	362.3	37.4	9.7	395.3	36.0	11.0	443.5	39.0	11.4
US Contract Personnel	--	1.0	--	15.7	1.5	10.4	--	--	--	--	--	--
FN Contract Personnel	119.2	25.0	4.8	93.4	19.5	4.8	34.2	8.0	4.3	--	--	--
Housing	141.3	16.3	8.7	147.0	19.7	7.5	152.6	18.6	8.2	219.5	20.7	10.6
Office Operations	166.2	XXXX	XXX	191.0	XXXX	XXX	272.1	XXXX	XXX	349.7	XXXX	XXX
<b>TOTAL REQUEST</b>	<b>1,418.1</b>			<b>1,618.9</b>			<b>1,620.4</b>			<b>1,837.9</b>		
Amount of Trust Fund Included in Total Requested	--			--			--			--		

COST SUMMARIES	FY 81 AAPL			FY 81 MINIMUM			FY 81 CURRENT		
	(\$000's)	RELATED WORKYRS.	UNIT COST	(\$000's)	RELATED WORKYRS.	UNIT COST	(\$000's)	RELATED WORKYRS.	UNIT COST
US Direct Hire	831.5	21.0	39.6	740.5	18.5	40.0	797.8	20.0	39.9
FN Direct Hire	511.8	40.0	12.8	413.9	35.0	11.8	446.2	37.0	12.1
US Contract Personnel	--	--	--	--	--	--	--	--	--
FN Contract Personnel	--	--	--	--	--	--	--	--	--
Housing	230.2	21	11.0	191.4	18.5	10.3	212.5	20.0	10.6
Office Operations	388.5	XXXX	XXX	361.5	XXXX	XXX	388.4	XXXX	XXX
<b>TOTAL REQUEST</b>	<b>1,962.0</b>			<b>1,707.3</b>			<b>1,844.9</b>		
Amount of Trust Fund Included in Total Requested	--			--			--		

TABLE IX - SUPPORTING DATA ON PROPOSED PROGRAM RANKING  
 POSITION REQUIREMENTS - FY 1979 - 1981  
 (By Function, Organizational Unit, Position Title and Professional Speciality)

FUNCTION/ORGANIZATIONAL UNIT/ POSITION TITLE/PROFESSIONAL SPECIALITY	NUMBER OF POSITIONS											
	FY 1979			FY 1980			FY 1981			AAPL		
	Minimum		Current	Minimum		Current	Minimum		Current	Minimum		Current
	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH
<u>Executive Direction</u>												
<u>Director's Office</u>												
Director	1		1		1		1		1		1	
Deputy Director	1		1		1		1		1		1	
Administrative Assistant		1		1		1		1		1		1
All Other - (Non-Professional)	1	1	1	1	1	1	1	1	1	1	1	1
Subtotal Executive Direction	3	2	3	2	3	2	3	2	3	2	3	2
<u>Program Planning</u>												
<u>Program Office</u>												
Program Officer	1		1		1		1		1		1	
Deputy Program Officer	1		1		1		1		1		1	
Assistant Program Officer	1		1		1		1		1		1	
Program Economist												
Assistant Economist		1		1		1		1		1		1
All Other - (Non-Professional)		1		2		2		2		2		2
Subtotal Program Planning	3	2	3	3	2	3	2	3	2	3	2	2
<u>Project Design and Implementation</u>												
<u>Capital Development Office</u>												
Capital Resources Officer	1		1		1		1		1		1	
Capital Projects Officer	1		1		1		1		1		1	
Capital Projects Officer	1		1		1		1		1		1	
Capital Development Advisor		1		1		1		1		1		1
All Other - (Non-Professional)		2		2		2		2		2		2

TABLE IX - SUPPORTING DATA ON PROPOSED PROGRAM RANKING  
 POSITION REQUIREMENTS - FY 1979 - 1981  
 (By Function, Organizational Unit, Position Title and Professional Speciality)

FUNCTION/ORGANIZATIONAL UNIT/ POSITION TITLE/PROFESSIONAL SPECIALITY	NUMBER OF POSITIONS												DECISION UNIT USAID/Guatemala				
	FY 1979			FY 1980			FY 1981			Current			AAPL				
	Minimum		Current		Minimum		Current		Minimum		Current		AAPL				
	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH			
<u>Project Design and Implementation</u>																	
<u>Program Office</u>																	
Food for Peace Officer	1			1											1		1
SDA Projects Officer	1			1											1		1
Training Officer	1			1											1		1
All Other - (Non-Professional)	1			1											1		1
<u>Office of Rural Development</u>																	
Rural Development Officer	1			1											1		1
Deputy Rural Development Officer	1			1											1		1
Assistant Rural Development Officer	1			1											1		1
Agricultural Economist	1			1											1		1
Agricultural Economist																	
All Other - (Non-Professional)		3			3											3	
<u>Education &amp; Human Resources Division</u>																	
Education & Human Resources Development Officer	1			1											1		1
Education Officer	1			1											1		1
Education Advisor					1												
All Other - (Non-Professional)		2			2											2	
<u>Public Health Division</u>																	
Population Officer	1			1											1		1
Public Health Officer	1			1											1		1
Public Health Assistant					1												
All Other - (Non-Professional)		1			1											1	

TABLE IX - SUPPORTING DATA ON PROPOSED PROGRAM RANKING  
 POSITION REQUIREMENTS - FY 1979 - 1981  
 (By Function, Organizational Unit, Position Title and Professional Speciality)

FUNCTION/ORGANIZATIONAL UNIT/ POSITION TITLE/PROFESSIONAL SPECIALITY	NUMBER OF POSITIONS												DECISION UNIT				
	FY 1975			FY 1980			FY 1981			Current			AAPL				
	Minimum			Minimum			Current			Current			AAPL				
	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH			
<u>Project Design and Implementation</u>																	
<u>Engineering Office</u>																	
Chief Engineer	1		1														1
Assistant Engineer				1													1
All Other - (Non-Professional)		1		1													1
Subtotal Project Design and Implementation.	12	15	12	17	11	15	12	16	12	15	16	12	16	12	18		
<u>Financial Management*</u>																	
(All allocated to ROCAP)																	
<u>Mission Support*</u>																	
Assistant Director for Management	1		1		1												1
Executive Officer	1		1														1
Personnel Officer		1		1													1
Supplies and Contracts Officer		1		1													1
All Other - (Non-Professional)		15		15		14											16
Subtotal Mission Support	2	17	2	17	1	16	1	17	1	16	17	2	17	2	18		
Total Increment	20	36	20	39	17	35	2	39	17	35	40	2	40	2	43		
Cumulative Total	20	36	20	39	17	35	2	39	17	35	40	2	40	2	43		

\* All Mission support personnel working for both USAID/Guatemala and ROCAP are allocated to USAID/Guatemala, and all financial management personnel are allocated to ROCAP.

Decision Unit: USAID/Guatemala

P.L. 480, TITLE II NARRATIVE

A. Relation of P.L. 480 Inputs to CDSS Basic Human Needs Strategy

Despite Guatemala's virtual self-sufficiency in corn, the basic grain staple, nutritional deficiency problems remain widespread among the poor.

INCAP studies have shown that 81% of the at-risk population -- children under five years of age -- could be considered malnourished according to the Gómez classification, with 30% falling into the more severe levels of malnourishment. Further, it is estimated that the poorer one-half of the population consumes only 56% of protein requirements.

Both the CDSS and the GOG's Food and Nutrition component of the new 1979-1982 National Development Plan have identified the low nutritional levels of the target group as a multi-sectoral problem, i.e., which is a function of income, availability of preventive health services, environmental sanitation, and education. The Mission's CDSS objective of reduction in the incidence of malnutrition by 30% in the pre-school age population and in pregnant and nursing mothers is, therefore, being carried out through a strategy of the integration of nutrition into a number of sector activities. For example, nutrition information will be included in non-formal education programs; research in basic grains of high productivity and nutritive value is currently being supported; crop diversification will be encouraged through an FY 1980 loan and grant; and income generation will continue to be furthered by activities in the Mission's rural development portfolio.

Supplemental feeding, which was initially a wholly P.L. 480, Title II program, is moving toward a gradual transfer of responsibility to GOG projects utilizing locally produced foods. The proposed supplemental feeding program has a place in this

strategy, viz, filling the gap existing in the short and medium terms between need and actual consumption, and addressing protein deficiency in particular.

B. Magnitude of Food Deficit and P.L. 480 Role in Meeting Needs

Guatemala is essentially self-sufficient in the production for human consumption of corn, the grain staple of the poor. Corn constitutes 85% of the estimated total demand for basic grains. The production estimate for the 1978-79 crop year is 890,000 metric tons; the human consumption estimate is 875,000 MT. Corn imports are expected to reach 60,000 MT, but they will satisfy animal feed grain requirements. This situation is expected to continue over the next few years. Since production has been increasing at an average annual rate of 3.75% since 1972, the 1985 corn demand of 1,044,600 MT projected by the Tri-Partite (IDB, IBRD, AID) Study of 1976 will be met by local production even if the rate of production increase declines somewhat.

Edible oil, i.e., cottonseed oil, production has kept pace with demand as well, chiefly because favorable world prices have stimulated cotton production. The 1978-79 crop year production estimate of 36,722 MT is expected to exceed estimated consumption of 34,171 MT; 1978-80 production and demand projections are 41,655 MT and 38,250 MT, respectively. Production/consumption equilibrium is expected to continue, but with less assurance than in the case of corn because of dependence on fluctuations in the world cotton market.

Within this context, P.L. 480, Title II supplemental feeding will address the nutritional deficiencies, especially protein deficiencies, of the poor, who are inhibited by income constraints from obtaining adequate nourishment. Most heavily targeted will be children and mothers in the Maternal Child Health category.

C. Guatemalan Priority Accorded to Meeting Nutritional Gaps

The GOG views malnutrition with mounting concern, and has, for the first time, issued a Food and Nutrition Plan, i.e., the Food and Nutrition component of the 1979-1982 National Development Plan, in which it defines the priority target group as children under five and pregnant and nursing mothers. The Plan takes note of the need for supplemental feeding to fill extant nutritional gaps, but fails to quantify such a program. This is a function of the inchoate nature of a Plan which posits as the first activity to be undertaken, "the formulation of programs, projects and activities..."

However, the GOG's 1979-1982 Development Plan, of which the Nutrition Plan is one section, posits a strategy and more clearly defines programs targeted toward the raising of incomes of the rural poor, thereby furthering equity in food consumption.

Assumption by the GOG of full responsibility for the school feeding program utilizing locally grown and processed food stuffs by 1980, a program heretofore utilizing P.L. 480, Title II food is indicative of GOG interest in nutrition and may be a harbinger of future transfers of other supplemental feeding responsibilities to the GOG.

To underscore its interest in the MCH target group, the Ministry of Health has made adherence to the P.L. 480, Title II, MCH program compulsory for Government health centers and posts in targeted areas. These health facilities are obliged to offer food recipients an integrated program of physical examinations and immunizations. In addition, the centers are required to maintain health charts in conjunction with provision of supplementary foods. The resulting data should provide a basis for future evaluation of the nutritional impact of the program.

D. Distribution and Marketing Constraints

Food spoilage resulting from a dramatic increase in magnitude of the program in response to the Feb-

ruary 1976 earthquake served to underscore the need of keeping the size of the program within manageable bounds. Warehousing constraints, in particular, argue for maintenance of the program at pre-earthquake commodity levels.

E. P.L. 480 Assistance Levels and Rationale

At the AAPL level, the Mission is maintaining P.L. 480 assistance at the FY 1980 level of \$5.0 million. This \$5.0 million represents a commodity level of 12,800,000 Kgs., which is within the limits of the pre-earthquake program. Of this quantity, 11,520,000 Kgs. are destined for MCH, 652,000 Kgs. for Food for Work projects, 568,000 Kgs. for Other Child Feeding, e.g., children in orphanages and day-care centers, and 60,000 Kgs. for Institutional Feeding, e.g., feeding of patients at leprosariums or old-age homes.

The \$5.0 million level is shown for all years of the planning period. Any upward or downward fluctuation in program size would be based upon the results of a nutritional impact evaluation scheduled for 1980, further GOG definition of the role of P.L. 480 feeding programs within its nutrition strategy and administrative and logistical constraints on program size.

The absence of any timetable of activities or quantification in the National Nutrition Plan prohibits a realistic projection of a program phase-out predicated upon the GOG's picking up supplemental feeding, other than school feeding, from its own resources. However, close Mission monitoring of the evolution of GOG nutrition strategy will insure that P.L. 480 feeding programs are in consonance with Government program emphasis which, taken together with nutritional impact evaluation results, will determine program direction in future years. The Mission is prepared to assist the GOG in further defining its strategy and is contemplating the use of grant funds for this purpose under the proposed Rural Health and Nutrition Systems Improvement project.

The Current and Minimum level for FY 1981 is \$4.0 million. This represents elimination of all categories

other than MCH, adherence to the FY 1979 MCH level in the case of CARE, and to the lower CRS 1980 MCH level, which has been reduced due to CRS/CARITAS' long-standing difficulties in properly managing the program. This maintenance of only the MCH program at a slightly reduced level represents a response to the newly defined Guatemalan Government priority in this area and constitutes a continuation of the program with greatest potential for nutritional impact.

P.L. 480, TITLE II

Mission Review of Operational Plan

CARE

In the absence of evidence of nutritional impact pending performance of an evaluation scheduled for the latter part of this year, the Mission is constrained from concurring in the FY 1981 MCH beneficiary increase proposed by CARE in their Five-Year Plan, which is attached as an Annex. The Mission is instead showing a maintenance of the program at the 1980 level of assistance throughout the planning period; a later increase or decrease may be warranted by the evaluation.

The Mission is also looking to definition of GOG nutrition programs to determine the direction this program will take. For example, future time phasing and quantified programming of GOG nutrition projects may warrant a consequent upturn in the P.L. 480, Title II, level commensurate with an increased GOG interest and commitment in this area.

The Mission finds the Integrated Child Development Plan (MCH), which is the heart of the CARE program, to be basically sound. GOG interest has culminated in a requirement for the compulsory adherence to this program by Government health centers and posts in the targeted areas. The MCH target group is the priority beneficiary category set forth in the National Nutrition Plan, and the program is in consonance with this Governmental interest.

The CARE certification that storage facilities are adequate and that the program will not result in a substantial disincentive to domestic agricultural production is attached.

Historically, warehousing adequacy, particularly maintenance, has been an issue. To insure against the recurrence of this problem, CARE has instituted the practice of transporting food directly from the port of entry to the health districts where distribu-

tion takes place, thereby bypassing inadequate departmental warehouses. Each health district serves only a few distribution centers. Therefore, food is stored at these facilities in far smaller quantities and for shorter periods of time than at the departmental warehouses, with the result that spoilage is minimized.

### CRS

The CRS FY 1981 Operational Plan, attached as an Annex, includes preliminary projections for a continuation of the FY 1980 program at the same level through FY 1981 and future years. CRS would base final determination of program size for a given year on the actual level of distribution for the preceding year. The Mission is in agreement with the maintenance of the FY 1980 level of food assistance. However, we cannot accept the CRS rationale for future year fluctuations in level, which is at variance with the Mission's view that an increase or decrease in program size in FY 1981 or later in the planning period ought to be based upon evidence of nutritional impact, GOG interest and definition of GOG nutrition programs, and the ability of CRS and its local counterpart organization, CARITAS, to provide proper management of the program.

MCH accounts for 85% of the beneficiaries of the program. This is in accordance with the Guatemalan Government's National Nutrition Plan, which views children under five and pregnant and nursing mothers as the priority target group of nutrition programs. The remainder of the CRS beneficiaries are in Food for Work, where construction of feeder roads has replaced post-earthquake housing reconstruction as the major activity; Other Child Feeding, i.e., feeding of children in orphanages, day-care centers and other institutions; and Institutional Feeding, i.e., feeding of patients in such institutions as leprosariums and old-age homes.

The CRS certification that storage facilities are adequate and that the program will not result in a substantial disincentive to agricultural production is attached.

TABLE XIII - P.L. 480, TITLE II

Decision Package: AAPL\*

COUNTRY: Guatemala

SPONSOR'S NAME: CRS

A. MATERNAL AND CHILD HEALTH.....TOTAL RECIPIENTS 70,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands)</u>	
		<u>KGS</u>	<u>Dollars</u>
70,000	Oil	381	337.9
70,000	CSM	763	202.2
70,000	WSB	763	219.0
70,000	Rice	381	168.0
70,000	Milk	763	269.3
<u>TOTAL MCH</u>		<u>3,051</u>	<u>1,196.4</u>

B. SCHOOL FEEDING.....TOTAL RECIPIENTS \_\_\_\_\_

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands)</u>	
		<u>KGS</u>	<u>Dollars</u>
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<u>TOTAL SCHOOL FEEDING</u>		<u>N/A</u>	<u>N/A</u>

C. OTHER CHILD FEEDING.....TOTAL RECIPIENTS 1,500

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands)</u>	
		<u>KGS</u>	<u>Dollars</u>
1,500	Oil	8	7.1
1,500	CSM	33	8.7
1,500	WSB	16	4.6
1,500	Flour	16	3.4
1,500	Rice	16	7.0
<u>TOTAL OTHER CHILD FEEDING</u>		<u>89</u>	<u>30.8</u>

D. FOOD FOR WORK.....TOTAL RECIPIENTS 10,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands)</u>	
		<u>KGS</u>	<u>Dollars</u>
10,000	Oil	27	24.0
10,000	CSM	109	28.9
10,000	WSB	109	31.3
10,000	Flour	109	23.3
10,000	Rice	109	48.0
<u>TOTAL FOOD FOR WORK</u>		<u>463</u>	<u>155.5</u>

E. OTHER: INSTITUTIONAL.....TOTAL RECIPIENTS 1,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands)</u>	
		<u>KGS</u>	<u>Dollars</u>
1,000	Oil	5	4.4
1,000	CSM	22	5.8
1,000	WSB	11	3.1
1,000	Flour	11	2.3
1,000	Rice	11	4.8
<u>TOTAL OTHER</u>		<u>60</u>	<u>20.4</u>

\* As P.L. 480, Title II levels have been straight-lined at the AAPL for FY 1981-1985, only one table is provided.

TABLE XIII - P.L. 480, TITLE II

Decision Package: AAPL\*

COUNTRY: Guatemala

SPONSOR'S NAME: CARE

A. MATERNAL AND CHILD HEALTH.....TOTAL RECIPIENTS 196,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands)</u>	
		<u>KGS</u>	<u>Dollars</u>
196,000	Rice	2,117	933.6
196,000	CSM	2,117	584.3
196,000	Milk	2,117	747.3
196,000	Flour	1,059	199.0
196,000	Oil	1,059	869.4
<u>TOTAL MCH</u>		<u>8,469</u>	<u>3,333.6</u>

B. SCHOOL FEEDING.....TOTAL RECIPIENTS \_\_\_\_\_

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands)</u>	
		<u>KGS</u>	<u>Dollars</u>
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<u>TOTAL SCHOOL FEEDING</u>		N/A	N/A

C. OTHER CHILD FEEDING.....TOTAL RECIPIENTS 22,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands)</u>	
		<u>KGS</u>	<u>Dollars</u>
22,000	Rice	119	52.5
22,000	CSM	119	32.8
22,000	Milk	119	42.0
22,000	Flour	61	11.5
22,000	Oil	61	50.1
<u>TOTAL OTHER CHILD FEEDING</u>		<u>479</u>	<u>188.9</u>

D. FOOD FOR WORK.....TOTAL RECIPIENTS 1,640

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands)</u>	
		<u>KGS</u>	<u>Dollars</u>
1,640	Rice	65	28.7
1,640	CSM	49	13.5
1,640	Flour	65	12.2
1,640	Oil	10	8.2
<u>TOTAL FOOD FOR WORK</u>		<u>189</u>	<u>62.6</u>

E. OTHER.....TOTAL RECIPIENTS \_\_\_\_\_

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands)</u>	
		<u>KGS</u>	<u>Dollars</u>
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<u>TOTAL OTHER</u>		N/A	N/A

\* As P.L. 480, Title II levels have been straight-lined at the AAPL for FY 1981-1985, only one table is provided.

TABLE XIII - P.L. 480, TITLE II

Decision Package: Current and Minimum

COUNTRY: Guatemala

SPONSOR'S NAME: CARE

A. MATERNAL AND CHILD HEALTH.....TOTAL RECIPIENTS 166,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands)</u>	
		<u>KGS</u>	<u>Dollars</u>
166,000	Rice	1,792	790.3
166,000	CSM	1,792	494.6
166,000	Flour	896	168.4
166,000	Oil	896	735.6
166,000	Milk	<u>1,792</u>	<u>632.6</u>
<u>TOTAL MCH</u>		7,168	2,821.5

TABLE XIII - P.L. 480, TITLE II

Decision Package: Current and Minimum

COUNTRY: Guatemala

SPONSOR'S NAME: CRS

A. MATERNAL AND CHILD HEALTH.....TOTAL RECIPIENTS 70,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands)</u>	
		<u>KGS</u>	<u>Dollars</u>
70,000	Oil	381	337.9
70,000	CSM	763	202.2
70,000	WSB	763	219.0
70,000	Rice	381	168.0
70,000	Milk	<u>763</u>	<u>269.3</u>
<u>TOTAL MCH</u>		3,051	1,196.4

USAID/Guatemala

ABS P.L. 480 ANNEX

Attached are three (3) copies of CARE and CRS operational plans and CARE and CRS certifications that storage facilities are adequate and that P.L. 480 food is not a disincentive for agricultural production.



CRS/CARITAS GUATEMALA PL480 FOOD PROGRAM

ADEQUACY OF STORAGE FACILITIES - CRS submits the following evidence that storage facilities are adequate:

- 1 - AID Audit Report No. 1-520-78-9, Issue Date 21 February, 1978, Section G, states: "warehouses now have adequate storage space".
- 2 - Money was budgeted for FY1978 for the purchase of pallets for the remaining warehouses that need additional pallets. These pallets are currently being constructed and installed.
- 3 - Scales have been purchased and installed in all warehouses. This enables warehouse employees to verify the weight of damaged containers and containers whose contents appear to be less than the labeled weight.
- 4 - Training course for warehouse supervisors was held from the 12th to 17th March, 1978. It included instruction on techniques for pest control, product handling and storage, and proper rotation (FIFO).

PROGRAM IS NOT A DISINCENTIVE TO DOMESTIC FOOD PRODUCTION - CRS submits the following evidence of efforts to encourage increased domestic production via the Food Program:

- 1 - Our Nutrition Education Project, budgeted for US\$218,000.00 (refer to Project No. 7D011), has two major foci:
  - a) The importance of family gardens and increased consumption of vegetables (refer to 1979 Program Plan, p. 16).
  - b) The benefits of increasing local production and consumption of foods generally.

To this end, the Nutrition Education Project has an ambitious schedule of courses for local nutrition promoters and community groups, which emphasize these points. It also includes follow-up consultations with these promoters and groups to reinforce their work and to help them find technical resource assistance.



- 2 - Our Food for Work Projects, in accordance with the GOG's National Development Plan, which includes a goal of increased local food production, give priority attention to two relevant activities: feeder roads and agricultural education courses (refer to 1979 Program Plan, pp. 22-23). Feeder roads provide farmers with greater access to markets. Courses in agricultural topics such as bee-keeping jointly sponsored by CRS/ Caritas and Heifer Project, as well as those sponsored by others, frequently receive rations under the FFW category of "educational courses".
- 3 - No concrete data are yet available to prove that the PL-480 Program as a whole in Guatemala is either an incentive or a disincentive to local food production.

6a. ave. 6-47, zona 9      guatemala  
teléfono: 66392      66497  
dirección postal      aptado. post. 1211  
dirección cablegráfica      CAREGUAT

cooperativa americana de remesas al exterior

April 20, 1979  
CARE-GUA #193

TO : Mike Grajeda  
USAID-Guatemala

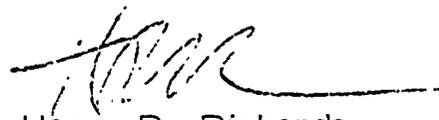
FROM : Henry R. Richards  
CARE-Guatemala

SUBJECT : Statements on Adequate Storage and Disincentive  
to Production of PL-480 Commodities

Dear Mike:

Attached are the subject statements that you requested.

Sincerely,



Henry R. Richards

HRR:ew  
Enc.  
117  
324.1

CARE-GUATEMALA

1. Adequate PL-480 Storage Statement

CARE-Guatemala's PL-480 delivery system has been changed since the last plan period. At this time, the great majority of PL-480 commodities are delivered directly to district-level health centers who service 1-5 health posts. This allows individual health posts to pick up their commodities more quickly at less cost. This system has allowed CARE to actually give up one of the central warehouses used in the past. We will expand this practice in the future which will reduce internal losses further and make the operational program more efficient as well.

2. Disincentive for Local Production Statement

As described last year, there is no evidence that PL-480 has reduced local production of grain crops to any degree. There have been no complaints by any party to CARE concerning this matter. The fact is that additional or supplementary food is a requirement of the general population of Guatemala. For example, it is shown in statistics produced by INCAP that though basic grain crop yields have gone up, the poorer strata of society are eating less than they did ten years ago. This is a population problem, of course, but if the health status of the children of Guatemala is to be improved, imported foods are required. See attachment.

Att.

Cuadro N° 34

CONSUMO DE MAIZ POR PERSONA EN GUATEMALA  
SEGUN HOJAS DE BALANCE DE ALIMENTOS

Año	C o n s u m o	
	Anual (Kg)	Diario (gr)
1960 *	180.6	494.8
1961	179.0	490.4
1962	197.8	541.9
1963	197.4	540.8
1964	209.3	573.4
1965	204.0	558.9
1966	177.1	485.2
1967	179.9	492.9
1968	202.6	555.0
1969	197.6	541.3
1970	195.3	534.9
1971 **	118.2	323.8
1972	118.6	324.9
1973	116.4	318.9
1974	105.2	288.1
1975	101.5	278.2
1976	101.5	278.0

Fuente: \* SIECA. Estadística sobre la Alimentación y la Agricultura en Centro América, 1972.

\*\* Dirección General de Estadística. Ministerio de Economía. República de Guatemala. Cuentas de Disponibilidad/Utilización, Análisis de la Oferta para Consumo Humano y Hojas de Balance de Alimentos 1970-76. Granos Básicos (cifras preliminares). Guatemala, marzo 1976.