

Annual Budget Submission

FY 1989

HONDURAS

JUNE 1987



Agency for International Development
Washington, D.C. 20523

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FY 1989

ANNUAL BUDGET SUBMISSION

USAID/HONDURAS
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USAID HONDURAS

FY 1989 ANNUAL BUDGET SUBMISSION

OVERVIEW

Table IV indicates that the number of projects receiving financing --exclusive of ESF financed balance of payments support, PD&S, PL 480 Titles I and II, Housing Guaranties, and, after FY 1988, the basket OPG project (PVO Coordination Strengthening, 522-0328)-- drops from 17 in FY 1987 to 15 in FY 1988 and 13 in FY 1989.

The DA mortgage for the portfolio is: an end of FY 1987 mortgage of \$100.7 million (16.1% of planned LOP funding) --compared to \$95.35 million projected in last year's ABS; and an end of FY 1988 mortgage of \$155.2 million (24.8% of planned LOP funding). The end of FY 1988 mortgage is higher than the end of FY 1987 mortgage due to the initiation of three major projects detailed below. These relatively high mortgages can be alleviated through: (1) our receipt of fallout funds and a possible Supplemental in FY 1987, and (2) the increase in ARDN funding in FY 1989 to compensate for the LAC Bureau mandated increase in Health and Child Survival funding for that year. As necessary, we will also examine the possible increased use of projectized ESF in FY 1988 and beyond.

From the perspective of the DA pipeline, USAID Honduras' performance is noteworthy. The projected end of FY 1987 pipeline of \$86.1 million is only 13.7% of planned LOP funding and \$13 million below the actual end of FY 1986 pipeline. The projected end of FY 1988 pipeline, \$63 million, is \$23.1 million lower than the pipeline of the previous year. The end of FY 1989 pipeline is projected to decrease by an additional \$11 million.

USAID/Honduras' Pipeline and Mortgage situation is presented graphically on page iv.

Four new projects (exclusive of CAPS which previously was funded regionally) will start in FY 1987:

<u>Project Title</u>	<u>Number</u>	<u>LOP</u> (\$ Millions)
Forestry Development	522-0246	20.0
Strengthening Democratic Institutions	522-0296	3.4
Shelter Sector Program	522-0324	1.6
Policy Planning and Implementation	522-0325	<u>10.0</u>
		35.0

The mortgage for these projects will be \$24.8 million (70.9% of the planned LOP funding) at the end of FY 1987; \$14.45 million (41.3% of the planned LOP funding) at the end of FY 1988; and \$9.2 million (26.3% of the planned LOP funding) at the end of FY 1989.

Three new projects (exclusive of the \$4.8 million basket OPG activity) are planned to start in FY 1988:

<u>Project Title</u>	<u>Number</u>	<u>LOP</u> (\$ Millions)
Small Business Development Support	522-0241	20.0
Health Sector II	522-0216	40.0
Agricultural Productivity Enhancement	522-0292	30.0
		<u>90.0</u>

The mortgage for these projects will be \$53.0 million (58.9% of the planned LOP funding) at the end of FY 1988; and \$38.5 million (42.8% of the planned LOP funding) at the end of FY 1989.

Two new projects are projected to start in FY 1989:

<u>Project Title</u>	<u>Number</u>	<u>LOP</u> (\$ Millions)
Agribusiness Development Support*	522-0271	7.5
Venture Capital	522-0312	12.0
		<u>19.5</u>

* Commencement of the Agribusiness Development Support project is contingent upon an increase in our ARDN budget as discussed in our Action Plan and the Action Plan decision cable (State 96084).

The mortgage for these projects, assuming Agribusiness Development Support is not financed in FY 1989, will be \$15.9 million (81.5% of the planned LOP funding) at the end of FY 1989.

Due to the LAC Bureau's Action Plan instruction to USAID Honduras to increase health and child survival funding in FY 1989 at the expense of the ARDN account, the Health Sector II project is projected to receive higher than normal funding in its initial years. This will result in very limited funding requirements for health and child survival funding after FY 1989. This directive also has severely constrained our ability to reduce the mortgage in the ARDN account or to contemplate new agricultural and rural development project starts in Honduras. Unless some relief is provided, our ability to support new activities in the agricultural sector related to our agricultural production, exports and employment objectives will be severely constrained.

In keeping with our Management by Objectives focus, we have inserted a column on Table IV and Table V indicating which of our objectives established in the FY 1988/1989 Action Plan the activity principally advances. The column refers to the numbers and relatively broad objectives established by the LAC Bureau, and USAID Honduras' more specific statement of these as presented below.

Goal: Short-term economic stabilization:

LAC Obj. 3: Stabilize financial structures: Substantially improve macroeconomic performance from 1985 through 1990.

Goal: Basic structural reforms leading to rapid and sustained economic growth:

LAC Obj. 1: Increase agricultural production by \$360 million from 1985 through 1990.

LAC Obj. 5: Promote \$370 million in export earnings from 1985 through 1990.

Goal: Wider sharing of the benefits of growth:

LAC Obj. 8: Increase access to voluntary family planning services: Increase contraceptive prevalence from 35% in 1985 to 45% in 1990.

LAC Obj. 9: Improve health and health services: Increase life expectancy from 61 years in 1985 to 65 years by 1990.

LAC Obj. 10: Reduce infant mortality from 70/1000 in 1985 to 60/1000 in 1990.

LAC Obj. 11: Improve housing: Construct 6,435 new homes, and improve 19,649 existing homes from 1985 through 1990.

LAC Obj. 12: Improve educational opportunities: Increase the proportion of primary school students completing the sixth grade from 45% in 1985 to 70% in 1990, while reducing costs per graduate from \$612 to \$550.

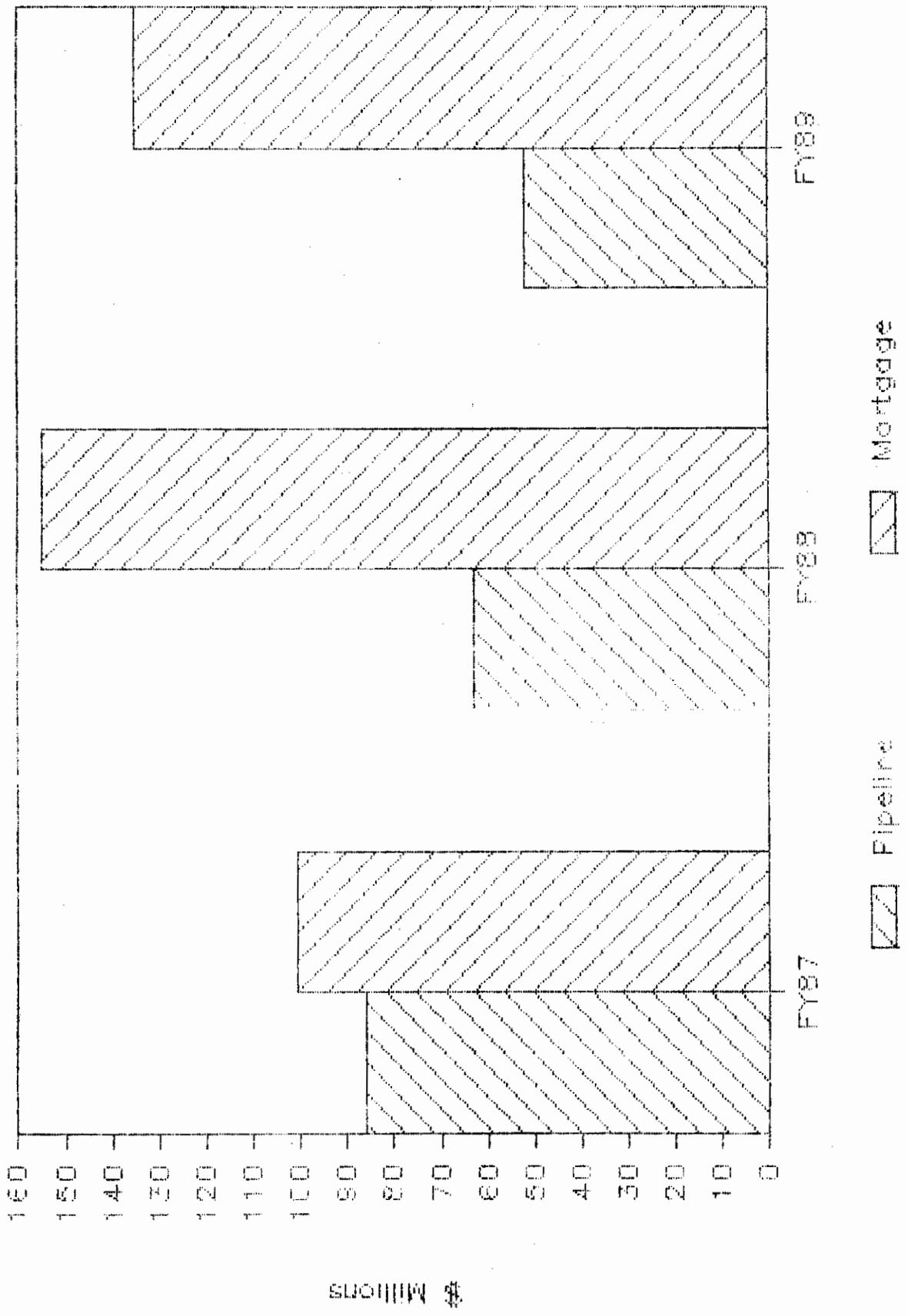
LAC Obj. 15: Other: Generate 400,000 person-years of productive employment from 1985 through 1990.

Goal: Strengthening democratic institutions:

LAC Obj. 13: Increase participant training: 2,100 Hondurans have educational opportunities in the United States' democratic environment from 1985 through 1990.

LAC Obj. 14: Strengthen democratic institutions: Consolidate the legislative, judicial and electoral and other democratic processes affecting the rights of citizens from 1985 through 1990.

DA Pipeline & Mortgage



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FY 1989 ANNUAL BUDGET SUBMISSION
TABLE 1 - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (0000)

522 - NONCFRAs

	FY 1986		FY 1987		FY 1988		FY 1989		PLANNING PERIOD			
	ACTUAL	ESTIMATE	CP	ESTIMATE	APFL	1990	1991	1992	1993	1994	1995	1996
AGRICULTURE, RURAL DEV. AND NUTRITION												
TOTAL	26,478	21,081	18,712	20,900	17,750	27,054	26,236	23,238	17,345			
GRANTS	14,078	9,129	10,212	13,600	8,250	10,619	14,866	15,938	10,943			
LOANS	12,400	11,952	8,500	7,300	9,500	16,435	11,350	7,300	6,402			
POPULATION PLANNING												
TOTAL	4,136	2,907	4,000	2,900	1,200	1,250	1,900	2,000	2,000			
GRANTS	4,136	2,907	4,000	2,900	1,200	1,250	1,900	2,000	2,000			
LOANS	0	0	0	0	0	0	0	0	0			0
CEST PROC CONV	(750)	(370)		(900)								
HEALTH												
TOTAL	5,847	1,199	2,250	2,250	150	2,400	3,200	5,500	4,000			
GRANTS	3,440	1,199	1,250	2,250	150	2,400	3,200	5,500	4,000			
LOANS	2,387	0	1,000	0	0	0	0	0	0			0
CHILD SURVIVAL												
TOTAL	0	1,450	2,000	2,000	4,500	1,000	2,000	2,000	6,500			
GRANTS	N.A.	1,450	2,000	2,000	4,500	1,000	2,000	2,000	6,500			
LOANS	N.A.	0	0	0	0	0	0	0	0			0
EDUCATION AND HUMAN RESOURCES												
TOTAL	4,529	6,807	7,100	6,100	4,300	3,289	1,845	3,750	6,000			
GRANTS	3,429	5,500	5,750	4,700	4,200	3,289	1,845	2,250	5,000			
LOANS	1,100	1,300	1,350	1,400	2,000	0	0	1,500	1,000			
SELECTED DEVELOPMENT ACTIVITIES												
TOTAL	2,025	7,500	6,250	6,250	9,100	4,700	7,100	6,300	7,457			
GRANTS	2,025	6,350	4,850	4,650	4,500	1,700	1,700	2,800	2,957			
LOANS	0	1,150	1,400	1,600	4,600	3,000	5,400	3,500	4,500			
SUBTOTAL FUNCTIONAL ACCOUNTS												
TOTAL	45,215	40,854	40,362	40,400	41,000	41,650	42,281	42,788	43,300			
GRANTS	27,628	26,250	26,612	30,050	24,900	26,259	25,511	30,488	31,402			
LOANS	15,587	14,602	12,300	10,350	16,100	15,401	16,750	12,300	11,900			
TOTAL DR ACCOUNT												
TOTAL	45,215	40,854	40,362	40,400	41,000	41,650	42,281	42,788	43,300			
GRANTS	27,628	26,250	26,612	30,050	24,900	26,259	25,511	30,488	31,402			
LOANS	15,587	14,602	12,300	10,350	16,100	15,401	16,750	12,300	11,900			
ECONOMIC SUPPORT FUND												
TOTAL	61,246	70,761	100,000	100,000	93,000	94,535	95,905	97,056	96,221			
GRANTS	61,246	70,761	100,000	100,000	93,000	94,535	95,905	97,056	96,221			
LOANS	0	0	0	0	0	0	0	0	0			0
90 AND EBF TOTAL												
TOTAL	104,463	111,615	140,362	140,400	134,000	136,228	138,186	139,844	141,523			
GRANTS	88,876	87,013	128,642	130,050	117,900	114,793	121,426	127,944	129,423			
LOANS	15,587	14,602	12,300	10,350	16,100	21,435	16,750	12,300	11,900			
P,480												
TITLE I	(13,000)	(12,000)	(12,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)			
SECTION 41A	(---)	(8,300)	(---)	(---)	(---)	(---)	(---)	(---)	(---)			
TITLE II	23,312	(3,313)	(2,000)	(2,680)	(2,700)	(2,723)	(3,000)	(3,000)	(3,000)			
COLLECTIVE GUARANTIES												
GUARANTIES	(---)	(---)	(---)	(---)	(---)	(25,000)	(---)	(---)	(---)			

FY 1989 ANNUAL BUDGET SUBMISSION
TABLE IV - PROJECT BUDGET DATA
(in Thousands of Dollars)

Project Title	L/R Number	FISCAL YEAR	ORIG- OF ORIGINATOR	TOTAL PROJECT COST	FY 88		FY 89		FY 90		MORTGAGE	HYPO	SPECIAL CODES
					ADMD	PLANNED	ORIG- OF ORIGINATOR	PLANNED	ORIG- OF ORIGINATOR	PLANNED			
Rural Technologies	B 522-0157	88	79	9,000	9,000	1,321	0	177	0	0	787	0	0 1P90
Rural Trails & Access Roads	B 522-0158	88	80	720	720	84	0	84	0	0	0	0	0 10R
Rural Trails & Access Roads	L 522-0164	88	80	20,970	20,970	2,793	0	2,793	0	0	0	0	0 10R
Natural Resources Management	B 522-0168	88	80	3,900	3,900	933	0	933	0	0	150	0	0 1PC-WA-FR-EY-MH-P90
Rural Housing Improvement	B 522-0171	88	81	12,225	12,252	10,300	4,159	1,952	1,564	0	2,500	0	0 1PC-WA-FR-EY-MH-P90
Rural Housing Improvement	L 522-0171	88	81	200	200	16	0	24	0	0	0	0	0 1PC, MA, P90
Small Farmer Titling & Services	B 522-0173	88	81	3,300	3,300	421	0	421	0	0	0	0	0 1PC, MA, P90
Small Farmer Titling & Services	L 522-0173	88	82	2,500	2,500	986	0	574	0	0	318	0	0 10R
Small Farmer Coffee Improv.	B 522-0175	88	82	10,000	10,000	6,191	0	1,298	0	0	2,600	0	0 10R
Small Farmer Coffee Improv.	L 522-0175	88	81	4,250	4,250	1,943	888	2,107	1,233	0	0	0	0 10R, FR
Export Development and Services	B 522-0207	88	84	2,400	2,400	1,414	0	500	0	0	1,340	0	0 10R, FR
Export Development and Services	L 522-0207	88	84	7,200	7,200	6,618	0	1,400	0	0	750	0	0 10R, FR, PC
Small Farmer Livestock	B 522-0209	88	83	3,000	3,000	1,278	0	924	0	0	2,000	0	0 10R, MA, P90
Small Farmer Livestock	L 522-0209	88	83	10,000	10,000	5,102	0	2,850	0	0	323	0	0 10R, MA, P90
Rural Trails & Access Roads II	B 522-0214	88	85	1,315	1,315	979	0	300	300	0	715	0	0 10R
Rural Trails & Access Roads II	L 522-0214	88	85	10,485	10,485	8,990	8,484	0	2,250	9,785	1,000	5,000	0 10R
Small Business Dev. Support	B 522-0241	88	91	0	5,000	N.A.	N.A.	N.A.	N.A.	N.A.	500	4,000	1,000 1P92
Small Business Dev. Support	L 522-0241	88	91	0	5,000	N.A.	N.A.	N.A.	N.A.	N.A.	500	4,000	1,000 1P92
Forestry Development	B 522-0246	88	91	0	5,000	N.A.	N.A.	N.A.	N.A.	N.A.	750	4,000	1,000 1P92
Forestry Development	L 522-0246	88	91	0	5,000	N.A.	N.A.	N.A.	N.A.	N.A.	750	4,000	1,000 1P92
Agriculture Research Foundation	B 522-0249	88	91	0	12,000	N.A.	N.A.	1,000	700	7,000	1,000	1,300	4,000 1,000 1P92
Agriculture Research Foundation	L 522-0249	88	92	20,000	23,000	5,400	1,753	2,658	3,000	14,941	4,700	3,500	4,200 1,500 1FR
Small Scale Livestock - (P90)	B 522-0251	88	85	438	438	110	0	110	0	0	0	0	10,241 2,400 1P90
Small Scale Livestock - (P90)	L 522-0251	88	85	438	438	110	0	110	0	0	0	0	10,241 2,400 1P90
Small Farmer Organ. Strength.	B 522-0252	88	85	7,500	7,500	2,621	650	1,509	4,200	900	1,800	3,300	1,700 1P90
Small Farmer Organ. Strength.	L 522-0252	88	85	8,200	8,200	0	0	2,000	300	6,300	1,000	1,000	5,300 1,000 1P90
Irrigation Development	B 522-0268	88	86	8,000	8,000	1,000	1,000	1,000	450	6,000	1,000	1,335	5,000 500 10R
Irrigation Development	L 522-0268	88	86	14,500	14,500	2,503	1,500	250	10,250	0	1,500	10,500	0 10R
Strategic Plans & Tech. Support	B 522-0269	88	86	2,500	2,500	2,341	0	600	0	0	1,741	0	0 10R
Strategic Plans & Tech. Support	L 522-0269	88	86	2,500	2,500	2,341	0	600	0	0	1,741	0	0 10R
Agriculture Development	B 522-0271	88	89	7,500	7,500	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A. 0 1P92
Agriculture Development	L 522-0271	88	89	10,000	10,000	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A. 1,000 10R, FR
Agricultural Productivity Enhanc	B 522-0272	88	89	0	12,000	N.A.	N.A.	N.A.	N.A.	N.A.	250	11,000	2,000 10R, FR
Agricultural Productivity Enhanc	L 522-0272	88	89	0	12,000	N.A.	N.A.	N.A.	N.A.	N.A.	250	11,000	2,000 10R, FR
Pub. Planning & Implementation	B 522-0275	88	87	0	1,000	N.A.	N.A.	100	0	900	100	100	100 10R 1P92
Pub. Planning & Implementation	L 522-0275	88	87	0	1,000	N.A.	N.A.	100	0	900	100	100	100 10R 1P92
PG Coord. St. - (P90)	B 522-0279	88	87	0	1,000	N.A.	N.A.	N.A.	N.A.	N.A.	50	900	100 10R 1P90
PG Coord. St. - (P90)	L 522-0279	88	87	1,010	1,010	N.A.	N.A.	1,010	0	0	320	0	0 10R
Roadside Peace Scholarships	B 522-0329	88	79	0	6,344	6,641	645	283	495	N.A.	300	N.A.	250 10R
Roadside Peace Scholarships	L 522-0329	88	79	0	6,344	6,641	645	283	495	N.A.	300	N.A.	250 10R

TOTAL	SRMT	LOAN
(154,414)	268,450	427,777
172,067	110,242	42,537
1121,407	159,407	85,176
21,931	99,269	49,428
12,247	13,241	12,430
17,112	35,383	7,300
34,719	5,229	44,041
21,093	45,963	9,500

FY 1989 ANNUAL BUDGET SLIPSTREAM
 TAB E IV - PROJECT BUDGET DATA
 (In Thousands of Dollars)

Project Title	L/R Number	FISCAL YEAR	ORIG-UP DEDICATION TIME	INITIAL	FINAL	TOTAL PROJECT COST	FY 87		FY 88		FY 89		MORTGAGE	AMPL	SPECIAL CHRG	
							ACTUAL	PLANNED	OB.LG	FY 87	OB.LG	FY 88				OB.LG
Education and Human Resources																
Rural Primary Education	6 522-9167	12	80	85	2,850	2,850	2,850	274	0	304	0	0	0	0	0	0
Rural Primary Education	1 522-9167	12	80	85	16,850	16,850	1,487	0	1,487	0	0	0	0	0	0	0
SRMAM Inst. Strengthening (OPS)	6 522-9256	15	84	86	1,000	1,000	751	0	367	0	0	14	0	0	0	0
Nva Bsr Council (EMPH-OPS)	6 522-9257	15	84	91	1,325	6,325	1,080	251	1,380	781	4,245	1,300	2,745	1,100	1,000	PRZ
Primary Education Efficiency	6 522-9273	12	86	95	22,800	22,800	3,000	3,000	3,000	3,000	15,489	3,000	12,489	3,000	1,000	PC, PRZ, PWD
Primary Education Efficiency	1 522-9273	12	86	95	5,500	5,500	400	400	400	1,500	3,400	1,000	2,000	2,000	1,000	PC, PRZ
IIEC Institutional Streng (OPS)	6 522-9287	15	85	84	180	180	480	480	228	0	0	0	0	0	0	0
PWD Coord. Strengthen (OPS)	6 522-9278	14	88	93	0	1,600	N.A.	N.A.	N.A.	N.A.	100	50	900	100	100	PWD
Household Price Scholarships	6 522-9329	13	87	87	946	946	N.A.	344	402	0	0	540	0	0	0	0
Program Development and Support	6 522-9165	12	79	CONT	2,763	2,911	159	56	184	N.A.	100	75	N.A.	100	100	100
TOTAL					53,412	54,951	26,771	6,276	6,067	4,377	22,224	6,100	6,479	18,334	6,304	
GRANT					31,562	34,501	11,721	4,473	3,197	2,576	19,874	4,100	3,379	16,334	4,300	
LOAN					22,150	22,150	17,453	2,097	1,590	1,737	3,400	1,400	1,100	2,000	2,000	
Selected Development Activities																
Special Bsr. Activities	6 522-9169	14	81	86	492	492	492	20	0	30	N.A.	0	0	0	0	0
Small Business Development	6 522-9205	15	84	87	638	800	400	415	280	400	0	0	215	0	0	0
Shelter for the Urban Poor II	6 522-9206	13	85	85	425	425	425	235	0	220	0	0	0	0	0	0
Export Development and Services	6 522-9207	5	84	88	5,160	5,160	2,960	1,576	1,350	997	1,259	1,039	0	0	0	0
Export Development and Services	1 522-9207	5	84	89	8,800	8,800	5,000	5,564	1,150	1,425	1,438	1,059	0	0	0	0
Small Business Dev. Support	6 522-9241	15	88	91	0	5,000	N.A.	N.A.	N.A.	N.A.	N.A.	0	0	5,000	2,000	PRZ
Small Business Dev. Support	1 522-9241	15	88	91	0	5,000	N.A.	N.A.	N.A.	N.A.	N.A.	0	0	5,000	3,000	PRZ
FOURBEN Inst. Tech. Support (OPS)	6 522-9263	15	85	85	12	12	12	17	0	86	0	0	31	0	0	0
FOURBEN Inst. Tech. Support (OPS)	1 522-9263	15	85	86	290	560	560	64	0	147	0	0	229	0	0	0
Strategic Firm & Tech. Support	6 522-9269	3	85	86	1,560	1,560	1,700	0	300	0	0	0	1,200	0	0	0
Privatization State Enterprises	6 522-9289	3	86	88	4,000	4,000	1,030	1,000	1,100	675	1,900	1,900	1,442	0	0	0
Strengthening Democratic Inst.	6 522-9294	14	87	87	0	3,700	N.A.	N.A.	170	180	0	0	1,500	0	0	0
Venture Capital	6 522-9312	3	89	91	0	2,000	N.A.	N.A.	N.A.	N.A.	N.A.	0	0	2,000	1,000	PRZ
Venture Capital	1 522-9312	3	89	91	0	10,000	N.A.	N.A.	N.A.	N.A.	N.A.	0	0	10,000	1,000	PRZ
Shelter Sector Program	6 522-9324	11	87	87	1,600	1,600	N.A.	N.A.	1,400	350	0	0	488	0	0	0
Pol. Planning & Implementation	6 522-9325	3	87	89	0	1,000	N.A.	N.A.	100	0	900	750	100	150	150	150
PWD Coord. Strengthen (OPS)	6 522-9328	14	87	93	0	1,000	N.A.	N.A.	N.A.	N.A.	N.A.	100	50	900	100	100
Program Development and Support	6 522-9166	5	79	CONT	2,411	2,411	2,311	505	180	349	N.A.	300	300	N.A.	250	100
TOTAL					25,325	49,074	34,495	11,267	7,500	4,975	6,002	6,254	11,083	11,450	9,104	
GRANT					14,785	25,274	8,955	2,763	3,554	4,250	4,000	7,443	6,050	7,443	4,504	
LOAN					9,860	23,800	5,000	5,504	1,120	1,425	1,650	1,653	3,440	5,000	4,600	

54 1985 ANNUAL BUDGET SUBMISSION
TABLE IV - PROJECT BUDGET DATA
(In Thousands of Dollars)

Project Title	L/R Number	OBJECTIVE	FINANCIAL YEAR	TOTAL PROJECT COST	FY 85		FY 86		FY 87		FY 1988		SPECIAL CODES		
					INITIAL	FINAL	PIPE	PIPE	CONTR.	CONTR.	CONTR.	CONTR.		CONTR.	CONTR.
Subtotal Functional Accounts															
TOTAL				1327,816	876,243	1,228,152	75,945	46,854	51,958	110,710	80,400	43,200	156,010	41,000	
GRANT				1150,107	218,834	84,306	35,818	26,252	25,114	29,375	30,050	31,043	103,025	24,900	
LOAN				1187,709	231,709	1143,772	60,127	14,602	26,842	41,335	10,350	29,337	52,985	16,100	
International Disaster Assistance															
Hospitala Actual & Dev.				7,500	7,500	7,500	3,180	0	2,000	0	0	1,100	0	0	
TOTAL				7,500	7,500	7,500	3,180	0	2,000	0	0	1,100	0		
GRANT				7,500	7,500	7,500	3,180	0	2,000	0	0	1,100	0		
LOAN				0	0	0	0	0	0	0	0	0	0		
Total SA Account															
TOTAL				1345,716	876,243	1,235,652	99,125	40,854	53,958	110,710	80,400	44,700	156,010	41,000	
GRANT				1157,607	246,714	91,896	38,998	26,252	27,114	29,375	30,050	32,223	103,025	24,900	
LOAN				1187,709	231,709	1143,772	60,127	14,602	26,842	41,335	10,350	29,337	52,985	16,100	
Economic Support Fund															
Economic Stabilization Facility				93	1208,748	856,243	1,208,748	41,246	65,800	84,248	155,817	92,000	70,000	644,817	85,000
Strengthening Democratic Inst.				0	1,700	N.A.	N.A.	1,700	0	0	0	1,500	0	0	
Pol. Planning & Implementation				0	8,000	N.A.	N.A.	1,500	0	5,500	2,500	300	4,000	2,500	
Honduras Peace Scholarships				0	17,961	17,961	N.A.	2,361	1,687	15,400	5,300	3,000	9,900	5,300	
TOTAL				1224,709	856,228	1,208,748	41,246	70,761	87,925	137,717	100,000	75,000	678,717	93,000	
GRANT				1224,709	856,228	1,208,748	41,246	70,761	87,925	137,717	100,000	75,000	678,717	93,000	
LOAN				0	0	0	0	0	0	0	0	0	0	0	
SA and ESF TOTAL															
TOTAL				1572,025	1,136,269	1444,400	140,373	111,615	141,881	149,427	110,400	140,510	634,727	134,000	
GRANT				1308,216	1,104,510	1300,628	83,246	93,013	115,649	148,692	110,050	111,027	581,742	117,900	
LOAN				1187,709	231,709	1143,772	60,127	14,602	26,842	41,335	10,350	29,337	52,985	16,100	

FY 1969 ANNUAL BUDGET SUBMISSION
TABLE IV - PROJECT BUDGET DATA
(In Thousands of Dollars)

Project Title	L/R Number	FEDERAL YEAR OF OBLIGATION	FEDERAL YEAR OF INITIAL FUNDING	TOTAL PROJECT COST	OBLIG. THRU FY 68	FY 1969			FY 1970			SPECIAL CODES	USDCATI & FVO
						Actual	Planned	FY 68	FY 69	FY 70	FY 68		
Section 414	1	85	85	105,500	27,500	0	12,000	12,000	12,000	12,000	12,000	54,000	13,000
Title III	8	87	87	8,300	N.A.	8,300	8,300	0	0	0	0	0	0
Title III	8	85	85	2,500	2,500	0	0	0	0	0	0	0	0
Title III	8	85	85	7,218	19,335	4,893	0	2,325	12,117	1,678	1,678	18,439	1,474
Title II	8	85	85	2,944	7,899	1,916	0	988	988	4,885	934	3,969	991
Title II	8	85	85	0	149	N.A.	0	N.A.	N.A.	74	74	75	75
Housing Guaranties	1	81	81	78,500	78,500	35,000	0	9,000	25,000	0	34,000	25,000	0
Guaranties	1	81	81	78,500	78,500	35,000	0	9,000	25,000	0	34,000	25,000	0
COUNTRY TOTAL				189,007	11,573,213	1,551,749	117,373	115,228	174,504	178,389	1,555,814	1,145,174	728,975
TOTAL				189,007	11,573,213	1,551,749	117,373	115,228	174,504	178,389	1,555,814	1,145,174	728,975
GRANT				145,798	11,218,004	1,380,497	113,244	114,424	135,442	148,054	1,324,444	1,123,437	621,490
LOAN				43,209	455,209	171,252	4,129	0	39,060	30,335	231,370	221,737	107,485

0 = Excludes accounting support for 816 Honduras and 88819/Polize.
44 = Expenditures refer to loans to beneficiaries.

FY 1989 ANNUAL BUDGET SUBMISSION
TABLE IV ATTACHMENT 1
FORESTRY

APPROPRIATION ACCOUNT	L/G	LIFE OF PROJECT	FY 87 ESTIMATE	FY 88 ESTIMATE	FY 89 AAPL
<u>FOOD AND NUTRITION:</u>					
522-0168	L	4,000	500	--	--
Natural Resources Management	G	1,000	190	--	--
522-0176	L	6,000	1,050	--	--
Small Farmer Coffee					
522-0246	L	9,500	2,450	3,050	1,000
Forestry Development	G	7,500	950	2,900	2,900

FY 1989 ANNUAL BUDGET SUBMISSION
TABLE IV ATTACHMENT 2
INTEGRATED RESOURCES MANAGEMENT

APPROPRIATION ACCOUNT	L/G	LIFE OF PROJECT	FY 87 ESTIMATE	FY 88 ESTIMATE	FY 89 AAPL
<u>FOOD AND NUTRITION</u>					
522-0168	L	7,752	1,250	--	--
Natural Resources Management	G	2,400	800	--	--

FY 1989 ANNUAL BUDGET SUBMISSION
TABLE IV ATTACHMENT 3
BIOLOGICAL DIVERSITY

APPROPRIATION ACCOUNT	L/G	LIFE OF PROJECT	FY 87 ESTIMATE	FY 88 ESTIMATE	FY 89 AAPL
<hr/>					
<u>FOOD AND NUTRITION</u>					
522-0168	L	500	50	--	--
Natural Resources Management	G	100	10	--	--
522-0246	L	2,500	50	200	500
Forestry Development	G	500	50	100	100

FY 1989 ANNUAL BUDGET SUBMISSION
TABLE IV ATTACHMENT 4
CHILD SURVIVAL

APPROPRIATION ACCOUNT	L/G	LIFE OF PROJECT	FY 87 ESTIMATE	FY 88 ESTIMATE	FY 89 AAPL
<u>HEALTH</u>					
522-0153	G	10,598	809	--	--
Health Sector I					
a. Immunization	G	(520)	(200)	--	--
b. Oral Rehydration Therapy	G	(720)	(209)	--	--
c. Nutrition	G	(200)	(200)	--	--
d. High Risk Births	G	(360)	(--)	--	--
e. Other CS Functions	G	(8,998)	(200)	--	--
522-0216	G	5,000	--	2,000	--
Health Sector II					
a. Immunization	G		--	(--)	--
b. Oral Rehydration Therapy	G		--	(--)	--
c. Nutrition	G		--	(--)	--
d. High Risk Births	G		--	(--)	--
e. Other CS Functions	G	(5,000)	--	(2,000)	--
<u>CHILD SURVIVAL</u>					
522-0153	G	4,450	4,450	--	--
Health Sector I					
a. Immunization	G	(1,000)	(1,000)	--	--
b. Oral Rehydration Therapy	G	(--)	(--)	--	--
c. Nutrition	G	(--)	(--)	--	--
d. High Risk Births	G	(--)	(--)	--	--
e. Other CS Functions	G	(3,450)	(3,450)	--	--
522-0216	G	20,000	--	2,000	6,500
Health Sector II					
a. Immunization	G	(7,000)	--	(600)	(2,000)
b. Oral Rehydration Therapy	G	(8,000)	--	(500)	(1,500)
c. Nutrition	G	(2,000)	--	(500)	(1,000)
d. High Risk Births	G	(1,000)	--	(200)	(--)
e. Other CS Functions	G	(2,000)	--	(200)	(2,000)

FY 1989 ANNUAL BUDGET SUBMISSION
TABLE IV ATTACHMENT 5
MICRO AND SMALL ENTERPRISE, PVOs AND NGOs

Tegucigalpa 005664 responded to State 084077. The former cable provided information on the extent to which U.S. PVOs and indigenous PVOs-NGOs and micro and small enterprises are receiving dollar support from A.I.D., as well as host country-owned local currency generated from ESF and PL 480 commodity sales for fiscal years 1986 through 1988. Those projections require no updating. Although no projections have been made for FY 1989, we assume assistance will continue at a minimum in the same proportions as in FY 1988, and more likely will increase by 10% over the FY 1988 levels.

Tegucigalpa 005664 noted that significant dollar and local currency budget resources are targeted to indigenous PVOs-NGOs. The Mission places a high priority on developing the host country private sector institutional capability to carry out sustained development and economic growth. Furthermore, these institutions greatly expand the USAID's outreach and, we view indigenous PVO-NGO activities, in many cases, as an extension of activities initiated by U.S. PVOs.

The development of small and micro enterprises is becoming an increasingly important element of the USAID's private sector strategy. We just completed the development of small business strategy. Efforts in training small business entrepreneurs, and providing credit and institutional support will continue and expand.

All figures below are in thousands of U.S. dollars. All local currency figures are in equivalent thousands of U.S. dollars.

FY 1989 ANNUAL BUDGET SUBMISSION
TABLE IV ATTACHMENT 5
MICRO AND SMALL ENTERPRISE, PVOs AND NGOS

ESF AND DA DIRECT DOLLAR COMMITMENTS
FOR PVOs - NGOS
(\$000)

SOURCE	FY89 PROJECTED
I. ESF Dollar Commitments	
A. For U.S. PVOs	N/A
B. For Indigenous PVOs-NGOs	3,080
II. DA Dollar Commitments	
A. For U.S. PVOs	57
B. For Indigenous PVOs-NGOs	15,637
SUB-TOTAL	18,774

EXPENDITURE OF NON-PROJECT ASSISTANCE LOCAL
CURRENCY GENERATIONS FOR PVOs-NGOS
(\$ 000)

SOURCE	FY89 PROJECTED
I. From ESF Generations	
A. For Use by U.S. PVOs	634
B. For Use by Indigenous PVOs-NGOs	13,396
II. From DA Generations	
A. For Use by U.S. PVOs	N/A
B. For Use by Indigenous PVOs-NGOs	N/A
III. From PL480 Generations	
A. For Use by U.S. PVOs	N/A
B. For Use by Indigenous PVOs-NGOs	N/A
SUB-TOTAL	14,030
TOTAL	32,804

FY 1989 ANNUAL BUDGET SUBMISSION
TABLE IV ATTACHMENT 5
MICRO AND SMALL ENTERPRISE, PVOs AND NGOs

ESF AND DA DOLLAR COMMITMENTS FOR
MICRO AND SMALL ENTERPRISE PROGRAMS
(\$ 000)

SOURCE	FY89 PROJECTED
I. ESF Dollar Commitments <u>1/</u>	
A. For Micro Enterprise	
1. For Credit	N/A
2. For TA/Training	N/A
B. For Small Enterprise	
1. For Credit	N/A
2. For TA/Training	N/A
C. For Small Farmer	
1. For Credit	N/A
2. For TA/Training	N/A
II. DA Dollar Commitments	
A. For Micro Enterprise	
1. For Credit	550
2. For TA/Training	583
B. For Small Enterprise	
1. For Credit	550
2. For TA/Training	550
C. For Small Farmer	
1. For Credit	N/A
2. For TA/Training	N/A
TOTAL	2,233

1/ Does not include Honduras Peace Scholars.

FY 1989 ANNUAL BUDGET SUBMISSION
TABLE IV ATTACHMENT 5
MICRO AND SMALL ENTERPRISE, PVOs AND NGOs

EXPENDITURE OF NON-PROJECT ASSISTANCE LOCAL CURRENCY
GENERATIONS FOR MICRO AND SMALL ENTERPRISES PROGRAMS
(\$ 000)

SOURCE	FY89 PROJECTED
I. From ESF Generations	
A. For Micro Enterprise	
1. For Credit	660
2. For TA/Training	966
B. For Small Enterprise	
1. For Credit	1,705
2. For TA/Training	264
C. For Small Farmer	
1. For Credit	-
2. For TA/Training	-
II. From DA Generations (if any)	
A. For Micro Enterprise	
1. For Credit	N/A
2. For TA/Training	N/A
B. For Small Enterprise	
1. For Credit	N/A
2. For TA/Training	N/A
III. From PL 480 Generations	
A. For Micro Enterprise	
1. For Credit	N/A
2. For TA/Training	N/A
B. For Small Enterprise	
1. For Credit	
2. For TA/Training	
C. For Small Farmer	
1. For Credit	1,100
2. For TA/Training	1,375
Total	6,070

AID PROGRAM IN FY 1989
ANNUAL BUDGET SUBMISSION
TABLE V - PROPOSED PROGRAM RANKINGS

DECISION UNIT: 522 HONDURAS

RANK	Project Title	NEW/ CONT	LOAN/ GRANT	OBJEC- TIVE	APPROF	PROGRAM FUNDING (\$000)	
						INCR	CUM
1	0283 Economic Stabilization Facility	O	G	3	ES	85,000	85,000
2	0325 Pol. Planning & Implementation	O	G	3	ES	2,500	87,500
3	0325 Pol. Planning & Implementation	O	G	3	SD	150	87,650
4	0241 Small Business Dev. Support	N	G	15	SD	2,000	89,650
5	0241 Small Business Dev. Support	N	L	15	SD	3,000	92,650
6	0325 Pol. Planning & Implementation	O	G	3	FK	100	92,750
7	0252 Small Farmer Organ. Strength.	O	G	1	FN	1,700	94,450
8	0252 Small Farmer Organ. Strength.	O	L	1	FK	1,000	95,450
9	0249 Agriculture Research Foundation	O	G	1	FN	2,600	98,050
10	0273 Primary Education Efficiency	O	G	12	EH	3,000	101,050
11	0273 Primary Education Efficiency	O	L	12	EH	2,000	103,050
12	0246 Irrigation Development	O	G	1	FK	500	103,550
13	0246 Forestry Development	O	G	1	FN	1,000	104,550
14	0246 Forestry Development	O	L	1	FK	1,500	106,050
15	0214 Rural Trails & Access Roads II	O	L	1	FK	4,000	110,050
16	0241 Small Business Dev. Support	N	G	15	FN	1,000	111,050
17	0241 Small Business Dev. Support	N	L	15	FN	1,000	112,050
18	0292 Agricultural Productivity Enhanc	N	G	1	FN	1,000	113,050
19	0292 Agricultural Productivity Enhanc	N	L	1	FN	2,000	115,050
20	0257 Nat. Res. Dev. Council: DADERM-DFC	O	G	15	EM	1,100	116,150
21	Title I	O	G	1	P1	111,000	117,150
22	Title II - MCR	O	G	10	P2	11,678	118,828
23	Title II - School Feeding	O	G	10	P2	(945)	118,883
24	Title II - Food for Work	O	G	10	P2	(75)	118,808
25	0329 Honduras Peace Scholarships	O	G	10	ES	5,500	124,308
26	0216 Health Sector II	O	G	8	FN	1,000	125,308
27	0216 Health Sector II	O	G	10	ES	6,500	131,808
28	0312 Venture Capital	N	G	3	SE	2,000	133,808
29	0312 Venture Capital	N	L	3	SD	1,600	135,408
30	9103 Program Development and Support	O	G	1	FK	250	135,658
31	9104 Program Development and Support	O	G	8	PN	100	135,758
32	9108 Program Development and Support	O	G	9	HE	50	135,808
33	9105 Program Development and Support	O	G	12	EH	100	135,908
34	9106 Program Development and Support	O	G	5	SD	250	136,158
35	0328 PVD Coord. Strength. (OP6)	N	G	14	FN	100	136,258
36	0328 PVD Coord. Strength. (OP6)	N	G	8	FK	100	136,358
37	0328 PVD Coord. Strength. (OP6)	N	G	14	HE	100	136,458
38	0328 PVD Coord. Strength. (OP6)	N	G	14	EH	100	136,558
39	0328 PVD Coord. Strength. (OP6)	N	G	14	SD	100	136,658
TOTAL						134,000	

LOCAL CURRENCY USE PLAN NARRATIVE

Local currencies generated through or resulting from program assistance support the development strategies of the GOH and A.I.D., including the Central America Initiative's goals and objectives. They specifically support the USAID's Action Plan objectives, with specific focus on: (1) increasing employment; (2) expanding exports; (3) increasing agricultural production; and (4) strengthening democratic institutions.

Four programs have generated or produced local currency resources: (1) the Economic Recovery Program (522-0230); (2) the Economic Stabilization Facility (522-0283); (3) PL 480 Title I/III; and (4) a Section 416 program. The 522-0230 and the Title III programs have been completed in terms of generations, although at least part of their local currency accounts remain active.

Local currency programs are agreed upon jointly with the Government of Honduras (GOH) through countersigned Project Implementation Letters and are used to finance private and public sector development activities that directly support or complement Honduran and A.I.D. objectives. The PL 480 program also supports both private and public sector activities. Local currencies are also instrumental in expanding the work of U.S. and Honduran private voluntary organizations.

Activities financed through PL 480 Title I and Title III include diversified crop production, regional cooperative development, small farmer water resource development, farmer training, agricultural research and extension, fisheries, horticulture, forestry, and land titling. Programming of Section 416 local currencies for similar purposes is pending with the GOH.

Priority public sector activities financed with ESF local currency resources include, in order of priority for the Mission in its programming exercises with the GOH: (1) counterpart for GOH projects supported by A.I.D. through Development Assistance (DA) funds; (2) GOH counterpart for development programs of international financial institutions (IFIs), primarily the Inter-American Development Bank (IDB); (3) "projectized" budget support --GOH programs which are closely coordinated with the USAID such as the Employment Generation Program; and (4) budget support for priority GOH programs included in its annual budget.

The programming of local currency for GOH and IFI programs is a productive exercise in several ways. First, it enables the Mission to assist the GOH to implement important development efforts which are in line with GOH fiscal targets and stabilization efforts. Second, the availability of counterpart resources for IFI programs is not only important in supporting ongoing projects, but in encouraging the establishment of expanded IFI programs in Honduras, which the Mission strongly encourages. The IBRD and the GOH are currently discussing an expanded IBRD role in Honduras. If successful, this dialogue could lead to an enhanced flow of IBRD assistance to Honduras, in FY88 and beyond. Third, the programming exercise has been important in establishing an ongoing dialogue with the GOH and other donors on the development strategies and programs that they support.

An example is the productive dialogue that has occurred over the last several years with the GOH and the IDB on the planned construction of urban hospitals. The relationship between this proposed construction, the GOH preventive primary health care strategy, as well as the relationship between the program and GOH fiscal constraints have been discussed at length by the Mission with the GOH and the IDB. The result was an agreement between the parties regarding the scope and budgetary implications of the IDB project which permitted the Mission to support it with local currency resources for the first time this year. Although it is likely that this dialogue would have occurred in the absence of local currency resources, those resources gave A.I.D. a seat at the policy table and undoubtedly provided an enhanced amount of leverage.

Privatization of state-owned enterprises, small- and medium-scale business development, export development and services, agricultural diversification, and assistance to PVOs and cooperatives are among the types of activities that are supported by the private sector component of the ESF local currency program. To date, over \$80 million in local currency equivalent has been programmed for credit lines to these areas.

Highlights of the program have included the establishment of a cacao production project linked to the Export Development and Services Project (522-0207) which provided \$75,000 equivalent in local currency to strengthen the Honduran Cacao Producers Association, composed exclusively of small farmers. Complemented by DA-financed technical assistance and resources furnished by the private sector, including a multinational firm, the cacao initiative provided credit and other inputs to significantly increase Honduran cacao exports. Another highlight was the establishment of an experimental vegetable production farm managed by the private Honduran Agricultural Research Foundation--FHIA (supported with DA funds under Project 552-0249). Title I generated local currency funds provided for required inputs for this effort and complemented DA-financed technical assistance. The farm began exporting winter vegetables this year. More importantly, it has already provided a wealth of information regarding the technical aspects of large-scale vegetable production in Honduras and of great importance to FHIA in setting its research agenda. In addition, this activity has been instrumental in getting one major U.S. investor interested in investing in a similar effort in Honduras.

The Mission is in the process of analyzing an endowment program for USAID-supported private sector institutions described in the FY 1988 ABS and the FY 1988/89 Action Plan. We anticipate that we will begin these endowments in 1987.

FY ANNUAL BUDGET SUBMISSION
 Table VI: Expenditures of Local Currency Generations
 From ESF, PL 480 and Section 416
 (All in U.S. \$ equivalent and in \$ millions)

<u>Purposes</u>	<u>Actual</u> <u>1986</u>	<u>1987</u> <u>Est.</u>	<u>1988</u> <u>Planned</u>	<u>1989</u> <u>Proj.</u>
<u>A. Public Development Activities</u>	<u>28.75</u>	<u>30.6</u>	<u>32.6</u>	<u>34.0</u>
1. <u>Counterpart for A.I.D. Projects*</u>	<u>14.85</u>	<u>15.6</u>	<u>16.6</u>	<u>17.0</u>
a. Agricultural and Rural Dev.	9.6	10.0	10.5	10.9
b. Education	2.8	3.0	3.5	3.5
c. Health	2.4	2.5	2.5	2.5
d. Other Activities	.05	0.1	.1	.1
(*This includes Rotating Funds)				
2. <u>Counterpart for IFI Projects</u>	<u>9.6</u>	<u>11.0</u>	<u>13.0</u>	<u>13.6</u>
a. Agricultural and Rural Dev.	8.8	8.0	9.0	9.00
b. Education	.5	.5	.5	.5
c. Health	0	2.0	3.0	4.0
d. Others	.3	.5	.5	.5
3. <u>Employment Generation Program</u>	<u>4.3</u>	<u>4.0</u>	<u>3.0</u>	<u>3.0</u>
<u>B. Private Sector Programs</u>	<u>17.9</u>	<u>28.3</u>	<u>35.7</u>	<u>41.25</u>
1. Divestiture of Public Enterprises Fund	0	2.5	4.5	7.0
2. Investment and Working Credit for Nontraditional Exports	1.0	5.0	7.0	10.0
3. Honduran Industrial and Agricultural Finance Company - Credit	2.0	2.5	3.5	4.0
4. Support for PVOs	1.6	2.0	2.5	2.75
5. Economic Growth and Investment	5.5	6.0	6.0	6.0
6. Support for Nonpublic Educational Initiatives	2.9	3.5	3.5	3.5
7. Shelter Upgrading Credit	.0	1.3	1.2	-
8. Small Farmer Coffee Credit	2.9	3.0	3.0	3.0
9. Agricultural Land Sale Fund	1.5	1.5	3.0	3.0
10. Other Private Sector Initiatives	.5	1.0	1.5	2.0
<u>C. Public Sector Budget Support</u>	<u>15.2</u>	<u>15.0</u>	<u>15.5</u>	<u>16.5</u>
1. PVOs	1.4	1.5	1.5	1.5
2. Other	13.8	13.5	14.0	15.0
<u>D. A.I.D. Trust Fund</u>	<u>4.1</u>	<u>5.6</u>	<u>5.8</u>	<u>5.9</u>
1. Operating Expenses	1.5	2.9	3.0	3.0
2. Other Program Support	2.6	2.7	2.8	2.9

FY 1989 Annual Budget Submission
TABLE VIII - FY 1987
(\$000)

Organization USAID/HONDURAS
Budget Plan Code FY 1987 SUMMARY

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100	2952.8		2952.8	XXXXXX
U.S. FULL TIME BASIC PAY	U101	2009.2		2009.2	36.0
U.S. PART TIME BASIC PAY	U102				
DIFFERENTIAL PAY	U103	401.9		401.9	XXXXXX
OTHER AID/W FUNDED CODE 11	U104	4.0		4.0	XXXXXX
OTHER MISSION FUNDED CODE 11	U105				XXXXXX
EDUCATION ALLOWANCES	U106	73.0		73.0	19.0
RETIREMENT	U107	140.7		140.7	XXXXXX
COST OF LIVING ALLOWANCES	U108				XXXXXX
OTHER AID/W FUNDED CODE 12	U109	50.2		50.2	XXXXXX
OTHER MISSION FUNDED CODE 12	U110	16.6		16.6	XXXXXX
POST ASSIGNMENT TRAVEL	U111	31.5		31.5	17.0
POST ASSIGNMENT FREIGHT	U112	125.4		125.4	17.0
HOME LEAVE TRAVEL	U113	42.3		42.3	17.0
HOME LEAVE FREIGHT	U114	20.2		20.2	17.0
EDUCATION TRAVEL	U115	3.0		3.0	2.0
R AND R TRAVEL	U116	14.8		14.8	30.0
OTHER CODE 215 TRAVEL	U117	20.0		20.0	12.0
<u>FOREIGN NATIONAL DH</u>	U200	85.0	888.7	973.7	XXXXXX
F.N. BASIC PAY	U201	55.0	695.0	750.0	31.5
OVERTIME/HOLIDAY PAY	U202		35.0	35.0	1.3
ALL OTHER CODE 11 - FN	U203		3.7	3.7	XXXXXX
ALL OTHER CODE 12 - FN	U204	30.0	155.0	185.0	XXXXXX
BENEFITS FORMER FN PERSONNEL	U205				XXXXXX
<u>CONTRACT PERSONNEL</u>	U300	265.1	768.4	1033.5	XXXXXX
PASA TECHNICIANS	U301				
U.S. PSC SALARY/BENEFITS	U302	247.1		247.1	10.2
ALL OTHER U.S. PSC COSTS	U303	8.0		8.0	XXXXXX
F.N. PSC - SALARY/BENEFITS	U304		760.4	760.4	64.0
ALL OTHER F.N. PSC COSTS	U305	10.0	8.0	18.0	XXXXXX
MANPOWER CONTRACTS	U306				
<u>HOUSING</u>	U400	432.2	331.7	763.9	XXXXXX
RESIDENTIAL RENT	U401	24.6	127.5	152.1	10.0
RESIDENTIAL UTILITIES	U402		20.0	20.0	XXXXXX
MAINTENANCE AND RENOVATION	U403		1.0	1.0	XXXXXX
QUARTERS ALLOWANCES	U404	263.0	99.2	362.2	26.5
RESIDENTIAL FURNITURE/EQUIP.	U405	115.0		115.0	XXXXXX
TRANS/FREIGHT - CODE 311	U406	23.3		23.3	XXXXXX
SECURITY GUARD SERVICES	U407		84.0	84.0	4.2
OFFICIAL RESIDENCE ALLOW.	U408	4.3		4.3	XXXXXX
REPRESENTATION ALLOWANCE	U409	2.0		2.0	XXXXXX

FY 1989 Annual Budget Submission
 TABLE VIII - FY 1987
 (Continued)
 (\$000)

Organization USAID/HONDURAS
 Budget Plan Code FY 1987 SUMMARY

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	0500	<u>855.6</u>	<u>951.2</u>	<u>1806.8</u>	<u>XXXXXX</u>
OFFICE RENT	0501		179.3	179.3	XXXXXX
OFFICE UTILITIES	0502	1.3	2.7	4.0	XXXXXX
BUILDING MAINT/RENOVATION	0503		97.5	97.5	XXXXXX
OFFICE FURNITURE/EQUIPMENT	0504	225.3		225.3	XXXXXX
VEHICLES	0505	12.1		12.1	1.0
OTHER EQUIPMENT	0506	11.0		11.0	XXXXXX
TRANSPORTATION/FREIGHT	0507	40.9		40.9	XXXXXX
FURN/EQUIP/VEH REPAIR/MAINT	0508	125.0	88.0	213.0	XXXXXX
COMMUNICATIONS	0509		116.5	116.5	XXXXXX
SECURITY GUARD SERVICES	0510		39.2	39.2	2.0
PRINTING	0511	3.0	4.0	7.0	XXXXXX
SITE VISITS -MISSION PERSONNEL	0512	47.6	75.0	122.6	260.0
SITE VISITS - AID/W PERSONNEL	0513	22.2		22.2	9.0
INFORMATION MEETINGS	0514	1.5		1.5	2.0
TRAINING ATTENDANCE	0515	47.5		47.5	20.0
CONFERENCE ATTENDANCE	0516	21.2		21.2	20.0
OTHER OPERATIONAL TRAVEL	0517				
SUPPLIES AND MATERIALS	0518	170.0	30.0	200.0	XXXXXX
FAAS	0519		258.0	258.0	XXXXXX
CONTRACT CONSULTING SERVICES	0520	21.4		21.4	XXXXXX
CONTRACT MGT/PROF SERVICES	0521				XXXXXX
SPECIAL STUDIES/ANALYSES	0522				XXXXXX
ALL OTHER CODE 25	0523	105.6	61.0	166.6	XXXXXX
TOTAL OPERATING EXPENSE BUDGET		<u>4590.7</u>	<u>2940.0</u>	<u>7530.7</u>	<u>XXXXXX</u>
RECONCILIATION		<u>2606.0</u>		<u>2606.0</u>	<u>XXXXXX</u>
OPERATING BUDGET REQUIREMENTS		<u>1984.7</u>		<u>4924.7</u>	<u>XXXXXX</u>
636C REQUIREMENTS	0601				
TOTAL ALLOWANCE REQUEST	0000	<u>1984.7</u>		<u>4924.7</u>	

DOLLARS REQUIRED FOR LOCAL CURRENCY EXPENSES

EXCHANGE RATE USED (MAY 27, 1987) LEMPIRAS 2.00 FOR \$1.00

ESTIMATED INFLATION RATE

100.0

L 2.00 for \$1.00

7%

FY 1989 Annual Budget Submission
 TABLE VIII - FY 1987
 (\$000)

Organization AID/Honduras
 Budget Plan Code COEA-87-25522-U000

<u>Expense Category</u>	<u>Func. Code</u>	<u>Dollars</u>	<u>Trust Funds</u>	<u>Total</u>	<u>Units</u>
<u>U.S. DIRECT HIRE</u>	<u>U100</u>	<u>2952.8</u>		<u>2952.8</u>	<u>XXXXXX</u>
U.S. FULL TIME BASIC PAY	U101	2009.2		2009.2	36.0
U.S. PART TIME BASIC PAY	U102				XXXXXX
DIFFERENTIAL PAY	U103	401.9		401.9	XXXXXX
OTHER AID/W FUNDED CODE 11	U104	4.0		4.0	XXXXXX
OTHER MISSION FUNDED CODE 11	U105				XXXXXX
EDUCATION ALLOWANCES	U106	73.0		73.0	19.0
RETIREMENT	U107	140.7		140.7	XXXXXX
COST OF LIVING ALLOWANCES	U108				XXXXXX
OTHER AID/W FUNDED CODE 12	U109	50.2		50.2	XXXXXX
OTHER MISSION FUNDED CODE 12	U110	16.6		16.6	XXXXXX
POST ASSIGNMENT TRAVEL	U111	31.5		31.5	17.0
POST ASSIGNMENT FREIGHT	U112	125.4		125.4	17.0
HOME LEAVE TRAVEL	U113	42.3		42.3	17.0
HOME LEAVE FREIGHT	U114	20.2		20.2	17.0
EDUCATION TRAVEL	U115	3.0		3.0	2.0
R&R TRAVEL	U116	14.8		14.8	30.0
OTHER CODE 215 TRAVEL	U117	20.0		20.0	12.0
<u>FOREIGN NATIONAL DH</u>	<u>U200</u>	<u>35.4</u>	<u>888.7</u>	<u>924.1</u>	<u>XXXXXX</u>
F.N. BASIC PAY	U201	26.9	695.0	721.9	31.5
OVERTIME/HOLIDAY PAY	U202		35.0	35.0	1.3
All OTHER CODE 11 - F.N.	U203		3.7	3.7	XXXXXX
All OTHER CODE 12 - F.N.	U204	8.5	155.0	163.5	XXXXXX
BENEFITS - FORMER F.N. PERS.	U205				XXXXXX
<u>CONTRACT PERSONNEL</u>	<u>U300</u>	<u>265.1</u>	<u>768.4</u>	<u>1033.5</u>	<u>XXXXXX</u>
PASA TECHNICIANS	U301				XXXXXX
U.S. PSC SALARIES/BENEFITS	U302	247.1		247.1	10.2
ALL OTHER U.S. PSC COSTS	U303	8.0		8.0	XXXXXX
F.N. PSC SALARIES/BENEFITS	U304		760.4	760.4	64.0
ALL OTHER F.N. PSC COSTS	U305	10.0	8.0	18.0	XXXXXX
MANPOWER CONTRACTS	U306				XXXXXX
<u>HOUSING</u>	<u>U400</u>	<u>432.2</u>	<u>331.7</u>	<u>763.9</u>	<u>XXXXXX</u>
RESIDENTIAL RENT	U401	24.6	127.5	152.1	10.0
RESIDENTIAL UTILITIES	U402		20.0	20.0	XXXXXX
MAINTENANCE & RENOVATION	U403		1.0	1.0	XXXXXX
QUARTERS ALLOWANCES	U404	263.0	99.2	362.2	26.5
RESIDENTIAL FURNITURE/EQUIP	U405	115.0		115.0	XXXXXX
TRANS/FREIGHT - CODE 311	U406	23.3		23.3	XXXXXX
SECURITY GUARD SERVICES	U407		84.0	84.0	4.2
OFFICIAL RESIDENCE ALLOWANCE	U408	4.3		4.3	XXXXXX
REPRESENTATION ALLOWANCE	U409	2.0		2.0	XXXXXX

FY 1989 Annual Budget Submission
 TABLE VIII - FY 1987
 (Continued)
 (\$000)

Organization AID/Honduras
 Budget Plan Code COEA-87-25522-U000

<u>Expense Category</u>	<u>Func. Code</u>	<u>Dollars</u>	<u>Trust Funds</u>	<u>Total</u>	<u>Units</u>
<u>OFFICE OPERATIONS</u>	U500	100.2	951.2	1051.4	XXXXXX
OFFICE RENT	U501		179.3	179.3	XXXXXX
OFFICE UTILITIES	U502		2.7	2.7	XXXXXX
BUILDING MAINT/RENOVATION	U503		97.5	97.5	XXXXXX
OFFICE FURNITURE/EQUIPMENT	U504				XXXXXX
VEHICLES	U505				XXXXXX
OTHER EQUIPMENT	U506				XXXXXX
TRANSPORTATION/FREIGHT	U507				XXXXXX
FURN/EQUIP/VEH REPAIR/MAINT	U508	8.9	88.0	96.9	XXXXXX
COMMUNICATIONS	U509		116.5	116.5	XXXXXX
SECURITY GUARD SERVICES	U510		39.2	39.2	2.0
PRINTING	U511		4.0	4.0	XXXXXX
SITE VISITS - MISSION PERSONNEL	U512	27.7	75.0	102.7	218.0
SITE VISITS - AID/W PERSONNEL	U513	22.2		22.2	9.0
INFORMATION MEETINGS	U514	1.5		1.5	2.0
TRAINING ATTENDANCE	U515	12.9		12.9	6.0
CONFERENCE ATTENDANCE	U516	5.6		5.6	5.0
OTHER OPERATIONAL TRAVEL	U517				XXXXXX
SUPPLIES & MATERIALS	U518		30.0	30.0	XXXXXX
FAAS	U519		258.0	258.0	XXXXXX
CONTRACT CONSULTING SERVICES	U520	21.4		21.4	XXXXXX
CONTRACT MGT/PROF. SERVICES	U521				XXXXXX
SPECIAL STUDIES/ANALYSES	U522				XXXXXX
ALL OTHER CODE 25	U523		61.0	61.0	XXXXXX
TOTAL OPERATING EXPENSE BUDGET		3785.7	2940.0	6725.7	XXXXXX
RECONCILIATION		2606.0		2606.0	XXXXXX
OPERATING BUDGET REQUIREMENTS		1179.7	2940.0	4119.7	XXXXXX
636C REQUIREMENTS	U601				
TOTAL ALLOWANCE REQUEST	U000	1179.7	2940.0	4119.7	
DOLLARS REQUIRED FOR LOCAL CURRENCY EXPENSES				0.0	
EXCHANGE RATE USED (MAY 27,1987) LEMPIRAS 2.00 FOR \$1.00				L.2.00 for \$1.00	
ESTIMATED INFLATION RATE				7%	

FY 1989 Annual Budget Submission
 TABLE VIII - FY 1987
 (\$000)

Organization USAID/HONDURAS
 Budget Plan Code ESF7-87-25522-U000

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100				XXXXXX
U.S. FULL TIME BASIC PAY	U101				
U.S. PART TIME BASIC PAY	U102				
DIFFERENTIAL PAY	U103				XXXXXX
OTHER AID/W FUNDED CODE 11	U104				XXXXXX
OTHER MISSION FUNDED CODE 11	U105				XXXXXX
EDUCATION ALLOWANCES	U106				
RETIREMENT	U107				XXXXXX
COST OF LIVING ALLOWANCES	U108				XXXXXX
OTHER AID/W FUNDED CODE 12	U109				XXXXXX
OTHER MISSION FUNDED CODE 12	U110				XXXXXX
POST ASSIGNMENT TRAVEL	U111				
POST ASSIGNMENT FREIGHT	U112				
HOME LEAVE TRAVEL	U113				
HOME LEAVE FREIGHT	U114				
EDUCATION TRAVEL	U115				
R AND R TRAVEL	U116				
OTHER CODE 215 TRAVEL	U117				
<u>FOREIGN NATIONAL DH</u>	U200				XXXXXX
F.N. BASIC PAY	U201				
OVERTIME/HOLIDAY PAY	U202				
ALL OTHER CODE 11 - FN	U203				XXXXXX
ALL OTHER CODE 12 - FN	U204				XXXXXX
BENEFITS FORMER FN PERSONNEL	U205				XXXXXX
<u>CONTRACT PERSONNEL</u>	U300				XXXXXX
PASA TECHNICIANS	U301				
U.S. PSC SALARY/BENEFITS	U302				
ALL OTHER U.S. PSC COSTS	U303				XXXXXX
F.N. PSC - SALARY/BENEFITS	U304				
ALL OTHER F.N. PSC COSTS	U305				XXXXXX
MANPOWER CONTRACTS	U306				
<u>HOUSING</u>	U400				XXXXXX
RESIDENTIAL RENT	U401				
RESIDENTIAL UTILITIES	U402				XXXXXX
MAINTENANCE AND RENOVATION	U403				XXXXXX
QUARTERS ALLOWANCES	U404				
RESIDENTIAL FURNITURE/EQUIP.	U405				XXXXXX
TRANS/FREIGHT - CODE 311	U406				XXXXXX
SECURITY GUARD SERVICES	U407				
OFFICIAL RESIDENCE ALLOW.	U408				XXXXXX
REPRESENTATION ALLOWANCE	U409				XXXXXX

FY 1989 Annual Budget Submission
 TABLE VIII - FY 1987
 (Continued)
 (\$000)

Organization USAID/HONDURAS
 Budget Plan Code ESF7-87-25522-U000

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500	<u>645.0</u>		<u>645.0</u>	<u>XXXXX</u>
OFFICE RENT	U501				<u>XXXXX</u>
OFFICE UTILITIES	U502				<u>XXXXX</u>
BUILDING MAINT/RENOVATION	U503				<u>XXXXX</u>
OFFICE FURNITURE/EQUIPMENT	U504	<u>214.5</u>		<u>214.5</u>	<u>XXXXX</u>
VEHICLES	U505	<u>12.1</u>		<u>12.1</u>	<u>1</u>
OTHER EQUIPMENT	U506	<u>1.0</u>		<u>1.0</u>	<u>XXXXX</u>
TRANSPORTATION/FREIGHT	U507	<u>40.9</u>		<u>40.9</u>	<u>XXXXX</u>
FURN/EQUIP/VEH REPAIR/MAINT	U508	<u>108.6</u>		<u>108.6</u>	<u>XXXXX</u>
COMMUNICATIONS	U509				<u>XXXXX</u>
SECURITY GUARD SERVICES	U510				
PRINTING	U511				<u>XXXXX</u>
SITE VISITS -MISSION Personnel	U512				
SITE VISITS - AID/W	U513				
INFORMATION MEETINGS	U514				
TRAINING ATTENDANCE	U515	<u>17.3</u>		<u>17.3</u>	<u>7.0</u>
CONFERENCE ATTENDANCE	U516				
OTHER OPERATIONAL TRAVEL	U517				
SUPPLIES AND MATERIALS	U518	<u>157.8</u>		<u>157.8</u>	<u>XXXXX</u>
FAAS	U519				<u>XXXXX</u>
CONTRACT CONSULTING SERVICES	U520				<u>XXXXX</u>
CONTRACT MGT/PROF SERVICES	U521				<u>XXXXX</u>
SPECIAL STUDIES/ANALYSES	U522				<u>XXXXX</u>
ALL OTHER CODE 25	U523	<u>92.8</u>		<u>92.8</u>	<u>XXXXX</u>
TOTAL OPERATING EXPENSE BUDGET		<u>645.0</u>		<u>645.0</u>	<u>XXXXX</u>
RECONCILIATION					<u>XXXXX</u>
OPERATING BUDGET REQUIREMENTS		<u>645.0</u>		<u>645.0</u>	<u>XXXXX</u>
636C REQUIREMENTS	U601				
TOTAL ALLOWANCE REQUEST	U000	<u>645.0</u>		<u>645.0</u>	
DOLLARS REQUIRED FOR LOCAL EXPENSES				<u>0.0</u>	
ESTIMATED INFLATION RATE				<u>7%</u>	

FY 1989 Annual Budget Submission
 TABLE VIII - FY 1987
 (\$000)

Organization USAID/HONDURAS
 Budget Plan Code CDHA-87-25522-U000

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100				XXXXXX
U.S. FULL TIME BASIC PAY	U101				
U.S. PART TIME BASIC PAY	U102				
DIFFERENTIAL PAY	U103				XXXXXX
OTHER AID/W FUNDED CODE 11	U104				XXXXXX
OTHER MISSION FUNDED CODE 11	U105				XXXXXX
EDUCATION ALLOWANCES	U106				
RETIREMENT	U107				XXXXXX
COST OF LIVING ALLOWANCES	U108				XXXXXX
OTHER AID/W FUNDED CODE 12	U109				XXXXXX
OTHER MISSION FUNDED CODE 12	U110				XXXXXX
POST ASSIGNMENT TRAVEL	U111				
POST ASSIGNMENT FREIGHT	U112				
HOME LEAVE TRAVEL	U113				
HOME LEAVE FREIGHT	U114				
EDUCATION TRAVEL	U115				
R AND R TRAVEL	U116				
OTHER CODE 215 TRAVEL	U117				
<u>FOREIGN NATIONAL DH</u>	U200	49.6		49.6	XXXXXX
F.N. BASIC PAY	U201	28.1		28.1	1.2
OVERTIME/HOLIDAY PAY	U202				
ALL OTHER CODE 11 - FN	U203				XXXXXX
ALL OTHER CODE 12 - FN	U204	21.5		21.5	XXXXXX
BENEFITS FORMER FN PERSONNEL	U205				XXXXXX
<u>CONTRACT PERSONNEL</u>	U300				XXXXXX
PASA TECHNICIANS	U301				
U.S. PSC SALARY/BENEFITS	U302				
ALL OTHER U.S. PSC COSTS	U303				XXXXXX
F.N. PSC - SALARY/BENEFITS	U304				
ALL OTHER F.N. PSC COSTS	U305				XXXXXX
MANPOWER CONTRACTS	U306				
<u>HOUSING</u>	U400				XXXXXX
RESIDENTIAL RENT	U401				
RESIDENTIAL UTILITIES	U402				XXXXXX
MAINTENANCE AND RENOVATION	U403				XXXXXX
QUARTERS ALLOWANCES	U404				
RESIDENTIAL FURNITURE/EQUIP.	U405				XXXXXX
TRANS/FREIGHT - CODE 311	U406				XXXXXX
SECURITY GUARD SERVICES	U407				
OFFICIAL RESIDENCE ALLOW.	U408				XXXXXX
REPRESENTATION ALLOWANCE	U409				XXXXXX

FY 1989 Annual Budget Submission
 TABLE VIII - FY 1987
 (Continued)
 (\$000)

Organization USAID/HONDURAS
 Budget Plan Code CDHA-87-25522-U000

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500	<u>110.4</u>		<u>110.4</u>	<u>XXXXXX</u>
OFFICE RENT	U501				<u>XXXXXX</u>
OFFICE UTILITIES	U502	<u>1.3</u>		<u>1.3</u>	<u>XXXXXX</u>
BUILDING MAINT/RENOVATION	U503				<u>XXXXXX</u>
OFFICE FURNITURE/EQUIPMENT	U504	<u>10.8</u>		<u>10.8</u>	<u>XXXXXX</u>
VEHICLES	U505				<u>XXXXXX</u>
OTHER EQUIPMENT	U506	<u>10.0</u>		<u>10.0</u>	<u>XXXXXX</u>
TRANSPORTATION/FREIGHT	U507				<u>XXXXXX</u>
FURN/EQUIP/VEH REPAIR/MAINT	U508	<u>7.5</u>		<u>7.5</u>	<u>XXXXXX</u>
COMMUNICATIONS	U509				<u>XXXXXX</u>
SECURITY GUARD SERVICES	U510				
PRINTING	U511	<u>3.0</u>		<u>3.0</u>	<u>XXXXXX</u>
SITE VISITS -MISSION PERSONNEL	U512	<u>19.9</u>		<u>19.9</u>	<u>42.0</u>
SITE VISITS - AID/W PERSONNEL	U513				
INFORMATION MEETINGS	U514				
TRAINING ATTENDANCE	U515	<u>17.3</u>		<u>17.3</u>	<u>7.0</u>
CONFERENCE ATTENDANCE	U516	<u>15.6</u>		<u>15.6</u>	<u>15.0</u>
OTHER OPERATIONAL TRAVEL	U517				
SUPPLIES AND MATERIALS	U518	<u>12.2</u>		<u>12.2</u>	<u>XXXXXX</u>
FAAS	U519				<u>XXXXXX</u>
CONTRACT CONSULTING SERVICES	U520				<u>XXXXXX</u>
CONTRACT MGT/PROF SERVICES	U521				<u>XXXXXX</u>
SPECIAL STUDIES/ANALYSES	U522				<u>XXXXXX</u>
ALL OTHER CODE 25	U523	<u>12.8</u>		<u>12.8</u>	<u>XXXXXX</u>
TOTAL OPERATING EXPENSE BUDGET		<u>160.0</u>		<u>160.0</u>	<u>XXXXXX</u>
RECONCILIATION					<u>XXXXXX</u>
OPERATING BUDGET REQUIREMENTS		<u>160.0</u>		<u>160.0</u>	<u>XXXXXX</u>
636C REQUIREMENTS	U601				
TOTAL ALLOWANCE REQUEST	U000	<u>160.0</u>		<u>160.0</u>	
DOLLARS REQUIRED FOR LOCAL CURRENCY EXPENSES				<u>0.0</u>	
ESTIMATED INFLATION RATE				<u>7%</u>	

FY 1989 Annual Budget Submission
TABLE VIII - FY 1988
(\$000)

Organization USAID/HONDURAS
Budget Plan Code FY 1988

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100	2979.8		2979.8	XXXXXX
U.S. FULL TIME BASIC PAY	U101	2070.0		2070.0	39.0
U.S. PART TIME BASIC PAY	U102				
DIFFERENTIAL PAY	U103	385.8		385.8	XXXXXX
OTHER AID/W FUNDED CODE 11	U104	5.0		5.0	XXXXXX
OTHER MISSION FUNDED CODE 11	U105				XXXXXX
EDUCATION ALLOWANCES	U106	101.3		101.3	32.0
RETIREMENT	U107	144.9		144.9	XXXXXX
COST OF LIVING ALLOWANCES	U108				XXXXXX
OTHER AID/W FUNDED CODE 12	U109	51.7		51.7	XXXXXX
OTHER MISSION FUNDED CODE 12	U110	16.6		16.6	XXXXXX
POST ASSIGNMENT TRAVEL	U111	22.0		22.0	8.0
POST ASSIGNMENT FREIGHT	U112	82.0		82.0	8.0
HOME LEAVE TRAVEL	U113	23.9		23.9	9.0
HOME LEAVE FREIGHT	U114	12.0		12.0	9.0
EDUCATION TRAVEL	U115	3.3		3.3	2.0
R AND R TRAVEL	U116	41.3		41.3	74.0
OTHER CODE 215 TRAVEL	U117	20.0		20.0	5.0
<u>FOREIGN NATIONAL DH</u>	U200	45.1	1004.2	1049.3	XXXXXX
F.N. BASIC PAY	U201	13.0	782.3	795.3	34.6
OVERTIME/HOLIDAY PAY	U202		40.0	40.0	1.3
ALL OTHER CODE 11 - FN	U203		5.0	5.0	XXXXXX
ALL OTHER CODE 12 - FN	U204	32.1	176.9	209.0	XXXXXX
BENEFITS FORMER FN PERSONNEL	U205				XXXXXX
<u>CONTRACT PERSONNEL</u>	U300	267.0	786.4	1053.4	XXXXXX
PASA TECHNICIANS	U301				
U.S. PSC SALARY/BENEFITS	U302	249.0		249.0	11.0
ALL OTHER U.S. PSC COSTS	U303	8.0		8.0	
F.N. PSC - SALARY/BENEFITS	U304		766.4	766.4	62.0
ALL OTHER F.N. PSC COSTS	U305	10.0	20.0	30.0	XXXXXX
MANPOWER CONTRACTS	U306				
<u>HOUSING</u>	U400	282.4	535.8	818.2	XXXXXX
RESIDENTIAL RENT	U401	30.0	233.7	263.7	19.0
RESIDENTIAL UTILITIES	U402		65.5	65.5	XXXXXX
MAINTENANCE AND RENOVATION	U403		3.0	3.0	XXXXXX
QUARTERS ALLOWANCES	U404	149.2	143.6	292.8	22.0
RESIDENTIAL FURNITURE/EQUIP.	U405	83.9		83.9	XXXXXX
TRANS/FREIGHT - CODE 311	U406	13.0		13.0	XXXXXX
SECURITY GUARD SERVICES	U407		90.0	90.0	4.5
OFFICIAL RESIDENCE ALLOW.	U408	4.3		4.3	XXXXXX
REPRESENTATION ALLOWANCE	U409	2.0		2.0	XXXXXX

FY 1989 Annual Budget Submission
 TABLE VIII - FY 1988
 Continued
 (\$000)

Organization USAID/HONDURAS
 Budget Plan Code FY 1988

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500	<u>1156.8</u>	<u>673.6</u>	<u>1830.4</u>	<u>XXXXXX</u>
OFFICE RENT	U501		<u>179.3</u>	<u>179.3</u>	<u>XXXXXX</u>
OFFICE UTILITIES	U502		<u>6.0</u>	<u>6.0</u>	<u>XXXXXX</u>
BUILDING MAINT/RENOVATION	U503	<u>21.0</u>	<u>26.0</u>	<u>47.0</u>	<u>XXXXXX</u>
OFFICE FURNITURE/EQUIPMENT	U504	<u>196.1</u>		<u>196.1</u>	<u>XXXXXX</u>
VEHICLES	U505	<u>116.2</u>		<u>116.2</u>	<u>6.0</u>
OTHER EQUIPMENT	U506				<u>XXXXXX</u>
TRANSPORTATION/FREIGHT	U507	<u>38.5</u>		<u>38.5</u>	<u>XXXXXX</u>
FURN/EQUIP/VEH REPAIR/MAINT	U508	<u>130.0</u>	<u>90.0</u>	<u>220.0</u>	<u>XXXXXX</u>
COMMUNICATIONS	U509		<u>121.5</u>	<u>121.5</u>	<u>XXXXXX</u>
SECURITY GUARD SERVICES	U510		<u>45.0</u>	<u>45.0</u>	<u>2.2</u>
PRINTING	U511		<u>7.0</u>	<u>7.0</u>	<u>XXXXXX</u>
SITE VISITS -MISSION PERSONNEL	U512	<u>50.0</u>	<u>80.0</u>	<u>130.0</u>	<u>275.0</u>
SITE VISITS - AID/W PERSONNEL	U513	<u>20.0</u>		<u>20.0</u>	<u>10.0</u>
INFORMATION MEETINGS	U514	<u>10.0</u>		<u>10.0</u>	<u>7.0</u>
TRAINING ATTENDANCE	U515	<u>25.0</u>		<u>25.0</u>	<u>21.0</u>
CONFERENCE ATTENDANCE	U516	<u>25.0</u>		<u>25.0</u>	<u>22.0</u>
OTHER OPERATIONAL TRAVEL	U517				
SUPPLIES AND MATERIALS	U518	<u>175.0</u>	<u>30.0</u>	<u>205.0</u>	<u>XXXXXX</u>
FAAS	U519	<u>260.0</u>		<u>260.0</u>	<u>XXXXXX</u>
CONTRACT CONSULTING SERVICES	U520				<u>XXXXXX</u>
CONTRACT MGT/PROF SERVICES	U521				<u>XXXXXX</u>
SPECIAL STUDIES/ANALYSES	U522				<u>XXXXXX</u>
ALL OTHER CODE 25	U523	<u>90.0</u>	<u>88.8</u>	<u>178.8</u>	<u>XXXXXX</u>
TOTAL OPERATING EXPENSE BUDGET		<u>4731.1</u>	<u>3000.0</u>	<u>7731.1</u>	<u>XXXXXX</u>
RECONCILIATION		<u>2917.4</u>		<u>2917.4</u>	<u>XXXXXX</u>
OPERATING BUDGET REQUIREMENTS		<u>1813.7</u>	<u>3000.0</u>	<u>4813.7</u>	<u>XXXXXX</u>
636C REQUIREMENTS	U601				
TOTAL ALLOWANCE REQUEST	U000	<u>1813.7</u>	<u>3000.0</u>	<u>4813.7</u>	
DOLLARS REQUIRED FOR LOCAL EXPENSES				<u>201.9</u>	
EXCHANGE RATE USED (MAY 27, 1987) LEMPIRAS 2.00 FOR \$1.00				<u>L. 2.00 for \$1.00</u>	
ESTIMATED INFLATION RATE				<u>7%</u>	

FY 1989 Annual Budget Submission
 TABLE VIII - FY 1989
 Continued
 (\$000)

Organization USAID/HONDURAS
 Budget Plan Code FY 1989

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100	3172.8		3172.8	XXXXX
U.S. FULL TIME BASIC PAY	U101	2113.0		2113.0	39.0
U.S. PART TIME BASIC PAY	U102				
DIFFERENTIAL PAY	U103	391.1		391.1	XXXXX
OTHER AID/W FUNDED CODE 11	U104	5.0		5.0	XXXXX
OTHER MISSION FUNDED CODE 11	U105				XXXXX
EDUCATION ALLOWANCES	U106	101.3		101.3	31.0
RETIREMENT	U107	147.9		147.9	XXXXX
COST OF LIVING ALLOWANCES	U108				XXXXX
OTHER AID/W FUNDED CODE 12	U109	52.8		52.8	XXXXX
OTHER MISSION FUNDED CODE 12	U110	16.6		16.6	XXXXX
POST ASSIGNMENT TRAVEL	U111	39.9		39.9	17.0
POST ASSIGNMENT FREIGHT	U112	159.0		159.0	17.0
HOME LEAVE TRAVEL	U113	66.6		66.6	28.0
HOME LEAVE FREIGHT	U114	34.9		34.9	28.0
EDUCATION TRAVEL	U115	5.5		5.5	4.0
R AND R TRAVEL	U116	19.2		19.2	38.0
OTHER CODE 215 TRAVEL	U117	20.0		20.0	12.0
<u>FOREIGN NATIONAL DH</u>	U200	49.0	1080.9	1129.9	XXXXX
F.N. BASIC PAY	U201	13.0	843.6	856.6	36.0
OVERTIME/HOLIDAY PAY	U202		40.0	40.0	1.3
ALL OTHER CODE 11 - FN	U203		7.0	7.0	XXXXX
ALL OTHER CODE 12 - FN	U204	36.0	190.3	226.3	XXXXX
BENEFITS FORMER FN PERSONNEL	U205				XXXXX
<u>CONTRACT PERSONNEL</u>	U300	269.7	896.7	1166.4	XXXXX
PASA TECHNICIANS	U301				
U.S. PSC SALARY/BENEFITS	U302	251.7		251.7	11.0
ALL OTHER U.S. PSC COSTS	U303	8.0		8.0	
F.N. PSC - SALARY/BENEFITS	U304		876.7	876.7	64.0
ALL OTHER F.N. PSC COSTS	U305	10.0	20.0	30.0	XXXXX
MANPOWER CONTRACTS	U306				
<u>HOUSING</u>	U400	574.0	296.1	870.1	XXXXX
RESIDENTIAL RENT	U401	252.2	106.9	359.1	25.0
RESIDENTIAL UTILITIES	U402		91.2	91.2	XXXXX
MAINTENANCE AND RENOVATION	U403		3.0	3.0	XXXXX
QUARTERS ALLOWANCES	U404	210.0		210.0	16.0
RESIDENTIAL FURNITURE/EQUIP.	U405	91.3		91.3	XXXXXX
TRANS/FREIGHT - CODE 311	U406	14.2		14.2	XXXXXX
SECURITY GUARD SERVICES	U407		95.0	95.0	4.7
OFFICIAL RESIDENCE ALLOW.	U408	4.3		4.3	XXXXXX
REPRESENTATION ALLOWANCE	U409	2.0		2.0	XXXXXX

FY 1989 Annual Budget Submission
 TABLE VIII - FY 1989
 (Continued)
 (\$000)

Organization USAID/HONDURAS
 Budget Plan Code FY 1989

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500	<u>1164.8</u>	<u>726.3</u>	<u>1891.1</u>	<u>XXXXXX</u>
OFFICE RENT	U501		<u>179.3</u>	<u>179.3</u>	<u>XXXXXX</u>
OFFICE UTILITIES	U502		<u>6.0</u>	<u>6.0</u>	<u>XXXXXX</u>
BUILDING MAINT/RENOVATION	U503	<u>20.0</u>	<u>25.0</u>	<u>45.0</u>	<u>XXXXXX</u>
OFFICE FURNITURE/EQUIPMENT	U504	<u>205.9</u>		<u>205.9</u>	<u>XXXXXX</u>
VEHICLES	U505	<u>63.9</u>		<u>63.9</u>	<u>3.0</u>
OTHER EQUIPMENT	U506				<u>XXXXXX</u>
TRANSPORTATION/FREIGHT	U507	<u>32.5</u>		<u>32.5</u>	<u>XXXXXX</u>
FURN/EQUIP/VEH REPAIR/MAINT	U508	<u>137.5</u>	<u>97.5</u>	<u>235.0</u>	<u>XXXXXX</u>
COMMUNICATIONS	U509		<u>126.5</u>	<u>126.5</u>	<u>XXXXXX</u>
SECURITY GUARD SERVICES	U510		<u>50.0</u>	<u>50.0</u>	<u>2.5</u>
PRINTING	U511		<u>7.0</u>	<u>7.0</u>	<u>XXXXXX</u>
SITE VISITS - MISSION	U512	<u>55.0</u>	<u>80.0</u>	<u>135.0</u>	<u>280.0</u>
SITE VISITS - AID/W	U513	<u>25.0</u>		<u>25.0</u>	<u>11.0</u>
INFORMATION MEETINGS	U514	<u>10.0</u>		<u>10.0</u>	<u>7.0</u>
TRAINING ATTENDANCE	U515	<u>35.0</u>		<u>35.0</u>	<u>22.0</u>
CONFERENCE ATTENDANCE	U516	<u>35.0</u>		<u>35.0</u>	<u>24.0</u>
OTHER OPERATIONAL TRAVEL	U517				
SUPPLIES AND MATERIALS	U518	<u>175.0</u>	<u>50.0</u>	<u>225.0</u>	<u>XXXXXX</u>
FAAS	U519	<u>270.0</u>		<u>270.0</u>	<u>XXXXXX</u>
CONTRACT CONSULTING SERVICES	U520				<u>XXXXXX</u>
CONTRACT MGT/PROF SERVICES	U521				<u>XXXXXX</u>
SPECIAL STUDIES/ANALYSES	U522				<u>XXXXXX</u>
ALL OTHER CODE 25	U523	<u>100.0</u>	<u>105.0</u>	<u>205.0</u>	<u>XXXXXX</u>
TOTAL OPERATING EXPENSE BUDGET		<u>5230.3</u>	<u>3000.0</u>	<u>8230.3</u>	<u>XXXXXX</u>
RECONCILIATION		<u>2979.8</u>		<u>2979.8</u>	<u>XXXXXX</u>
OPERATING BUDGET REQUIREMENTS		<u>2250.5</u>	<u>3000.0</u>	<u>5250.5</u>	<u>XXXXXX</u>
636C REQUIREMENTS	U601				
TOTAL ALLOWANCE REQUEST	U000	<u>2250.5</u>	<u>3000.0</u>	<u>5250.5</u>	

OTHER INFORMATION

DOLLARS REQUIRED FOR LOCAL CURRENCY EXPENSES	<u>296.2</u>
EXCHANGE RATE USED (MAY 27, 1987) LEMPIRAS 2.00 FOR \$1.00	<u>L2.00 for \$1.00</u>
ESTIMATED INFLATION RATE	<u>6%</u>

FY 1989 Annual Budget Submission
TABLE VIII(a)
Narrative

Organization USAID/HONDURAS

1. Reasons for Increase

The total Operating Expense budgets for FY 87 through FY 89 reflect modest increases that we believe are necessary to carry out our program. The overall budget increases by 2.7% from FY 87 to FY 88 and by 6.5% from FY 88 to FY 89.

Between FY 87 and FY 88, the expenses for our foreign national direct hire staff (U200) increase by 7.8%. Two of our employees who are on leave without pay will be returning during FY 88 and we are projecting that the two vacant positions will be filled by contractors currently on board. (The workyears for our contractor personnel show an appropriate reduction between FY 87 and FY 88.) In addition, the expenses for housing (U400) are increasing by 7.1% from FY 87 to FY 88 due to spiraling rents caused by the shortages of adequate housing in Tegucigalpa. The Mission is embarking on a government leased housing program in order to combat increasing rents.

Between FY 88 and FY 89, expenses for U. S. direct hire staff (U100) increase by 6.4% due to the large number of post assignments and home leave/transfers that we will experience. The expenses for our foreign national direct hires (U200) increase by 7.7% due to annualization of the new hires and employees returning from LWOP. A small part of the increase is represented by limited salary increases since salaries of many of our direct hire employees are now frozen. The expenses for contract personnel (U300) increase by 10.7% from FY 88 to FY 89 due to a projected wage increase and the employment of two additional contractors to work in the motor pool and warehousing areas. Housing (U400) increases by 6.3% from FY 88 to FY 89. In addition, expenses for office operations (U500) increase by 3.3% from FY 88 to FY 89 due to general price increases expected.

2. Management Improvements

This Annual Budget Submission calls for the delivery of about \$291 million in project, economic, and food assistance to Honduras during FY 1988/89. This will require a continued substantial AID presence in Honduras. By adhering to our management strategy outlined below, the Mission is confident that the program can be managed without an increase in OE funded direct hire staff (except for International Development Interns) and at a minimum cost to the Agency's operating expenses. The overall management strategy for implementing an expanded program within our existing ceilings consists of several interrelated actions. In order to conserve resources and promote increased efficiencies in our operations, we will:

Further consolidate the portfolio by phasing out approximately 25 activities in the FY 87 to FY 89 period, while at the same time reducing major new DA starts so that implementation can be better handled with the existing staff.

Conduct annual reviews of staffing needs with each Office Director to insure that all personnel are required and are properly charged to Project or OE funds.

Focus maximum staff effort on implementation of the Action Plan by linking EER performance to Action Plan objectives.

Continue our strong commitment to employee development by providing training opportunities to our staff in project implementation and management skills.

Enhance communications within the Mission through the development and issuance of Mission Orders delineating functional responsibilities and providing procedural instructions.

Become self-sufficient in administrative and logistical support of our program whenever cost effective and to comply with the statutory ceiling on reimbursement of FAAS expenses.

Continue our efforts to implement new management techniques such as Management by Objectives to increase the productivity and effectiveness of our staff.

The Mission has taken three main steps to reduce discrete management units. First, we have reduced the number of new DA starts planned over the next three years from thirteen to no more than 3 per year. This decision was made not only to address consolidation concerns, but also in light of the actual and planned budget constraints facing AID in general and USAID/Honduras in particular. Second, the Mission has integrated like activities under the banner of a single project. Examples of this approach include the FY 85 Private Sector Family Planning Project, the FY 86 amendment to Natural Resources Management Project, the planned FY 88 Small Business Development Support, Health Sector II Project and the OPG Umbrella projects. Third, the Mission has accelerated project close outs. The Mission closed out 13 activities in FY 86 some of which had languished on the books for two years after PACD. We plan to close out approximately 25 activities over the Action Plan period. These actions will result in increased concentration of scarce human and financial resources on important initiatives that seek to meet our current goals and objectives.

Since personnel is a major cost element in our OE budget, the Director conducted an intensive review with each Office Director of all personnel currently on board and the additional staff being proposed to insure that the Mission remains lean and cost-effective. New personnel have been charged to projects where such charging made sense. In addition, several small reorganizations have taken place since the start of 1987 which have more effectively utilized our existing staff. We have broadened the project oversight responsibilities of our USDH staff and are considering consolidating PVO grant and special project (i.e., Denton and Displaced Persons) responsibilities into a single office.

We are evaluating current employee assignments and may reassign certain employees to enable us to better meet our changing emphasis on implementation. In addition, we are revising job descriptions and switching several staff members to technical support trust funds and a variety of projects that were previously covered under operating expenses.

As the program moves into a more intensive implementation phase, operating expense support staff in the management area will increase. The increase has so far, however, been offset by reductions made in our annual staffing reviews to insure that all personnel are still required and are charged to projects where feasible. We have already upgraded and expanded staffing in the contract management and procurement services areas. The housing market in Tegucigalpa is changing over to a seller's market and we will be moving to leased quarters with increased staffing requirements in this area. We have avoided further increases in secretarial support by establishing a program of floating secretaries/translators staffed primarily by spouses. This program also supports the Post's dependent-hire program.

In the last year, USAID has assumed responsibility for a number of support services previously provided by the JAO under a FAAS agreement. Although low in cost, labor intensive activities such as the motor pool, expendable and non-expendable property management and procurement services are now being provided by the USAID. By operating these service programs, USAID/Honduras will realize significant OE savings as a function of reducing services, streamlining staffing requirements, and eliminating dual-agency monitoring efforts.

The programming of local currency resources resulting from the ESF program does require staff time but, on the positive side, such involvement has enabled us to accomplish some desirable activities and to close out one staff intensive dollar funded project. Dollar funding (\$100,000 each year) for our Special Development Activities Project was replaced by ESF local currency programmed in an agreement with the Peace Corp which now manages this activity, as well as the regionally funded Small Project Assistance Program. This action has given the Peace Corp the necessary resources to assist neglected communities and groups in Honduras thereby targeting assistance to the poorest elements of the society and generating favorable reactions to the U. S. assistance program in Honduras.

This Mission is very concerned about vulnerability given the special foreign policy situation in Honduras and the size of our program. We have taken steps to improve our surveillance of such sensitive areas as Denton Amendment shipments. Those programs which operate in border areas and with displaced persons will be subjected to special care and review. Insuring that approximately \$40 million in Development Assistance money each year is expended in a prudent and responsible manner requires a substantial staff and we are committed to the necessary financial review and oversight of our program.

We have sought cost effective means to improve the office environment in order to maintain morale and achieve enhanced productivity from our employees. The Mission's office space in the current building is totally inadequate for the existing staff and the numerous TDY visitors. Staff members are crowded in bullpen like environments and many officers are sharing offices that are designed to house only one person. We have tentatively worked out an arrangement with the Embassy so that space on the seventh floor of the existing office building will be turned over to us in exchange for our furnishing space in an AID warehouse for a cafeteria for use by the entire official community. The majority of the costs associated with this arrangement will ultimately be taken as an offset against our FAAS bill and will result in a lower cost to us than if the Embassy had initially expended the funds from their FAAS account.

3. Trust Funds

USAID/Honduras has negotiated a trust fund which defrayed the cost of running our Mission by \$2,000,000 in FY 1986. In FY 1987, the trust fund, using reverse accommodation exchange procedures, will be used to cover \$2,940,000 in Mission operating costs and this figure will be established at \$3,000,000 in FY 1988 and FY 1989. These amounts represent a significant contribution by the Government of Honduras (GOH) in sharing the cost of maintaining the USAID Mission in Tegucigalpa. The GOH has contributed or will contribute more than 38% of our total operating expense cost during the period FY 1987 to FY 1989. The trust fund amounts that are being budgetted for FY 87 cover all of our local cost expenses. The amounts in FY 88 and FY 89 fall a little short of complete coverage but the amount of money that we are budgetting represents the maximum amount that we believe the Mission can negotiate with the Government of Honduras given the low level of development of the country and high U. S. national and political interests here and in the region.

FY 1989 Annual Budget Submission
TABLE VIII (b)
Information on U.S. PSC Costs

Organization USAID/HONDURAS

<u>Job Title/Description</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>
Computer Systems Manager	80.7	53.5	53.5
Warehouse Supervisor	23.2	25.0	25.0
Assistant Warehouse Supervisor	11.2	20.5	21.5
Floating Secretary/Translator	25.3	20.5	21.5
Secretary	9.7	15.0	15.0
Voucher Examiner	13.6	14.5	15.2
Computer Technician	5.9		
Assistant B&A Officer	16.4		
Assistant Management Officer	12.0	25.0	25.0
Administrative Assistant	1.5	20.0	20.0
Information Specialist	25.6	27.0	27.0
Temporary Secretaries	4.0	10.0	10.0
Summer Hire	18.0	18.0	18.0
Totals	247.1	249.0	251.7

FY 1989 Annual Budget Submission
TABLE VIII(c)
All Other Code 25 Detail

<u>Description</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>
Direct Payment to State (Cleaning, Security, etc.)	70.0	80.0	90.0
Courier Services	2.0	2.0	2.0
Local Trng. Courses	12.0	15.0	15.0
Medical Expenses and Exams	15.0	15.0	15.0
Misc Petty Cash Pmts	22.0	24.0	24.0
All Other Items	45.6	42.8	59.0
Totals	166.6	178.8	205.0

FY 1989 Annual Budget Submission
TABLE VIII(e)
OBLIGATIONS FOR ACQUISITION, OPERATION
AND USE OF INFORMATION TECHNOLOGY SYSTEMS
(\$000)

Organization USAID/HONDURAS

ITEM AND EXPLANATION	FISCAL YEARS (\$000)		
	1987	1988	1989
1. Capital Investment			
A. Purchase of Hardware			
Tape Drives	10.5		
Workstations	21.0	21.0	21.0
Daisy Printers	4.5		
Serial IOP	2.5	2.5	
2 MB Memory	14.0	14.0	14.0
Personal Computers (Desktop)	16.4		
Printers (PC)	2.2		
640 MB Disk Drive	19.5		
Personal Computers (laptop)		20.2	20.2
Printers (PC)		2.6	2.6
B. Purchase of Software			
Lotus, Multilingual, Statpro, etc.	3.6	5.0	5.0
Subtotal Section 1	<u>94.2</u>	<u>65.3</u>	<u>62.8</u>
2. Personnel			
A. Compensation, Benefits & Travel	-	-	-
B. Workyears	-	-	-
3. Equipment Rental, Space, and Other Operating Cost			
A. Lease of Equipment	-	-	-
B. Space	4.0	5.0	6.0
C. Supplies and Other	34.0	39.0	45.0
D. Non-Commercial Training	-	-	-
Subtotal Section 3	<u>38.0</u>	<u>44.0</u>	<u>51.0</u>
4. Commercial Services			
A. Computer Time	-	-	-
B. Leased Telecommunications Services	2.5	3.0	3.5
C. Operations and Maintenance			
(1) Operations	-	-	-
(2) Maintenance	64.0	70.0	75.0
Subtotal Section 4	<u>68.5</u>	<u>73.0</u>	<u>78.5</u>

FY 1989 Annual Budget Submission
TABLE VIII(e)
OBLIGATIONS FOR ACQUISITION, OPERATION
AND USE OF INFORMATION TECHNOLOGY SYSTEMS
(Continued)

Organization USAID/HONDURAS

<u>ITEM AND EXPLANATION</u>	<u>FISCAL YEARS (\$000)</u>		
	<u>1987</u>	<u>1988</u>	<u>1989</u>
5. <u>Totals</u>			
A. Total Dollars	200.7	182.3	192.3
B. Total Workyears	-	-	-
6. <u>Mission Allowance Levels</u>			
A. Existing Systems	129.6	134.0	146.5
B. New and Expanded Systems	71.1	48.3	45.8

FY 1989 Annual Budget Submission
 TABLE VIII(f)1
Report on Motor Vehicle Operations

Organization USAID/HONDURAS

<u>ITEM AND EXPLANATION</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>
A. <u>Numbers of Vehicles:</u>			
1. <u>Purchased Vehicles:</u>			
(a) Number of vehicles on-hand at start of year	27	27	27
(b) Plus number of vehicles to be purchased during the year	1	8	4
(c) Less number of vehicles to be disposed of during the year	<u>1</u>	<u>8</u>	<u>4</u>
(d) Number of vehicles on hand end of year	<u>27</u>	<u>27</u>	<u>27</u>
	=====	=====	=====
2. <u>Leased Vehicles:</u>			
Average number of leased vehicles in use during year	0	0	0
B. <u>Estimated Obligations:</u>			
1. <u>Vehicle Purchases</u>			
2. Special modifications (such as plating)	12.1	116.2	63.9
3. Transportation of purchased vehicles	1.8	17.4	9.6
4. Vehicle Leases			
5. Vehicle Maintenance/Repairs	6.5	7.1	7.1
6. Salaries/Benefits of Drivers/Dispatchers			
7. Supplies/Materials/Gas/Oil	37.0	37.0	37.0
8. Rental of Warehouse/Garage Space			
9. Other Miscellaneous Costs	<u>7.5</u>	<u>7.5</u>	<u>7.5</u>
10. Total Obligations	<u>64.9</u>	<u>185.2</u>	<u>125.1</u>
	=====	=====	=====
C. <u>Estimated Disbursements:</u>			
1. <u>Vehicle Purchases</u>			
2. Special modifications (such as armor)	21.9	12.1	116.2
3. Transportation of purchased vehicles	3.2	1.8	17.4
4. Vehicle Leases			
5. Vehicle Maintenance/Repairs	5.5	6.5	7.1
6. Salaries/Benefits of Drivers/Dispatchers			
7. Supplies/Materials/Gas/Oil	34.0	37.0	37.0
8. Rental of Warehouse/Garage Space			
9. Other Miscellaneous Costs	<u>6.0</u>	<u>8.0</u>	<u>7.0</u>
10. Total Disbursements	<u>70.6</u>	<u>65.4</u>	<u>184.7</u>
	=====	=====	=====
D. <u>Vehicles Included in (A) Above Owned by AID but Operated/Maintained by</u>			
<u>JAO/Embassy Motor Pool:</u>			
1. On-hand at start of year	3	2	1
2. To be purchased during the year			
3. To be disposed of during the year	1	1	1

FY 1989 Annual Budget Submission
 TABLE VIII(f) - 2
Report on Motor Vehicle Operations
 (Trust Funds)

Organization USAID/HONDURAS

<u>ITEM AND EXPLANATION</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>
A. Numbers of Vehicles:			
1. <u>Purchased Vehicles:</u>			
(a) Number of vehicles on-hand at start of year			
(b) Plus number of vehicles to be purchased during the year			
(c) Less number of vehicles to be disposed of during the year			
(d) Number of vehicles on hand end of year	-----	-----	-----
2. <u>Leased Vehicles:</u>			
Average number of leased vehicles in use during year			
B. <u>Estimated Obligations:</u>			
1. <u>Vehicle Purchases</u>			
2. Special modifications (such as armor plating)			
3. Transportation of purchased vehicles			
4. <u>Vehicle Leases</u>			
5. <u>Vehicle Maintenance/Repairs</u>	4.0	4.0	4.0
6. <u>Salaries/Benefits of Drivers/Dispatchers</u>	42.7	35.6	38.4
7. <u>Supplies/Materials/Gas/Oil</u>	26.0	28.0	29.0
8. <u>Rental of Warehouse/Garage Space</u>	6.0	6.0	6.0
9. <u>Other Miscellaneous Costs</u>			
10. <u>Total Obligations</u>	78.7	73.6	77.4
	-----	-----	-----
C. <u>Vehicles Included in (A) Above Owned by AID but Operated/Maintained by JAO/Embassy Motor Pool:</u>			
1. <u>On-hand at start of year</u>			
2. <u>To be purchased during the year</u>			
3. <u>To be disposed of during the year</u>			

TABLE VIII (e) OBLIGATIONS FOR ACQUISITION, OPERATION AND USE OF INFORMATION TECHNOLOGY SYSTEMS

Country/Office Honduras

FY 1989 ANNUAL BUDGET SUBMISSION

TABLE XI

P.L. 480 TITLE I/III REQUIREMENTS
(Dollars in Millions, Tonnage in Thousands)

	ACTUAL		ESTIMATED		PROJECTED	
	FY 1987		FY 1988		FY 1989	
	\$	MT	\$	MT	\$	MT
<u>COMMODITIES</u>						
<u>Title I</u>						
Wheat	8.5	75	10*	93	10*	91
Corn	1.5	15	-	-	-	-
Tallow	2.0	6	1	2.6	1	2.5
Total	12	96	11	95.6	11	93.5
<hr/>						
of which						
Title III						
<hr/>						
Total	-	-	-	-	-	-

COMMENT:

* These estimates are based on a recently completed USAID sponsored evaluation of the PL 480 Title I and Title II programs. The evaluation indicates that approximately \$1 million less than the budget figures proposed by Washington will be required given the prices projected in State 103007.

FY 1989 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

I. Country: HONDURAS

Sponsor's Name: CARE

FY: 1988

A. Maternal and Child Health

Total Recipients: 117.25

<u>Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>Metric Tons</u>	<u>\$000</u>
117.25	CSM	1,053.0	272.7
117.25	NFDM	1,733.4	190.6
111.25	M. RICE	2,270.0	408.6
111.25	A.P. FLOUR	1,335.0	229.6
111.25	VegOil	668.0	438.8
TOTAL MCH		7,059.0	1,540.3

B. Pre-School Feeding

Total Recipients: -0-

<u>Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>Metric Tons</u>	<u>\$000</u>
TOTAL Pre-School		-0-	-0-

C. School Feeding

Total Recipients: 320.0

<u>Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>Metric Tons</u>	<u>\$000</u>
320.0	CSM	3,072.0	795.6
320.0	NFDM	1,280.0	140.8
TOTAL School Feeding		4,352.0	936.4

D. Food For Work

Total Recipients: -0-

<u>Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>Metric Tons</u>	<u>\$000</u>
TOTAL Food For Work		-0-	-0-

FY 1989 ANNUAL BUDGET SUBMISSION

TABLE XIII (continued)

PL 480 TITLE II

I. Country: HONDURAS

Sponsor's Name: CRS

FY: 1988

A. Maternal and Child Health

Total Recipients: 19.25

<u>Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>Metric Tons</u>	<u>\$000</u>
19.25	CSM	104.0	26.9
19.25	NFDM	210.0	23.1
19.25	BULGUR	104.0	19.2
19.25	VEGOIL	104.0	68.3
TOTAL MCH		<u>522.0</u>	<u>137.6</u>

B. Pre-School Feeding

Total Recipients: -0-

<u>Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>Metric Tons</u>	<u>\$000</u>
TOTAL Pre-School		-0-	-0-

C. School Feeding

Total Recipients: -0-

<u>Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>Metric Tons</u>	<u>\$000</u>
TOTAL School Feeding		-0-	-0-

C. Food For Work

Total Recipients: 1.10

<u>Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>Metric Tons</u>	<u>\$000</u>
1.10	CSM	120.0	31.0
1.10	BULGUR	150.0	27.7
1.10	VegOil	23.0	15.1
TOTAL Food For Work		<u>293.0</u>	<u>73.9</u>

FY 1989 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

I. Country: HONDURAS

Sponsor's Name: CARE

FY: 1989

A. Maternal and Child Health

Total Recipients: 117.25

<u>Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>Metric Tons</u>	<u>\$000</u>
117.25	CSM	1,053.0	276.9
117.25	NFDM	1,733.4	190.6
111.25	M. RICE	2,028.9	375.3
111.25	A.P. FLOUR	1,335.0	238.9
111.25	VegOil	668.0	453.5
TOTAL MCH		<u>6,818.3</u>	<u>1,535.2</u>

B. Pre-School Feeding

Total Recipients: -0-

<u>Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>Metric Tons</u>	<u>\$000</u>
TOTAL Pre-School		-0-	-0-

C. School Feeding

Total Recipients: 320.0

<u>Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>Metric Tons</u>	<u>\$000</u>
320.0	CSM	3,072.0	807.9
320.0	NFDM	1,280.0	140.8
TOTAL School Feeding		<u>4,352.0</u>	<u>948.7</u>

D. Food For Work

Total Recipients: -0-

<u>Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>Metric Tons</u>	<u>\$000</u>
TOTAL Food For Work		-0-	-0-

FY 1989 ANNUAL BUDGET SUBMISSION

TABLE XIII (continued)

PL 480 TITLE II

I. Country: HONDURAS

Sponsor's Name: CRS

FY: 1989

A. Maternal and Child Health Total Recipients: 19.25

<u>Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>Metric Tons</u>	<u>\$000</u>
19.25	CSM	104.0	27.3
19.25	NFDM	210.0	23.1
19.25	BULGUR	104.0	19.5
19.25	VEGOIL	104.0	70.6
TOTAL MCH		522.0	140.6

B. Pre-School Feeding Total Recipients: -0-

<u>Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>Metric Tons</u>	<u>\$000</u>
TOTAL Pre-School		-0-	-0-

C. School Feeding Total Recipients: -0-

<u>Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>Metric Tons</u>	<u>\$000</u>
TOTAL School Feeding		-0-	-0-

C. Food For Work Total Recipients: 1.10

<u>Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>Metric Tons</u>	<u>\$000</u>
1.10	CSM	120.0	31.5
1.10	BULGUR	150.0	28.2
1.10	VegOil	23.0	15.6
TOTAL Food For Work		293.0	75.3

Privatization Narrative

USAID/Honduras' privatization plan provides for assistance to the Government of Honduras (GOH) in the divestiture, liquidation or reduction of state-owned enterprises in order to help reduce dependence on the State, foment the development of private enterprise, create employment opportunities, and reduce the fiscal drain of state-owned enterprises on the treasury. The plan links policy dialogue regarding privatization with our ESF negotiations and program, and complies with the Central American Initiative of reducing public sector participation in commercial enterprises in order to free scarce resources and make them available to the productive private sector. The plan is compatible with the goals of the GOH whose President has publicly stated that among his priorities are the reduction of dependence on the government, and the development of the private sector as a means to create a better climate for investment and growth.

During the past 15 months the Azcona government has made significant progress in developing and implementing its privatization program with assistance from A.I.D., including a \$4.0 million grant authorized on August 29, 1986, and privatizing three state-owned enterprises. Implementing regulations have been passed into law, required technical studies and in-depth analysis have been completed and approved by the Boards of Directors of the National Development Corporation (CONADI) and the Honduran Forestry Development Corporation (COHDEFOR); a high level public-private sector privatization commission was formed and public awareness seminars were given in Tegucigalpa and San Pedro Sula; and corporate valuations were initiated and marketing strategies are being developed. All these set the stage for accelerating the GOH's privatization process over the next several years.

To a significant extent, Honduras is on the leading edge of the worldwide privatization movement in LDCs. As privatization has gained popularity, many countries have initiated privatization efforts on an ad hoc basis. This may be acceptable in the industrialized nations but does not provide the planned approach required by many LDCs where limited resources and political, social and economic variables are key elements of the privatization equation. Honduras is one of the first developing nations to have a complete program grounded in legislation, an institutional framework and a technical assistance program developed to privatize its state-owned enterprises.

Three months into President Azcona's administration implementation regulations for the privatization law were passed. President Azcona also initiated a tripartite commission composed of labor, private and public sector representatives to investigate allegations of wrongdoings in past administrations of the National Development Corporation (CONADI), a holding company for state-owned enterprises. The commission's findings were made public and have served to heighten the public and private sectors' commitment to privatization and give impetus to the process.

The Azcona government also entered into a project agreement with A.I.D. that will provide \$16.0 million (\$4.0 million DA and ESF local currency equivalent of \$12.0 million) toward assisting the GOH privatization program within the general structure of the privatization law. The project supports the institutional framework to oversee the program and provides the necessary analytical skills and technical support to implement it. The project will also finance a number of activities designed to support the sale (or lease as an interim step toward divestiture) of the enterprises and assets. A permanent technical assistance team has been contracted through the A.I.D.-supported Center for Privatization. The team is in place and is currently assisting the GOH in conducting the necessary financial and economic analyses, corporate and asset valuations, development and implementation of privatization strategies for individual companies, a marketing program and other privatization-related tasks.

The A.I.D. financed technical assistance team reports directly to the privatization commission (PC) that was appointed by President Azcona. The PC is composed of representatives from the public sector, the private sector and labor, and is chaired by the Minister Advisor to the President. The PC was established to guide the privatization process as a body independent from the implementing institutions (e.g., CONADI, COHDEFOR), to coordinate overall privatization efforts, oversee the privatization effected by GOH institutions, advise the Executive Branch and the Boards of the implementing institutions, provide technical assistance to implementing institutions, and keep the Honduran Economic Cabinet advised of its recommendations to the institutions and of overall privatization efforts.

The GOH has recognized that privatization is essentially a political process with economic and financial variables and that its success is dependent upon the manner in which the general population, political leaders, the private sector, and other power groups view privatization. Therefore, public awareness seminars have been given in both Tegucigalpa and San Pedro Sula to audiences composed of representatives from the public and the private sector, labor and the military.

The major thrust of the GOH's program and A.I.D.'s technical assistance is directed to CONADI and COHDEFOR, the two parastatals whose portfolio of 66 and four companies respectively, represent the largest financial drain on the national budget and which will have the largest economic impact on the economy when privatized. The credit and investment portfolio of these two agencies represent a combined exposure of approximately \$400 million and an annual cost of about \$67 million to the GOH.

To date, preliminary technical studies and in-depth analysis of CONADI and COHDEFOR required by the divestiture law have been completed. The process of cleaning up the outstanding legal and financial issues of 12 companies is underway, valuations were begun in December 1986, and prospectuses are being prepared on seven companies targetted for divestiture this year. International investors have already expressed interest in several of the CONADI and COHDEFOR companies and firm offers have been made on two.

Three privatizations have been achieved to date, one from CONADI and two from COHDEFOR. Experience has shown that the privatization process is extremely complex. Difficulties in reaching agreement on the valuation of assets, political animosity among participating institutions, delays in appointing personnel, etc. have had to be confronted. Clearly, many variables will affect overall success of the GOH's efforts to privatize, including social and political issues external to the project. The GOH's goal of seven privatizations for this year, six for 1988 and seven for 1989, may prove to be ambitious. Nevertheless, an excellent start has been made and President Azcona's administration is committed to the program.