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FY 1985

Guatemala



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Agency for International Development
Washington, D.C. 20523

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FY 1985 ANNUAL BUDGET SUBMISSION

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USAID GUATEMALA ACTION PLAN

A. Overview

Considerable analysis has demonstrated the basic development objectives of Guatemala to be: reestablishing a pattern of real economic growth and greater participation of the poor in the benefits of that growth. Achievement of these objectives will depend upon revitalization of the industrial sector, increased productivity in the agriculture sector and a slowdown in the rate of population growth. These objectives provide the framework for the U.S. assistance strategy for Guatemala during the planning period FY 1984-1989.

It is clear that the achievement of these objectives will require more resources than AID alone will be able to muster. Therefore, close coordination with other donors working in Guatemala will be needed to assure the most efficient use of resources available and coverage of vital requirements AID itself is unable to address.

The USAID Strategy is intended to stimulate broad-based, self-sustaining economic growth. However, growth alone will not alleviate the poverty found throughout Guatemala (per capita income for half of the population is less than \$480 per year.) The Strategy, therefore, embraces means to allow a greater participation in that growth. Structural and policy changes will be necessary in many cases, and USAID will continue the dialogue with the Government of Guatemala (GOG) on these issues. The Strategy calls for the development of local institutional capacity, in both the public and private sectors, in order to make the development process self-sustaining. In addition, the Strategy includes specific activities designed to demonstrate alternative development approaches and technologies which can be continued or replicated with non-AID resources.

In support of the LAC Regional Strategy of returning countries to balance of payment and fiscal equilibrium and improving the living standards of people, the Strategy is built upon the three basic objectives introduced above: (1) revitalization of the industrial sector, (2) increased productivity in the agriculture sector and (3) a slow-down in the rate of population growth. To achieve this long-range Strategy, the Mission has set forth the country program goals and means below (including management steps).

B. Revitalization of the Industrial Sector

Economic Support Fund (ESF) financing will be utilized to provide foreign exchange necessary for producers of non-tradi-

tional exports, thereby providing some relief to the balance of payments problems while stimulating the diversification of exports to new markets. Local currency generations would be used in part to create domestic lines of credit for the export industrial sector, thus partially relieving the domestic liquidity problem under the same program. A PL 480 Title I program is proposed by the Mission to provide additional balance of payment support and allow for essential food imports. The USAID, in connection with negotiations of future ESF agreements, would also pursue the policy changes necessary to stimulate export production such as tax structures, investment incentives, devaluation, drawback programs, trading companies and export industrial zones, and would also support economic stabilization programs proposed by the IMF.

Another feature of the Mission Strategy is the development of rural enterprises with special attention to agro-industry. In support of this effort the Mission will complete, by the end of FY 1983, a reprogramming of the current Rural Enterprises Project (520-0245) to place greater emphasis on private sector financial institutions' involvement in the development and financing of small-scale rural enterprises. The Mission expects a major expansion of activity under this project in FY's 1984 and 1985. Through this project the Mission expects to increase domestic private investment in rural enterprises. The Mission will also complete 623 kilometers of rural electrification lines by the end of FY 1985.

C. Increasing Agricultural Productivity

Assessments carried out in 1983 show that traditional practices of limiting export production to a few crops subject to major international price fluctuations and permitting prime farm land to be underutilized is contributing to exacerbating the man/land ratio among small farmers as well as the balance of payments problem. The findings regarding land utilization are being used for the design work (to be completed in the first quarter of FY 1984) on a new Land Markets Project. Discussions with the GOG on supporting this private sector land transfer and related policy actions will be completed by the end of FY 1984. By the end of FY 1985, the Mission expects to have the land marketing system in operation to facilitate the voluntary sale of underutilized land or land in unprofitable export crops to buyers willing to put the land into productive agricultural use. Project development has not proceeded far enough at this point to determine quantitative objectives for land sales.

The on-going project portfolio will continue to adapt technologies for use by small commercial farmers and encourage

diversification from traditional crops. The Mission expects to have 3,000 additional small farmers producing higher value crops by the end of FY 1985. A new project carrying out further development of land improvement technologies will begin implementation in FY 1984 and 7,000 additional hectares of land are expected to be terraced and 175 more hectares will be utilizing small-scale irrigation by the end of FY 1985. To support the diversification of production, a new Agribusiness project will be designed in FY 1984 to assist in the identification of small farmer-based market opportunities (particularly export-oriented) as well as improving the efficiency of existing agribusiness enterprises. Discussions with the GOG will be undertaken to create the incentives necessary to expand traditional markets while not placing the agriculture sector in an unfair competitive advantage through tax disincentives. By the end of FY 1985 at least two feasibility studies will have been carried out and at least one agribusiness enterprise will have increased its processing of agricultural products.

With the view that agriculture is an integrated production and marketing system, increased productivity cannot be planned for without sufficient attention being paid to marketing. The Mission will complete the reprogramming of the Small Farmer Marketing Project (520-0238) by the end of FY 1983 and will focus it on improving private sector marketing mechanisms. An additional 140 kilometers of rural access (farm-to-market) roads will be built in FY 1984, and an operational maintenance program for access roads will start by early FY 1985.

Efficiencies in production are also dependent on the quality of human resources. This case holds true in both the agricultural and industrial sectors although the USAID Strategy's primary impact is centered on the agriculture/rural target group over this planning time frame. Two specific aims are:

1. Access of Previously Excluded Indigenous Groups to Education

Longitudinal evaluations conducted under the on-going Bilingual Education Project (520-C258) have demonstrated the value of teaching Spanish as a second language to indigenous non-Spanish speaking populations as well as the receptivity of indigenous parental groups to these innovations. Discussions have been initiated to encourage the GOG to adopt a policy of bilingual education for the entire primary school-age population and it is expected such a policy will be adopted by the end of FY 1984. A new Education Improvement Project will be designed in FY 1984 to expand the coverage from the second to the fourth grade and add two more Indian languages so that 90% of the indigenous population is covered. By the end of FY

1985, curricula, textbooks, and teacher's guides will be completed for the third year in the four principal languages and materials developed for the first year in the two additional languages.

2. Reduce Morbidity Among Productive Rural Labor Force

The current portfolio is addressing public sector primary health care needs by training health promoters, providing potable water to previously unserved communities, and introducing environmental sanitation practices through the provision of latrines, health education, and municipal sanitation activities. In FY 1984 the Mission will have completed a total of 47 potable water systems and built 3,000 new latrines which are required as an element of the community water systems. An additional 14 water systems and 1,300 latrines will be built in FY 1985. To expand coverage to the productive rural labor force which is isolated from these services, the Mission is designing an Improved Outreach Project in FY 1984 to encourage private sector employers to provide essential primary health care services to their agricultural workers and producers' groups or cooperatives to their members.

Discussions with Ministry of Health (MOH) personnel have begun to encourage a divestiture of certain curative health care facilities to the private sector. A policy study to be undertaken will investigate what model will most aptly serve the population as a whole on a remunerative basis. The results of the study are to be presented to the GOG in the second half of FY 1985.

D. Slowdown in the Rate of Population Growth

An evaluation is being carried out to determine the efficiency with which the MOH is disseminating family planning information and providing the means for voluntary family planning. Based on the results of the evaluation, the Expansion of Family Planning Services Project (520-0288) will be modified early in FY 1984 to assure that all entities working in the area of family planning will contribute to the control of the population growth rate.

During FY 1983 a RAPID presentation has been developed. Conversations will continue with the COG on the implications of the high population growth rate. During FY's 1984 and 1985 the RAPID presentation will be presented to key decision-makers throughout the country.

The private sector organization Importadora de Productos Farmacéuticos, S.A. (IPROFA) will be fully operational by

mid-FY 1984, carrying out the contraceptive retail sales program. An increase of 42,000 family planning acceptors is predicted for both FY's 1984 and 1985, while the volunteer distributor network will be expanded by approximately 200 over these two fiscal years.

The Mission will work closely with the MOH, and other appropriate organizations, to develop a national family planning policy and expects to have such a policy officially announced in 1984.

E. Other Special Concerns

Negotiations are due to begin in June 1983 on an Implementation Agreement for a Housing Guaranty low-cost housing program under which actual construction should begin by early 1984. Current planning calls for 17 housing projects to be completed by the end of FY 1985 providing low-cost shelter solutions for approximately 3,500 families.

Other donor activities are an important means to help meet the overall Mission program goal and are an integral part of present plans. Discussions with the World Bank have resulted in agreement to publish on a nationwide basis the textbooks and guides developed under the USAID Bilingual Education Project. The Inter-American Development Bank (IDB) is providing a loan to assist the Ministry of Education in continuing the construction of the satellite school model developed earlier under AID auspices. Discussions with the multilateral development banks and other donors will continue during FY 1984 and 1985. During FY 1984 dialogue with the Japanese Government aid representatives will aim to encourage expansion of that government's involvement with small farmers. Periodic contact will continue with other bilateral donors to support program goals. The National Economic Planning Council will be encouraged to play a more active role in the coordination of donor activities within the country.

F. Key Management Steps to Strengthen the Mission's Management Capacity

To achieve adequate implementation of an expanded program within existing staff levels, USAID plans to (1) continue training FNDH staff to increase in-house expertise in project monitoring; and, (2) utilize contract assistance in the design and monitoring of portfolio activities.

In FY 1984, the USAID will complete the consolidation of all USAID offices in one building, rather than having nearly one half of USAID personnel located in the Embassy and the rest

in the ROCAP Building. This consolidation will have considerable impact on increasing the efficiency of the project implementation process, speeding up internal communications and the clearance process as well as making overall Mission management and supervision more effective.

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TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT

(\$ Thousands)

Country/Office: Guatemala

	FY 1983 Estimate	FY 1984		FY 1985 AAPL	PLANNING PERIOD			
		C P	Estimate		1986	1987	1988	1989
<u>AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION</u>	<u>8,909</u>	<u>10,583</u>	<u>8,816</u>	<u>6,250</u>	<u>4,150</u>	<u>10,250</u>	<u>10,650</u>	<u>10,650</u>
Grants	1,409	1,173	1,816	2,750	1,650	2,250	2,650	2,650
Loans	7,500	9,410	7,000	3,500	2,500	8,000	8,000	8,000
<u>POPULATION</u>	<u>1,938</u>	<u>1,690</u>	<u>1,650</u>	<u>2,050</u>	<u>2,876</u>	<u>5,100</u>	<u>100</u>	<u>100</u>
Grants	1,938	1,690	1,650	2,050	2,876	5,100	100	100
Loans (Centrally Proc. Com.)	— (—)	— (—)	—	—	—	—	—	—
<u>HEALTH</u>	<u>190</u>	<u>80</u>	<u>550</u>	<u>200</u>	<u>4,124</u>	<u>100</u>	<u>5,150</u>	<u>150</u>
Grants	190	80	550	200	624	100	5,150	150
Loans	—	—	—	—	3,500	—	4,000	—
<u>EDUCATION</u>	<u>750</u>	<u>457</u>	<u>1,734</u>	<u>5,050</u>	<u>3,400</u>	<u>100</u>	<u>650</u>	<u>6,150</u>
Grants	750	457	1,734	2,050	100	100	650	1,150
Loans	—	—	—	3,000	3,300	—	—	5,000
<u>SELECTED DEV. ACTIVITIES</u>	<u>713</u>	<u>190</u>	<u>250</u>	<u>150</u>	<u>150</u>	<u>150</u>	<u>150</u>	<u>650</u>
Grants	713	190	250	150	150	150	150	650
Loans	—	—	—	—	—	—	—	—
<u>FUNCTIONAL SUBTOTAL</u>	<u>12,500</u>	<u>13,000</u>	<u>13,000</u>	<u>13,700</u>	<u>14,700</u>	<u>15,700</u>	<u>16,700</u>	<u>17,700</u>
Grants	5,000	3,590	6,000	7,200	5,400	7,700	4,700	4,700
Loans	7,500	9,410	7,000	6,500	9,300	8,000	12,000	13,000

	FY 1983	FY 1984		FY 1985	PLANNING PERIOD			
	Estimate	C P	Estimate	AAPL	1986	1987	1988	1989
<u>(DISASTER)</u>	<u>120</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Grants	120	---	---	---	---	---	---	---
Loans	---	---	---	---	---	---	---	---
<u>DA ACCOUNTS</u>	<u>12,620</u>	<u>13,000</u>	<u>13,000</u>	<u>13,700</u>	<u>14,700</u>	<u>15,700</u>	<u>16,700</u>	<u>17,700</u>
Grants	5,120	3,590	6,000	7,200	5,400	7,700	4,700	4,700
Loans	7,500	9,410	7,000	6,500	9,300	8,000	12,000	13,000
(Of which PVO's)	(692)	(113)	(732)	(0)	(0)	(0)	(1,000)	(1,000)
<u>ESF</u>	<u>20,350</u>	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>30,000</u>	<u>25,000</u>	<u>15,000</u>	<u>---</u>
Grants	350	---	---	---	---	---	---	---
Loans	20,000	40,000	40,000	40,000	30,000	25,000	15,000	---
<u>DA AND ESF</u>	<u>32,970</u>	<u>53,000</u>	<u>53,000</u>	<u>53,700</u>	<u>44,700</u>	<u>40,700</u>	<u>31,700</u>	<u>17,700</u>
Grants	5,470	3,590	6,000	7,200	5,400	7,700	4,700	4,700
Loans	27,500	49,410	47,000	46,500	39,300	33,000	27,000	13,000
<u>P.L. 480, TITLE I</u>	<u>(---)</u>	<u>(7,000)</u>	<u>(7,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>(---)</u>	<u>(---)</u>	<u>(---)</u>
(TITLE III)	(---)	(---)	(---)	(---)	(---)	(---)	(---)	(---)
<u>P.L. 480, TITLE II</u>	<u>(4,650)</u>	<u>(4,478)</u>	<u>(3,600)</u>	<u>(3,800)</u>	<u>(4,000)</u>	<u>(4,200)</u>	<u>(4,400)</u>	<u>(4,600)</u>
<u>HOUSING GUARANTIES</u>	<u>(10,000)</u>	<u>(---)</u>	<u>(---)</u>	<u>(---)</u>	<u>(10,000)</u>	<u>(---)</u>	<u>(20,000)</u>	<u>(---)</u>
<u>TOTAL PERSONNEL</u>								
USDH Workyears	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0
FNDH Workyears	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0
IDI Workyear	0	0	1.0	2.0				

TABLE I NARRATIVE

Table I and supporting tables are based on the Approved Assistance Planning Levels for Development Assistance (DA) and Economic Support Funds (ESF) received from AID/W. While the combined assistance levels will contribute to confronting the economic and developmental problems facing the country, the levels of Development Assistance will not allow for sufficient new initiatives on the part of the Mission to be responsive to the changed political and economic situation in Guatemala. At these levels the Mission would be able to begin only one or two small new projects each year and during FY 1984 and FY 1985 would be required to incrementally fund projects and mortgage subsequent years. The Mission, therefore, believes that additional DA is justified for Guatemala based on a strategy of revitalizing the industrial sector and increasing agricultural productivity.

The \$13 million Development Assistance level for FY 1984 represents an absolute minimum program with the possibility of initiating only one new project that year. One-third of the funds will have to be programmed for on-going activities. Under the existing AAPL's, FY 1984 funding, with the exception of PD&S, one OPG and the Special Development Fund, would be utilized entirely for the first incremental funding of the Land Markets Project. This initiative with the private sector will place the Mission in the same position as in FY 1983 with an almost 50% mortgage in FY 1985, thus reinforcing the already perceived lack of U.S. support for economic and social reforms introduced by the Ríos Montt Government.

The planned Development Assistance FY 1985 level (\$14.7 million) allows only for partial funding for the institutionalization of education sector reforms and for initiating involvement with the private sector in expanding small farmer-oriented agribusiness and external marketing opportunities. Once again, the remaining available funds will be utilized to pay off the mortgage accumulated in FY 1984 and prior years and will force the mortgage of FY 1986 funds as well. Fully funding only one project in FY 1985 would either ignore the vital role the private sector plays in the country's economic activities or exclude the discriminated indigenous population from important new educational opportunities through a continuation of long-term AID involvement in rural education in the Highlands. Either scenario would preclude addressing principal constraints identified in the Mission Strategy.

In addition to the limitation of new initiatives, the low DA funding levels and the mortgaging problems have forced the

Mission to reduce the size of proposed projects to levels that are minimally adequate but not optimal. These projects will be necessarily too limited in scope for what the Mission considers desirable to effectively address the problems identified. (The financial effect is shown in Table IV where planned Life of Project Funding Levels are higher than the amounts budgeted in the obligation columns). While projects will, of course, be directed toward critical development problems and designed in such a way as to address the needs identified at the least acceptable level, reduced funding levels will mean lessened impact. Furthermore, other critical needs will not receive early attention. The net result will be lost opportunities and slower results in improvement of productivity in the rural sector.

An essential element in the USAID's Strategy in Guatemala is a continuing policy dialogue. The proposed ESF levels and the accompanying negotiations of ESF agreements will allow the Mission sufficient opportunity to address policy changes necessary for revitalization of the economy, particularly when carried out in coordination with the IMF and other donors. Regrettably, minimum Development Assistance availabilities will restrict the policy issues USAID may deal with in regard to rural development and other strategy objectives.

At higher Development Assistance levels, say a DA program level of \$35-40 million per year over the planning period, the Mission could play an important role in shaping overall development policies of the government in key areas and focus attention and resources on critical obstacles to development.

Under well defined U.S. policy, Central America is extremely important to the interests of the United States. Guatemala is the most important Central American country in terms of population and economic potential, yet it receives only a small share of the available resources. Recent studies completed in Guatemala estimate that more than 3.1 million people had per capita incomes of less than \$480 per year and more than half of these had annual incomes of less than \$250. The Indian regions of Guatemala are some of the least developed, poorest regions in all of Latin America. When compared to total populations of approximately 3.8 million in Honduras and 2.3 million in Costa Rica and the AAPLs for those countries, the problems of extreme poverty and underdevelopment in Guatemala receive a considerably smaller proportionate share of the available resources.

With an increased DA program the Mission would initiate vital projects earlier in the planning period and fund those projects at higher levels sufficient for maximum impact within institutional capacities. Increased availabilities would also

allow for additional projects to be carried out by private and voluntary organizations, important "grass roots" projects otherwise squeezed out by severe funding limitations. The Mission would also start a small but vital policy studies project oriented to policy reforms, and an institution building training project to improve management and scientific capability in key areas in both the public and private sectors. Being able to shift forward currently planned projects will allow for a more intensive approach to improving productivity in agriculture and expanding an industrial base to rural areas. Increased funding for each of these projects will allow the Mission to use a more comprehensive plan of action for achieving strategy objectives.

Various alternatives were explored by the Mission to seek support for meeting the Strategy objectives and the most desirable one was the earlier initiation at higher levels of planned projects. Thus the Mission is recommending that increased Development Assistance levels for Guatemala be given serious consideration during this budget cycle. Another possibility is utilization of ESF for project activities. The Mission believes that such ESF financing should be in addition to that provided and urgently needed for balance of payments support.

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Date of Table: 11 May 1983

Table IV: PROJECT BUDGET DATA

Country/Office
GUATEMALA

No.	PROJECT TITLE	G/L	OBLIGATION DATE		LIFE OF PROJECT COST		CUM PIPELINE AS OF 09/30/82	FY 1983		FY 1984		ESTIMATED U.S. DOLLAR COST (\$000)					FUTURE YEAR
			INIT.	FINAL	AUTH.	PLAN		OYB	EXP	OBL	EXP	AAPL 1985	FUNDED TO MO/YR.	FY OBLIGATIONS			
														1986	1987	1988	
<u>AGRICULTURE, RURAL DEVELOPMENT & NUTRITION</u>																	
0000.1	Program Development and Support (FN)	G	74	Cont.	Cont.	Cont.	94	350	325	150	200	250	11/85	150	250	150	Cont
0233	Small Farmer Development	G	76	78	1,875	1,875	—	—	—	—	—	—	—	—	—	—	—
		L	76	83	16,000	13,000	2,037	3,000	2,037	—	3,000	—	—	—	—	—	—
0238	Small Farmer Marketing Systems	G	78	81	800	800	20	—	20	—	—	—	—	—	—	—	—
		L	78	78	3,400	3,400	2,978	—	47	—	995	—	—	—	—	—	—
0245	Rural Enterprises Development	G	79	83	1,170	1,170	379	280	150	320	270	—	—	—	—	—	—
		L	79	79	6,000	6,000	5,355	—	445	—	800	—	—	—	—	—	—
0248	Rural Electrification	L	79	79	8,600	8,600	6,372	—	320	—	4,200	—	—	—	—	—	—
0249	Integrated Area Development Studies	G	78	83	843	929	99	—	99	—	—	—	—	—	—	—	—
0255	Small Farmer Diversification Systems	G	81	83	2,600	2,600	1,686	—	60	914	407	—	—	—	—	—	—
		L	81	81	5,500	5,500	5,500	—	100	—	493	—	—	—	—	—	—

FY 1985 ANNUAL BUDGET SUBMISSION

Date of Table: 11 May 1983

Table IV: PROJECT BUDGET DATA

Country/Office
GUATEMALA

No.	PROJECT TITLE	G/L	OBLIGATION DATE		LIFE OF PROJECT COST		CUM PIPELINE AS OF 09/30/82	FY 1983		FY 1984		ESTIMATED U.S. DOLLAR COST (\$000)					FUTURE YEAR
			INIT.	FINAL	AUTH.	PLAN		OYB	EXF	OEL	EXP	FY OBLIGATIONS					
			1983	1984	1983	1984		1983	1984	1983	1984	AAPL 1985	FUNDED TO MO/YR.	1986	1987	1988	
1272	Integrated Rural Development - San Marcos (OPG) (U) (R) (PC)	G	80	83	500	500	68	159	227	--	--	--	--	--	--	--	--
1274	Altiplano Agricultural Development	L	83	83	--	1,000	--	500	--	--	250	--	--	--	--	--	--
		L	83	83	--	7,000	--	4,500	--	--	300	--	--	--	--	--	--
1275	Applied Agriculture and Distrib. Systems	L	88	88	--	2,000	--	--	--	--	--	--	--	--	--	2,000	--
		L	88	88	--	8,000	--	--	--	--	--	--	--	--	--	8,000	--
1276	Agri Business Development	L	85	86	--	2,000	--	--	--	--	--	500	06/86	1,500	--	--	--
		L	85	86	--	8,000	--	--	--	--	--	3,500	09/87	2,500	--	--	--
1278	Land Markets	L	84	84	--	2,200	--	--	--	200	--	2,000	08/89	--	--	--	--
		L	84	84	--	7,800	--	--	--	7,000	--	--	08/89	--	--	--	--
1286	Agrarian Production Support	L	87	87	--	2,000	--	--	--	--	--	--	--	--	2,000	--	--
		L	87	87	--	8,000	--	--	--	--	--	--	--	--	8,000	--	--
1290	Small Fish Pond Development (OPG) (U) (R) (PC)	G	81	81	343	343	343	--	94	--	122	--	--	--	--	--	--

FY 1985 ANNUAL BUDGET SUBMISSION

Date of Table: 11 May 1983

Table IV: PROJECT BUDGET DATA

Country/Office
GUATEMALA

No.	PROJECT TITLE	G/L	OBLIGATION DATE		LIFE OF PROJECT COST		CUM PIPELINE AS OF 09/30/82	ESTIMATED U.S. DOLLAR COST (\$000)				FY OBLIGATIONS				FUTURE YEAR	
			INIT.	FINAL	AUTH.	PLAN		FY 1983		FY 1984		AAPL 1985	FUNDED TO MO/YR.	1986	1987		1988
								OYB	EXP	OEL	EXP						
0299	Training for Rural Development Promoters (OPG (I) (R))	G	82	84	420	420	188	120	188	232	120	--	--	--	--	--	--
0306	Private Rural Investment Promotion	G	89	89	--	2,000	--	--	--	--	--	--	--	--	--	--	2,000
		L	89	89	--	8,000	--	--	--	--	--	--	--	--	--	--	8,000
9999	OPGs	G	88	89	--	1,000	--	--	--	--	--	--	--	--	--	500	500
	Subtotal FN Appropriation						25,119	8,909	4,112	8,816	11,157	6,250	--	4,150	10,250	10,650	--
		G					2,877	1,409	1,163	1,816	1,369	2,750	--	1,650	2,250	2,650	--
		L					22,242	7,500	2,949	7,000	9,788	3,500	--	2,500	8,000	8,000	--
<u>HEALTH</u>																	
0000.2	Program Development and Support (HE)	G	69	Cont.	Cont	Cont	56	40	32	50	76	200	11/85	124	100	150	Cont
0251	Community-Based Health & Nutrition Systems	G	80	83	800	800	464	150	82	--	361	--	--	--	--	--	--
		L	80	80	5,000	5,000	4,899	--	1,254	--	1,899	--	--	--	--	--	--
0279	Improved Health Outreach (Private Sector)	G	86	86	--	500	--	--	--	--	--	--	--	500	--	--	--
		L	86	86	--	3,500	--	--	--	--	--	--	--	3,500	--	--	--

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Table IV: PROJECT BUDGET DATA

Country/Office
GUATEMALA

No.	PROJECT TITLE	G/L	OBLIGATION DATE		LIFE OF PROJECT COST		CUM PIPELINE AS OF 09/30/82	FY 1983		FY 1984		ESTIMATED U.S. DOLLAR COST (\$000)					FUTURE YEAR
			INIT.	FINAL	AUTH.	PLAN		OYB	EXP	OBL	EXP	FY OBLIGATIONS					
												AAPL 1985	FUNDED TO MO/YR.	1986	1987	1988	
0283	Environmental Sanitation	G	83	88	--	1,000	--	--	--	--	--	--	--	--	--	1,000	--
		L	88	88	--	4,000	--	--	--	--	--	--	--	--	--	4,000	--
0298	Rural Potable Water (OPG)(U)(R)	G	84	84	--	500	--	--	500	100	--	--	--	--	--	--	--
	Subtotal HE Appropriation						5,419	190	1,368	550	2,436	200	--	4,124	100	5,150	--
		G					520	190	114	550	537	200	--	624	100	1,150	--
		L					4,899	--	1,254	--	1,899	--	--	3,500	--	4,000	--

POPULATION

0000.5	Program Development and Support (PN)	G	79	Cont.	Cont.	Cont.	70	25	55	50	65	50	11/85	50	100	100	Cont
0263	Integrated Family Planning Services	G	80	83	2,376	2,376	720	289	595	--	414	--	--	--	--	--	--
0288	Expansion of Family Planning Services	G	83	86	--	8,586	536	1,624	566	1,600	1,415	2,000	--	2,826	--	--	--
0313	Population and Product.	G	87	87	--	5,000	--	--	--	--	--	--	--	--	5,000	--	--

FY 1985 ANNUAL BUDGET SUBMISSION

Date of Table: 11 May 1983

Table IV: PROJECT BUDGET DATA

Country/Office
GUATEMALA

No.	PROJECT TITLE	G/L	OBLIGATION DATE		LIFE OF PROJECT COST		CUM PIPELINE AS OF 09/30/82	ESTIMATED U.S. DOLLAR COST (\$000)									
								FY 1983		FY 1984		AAPL 1985	FY OBLIGATIONS				
								OYB	EXP	OBL	EXP		FUNDED TO MO/YR.	1986	1987	1988	FUTURE YEAR
Subtotal PN Appropriation							1,326	1,938	1,216	1,650	1,894	2,050	--	2,876	5,100	100	--
		G					1,326	1,938	1,216	1,650	1,894	2,050	--	2,876	5,100	100	--
		L					--	--	--	--	--	--	--	--	--	--	--
<u>EDUCATION AND HUMAN RE-SOURCES DEVELOPMENT</u>																	
0000.3	Program Development and Support (EH)	G	69	Cont.	Cont.	Cont.	69	50	65	150	175	50	11/85	100	100	150	Cont
0229	Rural Primary Education	L	76	76	7,000	7,000	1,365	--	1,365	--	--	--	--	--	--	--	--
0242	Primary School Recon-struction	L	77	77	5,200	5,200	4,732	--	3,650	--	1,082	--	--	--	--	--	--
0258	Bilingual Education	G	79	84	1,940	1,850	339	500	499	820	200	--	--	--	--	--	--
0259	Education Administration	G	80	84	915	915	426	200	265	347	600	--	--	--	--	--	--
0269	Community Education (OPG) (I) (N)	G	80	82	421	421	342	--	108	--	234	--	--	--	--	--	--

FY 1985 ANNUAL BUDGET SUBMISSION

Date of Table: 11 May 1983

Table IV: PROJECT BUDGET DATA

Country/Office
GUATEMALA

No.	PROJECT TITLE	G/L	OBLIGATION DATE		LIFE OF PROJECT COST		CUM PIPELINE AS OF 09/30/82	FY 1983		FY 1984		ESTIMATED U.S. DOLLAR COST (\$000)					FUTURE YEAR	
			INIT.	FINAL	AUTH.	PLAN		OYB	EXP	OBL	EXP	AAPL 1985	FY OBLIGATIONS					
													FUNDED TO MO/YR.	1986	1987	1988		
0270	Development Administration Improvement	G	80	82	305	305	267	--	267	--	--	--	--	--	--	--	--	--
0281	Integrated Non-Formal Education	G L	82 82	83 82	-- --	850 3,000	433 3,000	-- --	-- --	417	250 500	--	--	--	--	--	--	--
0282	Education Improvement	G L	85 85	86 86	-- --	2,000 9,000	--	--	--	--	--	2,000 3,000	06/90 12/87	-- 3,300	--	--	--	--
0301	Management Assistance (OPG)	G	88	88	--	500	--	--	--	--	--	--	--	--	--	--	500	--
0304	Education Technology and Productivity	G L	89 89	89 89	-- --	1,000 5,000	--	--	--	--	--	--	--	--	--	--	--	1,000 5,000
	Subtotal EH Appropriation						10,973	750	6,219	1,734	3,041	5,050	--	3,400	100	650	--	--
		G					1,876	750	1,204	1,734	1,459	2,050	--	100	100	650	--	--
		L					9,097		5,015	--	1,582	3,000	--	3,300	--	--	--	--
<u>SELECTED DEVELOPMENT ACTIVITIES</u>																		
0000.4	Program Development & Support (SD)	G	74	Cont.	Cont.	Cont.	109	50	92	100	90	100	--	100	100	100	100	Cont

FY 1985 ANNUAL BUDGET SUBMISSION

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Table IV: PROJECT BUDGET DATA

Country/Office
GUATEMALA

No.	PROJECT TITLE	G/L	OBLIGATION DATE		LIFE OF PROJECT COST		CUM PIPELINE AS OF 09/30/82	ESTIMATED U.S. DOLLAR COST (\$000)									
			INIT.	FINAL	AUTH.	PLAN		FY 1983		FY 1984		FY OBLIGATIONS				FUTURE YEAR	
			OYB	EXP	OBL	EXP		AAPL 1985	FUNDED TO MO/YR.	1986	1987	1988					
0145	Special Development Fund (SDF)	G	63	Cont.	Cont.	Cont.	3	50	45	50	45	50	--	50	50	50	Cont.
0236	Municipal Earthquake Recovery	L	76	76	8,000	8,000	2,442	--	2,442	--	--	--	--	--	--	--	--
0261	Shelter Sector Development Program	G	83	84	300	100	--	200	75	100	150	--	--	--	--	--	--
0284	Women In Development (OPG)	G	81	83	305	305	136	130	192	--	74	--	--	--	--	--	--
0291	Limón Community Dev. (OPG) (U) (R)	G	82	83	483	483	200	283	392	--	91	--	--	--	--	--	--
9999	OPG	G	89	89	--	500	--	--	--	--	--	--	--	--	--	--	500
Subtotal SDA Appropriation							2,890	713	3,239	250	450	150	--	150	150	150	
		G					448	713	796	250	450	150	--	150	150	150	
		L					2,442		2,442	--	--	--	--	150	150	150	
<u>MISSION TOTALS</u>							45,727	12,500	16,153	13,000	18,978	13,700	--	14,700	15,700	16,700	--
		G					7,047	5,000	4,493	6,000	5,739	7,200	--	5,400	3,700	8,700	--
		L					38,680	7,500	11,660	7,000	13,269	6,500	--	9,300	12,000	8,000	--

NEW PROJECT NARRATIVE

PROJECT TITLE : Agribusiness Development
PROJECT No. : 520-0276
PROPOSED FUNDING : FY 85 Grant : \$ 500,000 (FN)
Loan : \$3,500,000 (FN)
L.O.P. : Grant: \$2,000,000 (FN)
Loan : \$8,000,000 (FN)

Project Purpose: To promote and develop viable agribusinesses which support and stimulate increased local production and participation of small farmers.

Description of the Problem: In the 1970's the Central American region, including Guatemala, experienced a boom in export commodity prices in which agriculture led the economy to growth rates that averaged 6% annually. Throughout this period foreign savings were more than adequate to finance new investments in productive sectors. However, since 1978 the economy has been in tailspin in which GDP increased by only 1.0% in 1981 and actually declined by 3.5% in 1982. This decline can be explained by at least three factors: (1) world recession resulting in decreased demand by industrialized countries for manufactured and traditional agricultural exports; (2) a playing out of the potential of import substitution, protected regional market industrial development; and (3) political violence in Guatemala -- and throughout Central America generally -- resulting in a halt in the flow of foreign investment and short-term trade credits. One of the principal impacts of this economic downturn has been the reduced availability of banking system credit to the private sector and a cutback on capital replacement and expansion, making it difficult to restructure that productive base to meet changing export demand.

Agriculture is the dominant productive sector of the Guatemalan economy, accounting for 26% of GDP, 55% of the work force, and 55% of total exports in 1981. Almost half of Guatemala's population lives in the Altiplano, where most inhabitants either cultivate plots of less than two hectares or are underemployed agricultural laborers. They are faced with poor marketing systems, little or no storage facilities, expensive transportation and, until fairly recently, an absence of alternative high-value crops. On the other hand, on the South Coast a large percentage of the country's good soils (25%) are farmed by a few large landowners for the production of export crops (cotton

and sugar cane), whose future in international markets is uncertain at least for the rest of this decade.

Means of Dealing with the Problem: The key to increasing growth in Guatemalan agriculture -- and subsequent widely distributed income and employment opportunities -- is to improve the allocation of resources in that sector. Incentives must be provided for diversification in commercial agriculture into product areas where Guatemala would encounter more dynamic world markets such as fruit and vegetables which could not only be marketed internally and exported in fresh form, but could serve as the basis for a larger food processing industry. This reallocation should be market induced through the private sector with broad participation of producer groups. In order to achieve the project purpose stated earlier and promote AID's private enterprise development policy in the agriculture and agribusiness sectors, this project will concentrate on the following five activities:

1. Development Fund which will provide loan or loan-guarantee monies (perhaps through the Bank of Guatemala) to private commercial and development banks to be lent at existing market rates to eligible small and medium-scale agribusinesses for financing the establishment/expansion of agro-industrial operations. This could include financing of plant, equipment and materials for food and fiber processing industries, for input-producing (seed, packaging materials, fertilizer) industries, and for intermediate marketing (transport, pre-cooling, assembly) industries in which by producer groups participate.
2. Pre-investment Studies Fund which will provide partial funding through private commercial and development banks for determining the feasibility of projects for financing through the Development Fund.
3. Support to the Guatemala Trading Company (GUATRADE) and the Guild of Non-Traditional Product Exporters to improve the delivery of the following agricultural-related services to all producers: of marketing services including identification of new products for export; foreign market identification; supply/demand situation; up-to-date price information; development of marketing strategies; consolidation of transportation and temporary storage of raw materials and finished products; preparation of necessary documentation for exports and imports, shipping, insurance, phytosanitary certificates; etc. A study of existing legislation and trade agreements which would lead to improved investment and trade climates would be undertaken as well.

4. Support for strengthening of enterprise management through the provision of consultant services and training. An agro-industrial manpower study will be required to identify those human resource deficiencies which can be remedied by training and technical assistance and then design and carry out the resulting programs.
5. Development of mechanisms for increasing grower/supplier and employee participation in agribusiness and agro-industrial ventures. Among the interventions possible, the following will take priority: contract buying of crops; provision of inputs and technical assistance by the agribusiness enterprise; grower/supplier equity participation through a retained earnings reserve based on withholdings from payments on contract purchases; and employee profit sharing plans.

Host Country Entities Involved: Five institutions or groups of participants will be involved in the implementation of this project: the Bank of Guatemala; private and commercial development banks, GUATKADE and the Guild; new and existing agribusiness; and grower/supplier organizations overwhelmingly small-farmer in character.

Target Group Identification: The most direct beneficiaries of the project will be individual growers/suppliers and their producer associations and the processors of agricultural commodities. Additionally, new jobs for unemployed workers should be created by the agro-industries as well as increased employment at the farm level due to increased intensity of production activities.

Detailed Project Development Plan

1. Completion of PID by Mission - August 1984.
2. AID/W review of PID -- October 1984.
3. Completion of PP - March 1985.
4. AID/W review of PP and authorization - April 1985.
5. Project Agreement prepared by Mission and signed - June 1985.

NOTE: If additional funding becomes available in FY 1984, the Mission proposed to initiate this project in that year.

2. Establishment of the institutional framework necessary to mobilize and channel large amounts of domestic capital into long-term (8-12 years) financing of agricultural land purchases by qualified borrowers of modest resources.
3. Establishment of a complementary, continuing source of production support and technical assistance for buyer participants in the land purchase program to assure their ability to liquidate their mortgages through increases in productivity and income after the transfer.

Host Country Entities Involved: A private sector financial institution (e.g., new mortgage company) would be established, which would provide land mortgage guarantees for existing financial institutions and for land owners financing a portion of the sale of their own land. The Government of Guatemala (GOG) would participate as a shareholder in the company. A possible alternative approach is to create a central bank discounting mechanism for mortgages or pools of mortgages. Production credit would be provided through the Banco Nacional de Desarrollo Agrícola (BANDESA) and/or funneled through participating private financial institutions. Farm management technical assistance would be supplied through the private sector as well as by public sector agricultural extension systems.

Target Group Identification: Agricultural workers and small farmers who are either landless or land poor, i.e., without secure access to land in sufficient quantities to support a viable agricultural enterprise and fully utilize family labor.

Detailed Project Development Plan

1. PID was submitted to AID/Washington December 1982. An interim report was required.
2. Interim report will be completed and submitted to AID/w in September 1983.
3. Project Paper will be submitted to AID/W December 1983
4. Project Agreement signature - April 1984.

Required Technical Assistance: The project will be prepared by a joint Ministry of Agriculture, Central Bank, private bank and AID working group. No additional TDY assistance is anticipated. Approximately 78 person weeks of PD&S-funded technical assistance will be required to execute a land supply and demand study; coordinate the host country participation in project development; and carry out the legal structures, institutional, economic and financial analyses.

NOTE If additional funding becomes available in FY 1984, the Mission proposes to fully fund this project in that year and meet planned Life of Project funding levels required.

portunity to attend schools where instruction is given in a language which they understand. Of the approximately 639,000 primary school-age Mayan Indian children (ages 7-12) in Guatemala, UNESCO estimates that only 50% (319,000) are enrolled in school. Less than 15% of those enrolled in the first grade actually complete primary school with high repetition and drop out rates prevailing. The lack of a bilingual primary education program has been judged to be a significant cause for Indian Guatemala's high drop-out and repetition rates.

Proposed Means to Deal with the Problem: As pointed out in AID's Basic Education and Technical Training Policy Paper, continued inadequacy of the basic education system where the school-age population is growing rapidly may result in a rise in the number of adult illiterates. In the case of Guatemala this has proven to be true, and the Education Improvement project seeks to improve the relevance and efficiency of the existing Guatemalan educational system. This purpose will be achieved by (1) improving the administrative capacity of the Ministry of Education, (2) decreasing the drop-out and repetition rates, and (3) improving achievement of Indian students through the institutionalization of a bilingual education program at the primary school level.

This project will finance the development and deployment of systems to obtain information needed for the rational allocation of resources. The project will contribute to the decentralization of technical and administrative functions, responsibilities and tasks needed to effectively design and implement rural primary education programs. Funds will be utilized to conduct in-service training requirements to complement the professional skills of personnel in various levels of the Ministry of Education.

The project will also assist the Ministry of Education in the development of a national plan for bilingual education at the primary level and initiate the institutionalization of a bilingual curriculum and program (Grades 1-3) to serve all schools with a majority monolingual Indian population.

In addition, USAID funds will be utilized to develop bilingual education curricula and instructional materials for grade four, on a pilot level, for four major linguistic groups in the country (Quiché, Cackchiquel, Mam and Kekchí). After careful testing and analysis, the materials will be incorporated into the national program to provide a comprehensive bilingual program through the formative grades.

Host Country Entities Involved: The principal GOG entities which will participate in this program will be the Ministry of Education and the Public Administration Institute (INAP).

Target Group Identification: Direct and immediate beneficiaries of the project would be twofold: (1) the monolingual Indian students involved in the project and their families; and, (2) the participants of the Ministry of Education to be trained in the project. Long-range benefits will be derived by the target group through obtaining higher educational levels which will permit greater social and economic participation in Guatemalan development.

Detailed Project Development Plan

1. Completion of Project Identification Document (PID) by the Mission, February 1984.
2. AID/W review of the PID, March 1984.
3. Completion of Project Paper (PP) by the Mission, August 1984.
4. AID/W review of the PP and Project Authorization, September 1984.
5. Project Agreement prepared and signed, November 1984.

Required Technical Assistance: Approximately 17 person-weeks of technical assistance will be needed by the Mission for the development of the PID and PP. The Mission will require a language planner/social anthropologist for six person-weeks to develop the overall baseline study necessary for the initial development of the project. Approximately eight person-weeks of technical assistance will be required to assist the Mission in the technical and institutional analysis and three person-weeks of a ROCAP Economist to assist in the overall economic analysis for the PP.

NOTE: If additional funding becomes available in FY 1985, the Mission proposes to increase incremental funding for this project in that year so that planned Life of Project funding levels can be met.

NEW PROJECT NARRATIVE

PROJECT TITLE : Rural Potable Water and Sanitation (OPG)
PROJECT No. : 520-0298
PROPOSED FUNDING : Grant FY 84 - \$500,000 (HE)
L.O.P. : \$500,000 (HE)

Project Purpose: To provide adequate water services and sanitation to rural poor communities in the Departments of Chiquimula and Santa Rosa.

Description of the Problem: Guatemala has a population of approximately 7.2 million and over half of it (4.75 million people) live in 17,138 rural communities. Nearly 90% of these communities have less than 500 inhabitants. It has been established that in most of the small communities water and sanitation services are lacking. It has also been determined that diseases and illnesses related to consumption of non-potable water are the principal causes of morbidity and mortality in the country. The OAS indicates that investment in water systems can contribute more than any other factor to the health improvement of the rural population.

In the two departments (Chiquimula and Santa Rosa) where Agua del Pueblo intends to work only 27% of the rural communities -- or 20% of the total population of both departments -- have water systems. This means that approximately 400 communities do not have ready access to potable water and sanitation services.

Proposed Means to Deal with the Problem: This project will establish 39 water systems in the same number of rural communities in the departments of Chiquimula and Santa Rosa, benefiting approximately 25,000 inhabitants of the area during a three-year period.

Additionally, in those same communities Agua del Pueblo proposes to install 2,900 latrines, carry out a health education program through local committees and schools, and initiate a soil and conservation program.

A minimum of two persons in each community will receive training in the operation and maintenance of water systems.

In order to mobilize the resources and implement the project rapidly, and give access to water and sanitation services to as

many communities as possible, a minimum of four other PVOs will assist Agua del Pueblo in the identification of needy communities and will contribute with part of the project capital expenses and personnel.

To incorporate the communities in the process of project implementation and follow-up, participating communities will have to contribute 50% of the water system capital cost, plus labor and local materials. At this time 14 communities have agreed to participate in the project.

Host Country Entities Involved: There are four PVOs -- Save the Children, Mesoamerican Center of Studies on Appropriate Technology (CEMAT), Christian Foundation for Education (FUNDACED) and World Vision (WV) -- which have a definite desire to participate directly with Agua del Pueblo in the implementation of this project and have already started to identify interested communities. Close relationships and coordination will be established with GOG organizations working in this field such as Environmental Sanitation of the Ministry of Health, the semi-autonomous agencies of INAFOR and DIGESA (Ministry of Agriculture), Desarrollo de la Comunidad, and other development organizations.

Target Group Identification: This project will have a direct impact on the lower income families living in the 39 poor communities selected and participating in the project. It will have an effect on neighboring communities as they will be able to see the benefits derived from this project. The project will also affect women's economic roles as they will have more time for income generating activities in areas such as cottage industry and horticulture. It could eventually reduce migration to larger cities as productive activities are developed.

Detailed Project Development Plan

1. Preparation of complete project proposal by Agua del Pueblo - July 1983.
2. Review and analysis of the project by the Mission - August 1983.
3. Preparation of OPG documentation by Mission - September 1983.
4. Signature of OPG agreement by Agua del Pueblo - October 1983.
5. Project begins operations - October 1983.

Required Technical Assistance: No TDY assistance is anticipated for the development of this project.

private sector. A profit-oriented business will be funded through a one-time loan to train, supply and resupply, as well as supervise approximately 4,000 village level health promoters who can provide services and medications to approximately one million medically underserved people on a fee-for-service basis.

The Agrosalud Study (February 1980) indicates that plantation workers in Guatemala spent from \$60 to \$290 -- an average of \$85 -- per family per year for health care and that lower income families spent relatively more money than higher income families. Those services were obtained primarily from untrained paramedical workers and traditional practitioners with questionable results. This indicates that the rural medically underserved are spending a considerable portion of their limited income for inadequate medical services.

The PRINAPS and SINAPS projects, S&T-funded operational research projects being carried out in Guatemala, have already demonstrated the positive impact on morbidity and mortality that properly trained, supplied, and supervised village level health promoters can have. Preliminary results of a Mission-funded study of the legal status of village health promoters indicate that it is not illegal for a promoter to charge for curative services. Four additional studies are in process which will establish (1) the degree of interest and potential involvement in such a project by farmers or groups of farmers; (2) the range, acceptance of and payment for services currently offered by promoters; (3) what the incentives for promoters will be and what the costs of training and maintaining them are; and (4) how the implementing organization should be constituted.

The intent of this project is to provide the initial financing for a private sector system that will provide good quality care for less money than the underserved are currently spending. After the developmental phase, the system will be self-financing through fees-for-service and prepaid health contracts by the farmers or groups of farmers for themselves or, in the case of larger farm units, their workers. The level of services can continue to expand depending only on demand and the organizational ability of the implementing organization. The USAID will continue to support established public sector primary health programs at the same time exploring the feasibility of other alternatives.

Host Country Entities Involved

A not yet identified private, profit oriented organization(s) will participate for the private sector.

Target Group Identification

The target population will be approximately 1,000,000 medically underserved agricultural workers and their families, the majority of whom are migrants from the Highlands working on larger farms in and around the Highlands or in other sections of the country where migrant labor is employed.

Detailed Project Development Plan

1. Completion of feasibility studies: October 1983.
2. Completion of PID by Mission: December 1983.
3. AID/W PID Review: January 1984.
4. Completion of PP by Mission: August 1984.
5. AID/W Review and Authorization: September/October 1984.
6. Project Agreements Signed: November 1984.

Required Technical Assistance

Six person-months will be needed for feasibility studies, social soundness analysis, and financial analysis prior to the PID. In addition, one person-month from LAC/DR or S&T/H for analysis and writing assistance will be required to complete the Project Paper.

NOTE: This project has been presented as a SHELF PROJECT for FY 1985 should additional funding become available. It is otherwise scheduled for obligation in FY 1986.

NEW PROJECT NARRATIVE

(SHELF PROJECT)

PROJECT TITLE : Executive and Managerial Enhancement
PROJECT No. : 520-0286
PROPOSED FUNDING : Grant FY 85 - \$4,000,000 (EH)
L.O.P. : \$4,000,000 (EH)

Project Purpose: To develop managerial skills in private and public sector executives necessary to improve implementation of development programs.

Description of the Problem: In the past training programs, either shorter long-term, have focused on the development of professional technical personnel, resulting in a large pool of well qualified professionals in various development related fields. However, these technical individuals were frequently assigned to key administrative positions, lacking the administrative and managerial knowledge to make their programs or institutions function efficiently and effectively.

Proposed Means to Deal with the Problem: On an experimental basis during the past two years the USAID has trained middle-level managers of the agriculture sector from the urban and rural areas. Institutions in Mexico and the regional institution, INCAE, prepared the teaching materials and conducted short-term training activities. The participants found the programs extremely useful in improving their ability to manage programs in which they were involved. Use of in-country or third country training permitted a larger number of students to participate in the programs than would have been possible otherwise given the limited financial resources available. This experimental program further highlighted the vacuum in administrative and managerial skills for development and investment programs. Based on the program results, the Government of Guatemala (GOG) has requested that assistance for administrative training be expanded and increased. An awareness has developed within the GOG that without sufficient management training and experience, no qualified professional in an executive position can perform successfully.

In support of the Private Enterprise Development Policy Paper recommendations to provide management training where appropriate and encourage partnerships between host country institu-

tions and U.S. training institutions, this project will include training within Guatemala, in the United States and in third countries. Local programs will be implemented through the Public Administration Institute (INAP) and the private universities, as well as contractual arrangements with INCAE which will provide administrative/managerial training. Private sector entrepreneurs, principally small business owners with up to 15 employees, will be encouraged to attend regional seminars in management techniques presented by the upgraded host-country institutions. Public sector employees (selected from areas such as health, finance, industry and education) and university business faculty will receive short-term training on the state of the art for public or business administration.

Participating institutions will support long and short-term technical assistance in such areas as manpower planning, public administration, information management, materials development, and skills training. Studies of the effectiveness of training, labor demand, career incentives, employment potential within the informal sector, and external efficiency of training programs will also be conducted.

This proposed project will contribute to the country strategy of increasing agricultural productivity and revitalizing the industrial sector by providing small entrepreneurs, business and public sector managers with the necessary administrative skills to implement activities efficiently and effectively. As more and more small entrepreneurs expand their activities they will need to understand the dynamics of administering a larger pool of labor while at the same time managing the other resources available to respond as quickly as opportunities present themselves. Public sector middle-level managers, particularly of semi-autonomous agencies which support private sector activities, will better manage their resources to more effectively respond to their clients needs. Emphasis will be placed on institution-building objectives with impact on the management systems of public sector institutions rather than simply the training of numerous individuals.

Host Country Entities Involved: The GOC Public Administration Institute (INAP) and the private universities will design and carry out management training programs applicable to identified needs. The line ministries (Agriculture, Health, Education, Communications, etc.) will sponsor participants to upgrade managerial skills. The private sector groups will participate as direct recipients of the training programs.

Target Group Identification: The major beneficiaries will be the approximately 3,000 trainees from both the public and private sectors. The majority of these trainees will receive

short-term training in Guatemala, but about 100 individuals will undertake short-term and long-term programs in the United States or third countries.

Detailed Project Development Plan

1. Submission of PID by Mission - April 1984.
2. AID/W PID review - May 1984.
3. Completion of PP by Mission - November 1984.
4. AID/W review and authorization - December 1984.
5. Project Agreement signed - February 1985.

Required Technical Assistance: Approximately eight person-weeks of technical assistance will be required to assist the Mission in the technical and institutional analysis and three person-weeks of the ROCAP Economic Officer to assist in the overall economic analysis for the PP.

NOTE: If additional funding becomes available in FY 1984, the Mission proposes to initiate this project in that year.

water, (3) basic public services (health and education), (4) public sector infrastructure, i.e., establishing a regional headquarters for development administration coordination as well as regional offices for the agriculture, health and education sector institutions; (5) natural resource and agronomic studies to determine the best use of available resources; (6) studies and infrastructure for marketing and agr-industrial activities; (7) credit for production, marketing and transformation of agricultural and livestock products; (8) selection, transfer and settlement of new colonists; (9) support for cooperative organizations; and (10) technical assistance and training.

These investments will provide employment and income opportunities while at the same time contributing to self-sustained economic growth and integration of the area. In addition to the basic public sector infrastructure, training and technical assistance will be provided to participating GOG institutions to develop their capacity to administer and otherwise implement this project and follow-on development activities in the area. The research and extension activities and related studies will ensure the transfer of appropriate technology. The Guatemalan private sector, particularly cooperatives, and the U.S. private sector are expected to play a key role in the research, marketing and agro-industry activities. The lessons learned in implementation of the pilot colonization effort under the Small Farmer Development Project (520-0233) will be of great value in avoiding pitfalls in project design and implementation of this project.

Host Country Entities Involved: INTA will play the key role in project design, investment planning and implementation of the program.

Target Group Identification: The direct target group will consist of approximately 35,000 families who are already squatting on the land or new families to be settled. Indirectly, the major portion of the present population will benefit from the economic growth and integration of the FTN resulting from the project. In addition the basic infrastructure and institutional capacity established under the project will provide the support base for future settlement programs in the area.

Detailed Project Development Plan:

1. Completion of PID by Mission - November 1983.
2. AID/W review of the PID - December 1983.
3. Completion of PP - April 1984.

4. AID/W review of PP and Authorization - May 1984.
5. Project Agreement prepared by Mission and signed - June 1984.

NOTE: This project has been presented as a SHELF PROJECT for FY 1984 or FY 1985 should funding become available in either those years.

NEW PROJECT NARRATIVE

(SHELF PROJECT)

PROJECT TITLE : Chiquimula and Zacapa Community Development (OPG)
PROJECT No. : 520-0314
PROPOSED FUNDING : Grant FY 84 - \$470,000 (EH)
L.O.P. : \$470,000 (EH)

Project Purpose: To establish within the communities of Chiquimula and Zacapa a systematic approach for addressing development needs, including housing, appropriate technology, health care and other social services.

Description of the Problem: Severe poverty, malnutrition and ill-health, together with underemployment, have traditionally existed in remote sections of the region, yet have generally been ignored by the Government and donor agencies because of the more dramatic problem of violence prevalent in the western Altiplano. Moreover, in October 1982 an earthquake struck the eastern region of Guatemala, mainly the Departments of Chiquimula and Zacapa which have populations of approximately 215,000 and 150,000 inhabitants respectively. Catholic Relief Services (CRS) determined that at least 200 homes in five villages inspected had been virtually destroyed and that a larger number of homes had been rendered structurally unsafe, subject to collapse with another strong tremor. A similar situation exists in the rest of the villages in these two Departments.

Proposed Means to Deal with the Problem: CRS will initiate a multi-faceted community development project involving: (a) housing reconstruction and/or up-grading of homes, including the installation of sanitary facilities and fuel efficient wood stoves, training of local builders to utilize available materials and build using seismic construction technology, (b) nutrition and health programs carried out by local parental groups, and (c) programs for small commercial enterprises such as fruit tree production, fisheries, beekeeping, carpentry, shoe making, handicrafts and tailoring.

Host Country Entities Involved: The University of San Carlos will provide engineering assistance and training. Caritas (the CRS counterpart in Guatemala) will provide counterpart personnel, food for work and other donor assistance. Public and pri-

vate organizations will provide assistance on matters related to proposed program activities, such as appropriate technology, accounting, financial management and other required activities. To the extent possible activities will be coordinated with Peace Corps Volunteers assigned to these areas.

Target Group Identification: The primary beneficiaries are the approximate 500 rural families of the communities selected by CRS in the Departments of Chiquimula and Zacapa where the development activities will take place. As appropriate technology, health and sanitary programs are introduced and small commercial enterprises and industries are identified and functioning, the communities' economy should derive additional benefits, and nearby communities would be expected to adopt technologies proven effective.

Detailed Project Development Plan:

1. Submission of complete project proposal by CRS - July 1983.
2. Review and analysis of the project by the Mission - August 1983.
3. Preparation of OPG documentation by Mission - September 1983.
4. Signature of OPG agreement by Mission and CRS - October 1983.
5. Project begins operations - November 1983.

Required Technical Assistance: No TDY assistance is anticipated for the development of this project.

NOTE: This project has been included as a SHELF PROJECT for FY 1984 should additional funding become available that year. If additional resources become available in FY 1983, the Mission proposes to move this project forward for funding and initiation in that fiscal year.

NEW PROJECT NARRATIVE

(SHELF PROJECT)

PROJECT TITLE : Policy Studies
PROJECT No. : 520-0316
PROPOSED FUNDING : FY 1984 Grant: \$2,500,000 (SD)
L.O.P. : \$2,500,000 (SD)

Project Purpose: To carry out a series of policy studies which will provide vital information and recommendations for use by the Government of Guatemala (GOG), USAID and other donors in considering policy effects on development.

Description of the Problem: The GOG and all donor organizations involved in development efforts in Guatemala recognize the need to carefully review policy issues which affect the development process. Examples of these issues are the value of the Quetzal versus the Dollar, the structure of taxation and the disincentives it provides to both industrial and agricultural development, credit subsidization through interest rate ceilings, the efficiency of the financial system in both stimulating savings and channelling it into productive investments, and incentives necessary to motivate industrial development outside the area of the Capital City. However, while the GOG has been willing to consider both review and policy changes, it does not have the capability to carry out necessary policy studies on its own at this time. Hence, policy decisions seriously affecting development projects are either made without adequate data and technical expertise or left unresolved. The results are more often than not policies unresponsive to the current developmental needs in Guatemala. Donor organizations, including USAID, need to have both sufficient information themselves to determine which policy reforms would have the greatest impact on their activities and clearly presented cases of cause and effect to approach the GOG in regard to specific policy reforms.

Means of Dealing with the Problem: The USAID will provide financing for technical specialists and for surveys and data collection which will be used to conduct intensive studies of the relevant facets of policy issues identified by the USAID as important to the development process and Strategy in Guatemala. These studies will be conducted, for the most part, in conjunction with appropriate GOG organizations, primarily the

National Economic Planning Council, and with other donors when possible. Information and recommendations developed under these studies will be made available to the GOG and other organizations as appropriate for use in the review and determination of policy reforms.

Host Country Entities Involved: The primary GOG entity participating will be the General Secretariat of the National Economic Planning Council (SEGEPLAN) which is currently in the process of reorganizing itself to be able to focus primarily on producing realistic plans and policy recommendations for development of the country. Other organizations such as the Ministry of Economy, Bank of Guatemala and line ministries would be involved with SEGEPLAN when the particular policy issue under study touched on their areas of responsibility.

Target Group Identification: The principal target group is the 50% of the population earning only 13% of the national income. These people are the beneficiaries of development programs which will be enhanced by policy changes brought about by adequate study and review of the issues involved.

Detailed Project Development Plan

1. Completion of the PID by the Mission: August 1983
2. AID/W PID Review: September 1983
3. Completion of the PP by the Mission: January 1984
4. AID/W Review and Authorization: February 1984
5. Project Agreement Signed: April 1984

Required Technical Assistance: The Mission anticipates the need for two weeks of assistance from a ROCAP economist for both the PID and PP completion. No other outside technical assistance is planned.

NOTE: This project has been presented as a SHELF PROJECT for FY 1984 or FY 1985 should funding become available in either those years.

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE V - FY 1985 PROPOSED PROGRAM RANKING

Country/Office: GUATEMALA

<u>Rank</u>	<u>PROGRAM ACTIVITY</u>		<u>Ongoing/ New</u>	<u>Loan/ Grant</u>	<u>Appr. Account</u>	<u>PROGRAM FUNDING (\$000)</u>	
	<u>Description</u>					<u>Incr.</u>	<u>Om.</u>
1.	0309	Economic Support Program	N	L	ES	40,000	40,000
2.	0000.1	Program Development & Support	O	G	FN	250	40,250
3.	0278	Land Markets	O	L	FN	2,000	42,250
4.	0288	Expansion Family Planning Services	O	G	FN	2,000	44,250
5.	0282	Education Improvement	N	G	EH	2,000	46,250
6.	0282	Education Improvement	N	L	EH	3,000	49,250
7.	0276	Agri Business Development	N	L	FN	3,500	52,750
8.	0276	Agri Business Development	N	G	FN	500	53,250
9.	0000.2	Program Development & Support	O	G	HE	200	53,450
10.	0000.4	Program Development & Support	O	G	SD	100	53,550
11.	0145	Special Development Fund	O	G	SD	50	53,600
12.	P.L. 480, Title II - CARE (All Programs)		O	G	—	(2,939)	53,600
13.	P.L. 480, Title II - CRS (All Programs)		O	G	—	(860)	53,600
14.	0000.3	Program Development & Support	O	G	EH	50	53,650
15.	0000.5	Program Development & Support	O	G	FN	50	53,700
16.	P.L. 480, Title I		N	L	—	(10,000)	53,700

TABLE V - NARRATIVE

The first priority is the provision of Economic Support Funds to help meet critical foreign exchange needs and allow the U.S. Mission sufficient opportunity to address policy changes necessary for revitalization of the economy. Although the amount in and of itself is not sufficient to resolve the crisis of balance of payments deficits, an infusion of \$40 million will be an important contribution and will help to ensure a reasonable flow of inputs to the export sector of the Guatemalan economy and the maintenance of output and employment levels. Economic Support Funds will be programmed in coordination with the IMF and other donors.

The second priority is to further analyze problems in the food and agriculture sector, the principal sector of the economy, and to continue the dialogue with the private sector begun in FY 1984 through the Land Markets Project.

The contribution of incremental funding to the Expansion of Family Planning Services and the initiation of new projects in Education Improvement and Agribusiness Development reinforce reforms being initiated by the GOG in the area of social services and expands the role of the small and medium scale private sector in agribusiness and external marketing. These activities address the principal constraints identified in the Mission's Strategy over the short-term by providing access to educational opportunities for the indigenous population, helping to reduce the population growth rate, and increasing agricultural productivity on small commercial farms.

The balance of the project portfolio covers efforts to develop projects for future years, a modest Special Development Fund to respond to self-help initiatives of rural poor communities primarily in the Altiplano, and maternal child-health feeding and food for work programs aimed at improving the availability of nutritional inputs to the population most at risk. PL 480, Title I local currency generations would be used to assist the Government in continuing the colonization program in the Northern Transversal Strip.

FY 1984-1985 EVALUATION PLAN

USAID/Guatemala

Issues Narrative

Introduction

The FY 1984-1985 evaluation plan focuses on project implementation, an area that has encountered problems over the past several years. Until recently mid-point evaluations had not been carried out and the resulting pipeline reflected this situation. Approximately 50% of the project portfolio was scheduled for evaluation in FY 1983, but this goal was not achieved due to the massive effort to come to grips with serious implementation problems and the need to reprogram two major projects. This evaluation plan continues to address project design and implementation decisions.

A. Narrative Description of Important Issues

1. Agriculture and Rural Development

In order to achieve maximum development impact, the development assistance program has focused principally on the Western Altiplano where the largest segments of the disadvantaged population is located. Projects in this sector are addressing the need to increase agricultural productivity and production while at the same time seeking alternative approaches to employ the unemployed and the underemployed. The key decisions to be made are related to carrying out reprogrammed project activities and improvement of project management by both the GOG and USAID project officers. Of particular interest to the USAID is the effectiveness of both host country and U.S. PVO's in implementing activities which could relieve direct-hire USAID staff from extensive involvement in small experimental activities in community development.

2. Health and Population

The USAID's program is designed to expand the coverage and effectiveness of the rural health system while providing opportunities for curbing the excessive population growth rate. The principal issue to be addressed during evaluations in this sector is the delivery capability of the Ministry of Health auxiliary health personnel to provide preventative services in the fields of population and health. Programmed evaluations will provide information for future project designs in this sector.

3. Education and Human Resources

Projects in this sector are designed to increase coverage of the non-formal educational system and to improve the capacity of the rural formal education system to administer basic education programs in response to human resource requirements. All projects have an annual internal evaluation requirement under which actual progress is reviewed against projected output targets with emphasis on continuous self-evaluation by all collaborating institutions. In addition, the Mission plans to conduct an impact evaluation of the education sector activities sponsored by AID over the past twelve years. The evaluation precedes the initiation of two major loans from the World Bank and the IDB, totalling \$60 million, supporting quantitative and qualitative improvements in the Guatemalan primary education system. These build on AID's efforts as the only major donor supporting the formal primary education system in Guatemala in the 1970's. The impact evaluation will also analyze the Mission's support of the development of a non-formal education system through two major grants.

4. Special Development Activities

The planned FY 1985 evaluation of the Shelter Sector Development Project will provide an analysis of the effectiveness of low-cost housing opportunities to be undertaken by private sector institutions. Previously low-cost housing was government-sponsored and the private sector has been somewhat reluctant to enter this field.

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE VII - LIST OF PLANNED EVALUATIONS

COUNTRY/OFFICE: GUATEMALA

<u>PROJECT LIST</u>		<u>Last Evaluation Completed (Mo./Yr.)</u>	<u>FY 1984</u>		<u>FY 1985</u>		<u>REASONS/ISSUES</u>	<u>FUNDING</u>		<u>USAID Person Days</u>	<u>Collateral AID Assistance</u>
<u>No.</u>	<u>Title</u>		<u>Start (Qtr.)</u>	<u>To AID/W (Qtr.)</u>	<u>Start (Qtr.)</u>	<u>To AID/W (Qtr.)</u>		<u>Source</u>	<u>(\$000)</u>		
<u>ARDN</u>											
0233 (026)	Small Farmer Development	05/83	4th		1st.	PACD: 09/30/84 Impact evaluation of coloni- zation activities to determine project effect on opening up new lands to increase pro- ductive resource base	PD&S	35	14	Scope of Work and team identification	
0238 (030)	Small Farmer Marketing Systems	08/82		2nd.	3rd.	PACD: 05/18/84 Evaluation to ascertain project reprogramming ef- fectiveness	PD&S	10	14	Team Identi- fication	
0245 ()	Rural Enterprises Development	None				PACD: 09/10/84 Evaluation to be scheduled based on project reprogram- ming					
0248	Rural Electrification	None	3rd.	4th.		PACD: 05/21/84 Evaluation to ascertain project reprogramming ef- fectiveness	PD&S	10	14	Team Identi- fication	
0255	Small Farmer Diversification Systems	None	4th.		1st.	PACD: 03/31/87 Mid-point evaluation includ- ing impact on environment of the target area (water quality, soil, local flora and fauna)	PD&S	30	10	Team Identifi- fication	

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FY 1985 ANNUAL BUDGET SUBMISSION

TABLE VII - LIST OF PLANNED EVALUATIONS

COUNTRY/OFFICE: GUATEMALA

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<u>PROJECT LIST</u>		<u>Last Evaluation Completed (Mo./Yr.)</u>	<u>FY 1984</u>		<u>FY 1985</u>		<u>REASONS/ISSUES</u>	<u>FUNDING</u>		<u>USAID Person Days</u>	<u>Collateral AID Assistance</u>
<u>No.</u>	<u>Title</u>		<u>Start (Qtr.)</u>	<u>To AID/W (Qtr.)</u>	<u>Start (Qtr.)</u>	<u>To AID/W (Qtr.)</u>		<u>Source</u>	<u>(\$000)</u>		
0274	Altiplano Agricultural Development	None	3rd.	4th.			PACD: Est. 09/30/88 Baseline data collection.	Project	100	7	Contractor Identification
0290	Small Fish Pond Development	None			2nd.	3rd.	PACD: 12/31/84 Final evaluation to analyze PC/PVO relationships with host country coordination and efficiency of PVO in implementing project.	PD&S	10	14	Outside eval- uation team Identification
0299	Training for Rural Develop- ment Promoters	None			2nd.	3rd.	PACD: 08/30/85 Evaluate efficiency of PVO in implementing project.	PD&S	5	5	None
<u>HE and P</u>											
0251	Community-Based Health and Nutrition Systems	05/83			3rd.	4th.	PACD: 09/30/85 Impact Evaluation for future project design.	PD&S	20	14	Outside eval- uation team Identification
0288	Expansion of Family Planning	None	4th.		1st.		PACD: 12/31/87 Interim Evaluation; re- programming and/or other implementation adjustments.	Project	17.5	5	Outside eval- uation team Identification

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE VII - LIST OF PLANNED EVALUATIONS

COUNTRY/OFFICE: GUATEMALA

<u>PROJECT LIST</u>		<u>Last Evaluation Completed (Mo./Yr.)</u>	<u>FY 1984</u>		<u>FY 1985</u>		<u>REASONS/ISSUES</u>	<u>FUNDING</u>		<u>USAID Person Days</u>	<u>Collateral AID Assistance</u>
<u>No.</u>	<u>Title</u>		<u>Start (Qtr.)</u>	<u>To AID/W (Qtr.)</u>	<u>Start (Qtr.)</u>	<u>To AID/W (Qtr.)</u>		<u>Source</u>	<u>(\$000)</u>		
<u>EHR</u>											
<u>Primary Education Sector Impact</u>											
						Impact Evaluation of primary education activities over past 12 years will include 0258 and 0259	PD&S	35	14	Team identification	
0258	Bilingual Education	07/83		1st.		PACD: 06/30/84					
0259	Education Administration	01/83		1st.		PACD: 06/30/84					
0269	Community Education	PES 82-05	1st.	2nd.		PACD: 05/07/84 Interim evaluation to determine project progress and PVO efficiency in carrying out project.	OE		14	None	
0270	Development Administration Improvement	None	2nd.	3rd.		PACD: 12/31/83 Final evaluation	PD&S	10	5	Team identification	
0281	Non-Formal Education	None			4th.	1st. 1986 PACD: 08/31/87 Interim evaluation: Implementation status and changes required.	PD&S	14	14	Team identification	
<u>SDA</u>											
0261	Shelter Sector Development Program	None			4th.	1st. 1986 PACD: Est. 09-30-86 Effectiveness of private sector provision of low-cost housing opportunities	OE	10	5	Housing expertise	

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FY 1985 ANNUAL BUDGET SUBMISSION

TABLE VII - LIST OF PLANNED EVALUATIONS

COUNTRY/OFFICE: GUATEMALA

Page 4 of 4

<u>PROJECT LIST</u>		<u>Last Evaluation Completed (Mo./Yr.)</u>	<u>FY 1984</u>		<u>FY 1985</u>		<u>REASONS/ISSUES</u>	<u>FUNDING</u>		<u>USAID Person Days</u>	<u>Collateral AID Assistance</u>
<u>No.</u>	<u>Title</u>		<u>Start (Qtr.)</u>	<u>To AID/W (Qtr.)</u>	<u>Start (Qtr.)</u>	<u>To AID/W (Qtr.)</u>		<u>Source</u>	<u>(\$000)</u>		
0291	Limon Community Development	None			2nd.	3rd.	PACD: 09/30/84 Final evaluation to analyze PVO efficiency in implement- ing project.	PD&S	10	5	Team Identifi- cation

TABLE VIII - FY 1983
ORGANIZATION: USAID/GUATEMALA

	<u>FUNCTION</u> <u>CODE</u>	<u>OBJ.</u> <u>CLASS</u>	<u>DOLLAR</u> <u>FUNDED</u>	<u>TRUST</u> <u>FUNDED</u>	<u>TOTAL</u> <u>BUDGET</u>	<u>UNITS</u>
<u>U. S. DIRECT HIRE</u>	U100		909.6		909.6	xxxxxxx
U.S. CITIZENS BASIC PAY	U101	110	679.0		679.0	14.4
PT/TEMP.U.S. BASIC PAY	U102	112	.-		.-	.-
DIFFERENTIAL PAY	U103	116	66.8		66.8	xxxxxxx
OTHER AID/W FUNDED O.C.	U104	119	.-		.-	xxxxxxx
OTHER MISSION FUNDED O.C.11	U105	119	.-		.-	xxxxxxx
EDUCATION ALLOWANCES	U106	126	28.9		28.9	14.0
RETIREMENT	U107	120	52.2		52.2	xxxxxxx
LIVING ALLOWANCES	U108	128	.-		.-	xxxxxxx
OTHER AID/W FUNDED O.C. 12	U109	129	25.9		25.9	xxxxxxx
OTHER MISSION FUNDED O.C.12	U110	129	0.5		0.5	xxxxxxx
POST ASSIGNMENT - TRAVEL	U111	212	6.5		6.5	2.0
POST ASSIGNMENT - FREIGHT	U112	22	19.5		19.5	2.0
HOME LEAVE - TRAVEL	U113	212	7.1		7.1	5.0
HOME LEAVE - FREIGHT	U114	22	3.3		3.3	5.0
EDUCATION TRAVEL	U115	215	.-		.-	.-
R & R TRAVEL	U116	215	9.9		9.9	10.0
ALL OTHER CODE 215 TRAVEL	U117	215	10.0		10.0	5.0
<u>FOREIGN NATIONAL DH</u>	U200		565.5		565.5	xxxxxxx
BASIC PAY	U201	114	485.1		485.1	33.0
OVERTIME, HOLIDAY PAY	U202	115	6.5		6.5	0.5
ALL OTHER CODE 11 - FN	U203	119	.-		.-	xxxxxxx
ALL OTHER CODE 12 - FN	U204	129	73.9		73.9	xxxxxxx
BENEFITS FORMER FN PERS.	U205	13	.-		.-	xxxxxxx
<u>CONTRACT PERSONNEL</u>	U300		244.2		244.2	xxxxxxx
PASA TECHNICIANS	U301	258	.-		.-	.-
U.S. PSC - SALARY/BENEFITS	U302	113	88.0		88.0	1.0
ALL OTHER U.S. PSC COSTS	U303	255	.-		.-	xxxxxxx
FN PSC - SALARY/BENEFITS	U304	113	156.2		156.2	13.0
ALL OTHER FN PSC COSTS	U305	255	.-		.-	xxxxxxx
<u>HOUSING</u>	U400		215.4		215.4	xxxxxxx
RENT	U401	235	27.1		27.1	2.0
UTILITIES	U402	235	3.0		3.0	xxxxxxx
RENOVATION AND MAINT.	U403	259	2.0		2.0	xxxxxxx
QUARTERS ALLOWANCE	U404	127	165.5		165.5	13.4
PURCHASE RES. FURN/EQUIP.	U405	311	7.2		7.2	xxxxxxx
TRANS/FREIGHT - CODE 311	U406	22	1.0		1.0	xxxxxxx
SECURITY GUARD SERVICES	U407	254	7.0		7.0	xxxxxxx
OFFICIAL RESIDENCE ALLOW	U408	254	1.3		1.3	xxxxxxx
REPRESENTATION ALLOWANCE	U409	252	1.3		1.3	xxxxxxx

TABLE VIII - FY 1983

	<u>FUNCTION CODE</u>	<u>OBJ. CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		479.1		479.1	xxxxxxx
RENT	U501	234	37.9		37.9	xxxxxxx
UTILITIES	U502	234	9.5		9.5	xxxxxxx
BUILDING MAINT/RENOV.	U503	259	25.0		25.0	xxxxxxx
OFFICE FURN./EQUIP.	U504	310	27.8		27.8	xxxxxxx
VEHICLES	U505	312	23.0		23.0	xxxxxxx
OTHER EQUIPMENT	U506	319	1.0		1.0	xxxxxxx
TRANSPORTATION/FREIGHT	U507	22	5.5		5.5	xxxxxxx
COMMUNICATIONS	U508	230	40.0		40.0	xxxxxxx
SECURITY GUARD SERVICES	U509	254	17.0		17.0	xxxxxxx
PRINTING	U510	24	22.0		22.0	xxxxxxx
RIG/II OPERATIONAL TRAVEL	U511	210	-.-		-.-	-.-
SITE VISITS	U512	210	21.0		21.0	125.0
INFORMATION MEETINGS	U513	210	10.1		10.1	8.0
TRAINING ATTENDANCE	U514	210	11.9		11.9	5.0
CONFERENCE ATTENDANCE	U515	210	-.-		-.-	-.-
OTHER OPERATIONAL TRAVEL	U516	210	23.5		23.5	16.0
SUPPLIES & MATERIALS	U517	26	50.2		50.2	xxxxxxx
FAAS	U518	257	23.5		23.5	xxxxxxx
CONSULTING SVCS - CONT	U519	259	-.-		-.-	xxxxxxx
MGT./PROF. SVCS. - CONT	U520	259	-.-		-.-	xxxxxxx
SPEC.STUDIES/ANALYSES CONT	U521	259	-.-	-	-.-	xxxxxxx
ALL OTHER CODE 25	U522	259	130.2		130.2	xxxxxxx
TOTAL O.E. BUDGET			2,413.8		2,413.8	xxxxxxx
RECONCILIATION			(847.4)		(847.4)	xxxxxxx
OPERATING ALLOWANCE REQUEST			1,566.4		1,566.4	xxxxxxx

OTHER INFORMATION:

Dollar Requirement for local currency costs
Exchange Rate Used (as of May 1, 1983)

995.0
Quetzal 1.00 = \$1.00

TABLE VIII - FY 1984
ORGANIZATION: USAID/GUATEMALA

	FUNCTION CODE	OBJ. CLASS	DOLLAR FUNDED	TRUST FUNDED	TOTAL BUDGET	UNITS
<u>U. S. DIRECT HIRE</u>	U100		992.2		992.2	xxxxxx
U.S. CITIZENS BASIC PAY	U101	110	717.6		717.6	14.0*
PT/TEMP.U.S. BASIC PAY	U102	112	.-		.-	.-
DIFFERENTIAL PAY	U103	116	64.8		64.8	xxxxxx
OTHER AID/W FUNDED O.C.	U104	119	.-		.-	xxxxxx
OTHER MISSION FUNDED O.C.11	U105	119	.-		.-	xxxxxx
EDUCATION ALLOWANCES	U106	126	30.7		30.7	15.0
RETIREMENT	U107	120	54.7		54.7	xxxxxx
LIVING ALLOWANCES	U108	128	.-		.-	xxxxxx
OTHER AID/W FUNDED O.C. 12	U109	129	29.7		29.7	xxxxxx
OTHER MISSION FUNDED O.C.12	U110	129	0.6		0.6	xxxxxx
POST ASSIGNMENT - TRAVEL	U111	212	4.6		4.6	3.0
POST ASSIGNMENT - FREIGHT	U112	22	30.0		30.0	3.0
HOME LEAVE - TRAVEL	U113	212	32.0		32.0	21.0
HOME LEAVE - FREIGHT	U114	22	14.4		14.4	21.0
EDUCATION TRAVEL	U115	215	.-		.-	.-
R & R TRAVEL	U116	215	3.1		3.1	6.0
ALL OTHER CODE 215 TRAVEL	U117	215	10.0		10.0	5.0
<u>FOREIGN NATIONAL DH</u>	U200		649.4		649.4	xxxxxx
BASIC PAY	U201	114	563.4		563.4	33.0
OVERTIME, HOLIDAY PAY	U202	115	7.2		7.2	0.4
ALL OTHER CODE 11 - FN	U203	119	.-		.-	xxxxxx
ALL OTHER CODE 12 - FN	U204	129	78.8		78.8	xxxxxx
BENEFITS FORMER FN PERS.	U205	13	.-		.-	xxxxxx
<u>CONTRACT PERSONNEL</u>	U300		255.6		255.6	xxxxxx
PASA TECHNICIANS	U301	258	.-		.-	2.0
U.S. PSC - SALARY/BENEFITS	U302	113	95.0		95.0	.-
ALL OTHER U.S. PSC COSTS	U303	255	.-		.-	xxxxxx
FN PSC - SALARY/BENEFITS	U304	113	160.6		160.6	13.0
ALL OTHER FN PSC COSTS	U305	255	.-		.-	xxxxxx
<u>HOUSING</u>	U400		234.2		234.2	xxxxxx
RENT	U401	235	12.6		12.6	1.0
UTILITIES	U402	235	3.5		3.5	xxxxxx
RENOVATION AND MAINT.	U403	259	2.5		2.5	xxxxxx
QUARTERS ALLOWANCE	U404	127	166.9		166.9	14.0
PURCHASE RES. FURN/EQUIP.	U405	311	29.3		29.3	xxxxxx
TRANS/FREIGHT - CODE 311	U406	22	9.2		9.2	xxxxxx
SECURITY GUARD SERVICES	U407	254	7.4		7.4	xxxxxx
OFFICIAL RESIDENCE ALLOW	U408	254	1.4		1.4	xxxxxx
REPRESENTATION ALLOWANCE	U409	252	1.4		1.4	xxxxxx

*Plus one IDI for
one full year.

TABLE VIII - FY 1984

	<u>FUNCTION</u> <u>CODE</u>	<u>OBJ.</u> <u>CLASS</u>	<u>DOLLAR</u> <u>FUNDED</u>	<u>TRUST</u> <u>FUNDED</u>	<u>TOTAL</u> <u>BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		642.5		642.5	xxxxxx
RENT	U501	234	63.4		63.4	xxxxxx
UTILITIES	U502	234	15.4		15.4	xxxxxx
BUILDING MAINT/RENOV.	U503	259	28.0		28.0	xxxxxx
OFFICE FURN./EQUIP.	U504	310	42.1		42.1	xxxxxx
VEHICLES	U505	312	25.3		25.3	xxxxxx
OTHER EQUIPMENT	U506	319	0.4		0.4	xxxxxx
TRANSPORTATION/FREIGHT	U507	22	8.0		8.0	xxxxxx
COMMUNICATIONS	U508	230	44.0		44.0	xxxxxx
SECURITY GUARD SERVICES	U509	254	35.4		35.4	xxxxxx
PRINTING	U510	24	28.3		28.3	xxxxxx
RIG/II OPERATIONAL TRAVEL	U511	210	-.-		-.-	-.-
SITE VISITS	U512	210	23.1		23.1	130.0
INFORMATION MEETINGS	U513	210	11.0		11.0	8.0
TRAINING ATTENDANCE	U514	210	13.1		13.1	6.0
CONFERENCE ATTENDANCE	U515	210	2.5		2.5	1.0
OTHER OPERATIONAL TRAVEL	U516	210	33.2		33.2	30.0
SUPPLIES & MATERIALS	U517	26	66.5		66.5	xxxxxx
FAAS	U518	257	25.8		25.8	xxxxxx
CONSULTING SVCS - CONT	U519	259	-.-		-.-	xxxxxx
MGT./PROF. SVCS. - CONT	U520	259	-.-		-.-	xxxxxx
SPEC.STUDIES/ANALYSES CONT	U521	259	-.-	-	-.-	xxxxxx
ALL OTHER CODE 25	U522	259	177.0		177.0	xxxxxx
TOTAL O.E. BUDGET			2,773.9		2,773.9	xxxxxx
RECONCILIATION			(892.6)		(892.6)	xxxxxx
OPERATING ALLOWANCE REQUEST			1,881.3		1,881.3	xxxxxx

OTHER INFORMATION:

Dollar Requirement for local currency costs 1,077.0
 Exchange Rate Used (as of May 1, 1983) Quetzal 1.00 = \$1.00

Estimated Wage Increase - FY 1983 to FY 1984 5%
 Estimated Price Increases - FY 1983 to FY 1984 10%

TABLE VIII - FY 1985
 ORGANIZATION: USAID/GUATEMALA

	<u>FUNCTION</u> <u>CODE</u>	<u>OBJ.</u> <u>CLASS</u>	<u>DOLLAR</u> <u>FUNDED</u>	<u>TRUST</u> <u>FUNDED</u>	<u>TOTAL</u> <u>BUDGET</u>	<u>UNITS</u>
<u>U. S. DIRECT HIRE</u>	U100		1,026.9		1,026.9	xxxxxxx
U.S. CITIZENS BASIC PAY	U101	110	748.0		748.0	14.0*
PT/TEMP.U.S. BASIC PAY	U102	112	-.-		-.-	-.-
DIFFERENTIAL PAY	U103	116	68.8		68.8	xxxxxxx
OTHER AID/W FUNDED O.C.	U104	119	-.-		-.-	xxxxxxx
OTHER MISSION FUNDED O.C.11	U105	119	-.-		-.-	xxxxxxx
EDUCATION ALLOWANCES	U106	126	42.8		42.8	18.0
RETIREMENT	U107	120	57.1		57.1	xxxxxxx
LIVING ALLOWANCES	U108	128	-.-		-.-	xxxxxxx
OTHER AID/W FUNDED O.C. 12	U109	129	34.4		34.4	xxxxxxx
OTHER MISSION FUNDED O.C.12	U110	129	0.6		0.6	xxxxxxx
POST ASSIGNMENT - TRAVEL	U111	212	5.3		5.3	3.0
POST ASSIGNMENT - FREIGHT	U112	22	31.6		31.6	3.0
HOME LEAVE - TRAVEL	U113	212	9.4		9.4	4.0
HOME LEAVE - FREIGHT	U114	22	3.5		3.5	4.0
EDUCATION TRAVEL	U115	215	3.4		3.4	4.0
R & R TRAVEL	U116	215	12.0		12.0	22.0
ALL OTHER CODE 215 TRAVEL	U117	215	10.0		10.0	5.0
<u>FOREIGN NATIONAL DH</u>	U200		721.7		721.7	xxxxxxx
BASIC PAY	U201	114	626.3		626.3	33.0
OVERTIME, HOLIDAY PAY	U202	115	7.9		7.9	0.4
ALL OTHER CODE 11 - FN	U203	119	-.-		-.-	xxxxxxx
ALL OTHER CODE 12 - FN	U204	129	87.5		87.5	xxxxxxx
BENEFITS FORMER FN PERS.	U205	13	-.-		-.-	xxxxxxx
<u>CONTRACT PERSONNEL</u>	U300		275.4		275.4	xxxxxxx
PASA TECHNICIANS	U301	258	-.-		-.-	-.-
U.S. PSC - SALARY/BENEFITS	U302	113	102.0		102.0	2.0
ALL OTHER U.S. PSC COSTS	U303	255	-.-		-.-	xxxxxxx
FN PSC - SALARY/BENEFITS	U304	113	173.4		173.4	14.0
ALL OTHER FN PSC COSTS	U305	255	-.-		-.-	xxxxxxx
<u>HOUSING</u>	U400		256.3		256.3	xxxxxxx
RENT	U401	235	13.3		13.3	1.0
UTILITIES	U402	235	3.8		3.8	xxxxxxx
RENOVATION AND MAINT.	U403	259	2.6		2.6	xxxxxxx
QUARTERS ALLOWANCE	U404	127	181.2		181.2	15.0
PURCHASE RES. FURN/EQUIP.	U405	311	33.5		33.5	xxxxxxx
TRANS/FREIGHT - CODE 311	U406	22	10.6		10.6	xxxxxxx
SECURITY GUARD SERVICES	U407	254	8.1		8.1	xxxxxxx
OFFICIAL RESIDENCE ALLOW	U408	254	1.6		1.6	xxxxxxx
REPRESENTATION ALLOWANCE	U409	252	1.6		1.6	xxxxxxx

*Plus two IDI's for
 one full year each.

TABLE VIII - FY 1985

	<u>FUNCTION CODE</u>	<u>OBJ. CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		603.2		603.2	xxxxxx
RENT	U501	234	66.6		66.6	xxxxxx
UTILITIES	U502	234	16.9		16.9	xxxxxx
BUILDING MAINT/RENOV.	U503	259	12.5		12.5	xxxxxx
OFFICE FURN./EQUIP.	U504	310	10.2		10.2	xxxxxx
VEHICLES	U505	312	7.0		7.0	xxxxxx
OTHER EQUIPMENT	U506	319	0.4		0.4	xxxxxx
TRANSPORTATION/FREIGHT	U507	22	2.7		2.7	xxxxxx
COMMUNICATIONS	U508	230	49.0		49.0	xxxxxx
SECURITY GUARD SERVICES	U509	254	39.9		39.9	xxxxxx
PRINTING	U510	24	32.1		32.1	xxxxxx
RIG/II OPERATIONAL TRAVEL	U511	210	-.-		-.-	-.-
SITE VISITS	U512	210	25.4		25.4	135.0
INFORMATION MEETINGS	U513	210	12.1		12.1	9.0
TRAINING ATTENDANCE	U514	210	14.4		14.4	7.0
CONFERENCE ATTENDANCE	U515	210	2.7		2.7	1.0
OTHER OPERATIONAL TRAVEL	U516	210	36.5		36.5	31.0
SUPPLIES & MATERIALS	U517	26	72.5		72.5	xxxxxx
FAAS	U518	257	28.3		28.3	xxxxxx
CONSULTING SVCS - CONT	U519	259	-.-		-.-	xxxxxx
MGT./PROF. SVCS. - CONT	U520	259	-.-		-.-	xxxxxx
SPEC.STUDIES/ANALYSES CONT	U521	259	-.-	-	-.-	xxxxxx
ALL OTHER CODE 25	U522	259	174.0		174.0	xxxxxx
TOTAL O.E. BUDGET			2,883.5		2,883.5	xxxxxx
RECONCILIATION			(936.6)		(936.6)	xxxxxx
OPERATING ALLOWANCE REQUEST			1,946.9		1,946.9	xxxxxx

OTHER INFORMATION:

Dollar Requirement for local currency costs 1,118.0
 Exchange Rate Used (as of May 1, 1983) Quetzal 1.00 = \$1.00

Estimated Wage Increase - FY 1984 to FY 1985 5%
 Estimated Price Increases - FY 1984 to FY 1985 10%

TABLE VIII - OPERATING EXPENSE NARRATIVE

A. Management Improvements

The Controller's Office and Executive Office provide services to both ROCAP and USAID/Guatemala. Most procurement, leases and other day-to-day expenses will be split 70% USAID and 30% ROCAP for FY 84/85. Employee salary and support costs for the Controller staff come from the ROCAP OE Budget while similar Executive Office costs come from the USAID OE Budget. Table XIII, Section A will therefore be the same for both Missions.

The Missions have continued their program of careful control of operating expense funds, i.e., Living Quarters Allowances in lieu of government leased housing, no personal use of official vehicles, no airport pick-ups, use of surplus property from other USAIDs, etc., as reflected in the size of the OE budgets.

During the ensuing year the two Missions will continue their program of updating and establishing USAID policies. To date, the system of clearances and approval authorities, both program and management, has been totally revamped, and delegations of authority revised to meet operating requirements. These policy statements have had a positive impact in terms of speeding up the flow of documentation, implementation, and management, although cost savings cannot be quantified.

In the coming fiscal year, USAID will complete the consolidation of all USAID offices in one building, rather than having nearly one half of USAID personnel located in the Embassy and the rest in the ROCAP building. This consolidation will have considerable impact on increasing the efficiency of the project implementation process, speeding up internal communications and the clearance process as well as making overall Mission management and supervision more effective.

With the installation of the WANG VS-80 computer system in late FY 82 both Missions have realized certain economies. For instance, the FN payroll is now prepared in four hours per pay period rather than two full days as was the case before. In addition to the regular bi-weekly time savings, the computerized payroll system gives management the capability to determine costs or units by category, such as the number of overtime hours Controller personnel work in pay periods that coincide with quarter closings; or the value of compensatory time used for the year, to cite only two examples. The computer is used to process bids for excess Mission property sales. In the

past, massive spread-sheets were maintained by hand to record every bid on every item. After all bids were recorded the high bidder was chosen. In the last bid there were 225 items and 412 bidders. This represents a rather large matrix. After computerization a list can be produced of the high five bidders on each item and a list by bidders of the items they were high bidders on. It now takes less than two weeks instead of more than two months to complete this process, and due to the fact that the bidders were contacted sooner (before they could find another source for the item and before they changed their minds), the amount of money realized from the sale increased. In addition to the financial savings one work month is saved on each bid.

B. Justification for Funding Charges

1. FN Direct Hire U200

Budgeted costs for foreign national direct hire employees increase from FY 83 to FY 84 by 83.9 or 15%, and from FY 84 to FY 85 by 72.3 or 11%. In budgeting for FNDH salaries, Mission calculated current salaries plus periodic step increases, together with an across-the-board cost of living increase of 5% per year.

The FY 83 basic salary figures of 485.1 does not reflect the fact that at the end of the fiscal year, the total FN base salary will total 506.2. That figure combined with the PSI's and 5% increase brings the FY 84 requirements to 563.4 for base pay.

In the same manner, the FN base salary will be 560.1 at the end of FY 84. In effect, though the 15% and 11% figures appear excessive, in reality they represent only a 5% increase combined with the periodic step increases.

2. Office Operations U500

Budgeted costs for office operations reflect a 34% increase of 163.4 from FY 83 to FY 84. A number of factors contribute to this increase.

-- The bilateral USAID and ROCAP Missions have historically shared operational costs on a percentage basis, tied to the number of employees. With the reduction in ROCAP staff during FY 84, the percentage born by the USAID bilateral Mission has increased from 57% to 70%. This increase is reflected in the cost of rent, utilities, building maintenance, office equipment, transportation, communications, security guards, printing, supplies and materials, FAAS, and other o/c 259 costs.

-- In FY 83 the Mission purchased two new vehicles at 23.0, while the purchase of four new vehicles are budgeted in FY 84 at a cost to USAID of 41.3.

-- Unforeseen costs for renovations brought about by security changes to the office lobby area, combined with the shifting of personnel from the Embassy to the USAID office building, added 25.0 to the FY 83 budget. Also in FY 83, two vehicles not originally budgeted for were purchased at 23.0. As a result, the USAID portion of the commissary contract was reduced to less than a full year's funding to cover a major portion of these costs. The FY 84 budget figure for function code 522 reflects an increase of 30.8 over FY 83 to 161.0 providing for USAID's portion of a full year's funding of the Mission commissary contract.

-- Also, FY's 84 and 85 reflect an additional 7.1 and 7.8 respectively for function code 516, other operational travel, this increase represents the additional cost resulting from the elimination or transfer of service/support positions from the ROCAP Mission, which will require USAID to finance outside TDY support.

TABLE VIII (a)

OBLIGATIONS OF ADP SYSTEMS

(\$000)

	<u>FISCAL YEARS</u>		
	<u>1983</u>	<u>1984</u>	<u>1985</u>
<u>A. Capital Investments</u>			
1. Purchase of ADP Equipment	4.9	44.2	--
2. Purchase of Software	9.6	10.0	10.0
Subtotal	<u>14.5</u>	<u>54.2</u>	<u>10.0</u>
<u>B. Personnel</u>			
1. Compensation, Benefits, Travel	28.1	35.5	40.1
2. Workyears	1.4	2.0	2.0
Subtotal	<u>28.1</u>	<u>35.5</u>	<u>40.1</u>
<u>C. Equipment Rental and Other Operating Costs</u>			
1. ADP Equipment (ADPE) Rentals	--	--	--
2. Supplies and Leased Software	0.9	2.0	2.2
Subtotal	<u>0.9</u>	<u>2.0</u>	<u>2.2</u>
<u>D. Commercial Services</u>			
1. ADP Service Bureau	--	--	--
2. Systems Analysis and Programming	--	--	--
3. ADPE Maintenance (If separate from Item C.1)	23.6	28.7	31.6
SubTotal	<u>23.6</u>	<u>28.7</u>	<u>31.6</u>
<u>E. Total Obligations (A-D)</u>	<u>67.1</u>	<u>120.4</u>	<u>83.9</u>
<u>F. Interagency Services</u>			
1. Payments	--	--	--
2. Offsetting Collections	--	--	--
Subtotal	<u>--</u>	<u>--</u>	<u>--</u>
<u>G. GRAND TOTAL (E + F)</u>	<u>67.1</u>	<u>120.4</u>	<u>83.9</u>

FY 83 cost is shared between USAID (57%) and ROCAP (43%), FY 84 and FY 85 costs will be shared between USAID (70%) and ROCAP (30%), except for \$10.0 in FY 84 for purchase of PC which will be 100% ROCAP.

AUTOMATIC DATA PROCESSING NARRATIVE

1. Narrative Statement - ADP

ROCAP-USAID/GUATEMALA currently owns a WANG VS-80 system consisting of the following components:

1	VS-8 B. Central Processing Unit - 512 K	2200 VS
1	TAPE DRIVE IOP	22V05 - 2
1	Serial IOP	22V07 - 2
1	Disk Drive IOP	22V08 - 2
1	IOP	22V02
1	Tape Drive Unit (1600 BII)	2209V
2	Disk Drive Units (75 MB)	2265V - 1
1	250 LPM Band Printer	5573
13	WP/DP Workstations	2246 - C
5	Daisy Wheel Printers	6581 W

This system is located in the USAID/ROCAP Building and services the word processing and data processing needs of ROCAP and USAID/Guatemala offices which are located in the building.

Additionally, USAID/Guatemala has two model AWS workstations and one model 6581-W daisy wheel printer connected with the Embassy's WANG OIS system. These are located in the Embassy. This equipment is AID-owned.

USAID/Guatemala has on order a WANG OIS-130(A) with telecommunications IOP and software. This will enable data processing in the Embassy building by connecting to the VS-80 in the ROCAP building. Delivery is expected early fourth quarter FY 83.

The USAID plans purchase of one additional 75 MB Disk Drive, one 600 LPM printer and two additional CRT's to be dedicated to the MACS accounting system. One additional CRT is planned for connection to the OIS-130(A) and one to the VS-80. Delivery is expected early in the second quarter FY 84.

The ROCAP satellite office, which houses three US professionals, the Rural Development Officer, Regional Economist and Regional Forestry Officer, is located in San Jose, Costa Rica. It is not near enough to the bilateral USAID in Costa Rica nor the Embassy to allow direct hookup to their systems. Therefore a free standing personal computer -- preferably compatible with the existing WANG VS-80 in ROCAP's main office -- is budgeted at \$10,000 in FY 84. Delivery expected late second quarter FY 84.

Current uses for the VS-80 system include:

1. Payroll
2. Multi-year cash flow projections for project financial analysis
3. Seal bid sales/purchase analysis
4. Quarterly Pipeline Accounting Report
5. Project pipeline by line item
6. Mission property and inventory system
7. Document flow/trace system
8. Purchase order follow-up system
9. Word Processing

Planned uses include:

1. MACS - Mission Accounting
2. Mission and Regional Economic Analysis
3. Input for RAMC Datel Disbursing Systems
4. Development of a Country Data Bank

The CRT's connected to the Embassy OIS system are currently used for word processing and for input to the RAMC/Mexico Datel disbursing system.

TABLE VIII (b)
OBLIGATIONS FOR WP SYSTEMS
(\$000)

	<u>FISCAL YEARS</u>		
	<u>1983</u>	<u>1984</u>	<u>1985</u>
A. Capital Investments in W/P	-.-	3.9	-.-
B. W/P Equipment Rental and Supplies	-.-	-.-	-.-
C. Other W/P Costs	-.-	-.-	-.-
	<hr/>	<hr/>	<hr/>
Total	-.-	3.9	-.-
Amount included in <u>Mission allowance</u> for existing systems	-.-	3.9	-.-
Amount included in <u>Mission allowance</u> for new/expanded systems	-.-	-.-	-.-

TABLE IX(a) - WORKFORCE REQUIREMENTS (U.S. DIRECT HIRE)

SKILL CODE	POSITION TITLE	WORKYEARS			
		FY 83	FY 84	FY 85	FY 86
011	Mission Director	x	x	x	x
012	Dep. Mission Dir.	x	x	x	x
031	Executive Officer	x	x	x	x
023	Program Officer	x	.9	x	x
023	Dep. Program Off.	x	x	x	x
940	Proj. Dev. Off.	x	x	x	x
940	Asst. Prj. Dev. Off.	x	.4		
940	Asst. Prj. Dev. Off.	x	x	x	x
103	Ag. Dev. Off.	x	x	x	x
103	Asst. Ag. Dev. Off.	x	x	x	x
101	Ag. Economist	x	x	x	x
601	Hrn. Res. Dev. Off.	x	x	x	x
601	Asst. HMRS Dev. Off.	x	.7	x	x
502	Hlth. Dev. Off.	x	x	x	x
550	Population Advisor	x	x	x	x
101	I. D. I.		x	x	x
940	I. D. I.			x	x

TABLE IX(b) - WORKFORCE REQUIREMENTS (F.N. DIRECT HIRE)

SKILL CODE	POSITION TITLE	WORKYEARS			
		<u>FY 83</u>	<u>FY 84</u>	<u>FY 85</u>	<u>FY 86</u>
030	Admin. Asst.	x	x	x	x
050	Secretary	x	x	x	x
020	Part. Trg. Spec.	x	x	x	x
020	Prog. Spec. (Gen)	x	x	x	x
150	Prog. Asst. (Mut)	x	x	x	x
030	Admin. Asst. (PO)	x	x	x	x
050	Secretary	x	x	x	x
940	Cap. Dev. Imp. Adv.	x	x	x	x
250	Engineer	x	x	x	x
251	Engineer (Gral)	x	x	x	x
050	Translator	x	x	x	x
050	Clerk (Steno)	x	x	x	x
101	Agric. Econ.	x	x	x	x
030	Admin. Asst. (RD)	x	x	x	x
050	Clerk (Steno)	x	x	x	x
600	Prog. Spec. (Ed)	x	x	x	x
600	Prog. Spec. (Gen)	x	x	x	x
600	Prog. Asst.	x	x	x	x
600	Prog. Asst. (WID)	x	x	x	x
050	Clerk (Steno)	x	x	x	x
050	Secretary	x	x	x	x
500	Prog. Asst. (Pop)	x	x	x	x
050	Secretary	x	x	x	x
050	Secretary	x	x	x	x
931	Cont. & Proc. Spec.	x	x	x	x
930	Purchasing Agent	x	x	x	x
930	Purchasing Agent	x	x	x	x
033	Personnel Asst.	x	x	x	x
070	Travel Assistant	x	x	x	x
070	Customs Exped.	x	x	x	x
060	Supply Supervisor	x	x	x	x
060	Supply Clerk	x	x	x	x
072	Mail Supervisor	x	x	x	x

TABLE IX - NARRATIVE

The USAID/Guatemala program will continue through the ABS period with primary emphasis on the rural sector. The Mission has recruited staff in the past to meet its program requirements in order for the USDH staff complemented by FSN professional employees to accomplish objectives. The USAID therefore is satisfied that the staff skills mix will support the action plan. The Mission proposes that the replacement for the Program Officer in FY. 85 have an Economist backstop code in addition to being a competent Program Officer. Alternatively, the Assistant Program Officer would be replaced by a Program Economist. AID/W and contractors will be drawn upon for assistance in the design stages of new projects as required.

Given the current and proposed project portfolio there are no positions, either U.S. or Guatemalan, which can realistically be deleted under a 10 percent reduction. In fact, even though the Mission has been forced to designate certain positions for deletion at this time, it may be necessary to select alternate positions should the occasion arise, depending on the status of program development then prevailing (See separate submission.)

By way of a discussion of overall staffing levels, for several years USAID has carried one direct hire position under a lapsed rate. As all fifteen positions have been filled nearly all the time, this arrangement is unsatisfactory. The Mission accordingly requests that its FTE ceiling be raised to 15 U.S. direct hire positions. In support of this request it is pointed out that until the final drafts of the ABS which proposes several new initiatives, the addition of two positions and the possible addition of a part-time secretary was proposed. Nevertheless it was decided to proceed with the current personnel strength, stretching out the design function and the monitoring of the implementation stages. Although not totally satisfactory, the Mission has tried to respond to the Agency's very tight staffing restraints.

The implication of the ROCAP staff reductions on USAID/Guatemala are too recent to fully assess. In the past, USAID and ROCAP have shared TDY personnel and consultants and members of ROCAP staff have given freely of their time when requested. It is difficult to quantify this assistance in terms of work years, but some additional TDY support in the future will definitely be required. Furthermore, it is hoped that a satisfactory arrangement for sharing the part-time American secretary can be worked out.

PL 480 NARRATIVE

TITLE I

A serious problem in Guatemalan agriculture is the gradual decline in the rate of growth in food production. In 1981, traditional export commodities accounted for 52% of agricultural production; food production accounted for only 31%. From 1967 to 1981 real growth in food production averaged 2.7% annually, about 0.3% below the population growth rate. However, in recent years the growth rate in food production has declined; from 1975 to 1981 real growth in foodstuffs averaged only 1.4% annually, about 1.6% below the population growth rate. A part of this phenomenon can be attributed to the slump in economic activity in the latter part of the last decade; growing unemployment has reduced the demand for foodstuffs.

The downward trend in food production, however, is not totally explained by a fall in effective demand. Import figures for rice, corn and beans show some upward trend in the last half of the 1970's, demonstrating that demand for foodstuffs has not declined significantly. The explanation for the sluggish growth in foodstuffs probably lies in price incentives to farmers: an inadequate price support system combined with supply side constraints such as poor marketing systems, little or no storage facilities, high cost transportation and primitive agricultural technologies.

Secondly, the terms of trade have turned sharply against the countries of Central America. Three products -- coffee, cotton, and bananas -- account for about 50% of Guatemala's total merchandise exports. Price increases for these products -- tempered on one side by sluggish world demand and on the other by good harvests -- have not kept pace with the prices of the goods Guatemala imports. The price of bananas has increased 43%, but the price of coffee has decreased 15% between 1978 and 1982 and the price of cotton has remained unchanged. Meanwhile, import prices have increased by at least 10% a year. The effect of these trends has been to contract domestic income and to contribute to disequilibrium in the balance of payments. The current account deficit in the balance of payments grew from a negative \$262 million in 1978 to a negative \$565 million in 1981. It would have grown even further in 1982 had not the government forced a contraction in imports, and thus domestic income.

The Mission has, therefore, proposed a P.L. 480, Title I Program for the years FY 1984-1986 to provide for additional balance of payment support and essential food imports. The eco-

conomic crises and balance of payments deficits which currently affect Guatemala have seriously reduced the country's abilities to import even essential commodities. An important aspect of the Mission Strategy is the economic stability necessary to foster long-term growth. The Economic Support Fund program is directly aimed at this critical need, and a P.L. 480, Title I program can provide additional support while also addressing a food need. Mission programs are currently operating and being developed to address the problems identified above. Nevertheless, food imports are needed to cover essential needs before these projects reach the implementation stage. The essential needs include the availability of traditional foods, to buy should small farmers switch into higher value crops such as fruits and vegetables which the small farm family do not consume now. Vegetable oil will be in short supply over the proposed years due to the reduction in locally produced cotton seed oil. Cotton production is down because of the economic situation worldwide and as such is a contributor to the foreign exchange shortage in Guatemala.

Local currency generations too would be used in support of the Mission's Strategy in the rural sector, primarily for support of new settlement programs in the Northern Transversal Strip (FTN). Funding would provide for construction of roads, access trails, schools, health posts, community centers, agricultural service centers, and water systems. Construction would be done to the extent possible on a labor-intensive basis to provide additional income to resettlement families. Local currency financing would also cover resettlement of new families through cooperatives operating in the area and partial costs of basic services in new communities.

Like most Latin American countries, Guatemala experiences considerable inequalities in land distribution. One of the primary activities of the USAID is to expand the available land resources, and the colonization activities in the FTN are addressing to this need. In the FTN, the areas between the Departments of El Petén and Alta Verapaz, there are an estimated 450,000 hectares of unutilized public domain lands and 190,000 hectares of idle private lands. Many of these lands do not have clear title, but could be distributed and titled to the rural landless. Through the National Agrarian Transformation Institute (INTA), the GOG has recently distributed and titled some of this land in plots averaging 25 acres in size to approximately 10,000.

Since this is an isolated frontier region, there has been little public sector investment of the type required to support productive activities such as access roads, market facilities, and research, extension and credit services. Even less has

been invested to meet basic human needs, such as health services, education and housing.

TITLE II

The Mission is proposing moderate increases in the P.L. 480 Title II program in Guatemala. These increases will be primarily to support the on-going Food for Work programs as well as maintain the number of recipients under the Maternal Child Health activity addressing the nutritional problems of the most at-risk group.

The Mission views the low nutritional levels in Guatemala as a multi-sectoral problem which is a function of income, available agricultural resources, health services, sanitation and population growth. Mission activities in nutrition form an integral part of a number of activities including nutritional education, the improvement of rural water supplies and the distribution of P.L. 480, Title II commodities. While the GOG has assumed responsibility for the school feeding programs using locally-produced food, CARE and CRS, using Title II commodities have focused on Maternal-Child Health Care programs and Food for Work projects.

These activities will assist in meeting Mission targets of (a) a reduction in the incidence of malnutrition in the preschool age population and in pregnant and nursing mothers by 30% and (b) a reduction in the infant mortality rate from 80/1,000 to 60/1,000.

In addition, the activities utilizing the Food for Work commodities address the critical problems of deforestation, settlement of colonists in the Franja Transversal del Norte, and the construction of access roads, schools, bridges, potable water systems and markets in the Western Highlands, the most populated area of the country. These programs are directly related to AID's strategy.

The 1984 Guatemala CDSS cites nutritional studies which indicate the widespread nature of malnutrition in Guatemala. The poorest half of the population (some 3.5 million persons) suffer from a deficit of 40% of the minimum daily caloric requirement and a protein deficit of almost 50% of the minimum daily requirement. According to the Gómez classification, 81% of Guatemalan children under 5 years of age can be considered malnourished. Thirty percent of this "most at risk" age group can be considered severely malnourished. The 1978 Guatemala Health Sector Assessment states that despite a self-sufficiency in corn (a dietary staple) the real consumption of corn has decreased in the last few years and at an annual rate of more than 6%.

The Mission is addressing this problem through a series of projects which focus on income generation in the target area, preventive health services, educational programs and the diversification of the small scale farmer. Additional internally and externally financed developmental projects include those which seek to provide agricultural land to the landless. The full impact of these projects, however, will not be realized for several years. Over the short run, supplemental feeding programs will continue to constitute an essential element in the welfare of the poor in Guatemala.

In trying to bridge this distributive and nutritional gap, the GOG has assumed full responsibility for a school feeding program in which children are provided a fortified corn food product. In addition, Title II commodities are distributed to preschool children and nursing mothers through village-level outreach programs. The GOG anticipates a continuing and vital role for P.L. 480, Title II assistance to address protein and caloric deficiencies in its rural and urban citizens.

The Mission supports the CARE and CRS programs as presented in the FY 84 Operational Plans and recommends that funding levels be increased to allow for continued support of the nutritionally deprived population. The AAPL for FY 1984 is insufficient to maintain services for the current number of Maternal Child Health recipients receiving assistance in FY 1983. Since the other programs are closely integrated with the ongoing Mission portfolio and support the Mission's development strategy, reductions in allocations for these categories are not feasible over the planning period.

CARE

Under the FY 1983 P.L. 480, Title II Program, CARE/Guatemala is providing food assistance to 219,500 recipients in the following categories: Maternal Child Health 195,000; Other Child Feeding 15,000; Food for Work (Reforestation) 3,500, and (Colonization) 6,000. The Maternal Child Health activities are carried out in areas where the USAID is implementing health programs with the Ministry of Health and other Private Voluntary Organizations, particularly in the provision of potable water and sanitation facilities. Until these health measures are fully operational, there continues to be a need to address the nutritional problems of the most-at-risk groups, and the CARE program meets this requirement.

Other Child Feeding Programs are distributing food commodities to supplement the diet of infants and children attending 40 day-care centers, nurseries and orphanages. As part of the USAID's activities to involve women in economic activities,

facilities must be provided to permit the safe care of children while the mother is working. The USAID is encouraging Private Voluntary Organizations to provide such services and currently has an Operational Program Grant with the Salvation Army to establish a community center to provide day-care for children of working mothers. The meals which are cooked and served at the centers assure these children with at least one nutritionally balanced meal per day.

The Food for Work activities are directed to reforestation and colonization. The USAID portfolio has introduced bench terracing and other soil conservation measures to DIGESA, the Ministry of Agriculture agency responsible for agricultural extension services. Based on CARE's activities under this program with INAFOR, the Ministry of Agriculture agency responsible for forestry, the USAID is about to complete the design for a major agricultural development project in the Western Highlands. Until an agreement is signed and reforestation activities are underway, the CARE program will continue to play an important role in supporting INAFOR's extension activities. In April 1983 a USAID project in support of the colonization of the Franja Transversal was completed. During the last year of project activities, more new settlers were introduced into the colonization region and still are not self-sufficient in food production. The CARE program will be required for at least two more years to permit the new settlers time to get their farms into production.

The size of the CARE program proposed in FYs 1985 and 1986 show a gradual increase in the Maternal Child Health program from the reduced program levels anticipated in FY 1984. The FY 1985 program provides sufficient resources to resume assistance to the same number of Maternal Child Health recipients as in FY 1983. The proposed increase is in accord with their past performance and their managerial capabilities in Guatemala. The Mission has examined the proposed program and recommends that the levels be approved.

CRS

During FY 1983, Catholic Relief Services, Guatemala, is distributing P.L. 480, Title II commodities to 70,800 recipients in the following categories: Maternal Child Health 60,900; Other Child Feeding 3,400; and Food for Work 6,500. These commodities amount to 3,303 metric tons, with an approximate value of \$922,000. The MCH program is providing assistance to 45,500 pre-school children and to 15,400 nursing mothers and pregnant through 342 centers located in 15 provinces. The majority of centers occupy premises of the churches and are administered by Catholic priests, while others are organized independently by

community committees. Because of the nationwide distribution of centers, CRS has been particularly instrumental in alleviating food distribution problems associated with natural disasters over the past year, particularly as a result of floods and tremors.

The Other Child Feeding Programs, as in the case of similar programs sponsored by CARE, are supportive of USAID's activities to involve women in economic activities.

The Food for Work activities support other on-going USAID projects in community development. The encouragement of local participation in the selection of projects and implementation particularly assist the rural poor to enter the economic mainstream.

The Mission agrees with the CRS operational plan for FY 1984. Management problems experienced by CRS in the past in carrying out the program have been solved. The definition of responsibilities of its counterpart agency (CARITAS) has permitted good coordination and more efficient delivery of services under the programs. The modest increases in recipient levels for all categories proposed for FYs 1985 and 1986 will support other community development activities being carried out in the poorest regions of the country.

Country/Office Guatemala

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XI

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

COMMODITIES	FY 1983						Estimated FY 1984						Projected FY 1985					
	Agreement		Shipments		Carry into		Agreement		Shipments		Carry into		Agreement		Shipments		Carry into	
	\$	MT	\$	MT	\$	MT	\$	MT	\$	MT	\$	MT	\$	MT	\$	MT	\$	MT
<u>Title I</u>																		
Vegetable Oil	--	--	--	--	--	--	7.0	11,363	7.0	11,363	--	--	13.0	21,103	13.0	21,103	--	--
Total	--	--	--	--	--	--	7.0	11,363	7.0	11,363	--	--	13.0	21,103	13.0	21,103	--	--

Of which
Title III

Total

COMMENT:

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XIII

P.L. 480, TITLE II

COUNTRY: Guatemala

SPONSOR'S NAME: CARE

FY 1984

A. MATERNAL AND CHILD HEALTH TOTAL RECIPIENTS 179,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands)</u>	
		<u>KGS</u>	<u>Dollars</u>
179,000	SF Bulgur	2,921	727.0
179,000	Cornmeal	2,921	499.5
179,000	NFDM	2,921	321.3
179,000	Oil	967	778.1
TOTAL MCH		<u>9,730</u>	<u>2,375.9</u>

B. OTHER CHILD FEEDING TOTAL RECIPIENTS 15,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands)</u>	
		<u>KGS</u>	<u>Dollars</u>
15,000	SF Bulgur	245	65.2
15,000	Cornmeal	245	41.9
15,000	NFDM	245	26.9
15,000	Oil	81	65.2
TOTAL OTHER CHILD FEEDING		<u>816</u>	<u>199.2</u>

C. FOOD FOR WORK TOTAL RECIPIENTS 9,500

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands)</u>	
		<u>KGS</u>	<u>Dollars</u>
9,500	SF Bulgur	415	110.4
9,500	Cornmeal	415	71.0
9,500	Oil	51	41.0
9,500	Wheat Flour	206	52.3
TOTAL FOOD FOR WORK		<u>1,087</u>	<u>274.7</u>

TOTALS

No. of Recipients 203,500 MT's 11,633 Dollars 2,849.8

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XIII

P.L. 480, TITLE II

COUNTRY: Guatemala

SPONSOR'S NAME: CARE

FY 1985

A. MATERNAL AND CHILD HEALTH

TOTAL RECIPIENTS 204,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands)</u>	
		<u>KGS</u>	<u>Dollars</u>
204,000	SF Bulgur	3,329	885.5
204,000	Cornmeal	3,329	569.2
204,000	NFDM	3,329	366.2
204,000	Oil	1,102	887.1

TOTAL MCH

11,089 2,708.0

B. OTHER CHILD FEEDING

TOTAL RECIPIENTS 11,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands)</u>	
		<u>KGS</u>	<u>Dollars</u>
11,000	SF Bulgur	119	31.9
11,000	Cornmeal	180	30.8
11,000	NFDM	180	19.8
11,000	Oil	59	47.5

TOTAL OTHER CHILD FEEDING

538 130.0

C. FOOD FOR WORK

TOTAL RECIPIENTS 3,500

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands)</u>	
		<u>KGS</u>	<u>Dollars</u>
3,500	SF Bulgur	153	40.7
3,500	Cornmeal	153	26.1
3,500	Oil	19	15.3
3,500	Wheat Flour	76	19.3

TOTAL FOOD FOR WORK

401 101.4

TOTALS

No. of Recipients 218,500

MT's 12,028

Dollars 2,939.4

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XIII

P.L. 480, TITLE II

COUNTRY: Guatemala

SPONSOR'S NAME: CARE

FY 1986

A. MATERNAL AND CHILD HEALTH TOTAL RECIPIENTS 209,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands)</u>	
		<u>KGS</u>	<u>Dollars</u>
209,000	SF Bulgur	3,411	907.3
209,000	Cornmeal	3,411	583.3
209,000	NFDM	3,411	375.2
209,000	Oil	1,129	908.8

TOTAL MCH 11,362 2,774.6

B. OTHER CHILD FEEDING TOTAL RECIPIENTS 15,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands)</u>	
		<u>KGS</u>	<u>Dollars</u>
15,000	SF Bulgur	245	15.2
15,000	Cornmeal	2455	41.9
15,000	NFDM	245	26.9
15,000	Oil	81	65.2

TOTAL OTHER CHILD FEEDING 816 199.2

C. FOOD FOR WORK TOTAL RECIPIENTS 4,500

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands)</u>	
		<u>KGS</u>	<u>Dollars</u>
4,500	SF Bulgur	197	52.4
4,500	Cornmeal	197	33.7
4,500	Oil	24	19.3
4,500	Wheat Flour	73	18.6

TOTAL FOOD FOR WORK 491 124.0

TOTALS

No. of Recipients 228,500 MT's 12,669 Dollars 3,097.8

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XIII

P.L. 480, TITLE II

COUNTRY: Guatemala

SPONSOR'S NAME: CRS

FY 1984

A. MATERNAL AND CHILD HEALTH TOTAL RECIPIENTS 60,900

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands)</u>	
		<u>KGS</u>	<u>Dollars</u>
60,900	Yellow Corn	332	44.5
60,900	Oil	332	300.1
60,900	NFDM	664	73.0
60,900	Wheat Flour	332	84.3
60,900	Bulgur	332	83.0
TOTAL MCH		<u>1,992</u>	<u>585.0</u>

B. OTHER CHILD FEEDING TOTAL RECIPIENTS 3,400

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands)</u>	
		<u>KGS</u>	<u>Dollars</u>
3,400	Yellow Corn	74	9.9
3,400	Oil	19	17.1
3,400	NFDM	74	8.1
3,400	Wheat Flour	74	18.8
3,400	Bulgur	37	9.2
TOTAL OTHER CHILD FEEDING		<u>278</u>	<u>63.1</u>

C. FOOD FOR WORK TOTAL RECIPIENTS 7,500

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands)</u>	
		<u>KGS</u>	<u>Dollars</u>
7,500	Yellow Corn	163	21.8
7,500	Oil	20	18.0
7,500	Wheat Flour	163	41.4
7,500	Bulgur	81	20.2
TOTAL FOOD FOR WORK		<u>427</u>	<u>101.5</u>

TOTALS

No. of Recipients 71,800 MT's 2,697 Dollars 749.6

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XIII

P.L. 480, TITLE II

COUNTRY: Guatemala

SPONSOR'S NAME: CRS

FY 1985

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	Corn	381	51.0
70,000	Oil	381	344.4
70,000	NFDM	763	83.9
70,000	Bulgur	381	95.2
TOTAL MCH		<u>2,287</u>	<u>671.3</u>

B. OTHER CHILD FEEDING TOTAL RECIPIENTS 4,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands)</u>	
		<u>KGS</u>	<u>Dollars</u>
4,000	Corn	44	5.9
4,000	Oil	22	19.9
4,000	NFDM	44	4.8
4,000	Flour	44	11.2
4,000	Bulgur	44	11.0
TOTAL OTHER CHILD FEEDING		<u>198</u>	<u>52.8</u>

C. 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	Corn	217	29.0
10,000	Oil	27	24.4
10,000	Flour	217	55.1
10,000	Bulgur	109	27.2
TOTAL FOOD FOR WORK		<u>570</u>	<u>135.7</u>

TOTALS

No. of Recipients 84,000 MT's 3 055 Dollars 859.8

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XIII

P.L. 480, TITLE II

COUNTRY: Guatemala

SPONSOR'S NAME: CRS

FY 1986

A. MATERNAL AND CHILD HEALTH

TOTAL RECIPIENTS 74,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands)</u>	
		<u>KGS</u>	<u>Dollars</u>
74,000	Corn	403	54.0
74,000	Oil	403	364.3
74,000	NFDM	806	88.6
74,000	Flour	403	102.3
74,000	Bulgur	403	100.7

TOTAL MCH

2,418 709.9

B. OTHER CHILD FEEDING

TOTAL RECIPIENTS 4,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands)</u>	
		<u>KGS</u>	<u>Dollars</u>
4,000	Corn	44	5.9
4,000	Oil	22	19.9
4,000	NFDM	44	4.8
4,000	Flour	44	11.2
4,000	Bulgur	44	11.0

TOTAL OTHER CHILD FEEDING

198 52.8

C. 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	Corn	217	29.0
10,000	Oil	27	24.4
10,000	Flour	217	55.1
10,000	Bulgur	109	27.2

TOTAL FOOD FOR WORK

570 135.7

TOTALS

No. of Recipients 88,000

MT's 3,186

Dollars 898.4

CARE/GUATEMALA
Operational Plan
USG FY 1988

87

I. ELEMENTS OF OPERATIONS

A. Identification

1. Cooperating Sponsor: CARE
2. Country: Guatemala
3. Date Submitted: April, 1988 84
4. Name and Address of CARE's Counterparts:

a. Maternal Child Health and Other Child Feeding Programs:

Ministry of Health
National Palace, Guatemala City

b. Food-for-Work Programs:

Instituto Nacional Forestal (INAFOR)
Edificio Plazuela España 4° y 6° Nivel
Guatemala City

Instituto Nacional de Transformación Agraria (INTA)
14 calle 7-14 zona 1
Guatemala City

5. U.S. Citizen Representative:

The Director of CARE-Guatemala, Virginia H. Ubik, resides in Guatemala City and is directly responsible for all CARE activities in Guatemala including Title II program supervision. The following CARE personnel assist in the implementation of the Title II programs:

International Staff:

Leonne W. Shymoniak	Project Director-Feeding, Colonization and Water Programs.
Christian A. Nill	Project Director-Reforestation/Soil Conservation Program.

National Staff:

See attachment 1.

B. Area-Scope-Conditions of Operations

CARE-Guatemala has four programs which utilize Title II commodities.

1. Maternal Child Health (MCH)

a. Problem Addressed

Malnutrition among pregnant and lactating mothers and pre-school children in Guatemala is excessively high. Current studies by INCAP estimate that 80% of all Guatemalan pre-school children suffer from malnutrition. Within that group 20-40% suffer from moderate to severe malnutrition.

Other studies by INCAP have established that low-income pregnant and lactating mothers consume only between 60-65% of the recommended amounts of calories and proteins. The nutritional status, therefore, of pregnant women is very low, especially during the critical first three months of pregnancy.

In order to alleviate that substantial protein/calorie deficiency, PL 480 commodities will be provided to supplement the normal diet of low-income pregnant and lactating mothers and pre-school children.

b. CARE Activities

During the twelve-month period, Title II commodities will be provided to 204,000 pre-school children and pregnant and lactating women at health posts and centers throughout the country.

The individual ration will be:

<u>Commodity</u>	<u>Monthly Ration</u>
Soy-Fortified Bulgur	3 lbs. or 1.36 Kgs.
Commeal	3 lbs. or 1.36 Kgs.
NFDM	3 lbs. or 1.36 Kgs.
Oil	1 lb. or 0.45 Kgs.
TOTAL	<u>10 lbs. or 4.54 Kgs.</u>

Since CY 1981, CARE has collaborated in the SINAPS program (System of Nutrition and Primary Attention to Health),

a pilot program conducted by the Ministry of Health and INCAP in the Departments of Chiquimula, Zacapa and El Progreso. CARE provided Title II commodities to participating pre-school children and pregnant and lactating women in the program. Among the many goals of SINAPS were the following:

- (i) reduce malnutrition in children under 5 years,
- (ii) reduce infant mortality and
- (iii) increase the primary health coverage in communities where no health facilities existed.

Midwives and health workers were recruited and trained to promote nutrition and family health in the homes. Each health worker had an average caseload of 35 families. The SINAPS program surpassed its initial goals of measuring the program participants and registering high-risk children and women. Health promotional targets were met and services dispersed through the target area.

With successful completion of preliminary goals, SINAPS is continuing its services to the target population of 5,000 beneficiaries in Chiquimula, Zacapa and El Progreso. CARE will continue its collaboration in that government pilot programs.

With the significant success of the SINAPS program, the MOH plans to implement a health infrastructure similar to the SINAPS program as one of their priorities of 1983 and 1984. This community health service will be located in the three western highland departments of San Marcos, Totonicapán and Sololá. The project will be partially assisted by an AID loan No. 520-U-33. The MOH has requested CARE participation and we will provide food assistance in this program.

c. Objective

The objective of the program is to reduce the shortfall of calories and protein currently existing in the lowest income group. By providing ten lbs. of Title II commodities per month, each beneficiary will receive a daily nutritional supplement of 616 calories and 28 grams of protein.

This supplement increases their total intake of calories from 1,530 to 2,146 and protein from 42 to 70 grams. The minimum daily requirements for the target group, according to INCAP, are 2,650 calories and 70 grams of protein.

d. Indicator

Growth monitoring and health evaluations of beneficiaries are carried out by Ministry of Health personnel at the health centers.

CARE field supervisors constantly monitor the utilization of commodities through regular visits to distribution centers. They inspect and evaluate the administration of the program and commodity utilization at every health center and post in the program.

e. Assumptions

That Title II commodities will continue to be made available, that the Government of Guatemala will continue to support the program, that the beneficiaries will consume the food provided.

f. Area of Operations

The program operates throughout the country.

g. Distribution of commodities to beneficiaries

Distribution is usually carried out once a week in the government health centers to one-fourth of the participant mother and children. The beneficiaries are checked by the auxiliary nurse who reviews their records and carries out required growth measurements. At that time, the mother is informed of her next appointment, which is noted on her program identity card.

Regular attendance at the center for medical check-ups and required vaccinations is a condition for eligibility to continue in the program.

h. Participation of CARE's counterpart

The Ministry of Health provides infrastructure and equipment, warehousing, health personnel, medicine and vaccines, and complementary programs such as anti-tuberculosis, anti-malaria and vaccination campaigns.

The Ministry of Health covers most of CARE's local administrative costs, as well as transportation of all commodities from the port to the warehouses and health centers.

The government also absorbs a number of other costs including all port charges and import taxes, and provides free internal postage and telegraph service to CARE. No special conditions are imposed regarding admission, storage, transport, distribution, utilization or loss of commodities.

i. Prevention of Program Duplication

CARE's field supervisors during their regular visits to centers report any instances of duplication. Such centers are cancelled from the program.

2. Other Child Feeding (OCF) Program

a. Problem Addressed

Same as for MCH (See Section B.1.a)

b. CARE Activities

Throughout the year, CARE will deliver commodities to 15,000 children in or attending institutions as follows:

<u>Commodity</u>	<u>Monthly Ration</u>
Soy-Fortified Bulgur	3 lbs. or 1.36 Kgs.
Commeal	3 lbs. or 1.36 Kgs.
NFDM	3 lbs. or 1.36 Kgs.
Oil	1 lbs. or 0.45 Kgs.
TOTAL	<u>10 lbs. or 4.54 Kgs.</u>

c. Objective

By providing 10 lbs. of nutritional commodities per month, each child will receive a daily supplement of 510 calories and 28 grams of protein to reduce the current shortfall of calories and protein.

d. Indicator

CARE Field Supervisors constantly visit the participatory institutions to monitor the program and ensure that the commodities are being properly utilized by the registered beneficiaries.

e. Assumptions

Same as for MCH (See Section B.1.e.)

f. Area of Operations

This program is conducted throughout the country.

g. Distribution of Commodities

The Title II commodities are added to the limited resources of the institutions and are given daily in nourishing meals to the participatory children.

h. Participation of CARE's Counterpart

See B.1.h. As with the health centers, food is delivered by the government to the public institutions in the program.

Prevention of Program Duplication

Same as described in B.1.i.

3. Reforestation and Soil Conservation (Food-for-Work) Programa. Problem Addressed

Fully 72% of Guatemala's territory is classified as forest land unsuitable for intensive agricultural use. In the past 25 years, more than half of this forest area (excluding the area that comprises the department of El Peten), has been converted to farm land. In the same period, the population per square kilometer has increased from 38.8/km² to 70.1/km² for the same given area. At the present rate of deforestation, there will be very little or no forest remaining by the year 2,000 (this being the conclusion of a reliable study carried out by Guatemala's National Forestry

Institute). This imminent danger, besides signifying an obvious depletion of timber and fuelwood resources, also implies the destruction of vital watersheds with concomittant socio-ecological hazards.

Moreover, as a result of improper agricultural practices on steep hillside farm plots and pasture lands, soil erosion is becoming increasingly serious. In many areas, as much as 18 tons of soil/acre/year are being washed away.

b. CARE Activities

The strategy designed to address the problems described above will consist in the following specific activities:

(i) Reforestation/Forestry

- tree nursery management (seedling production, transplanting and maintenance, and general nursery development);
- demonstrations and short courses on reforestation and forest conservation;
- reforestation on private, communal and municipal lands;
- establishment of demonstration reforestation sites (at least one per nursery site per year);
- forest management extension and activities (pruning, thinning and extension oriented towards planned harvests).

(ii) Soil Conservation/Agricultural Extension

- demonstrations and short courses on soil conservation for agricultural lands;
- construction of terraces, contour ditches, gully controls, hillside barriers, and compost heaps;
- pasture-planting and management.

(iii) Promotion and Construction of Lorena Stoves

In order to implement the activities detailed above, CARE will distribute Title II commodities to 3,500 beneficiaries who will complete 168,000 man/days of work. The daily rations for an 8-hour work period (one worker plus four dependents) and the monthly rations (20 work days) are:

<u>Commodities</u>	<u>Daily Ration</u>	<u>Monthly Ration</u>
Soy-Fortified Bulgur	2.00 lbs.	8 lbs. or 3.64 Kgs.
Cornmeal	2.00 lbs.	8 lbs. or 3.64 Kgs.
Wheat Flour	1.00 lbs.	4 lbs. or 1.82 Kgs.
Oil	0.25 lbs.	1 lbs. or 0.45 Kgs.
TOTAL	<u>5.25 lbs.</u>	<u>21 lbs. or 9.55 Kgs.</u>

c. Objective

The objective is to control soil erosion and improve watersheds in selected critical areas through the establishment of an effective extension service within the National Forestry Institute (INAFOR). This extension service will be instrumental in assisting rural villagers in the development of forest tree nurseries, reforestation of communal and private lands, and proper land management. Through adequate watershed management and soil erosion control, the ultimate objective may be attained, which is increased agricultural and forest productivity.

d. Indicator

The objectives will be measured by the level of community participation and direct community support to nurseries, number of counterpart extensionists assigned and their effectiveness in extension activities, and the effectiveness of actual conservation practices applied.

e. Assumptions

That the Food-for-Work participants will continue to accept established rations to carry out conservation practices, that Title II commodities will continue to be made available, that the Government of Guatemala will continue to support the program and that the beneficiaries will consume the food provided.

f. Area of Operations

This program will be implemented in selected areas of the western highlands and eastern parts of the country.

g. Distribution of Commodities

Peace Corps Volunteers and locally assigned INAFOR counterparts supervise the distribution of commodities and maintain beneficiary lists.

Records showing the food distributed at each project site are submitted to CARE office monthly.

h. Participation of CARE's Counterpart

INAFOR provides technicians and field coordinators, village extensionists, regional office facilities for program supervision and coordination, transportation of PL 480 commodities, logistical transport for work-site support, material inputs, personnel transport for Peace Corps Volunteer technicians, and partial administrative overhead costs to CARE.

i. Prevention of Program Duplication

In the vast majority of project sites where this program is being implemented, there exist no other reforestation or soil conservation activities incentivated by other Food-for-Work programs. In the few sites where such programs do exist, close monitoring on the part of the INAFOR field coordinator as well as on the part of the CARE program manager will help insure that those villages targeted for support with PL 480 commodities shall not coincide with villages targeted by other existing programs.

4. Colonization of New Lands/Franja Transversal del Norte/FFW

a. Problem Addressed

Of all farms in the Highlands, 87% are less than seven hectares and of those, more than half are 1.5 hectares or less. The average size of farms in the Highlands is dropping (50% over the last 20 years). In addition, it is estimated that there are 200,000 landless laborers in the Highlands.

To alleviate the extreme overcrowding in both the western highlands and eastern portions of Guatemala, the Government has resettled approximately 1,500 farm families into an area of the Franja Transversal del Norte (FTN), which is located in the extreme north of the Department of El Quiché, between the border with Mexico and the Chixoy River.

b. CARE Activities

As an incentive and to assist in the compensation for accomplishing required resettlement, agriculture/economic and community development projects, CARE will distribute Food-for-Work commodities to 1,200 families who will complete 288,000 man/days of work. The daily rations for an 8 hour-work period (one worker plus four dependents) and the monthly rations (20 work days) are:

<u>Commodity</u>	<u>Daily Ration</u>	<u>Monthly Ration</u>
Soy-Fortified Bulgur	2.00 lbs.	8 lbs. or 3.64 Kgs.
Corrmeal	2.00 lbs.	8 lbs. or 3.64 Kgs.
Wheat Flour	1.00 lbs.	4 lbs. or 1.82 Kgs.
Oil	0.25 lbs.	1 lbs. or 0.45 Kgs.
TOTAL	<u>5.25 lbs.</u>	<u>21 lbs. or 9.55 Kgs.</u>

c. Objectives

The objective is to assist approximately 1,200 families in their accomplishment of agricultural, economic and community development projects.

d. Indicator

Resettlement will be measured by the establishment of support services in health, education and agriculture, achievement of self-sufficiency in basic food crops, and permanent settlement of families.

e. Assumptions

That Title II commodities will continue to be made available, that the Government of Guatemala will continue to support the program, and that the beneficiaries will consume the food provided.

f. Area of Operations

That area of the Franja Transversal del Norte (FTN) (Northern Transversal Strip) circumscribed by USAID Loan 520-T-026.

g. Distribution of Commodities

INTA (Instituto de Transformación Agraria) will maintain beneficiary lists and, with CARE, will supervise the distribution of commodities. Records of food consumption and inventories will be submitted periodically by INTA to CARE.

h. Participation of CARE's Counterpart

INTA will provide transport and the costs of administrative overhead and the necessary daily management and administration of the project, including promotion, beneficiary selection, on-site orientation, and general support and services.

i. Prevention of Program Duplication

There is no other PL 480 program in the immediate area.

C. Control and Receipting - Records, Procedures and Audits

All commodities are discharged in the port of Santo Tomás de Castilla, where the full-time CARE port representative monitors and receipts each arrival and arranges the transportation of commodities to the CARE warehouse. CARE conducts monthly warehouse inventories and physical counts and submits to USAID, as required by PL 480 regulations, the Commodity Status, Recipient Status and Loss Status Reports.

D. Port Facilities

Adequate offloading facilities exist at the port of Santo Tomás de Castilla and independent discharge surveys are conducted on all Title II shipments.

E. In Country Storage and Transportation

1. Adequate storage space is available for the commodities requested.
2. There are no major problems related to inland transportation.
3. CARE retains control of all commodities while being transported and in storage.

F. Processing-Reprocessing-Repacking

CARE does not plan to process or repack any Title II commodities during FY 1984.

G. Financing

1. The Government of Guatemala provides most of the funds required to cover CARE's local costs of administration, storage, etc. CARE also contributes a portion of the administrative expenses of the program.
2. The commodity containers will not be sold by CARE; therefore, no salvage fund exists.

H. Acceptability of Available Foods

1. CARE will not be importing any whole grain commodities.
2. The foods that CARE will be importing, i.e., Soy-Fortified Bulgur, Commeal, Wheat Flour, Oil and NFDM are all incorporated readily into the Guatemalan diet.

I. Program Publicity

1. CARE's field supervisors regularly visit centers to ensure that the program is implemented according to plan. Each year, updated instructions regarding the program's requirements are sent to the centers. The center personnel give food use demonstrations to the beneficiary mothers at their regular meetings.
2. For FY 1983 a recipe brochure was developed on the use of the new commodities (bulgur and commeal). Copies of this brochure were given to all distribution centers in the program.

These have been utilized by the government health personnel in their weekly food demonstration classes.

II. CONTRIBUTION TO PROGRAM

See sections I.B.1.h., I.B.4.h., and I.E. The Government provides personnel to implement and administer the programs and pays for all transportation. In CY 1984 internal transport alone is estimated to cost \$614,250.

The Title II commodity inputs and operations costs are:

<u>Program</u>	<u>Metric Tons</u>	<u>Commodities Freight Value</u>	<u>Operational Costs Funded by CARE/GOG</u>
MCH	11,100	4,454,627	\$256,782
OCF	817	327,546	
FFW/REF.	400	122,964	35,000
FFW/COL.	686	210,794	23,000

III. PROJECTIONS

A. MCH Program

As discussed in section I.B.1.b. we are incorporating into the MCH program the new APS Program to be implemented in the departments of San Marcos, Totonicapán, Sololá. The projections for USG FY85 have been estimated at 219,000 beneficiaries and 11,900 kilos of commodities, including 15,000 beneficiaries for the new APS program, and continuing thereafter as follows:

USG FY	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>
Benef.	<u>219,000</u>	219,000	220,000	220,000	220,000
Commodity (metric tons)	<u>11,900</u>	11,900	11,972	11,972	<u>12,245</u>

11,972

B. OCF Program

The OCF Program is expected to remain at the present level of 15,000 beneficiaries and 816 metric tons of commodities.

C. FFW Programs

1. The Reforestation/Soil Conservation program is expected to remain at the present level of 3,500 beneficiaries and 400 metric

tons of commodities .

2. Colonization/FTN Program

The project will be actively supported by outside agencies for a five-year period. CARE PL 480 participation was proposed for a maximum 3-year period to allow sufficient time to bring into the area new settlers and their achievement of self-sufficiency in basic food crops. We project that FY 1984 is the last year for this specific food-for-work colonization program in the Franja Transversal .



PROGRAM PLAN OF OPERATIONS

TITLE II PROGRAM FY 1984

A. IDENTIFICATION

Distribution agency:	Catholic Relief Services-USCC Guatemala Program 1 Avenida 10-57, Zona 10
Program Director:	Gustavo A. Carion American citizen. Quarter-time devoted to administration of Title II Program
Assistant Program Director:	Mark M. Miller American citizen. Full-time devoted to administration of Title II Food Program.
Administrative Assistant:	Aura Marina Ruiz Guatemalan citizen. Keeps accounting records, and adminis- ters all projects, and office-related matters.
Dispatcher/Statician/PL 480 Supervisor:	Adolfo A. Fuentes Guatemalan citizen. Devotes full-time to processing shipping documents, maintaining statistical re- cords and PL 480 reporting.
Secretary:	Silvia de Garrido Guatemalan citizen. Handles all correspondence related to projects.
Secretary:	Thelma Dominguez Guatemalan citizen. Handles all correspondence related to Title II Program.
Messenger:	Alfonso Chay Guatemalan citizen. Besides normal duties required by his post, he is responsible for vehicle maintenance.



<u>Counterpart agency:</u>	Caritas de Guatemala 26 Calle 8-90, Zona 12
Board of Directors:	Dr. Arturo Zepeda - President Mr. David Penagos - Treasurer Sr. Ricardo Morales - Vocal
National Director:	Mr. Ruben Monterroso
Food Program Administration:	Juan Miguel Arita - Manager
Food Program Supervisor:	Benito Herrera
Distribution Department:	Jose Antonio Puac
Accounting Department:	Lisette Bran - Accountant Jose Tito Lemus - Accountant Ileana Briones - Accountant
Internal Auditor:	
Committee for the Development of the Western Highlands Department:	Irma de Marroquin - Administrator Haydee Castillo - Secretary
Secretaries:	Lucrecia de Pinzon Maria Isabel Melgar
Messenger:	Arturo Escott
Driver:	Rolando Grandillo
Receptionist:	Sylvia Rauscher
Warehouse Manager:	Juan Urrutia Fernando Gardia Ariel Sanchez Edwin Rivera

Besides the mentioned staff, about 25 other individuals at the Diocesan level are involved in program planning, implementation, and supervision--the latter includes end-use checking.

Caritas Diocesan Committees exist in the departments of San Marcos, Solola, Quezaltenango, Guatemala, Peten, Izabal, Quiche, Huehuetenango, Escuintla, Zacapa, and Baja Verapaz. Caritas has two full-time, end-use checkers based in the National Office. The Supervision Department has a vehicle at its disposal, and can make approximately 30 end-use checks per month.

At Diocesan and National levels, Caritas has 15 warehouses and warehouse assistants.

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CRS and Caritas also employ approximately 10 Guatemalans in various projects where food inputs are made from time to time, i.e., a water installation project in Chimaltenango and Solola, housing projects, etc. The expansion over previous years in personnel, projects, and program facilities (warehouses) was possible because of the post-earthquake food and reconstruction requirements.

B. AGENCY AGREEMENTS

Catholic Relief Services-USCC operates in Guatemala under the terms of Supreme Decree 1770, signed by the President of Guatemala in June 26, 1968. There also exists an agreement between CRS and Caritas de Guatemala, signed on November 30, 1966.

Basic support for the Supreme Decree and the inter-agency agreement is contained in the Government agreement signed between the U. S. Ambassador, John E. Puerifoy, and Guatemalan Minister of Foreign Affairs, D. C. Salazar, on September 1, 1954.

As stated above, a formal agreement does not exist between the voluntary agency and the Guatemalan Government, but CRS operates under a Supreme Decree, which fulfills all of the conditions required under existing AID regulations.

The above agreements provide for:

- 1) Duty-free entry of Title II foods, and of other donated relief supplies consigned to Catholic Relief Services and Caritas de Guatemala; exemption from port fees and local tolls or tariffs, as well as handling and storage costs.
- 2) Payment of inland transportation from the port of entry to regional warehouses or ultimate recipient.
- 3) Freedom of action that permits CRS/Caritas to carry out their supervisory responsibility.
- 4) Confiscation of Title II foods appearing in authorized channels within the statutes of Guatemalan Jurisprudence.
- 5) Assurance that expenditures of food by the local government to needy persons will not be reduced because of CRS distribution of Title II foods.
- 6) That certificates of unfitness for foods no longer apt for human consumption be issued.
- 7) The release of adequate and appropriate program publicity as to the source of foods.
- 8) Assurance (from Caritas) that recipients will receive food only for participation in Catholic Relief Services' approved program.



C. AREA, SCOPE, AND CONDITIONS OF OPERATIONS

The PL 480 Title II Program operated by Catholic Relief Services in Guatemala is contrywide, with major focus in the Western Highlands.

After importation and customs clearance, Title II foods are transferred from ports of entry directly to Caritas warehouses throughout the country. The presently established regional warehouses are located in Quezaltenango, Chiquimula, Chimaltenango, Solola, Jalapa, Chicacao, San Marcos, Rabinal, Puerto Barrios, and Guatemala City.

Distribution is then carried out from the center directly to the beneficiaries registered at the center. Categories of recipients are projected as follows:

<u>AER Description FY 1984</u>	<u>Beneficiaries</u>
Maternal/Child Welfare (Pregnant and lactating mother)	17,500
Maternal/Child Welfare (Pre-school children)	52,500
Other Child feeding	3,400
Economic/Community Development (workers)	2,000
Economic Community Development (Dependents)	8,000
TOTAL BENEFICIARIES	<u><u>83,400</u></u>

The Government of Guatemala, under the terms of Decree 1770, provides duty-free entry of all Title II foods and other relief supplies. Under the same Decree, CRS also enjoys liberation of port handling and wharfage charges for Title II foods at the ports of Champerico and Santo Tomas de Castilla. No conditions are established by the Government of Guatemala with relation to the storage, transportation, distribution, or utilization of the Title II commodities of other relief supplies.

Catholic Relief Services maintains contact with the representatives of CARE and WFP, both directly and through USAID/Guatemala Food for Peace Office in order to avoid duplication of distribution and inequities in rates of food distribution.

As both CRS/Caritas and CARE have MCH programs, there is a possibility for duplication of distribution in these categories. To avoid this, CRS/Caritas and CARE periodically exchange distribution lists.

D. CONTROL AND RECEIPTING/RECORDS PROCEDURES AND AUDITS

Upon receipt of shipping documents, Caritas prepares its plans of distribution of the commodities received, based on information supplied by Catholic Relief Services. The transportation companies are furnished with a copy of the distribution plan, and trucks are dispatched to the port to withdraw the quantities assigned to them from a particular shipment.

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As the commodities are received, receipts indicating the date of delivery, the truck and driver, type and amount of the commodity received, conditions of arrival, and other pertinent information are prepared. These receipts should coincide with the customs receipt, which the truck driver presents upon arrival at the warehouse. Once the truck has been unbaded, and the commodities counted, any differences are noted on the warehouse receipt, which the truck driver and the warehouseman must sign. If any containers are broken upon delivery, the loss is noted in pounds on the receipts.

The warehouseman gives the truck driver the original and one signed copy of the receipt to be returned to the Caritas Office in Guatemala City, while a third copy is forwarded to Caritas by the warehouseman. A fourth copy is retained for the files of the regional warehouse. The distribution center obtains its monthly (or quarterly) assignment of foods by delivering the original and two copies of its monthly inventory form, plus a monthly financial report form to the regional warehouse. When these forms are properly presented, the regional warehouseman then prepares a receipt, original, and three copies, to cover the quantity delivered to the center. One copy is given to the representative of the distribution center, and the original plus one copy is forwarded to the National Caritas office, with the monthly warehouse report. Monthly financial reports are only required from those centers which are receiving financial contributions from the beneficiaries. Records are kept at distribution centers, regional warehouses, and at the National Caritas office. Catholic Relief Services receives copies of these records, which are maintained in its Guatemala office files. These documents and all documents held at Caritas office and distribution centers, are available for inspection by authorized U. S. Government personnel. Documents are available for a minimum period of three years.

Port Authority certificates and outturn reports are given by the steamship company or its agent to Catholic Relief Services/Guatemala upon the delivery of each commodity shipment to a port. Outturn reports indicate short-landings and damage chargeable to the steamship company. The Pacific ports do not have piers; vessels are unloaded into lighters which carry the food from the vessel to the docks, where delivery is made to the Customs and Port Authorities. CRS contracted with a local agent in November 1982 to undertake an independent survey of all food commodities received at port. Surveys are made at the moment a product is discharged from a vessel.

Copies of the outturn reports and independent surveys are sent to Catholic Relief Services/New York together with the original Certificate of Duty-Free Entry. These documents are used to pursue claims against the shipping lines, as appropriate.

The Customs Authorities deliver shipments to truck drivers against a signed receipt by the truck driver stating the condition of delivery from port. When the truck driver delivers a shipment to a Caritas regional warehouse, the regional warehouseman notes any exceptions on the delivery receipts. If a loss or shortage should occur in the port, CRS files a claim against Customs.

A copy of the claim is filed with the Food for Peace Office. Money collected is turned over to the U. S. Disbursing Officer in accordance with provisions of Sections 211,9 (h) of AID Regulations II.

Losses which occur in the process of transportation between port and warehouse are charged to the transportation companies by Caritas of Guatemala. Catholic Relief Services files the loss against Caritas, and a report is also filed with the Food for Peace Officer. When funds are collected by Caritas, they are turned over to CRS, which in turn deposits them with the U. S. Disbursing Officer, in the manner described above.

Losses which take place either in the warehouse or in the process of distribution are charged to Caritas, if such losses are found to be the result of lack of adequate control or the failure to exercise responsibilities under the existing agreements. Funds collected from Caritas against such claims are also turned over to the U. S. Disbursing Officer as stated above.

E. PORT FACILITIES-PRACTICES

Off-loading facilities are adequate to handle the foods needed to put the program plan into operation.

Duty-free entry procedures do not present any special problem.

The Guatemalan Government places no restrictions on inspections or surveys of shipments arriving at ports.

Port charges are absorbed by the Guatemalan Government at the national ports of Champerico and Santo Tomas de Castilla.

F. STORAGE FACILITIES

The established regional warehouses have generally provided guarantee of safety and good storage of the Title II foods.

Generally, pallets are used underneath the bagged foods. Precautions are taken against infestation by periodic spraying or the use of non-toxic insecticides. The warehousemen in charge of regional warehouses have been given a course in proper handling and storage methods in order to upgrade their knowledge in warehousing procedures.

Acceptable storage facilities are usually available at the level of the distribution centers. CRS and Caritas inspectors are, moreover, encouraging Caritas food outlets to obtain the safest and cleanest storage facilities available, but sometimes the lack of funds prevents the use of better storage space. Centers with inadequate facilities are suspended until they can obtain satisfactory space. The problems of storage are generally limited to a very small number of centers, so it is not a serious problem.

The distributing agency, Caritas, maintains control of warehouse food.

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G. IN-LAND TRANSPORTATION

Truck transportation is used in every moment of Title II foods from ports of entry to regional warehouses. From regional warehouses to distribution centers, trucks are used in the majority of cases. Alternately, the persons operating a distribution center will utilize their own vehicle to carry foods from the regional warehouse to distribution centers. Railroad transportation is not used.

The main problems of inland transportation are related to the cost of transportation from warehouse to centers. The transportation process itself does not offer any particular problem other than through the occasional interruption of roads during the rainy season. The problem of financing the trucking from warehouses to centers is always present. CRS/Caritas trucks are operating in Guatemala City, Chimaltenango, and Quezaltenango departments. The Guatemalan Government covers transportation expenses in the regional warehouses.

H. PROCESSING-REPROCESSING-REPACKING

Presently, CRS is not processing Title II foods with local products. At the level of the individual MCH center, wheat flour and soybean oil is sometimes baked into rolls or bread at local bakeries, but for this purpose, a contract authorize by CRS is entered into among all parties.

I. FINANCING

The Guatemalan Government pays the cost of transportation of Title II foods from ports to regional warehouses currently amounting to about US\$100,000/year. In addition to covering the interior transportation costs to regional warehouses currently amounting to about US\$100,000/year. In addition to covering the interior transportation costs to regional warehouses, the Guatemalan Government gives Caritas a monthly subsidy of US\$2,200 towards the cost of salaries and administrative expenses of people directly involved in the food distribution in the National Caritas office.

Empty containers are generally donated by a distribution center to the beneficiaries or sometimes used by the center for daily operations. Now that food comes in paper bags, there is no income to be generated from used containers.

J. ACCEPTABILITY OF AVAILABLE FOODS/COMPUTATION OF FOOD REQUIREMENTS

Title II foods have been distributed in Guatemala during the past 20 years, and for the most part, the beneficiaries have become accustomed to blended foods. However, CRS/G will not be requesting blended food for FY 1984.

Seminars and courses provided by the Program Nutrition Educator have served to increase the acceptability of Title II foods, as well as to introduce or to encourage the use of new local foods in the normal daily diet.

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Moreover, Nutrition Educators have done an excellent job of introducing new methods of utilizing Title II foods: courses serve to teach the mothers of pre-school aged children the importance of a well-balanced diet in the development of a healthy child.

Past experience has taught CRS feeding center recipients that the feeding programs are not substitutional for meals the children would have received at home.

Too little time has elapsed to expect to see much behavioral change in the eating habits of recipients of PL 480 Title II foods. Cultural habits, economic possibilities, social customs, etc., all affect the improvement of nutrition practices of low income and targeted groups.

Therefore, habits created by PL480 foods cannot be meaningfully measured at this time on a supply and demand basis without taking into account cultural and economic factors. Again, past knowledge has shown that years of training are necessary to change the behavioral habits of a population.

Concentrated efforts in target areas are being made, and sporadic changes can be seen in the eating habits of the recipients. Greater emphasis is being placed on home production and consumption of vegetables.

Food requirements are estimated based on the study of the intake of foods by families, both rural and urban, which the Institute of Nutrition for Central America and Panama (INCAP) recently published. The most important factor is that the intake of protein by the population is low, and the Title II foods selected for our program are high in protein.

Because of their characteristics of growth, children have high nutritional requirements; thus, they are more susceptible to malnutrition. This in turn adds to the risk and intensity of infection, which can increase the incidence of death among malnourished children.

There will be a total of 70,000 beneficiaries in the Maternal Pre-School category. CRS proposes that beneficiaries receive the following monthly rations during Fiscal Year 1984:

Bulgur	.908 Kgs.
Yellow Corn	.908
Vegetable Oil	.454
B. Flour	.454
NFDM	.908

It is within the administrative capabilities of CRS/Caritas to reach the AER goal of 70,000 MCH participants. Since this is a priority category, and since Guatemala has the highest child death rate in Central America, it is certain that the 70,000 recipient figure could be achieved.

One thousand five hundred children in orphanages, day-care centers, etc., will be given the following rations during Fiscal Year 1984:



Bulgur	.908 Kgs.
Yellow Corn	1.816
S.F. Flour	.908
Vegetable Oil	.454
NFDM	.908

These beneficiaries are attended on a thirty-day month basis. The programming is maintained at 12 months.

Under the category of Economic and Community Development (food for work), we propose the following monthly rations in kilograms for each worker and dependent, based on a minimum of eight days-work per month:

Bulgur	.908 Kgs.
Yellow Corn	.908
S. F. Flour	.908
Vegetable Oil	.227
NFDM	.908

The ration is stated for the worker, and each of a maximum of four dependents (Ref. AID M. C. 1571.1 Sec. IV, dated January 24, 1972).

These projects should also be thought of as extenders and multipliers for funds invested by USAID and others in the GOG Five Year Rural Development Plan. As has been pointed out, a small feeder road project not only facilitates movement by community members, but also by outsiders who can offer the community goods and services which were not previously available. For example, the agricultural extension agent trained as part of the Five-Year Development Program will be able to reach these communities more easily and more frequently, while the campesinos will also have greater accessibility to the techniques and resources these extensionists and mobile schools promote.

K. PROGRAM PUBLICITY

Due publicity will be given to the program. Identification cards for beneficiaries are in the process of being printed at this time, and will indicate the source of foodstuffs.

News media publicity has been given on nutrition education courses in which Title II foods are used as an "educational tool" as well as a means of upgrading the nutrition level of the children. This type of presentation renders a positive reaction among public opinion-makers. The number of courses and seminars carried out in various parts of Guatemala offer many opportunities for interesting press articles and news items.

Complete instructions and materials for the proper management of a PL 480 food program will be made available to all distribution centers. Educational materials and food demonstrations are also an integral part of program implementation. A new Manual of Operations was printed and distributed during 1978. Posters indicating the origin of foodstuffs were provided to all distribution centers and warehouses in July 1978.



As indicated above, the Identification Cards indicate the source of the foods.

L. ESTIMATE OF PROGRAM DURATION

It is not yet possible to predict a date when Guatemala's nutritional problems will be solved. According to the Title II guidelines, top priority is given to MCH followed by Food for Work proposals with lowest priority given to School Feeding.

About 2% of the total number of recipients are programmed for Other Child Feeding; they are most necessary to meet nutritional problems in various institutions and health centers. Of the total 70,000 projected beneficiaries of the CRS/Caritas proposed FY 1984 Program, a total of 10,000 are enrolled in the second priority group of Food for Work. Some children in orphanages, day-care centers, etc., will be enrolled in the Other Child Feeding Program, and some in institutions such as old-age homes, leprosariums, etc.

PLAN OF OPERATION FOR SPECIFIC PROGRAMS

A. MATERNAL/CHILD HEALTH

Pregnant and lactating mothers and pre-school age children will receive supplementary food in nutrition/health centers both in the prepared and bulk form. CRS, with the cooperation of Caritas, INCAP, Ministry of Public Health, Landivar University, and other organizations, implements a nutrition-education component for the program by using weight charts, organizing courses, and food demonstrations, and so forth. Local leaders and recipients are instructed by Social Promoters, Public Health experts, Nutritionists and Religious in the proper use of foods (both PL 480 and local), hygiene, child care, and program administration. Visual aids, projectors, recipe books, weight charts, scales, and other materials are supplied by CRS. Two end-use checkers inspect ongoing projects to ensure proper administration and control. Evaluation is made periodically to assure program effectiveness.

B. OTHER CHILD FEEDING

All recipients in this category are in orphanages and nurseries, and participate in the program through their respective institutions. Foods are made available by the regional warehouses directly to the orphanage day-care centers, etc.

C. ECONOMIC/COMMUNITY DEVELOPMENT

Priority is given to projects related to both improving community infrastructure and to working cooperatively to solve common problems. The latter is aimed at increasing local production, technification, communications, marketing, etc. Food

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for Work projects are approved as an incentive towards utilizing unemployed and/or underemployed labor forces towards obtaining both national and community objectives. Projects are presented by organizations and community groups to Caritas and CRS for study and evaluation. If deemed feasible, the project is approved and foods are obtained from the nearest regional warehouse. Onsite inspections are carried out to evaluate project goals and completion.

Educational inputs are often an integral part of the FFW projects, either through capacitation centers or leadership training courses. Increasingly, Caritas is giving the Diocesan Caritas offices more responsibility for implementing the food for work program at the local level. Projects are submitted from community groups to the Diocesan offices, where they are studied and recommended. Further analysis and approval is given by the National Caritas office and CRS.

CONTRIBUTION TO PROGRAM

During the past three years, the financial contributions of the GOG directly to CRS/Caritas, has averaged \$26,400.00. Additionally, the GOG provides port handling and warehousing free of charge, and pays for all transportation costs from port to Caritas Regional Warehouses. The estimate for FY 1984 transportation expenses is US\$100,000.00.

Also, Catholic Relief Services will donate \$25,000.00 to be used as an imprest fund for inland transportation. This donation will ensure more efficient and faster service by the transportation companies in moving PL 480 foods.

Caritas/CRS, at the national level, will expend approximately \$50,000 from private sources for administrative expenses. At the regional level, the amount of expenditures involved is very difficult to calculate, as it is controlled by individual regional committees. However, it is estimated that US\$90,000 is expended. This includes the value of warehouse use, salaries for warehousemen, handling, and incidentals.

At the local level, or from the regional warehouses to the beneficiaries, is where the greatest increase in input has occurred. In the MCH distribution centers alone, there has been a sharp increase during the past five years, in local contributions. FFW, the other major category in the program, has also demonstrated a high propensity for local resource investment and mobilization. An estimated US\$100,000 is contributed by local committees in food for work and MCH activities.

Professional volunteer services from priests, lawyers, doctors, committee members, boards of directors, etc., are estimated at contributing some \$75,000 annually to the CRS/Caritas program.

About US\$190,000 is the estimated value of volunteer labor in FFW projects (calculated at US\$1.00 per person work-day).

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A. ESTIMATED FY 1984 FINANCIAL PROJECTION

GOG contribution (administrative expenses	US\$ 26,400.00
GOG contribution (transportation)	100,000.00
CRS and Caritas budgeting allocations	50,000.00
Diocesan and other local level contributions	90,000.00
MCH center and FFW project, etc., contributions in local materials, tools, buildings, etc.	100,000.00
Professional Volunteer Services	75,000.00
Man-days in FFW Program, calculated at a value of \$1.00 per work day, 2,000 workers at an average of eight work days per month	190,000.00
Nutrition Education Programs	100,000.00
Value of medicines, clothing, non-Title II foods, tools, etc.	650,000.00
SUB-TOTAL	<u>1,381,400.00</u>
Estimated value of Title II Foods for FY 1984 (based on Commodities Reference Guide, Section II, page 1)	1,393,000.00
GRAND TOTAL	<u><u>US\$2,774,400.00</u></u>



STATISTICAL SUPPLEMENT
FOR VOLUNTARY AGENCIES AND INTERGOVERNMENTAL ORGANIZATION FY 1984
TITLE II PROGRAMS

1. Maternal/Child Health
 - A. Number of mothers participating 17,500
 - B. Number of children participating (age 5, and under) 52,500
 - C. Number of persons served prepared foods through health clinics and nutrition education centers 21,200
 - D. Number of persons served bulk commodities for home consumption through distribution centers 48,800

2. School Feeding

Number of participants in: NOT APPLICABLE

 - A. Primary Schools
Public
Private
 - B. Secondary Schools
Public
Private
 - C. Boarding Schools
Public
Private

3. Other Child Feeding (Pre-School and School Age)

Orphanages, Day-Care Centers, etc. 3,400

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ATTACHMENT 6 TO AID CIRC. A-253
ATTACHMENT 1 TO AID CIRC. A-253

PL 480 TITLE II FY 1984 - GENERAL INSTRUCTIONS

Country: Guatemala

1. List kilograms, dollars, and recipients in thousands. Carry recipient data to one decimal place; i.e., 10,138 equals 1.1.
2. Volag information is basically the same as that contained in lines 108 of an Annual Estimate of Requirements (AER).
3. Dollar values calculated using FY 1984 estimated value data contained in Commodities Reference Guide.
4. Provide the following data for each individual sponsor, e.g., I CARE, II CRS, and III Government to Government.

ATTACHMENT 6 TO AID CIRC. A-253
ATTACHMENT 1 TO AID CIRC. A-253

1. Sponsor's name: Catholic Relief Services-USCC

A. Maternal and Child Health - Total REcipients 70.0

<u>No. Recipients</u>	<u>Name Commodity</u>	<u>Kilos 000's</u>	<u>Dollars 000's</u>
70.0	S. F. Flour	381	168
70.0	Vegetable Oil	381	312
70.0	Yellow Corn	763	211
70.0	Bulgur	763	230
70.0	NFDM	763	269
	TOTAL	<u>3,051</u>	<u>1,190</u>

B. School Feeding: N/A Total Recipients: NONE

C. Other Child Feeding Total Recipients: 3.4

<u>No. Recipients</u>	<u>Name Commodity</u>	<u>Kilos 000's</u>	<u>Dollars 000's</u>
3.4	NFDM	16	7
3.4	Vegetable Oil	8	6
3.4	Yellow Corn	33	9
3.4	Bulgur	16	5
3.4	S. F. Flour	16	3
	TOTAL	<u>89</u>	<u>30</u>

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D. Food for Work

Total Recipients: 10.0

<u>No. Recipients</u>	<u>Name Commodity</u>	<u>Kilos 000's</u>	<u>Dollars 000's</u>
10.0	NFLM	109	48
10.0	Vegetable Oil	27	22
10.0	Yellow Corn	109	30
10.0	Bulgur	109	33
10.0	S. F. Flour	109	20
	TOTAL	<u>463</u>	<u>153</u>

ESTIMATED PROJECTIONS FOR FY's 1985 - 1986

Since the economic situation in Guatemala is worsening daily, CRS/Guatemala expects additional request for more food in the coming months and years.

CRS/Guatemala will also be expanding its program in El Quiche, Peten, Izabal, Chiquimula, Zacapa, and Jutiapa. Therefore, we are projecting an increase of at least 20% in 1985, and another 20% in FY 1986.

GC/AF/smg

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