

**ROCAP**

**ACTION PLAN FY 91-92**

**March, 1990**

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## I. REAFFIRMATION OF REGIONAL DEVELOPMENT STRATEGY

To be effective, US trade, investment and assistance programs in C.A. must take place within a coherent overall strategy supported by consistent and complementary bilateral and regional A.I.D. policies and programs. This basic philosophy stood at the core of the Kissinger Commission findings in 1983 and more recently in the report of the International Commission for Central American Recovery and Development--the Sanford Commission.

The removal of Panamanian dictator Manuel Noriega and the victory of the democratic coalition in Nicaragua opens the way for a decade of reconciliation, reunification and growth with equity in the region. The region once again becomes a coherent whole, no longer divided geographically or ideologically, a family of nations dedicated to democratic consolidation and freemarket-led economies. This is a historic opportunity for U.S. - C.A. economic and political cooperation. It must not be lost.

### A. Overview

In Central America, an unusual set of circumstances makes a collective, cooperative approach to development far more of a strategic necessity than elsewhere. Specifically, the small size of Central American states (political and economic fragmentation), their close geographic proximity, similar resource bases, cultural cohesion, and common economic problems all suggest substantial benefits from close coordination. Indeed, the benefits of cooperation have been recognized from the inception of independence and the history of the area is replete with attempts at economic and/or political integration.

Scale efficiencies argue for a collective approach to common health, agricultural, and economic problems which have essentially the same research, educational and technical support requirements. Even more importantly, many of Central America's problems are truly regional and can be effectively addressed only at this level. Disease for example -- human, animal, or plant-- has no respect for national boundaries in the absence of climactic or geographic barriers. Similarly, the problems of shared watersheds and ecosystems (also the usual case in Central America) require multicountry solutions. Energy security (through a shared regional grid) is yet another example.

In the last three years, the region's ten-year economic slide has been halted and, in some cases reversed. Massive assistance from the US together with economic policy reform (much of it associated with US, IMF, and IBRD conditionality) and improved terms of trade have altered the economic outlook. Particularly promising has been the steady growth of non-traditional exports from the region in response to the Caribbean Basin Initiative and well designed A.I.D. programs.

Concurrently, there is a resurgence of regionalism at the political level. This reflects a renewed recognition by Central American states that they cannot insulate themselves from one another's problems. Since the mid-1980s political trends have favored increasing economic cooperation among the C.A. states. Political leaders have seen closer inter-relationships with their neighbors as providing economic opportunities and adding a stabilizing influence to volatile national trends. Accordingly the five presidents have directed their Vice Presidents and the regional institutions to begin development of plans for renewed regional cooperation at all levels.

Illustrative of this is the increasingly coordinated approach being taken on environmental problems. A new joint presidential commission -- the C.A. Commission on the Environment and Development (CCAD) -- will report directly to the area's 7 presidents (Belize and Panama have been invited to join as members). It will oversee cooperation on shared ecosystems, watersheds, and general environmental matters. CCAD is by no means an isolated phenomena. Meaningful inter-government cooperation is increasing at all levels. Ministers and private sector leaders now meet regularly with their C.A. counterparts. The regional institutions, traditionally under the sole control of the ministers, have in several instances formed parallel private sector advisory boards and are once again becoming important forums for debate and coordination.

At the same time, C.A.'s states --some by choice, some out of sheer necessity-- are independently moving towards a common set of economic policies. Costa Rica clearly has the lead on implementing sound, market oriented, proexport policies. (Costa Rican non-traditional exports rose by 18% last year alone.) Guatemala, at a slower pace and with more circumspection, seems headed in the same direction. (Witness the recent freeing of the exchange and interest rates, and the sharp reductions in tariffs). In El Salvador, the new Christiani government took office with a far-reaching package of market oriented reforms. More are expected. In Honduras, a new proprivate sector policy team is enthusiastically designing

similar policies; and in any event would be forced by circumstances to this end. Lastly, even before the recent elections, Nicaragua too found itself compelled by economic reality to initiate deep and painful reforms in the fiscal, trade, and monetary areas. While there is no gainsaying that the Chamorro Administration has an extremely difficult task ahead of it, there is every reason to be hopeful that the Nicaraguan private sector, once the most dynamic in the region, will respond to free market policies and restore that nation's tattered economy.

In sum, (1) the region's policy-makers are now perceiving economic reality in the same market-oriented way; (2) they are actively cooperating; and (3) most importantly, all of the region's economies, albeit at markedly different paces, are moving toward much the same basic economic policy set. A solid, natural basis for economic harmonization and cooperation is thus being created. With a concerted effort to repair and modernize the region's badly decayed physical infrastructure and regional trade facilities, C.A.'s producers could take advantage of regional scale economies without being trapped again in the import substitution cul-de-sac. This will make all of the region's economies more competitive internationally, and if environmental problems can be overcome, lay the basis for viable long term progress.

On the negative side, the outlook for donor resources is worsening. The U.S. shows signs of donor fatigue. At the same time Eastern Europe has developed into a powerful competitor for other donor resources. The UNDP has approved a \$20 million "Special Economic Program" for Central America as a predecessor to a massive multiyear, multibillion dollar effort; but increasingly Central Americans complain that nothing is happening. On the brighter side, the European Community (EC) has pledged \$120 million to reinvigorate regional trade via the C.A. Camara de Compensacion and appears ready to make \$30 million available through CABEI to help offset future trade deficits of Honduras and Nicaragua within the C.A. Common Market. The Japanese have increased bilateral assistance and have signed a substantial loan with CABEI. Individual European countries have also promised to increase their bilateral assistance activities throughout the region. However, given the growing demands and opportunities for the other donors elsewhere, particularly Eastern Europe, there is a very real risk that these new flows will be short lived. (Particularly so if they perceive their contributions as less than optimally utilized or sense a deterioration in human rights.)

## B. Strategy

The Strategy announced in the November 1987 RDSS remains essentially valid. However with the changing context, some evolutionary modifications have been necessary. ROCAP's "niche" vis a vis the bilateral programs remains in activities which:

- affect all Central America countries (e.g., environment, natural resources, human and agricultural disease);
- require cooperative solutions (e.g., trade agreements); and/or
- for cost-effectiveness reasons, are best dealt with through regional programs (technical support on regional problems and R&D activities).

Within these areas ROCAP will continue to undertake projects supportive of and complementary to those of the USAIDs.

Substantively, ROCAP is concentrating and consolidating its portfolio around four interrelated thematic areas:

1. Environment, Natural Resources Management, and Sustainable Agriculture;
2. Private Sector Development in the Context of Open Economies; (NTE, Regional Cooperation, Energy, Training, etc.)
3. Health Services Efficiency; and
4. Democratic Consolidation.

Programmatically, this is somewhat more restrictive than envisioned in the RDSS, but these areas represent a natural confluence of existing activities. The consolidation increases program impact and conserves managerial resources. Environment and Natural Resources management is the sine qua non for C.A. Private Sector led development, consistent with sound resource management policy, offers the only real prospect for long term development. Only with sound economic policy and regional cooperation can the private sector prosper and the populace with it. Similarly, without a reasonable degree of equity (and health care is part of this) there is little prospect for the social stability necessary for private sector investment and growth. Lastly, without political freedom, dynamic economic growth becomes impossible and social stability unattainable.

The ROCAP program gives concrete expression to the USG commitment to the region and its growth through regional collaboration at both the governmental and non-governmental level. ROCAP's historic raison d'être has been and continues to be developing and supporting (within an explicit goal-oriented context) the regional institutional infrastructure necessary to sustain a long term attack on economic and social problems. In general, ROCAP's projects are directed at specific problems and implemented through regional institutions. This approach directly addresses development problems and at the same time supports institutions with long term responsibility in their specific field. CABEI, CATIE, ICAITI, INCAP, and SIECA are regional "treaty" organizations which receive support through ROCAP projects. Other regional and Latin American organizations which ROCAP works with or through include FEDEPRICAP, IICA, INCAE, ZAMORANO, and LAAD.

Besides building technical competence, ROCAP plans to continue its efforts to strengthen regional institutions by helping them build viable long-term financial bases, and reducing their dependence on our direct and indirect financing. An example of this is the FY 89 Resources for Industrial Development project which strengthens ICAITI's ability to service industry and helps put those services on a cost-recovery basis. Ideally, we would like to see the Central American organizations become fully self-supporting, but this is unrealistic in many cases. Similar institutions in the U.S. and elsewhere are publicly subsidized and perform legitimate public sector functions. Underlying their financial distress is the inability of member countries to pay their subscriptions. Under AA/LAC direction, some progress has been made on CABEI arrears. However, more attention has to be given to the broader issue in bilateral ESF negotiations.

### C. Areas of Thematic Concentration/Consolidation

#### 1. Environment, Natural Resources Management, and Sustainable Agriculture

It is no secret that C.A. faces an environmental crisis of catastrophic proportions. Put simply, C.A. agriculture is not on an environmentally sound footing. It is not sustainable on the present basis into the intermediate future. Yet agriculture is the foundation of all the Central American economies and will remain so for the foreseeable future. Directly or indirectly, it accounts for the overwhelming bulk of income, employment, and exports. Poor land-use patterns, deforestation, and short-sighted cultivation practices are eroding away tremendous amounts of arable land. The process also debilitates watersheds, silts up hydroelectric

and drinking water reservoirs, inhibits river navigation, and threatens the climate. At the same time, excessive and inappropriate use of pesticides directly effects productivity and health, and impacts on exports.

In sum, there is a serious potential for economic disaster five or ten years hence. The destruction of the natural resource base is the single most serious threat to the sustained economic growth of the region. Central American agriculture performs poorly enough as is. Further, last year's experience with Chilean grapes demonstrates just how vulnerable agricultural exports are in this area. ROCAP believes that this is an area in which its resources can make an exceptionally important and effective contribution.

In the current year ROCAP is initiating the new Natural Resources and Environmental Management (RENARM) project, a \$40 million 6 year effort embodying the region-wide E/NR strategy drafted by ROCAP and approved by LAC. This project expands and consolidates activities under three separate ROCAP projects -- Integrated Pest Management, Tree Crop Production, and Watershed Management. It involves, strengthens, and coordinates a host of NGO environment activities. It creates a greatly expanded pool of technical expertise accessible to USAIDs, NGOs, governments, and private sector entities. Lastly, it integrates the efforts of 7 bilateral missions (including Belize and Panama) in a region-wide, coordinated USG effort to protect biological diversity, reverse deforestation, preserve watersheds, reduce environmental poisoning, and generally place Central American agriculture on a long term sustainable basis.

## 2. Support to Private Sector Development in the Context of Open Freemarket Economies

ROCAP supports Private Sector Development in a variety of ways working through regional entities which work directly with national organizations on common concerns. The kind of effort we envision places a heavy emphasis on incorporating the widest number of participants in the process. It is strongly biased toward involving the private and the non-governmental sector, not only to implement programs, but to interface with one another and with officials from the private sector in establishing public policy. This notion of Central Americans interacting with one another carries with it, involvement and a broader consensus as to where the Central Americans themselves want to take the future.

Under the Economic Policy and the Private Sector Initiatives projects ROCAP funds a wide range of seminars directed at public-private sector policy dialogue, policy

research and dialogue, training and skill-building workshops, support for multicountry private sector cooperative efforts, regional cooperation, and improvement of the information base. These are being continued through the Action Plan period.

Support to export development relates both to our sustainable agriculture and our private sector development objectives. ROCAP plans an expansion of Non-Traditional Export Support activities. Using the highly successful NTE Support project as a model, follow-on projects to the NTES and LAAD projects would extend technical support to encompass non-traditional light industrial as well as agricultural exports; provide formal training opportunities; and to the extent funds are available, provide loan financing support.

If present trends continue, private sector development will soon be hobbled by increasingly expensive and unreliable electricity. A recently completed ROCAP study confirms the seriousness of the prospective regional electricity shortfall. Within the \$5.0 million CARES earmark, \$3.5 million will be added to the existing \$3 million NRECA pipeline and the project coverage enlarged to accommodate much needed work in Nicaragua and Panama. With the \$1.5 million remaining in the earmark, we will be pursuing (per our recent discussions with NRECA) a program of support for rational energy policy through training, involvement of the private sector in decision-making and technical support; all aimed at improving efficiency, increasing generating capacity, facilitating energy trading and other forms of regional cooperation, and braking demand. Starting in FY 91, a new Energy Policy Planning and Efficiency project will complement this activity ensuring a comprehensive approach not unduly restricted to rural needs.

### 3. Family and Health Services Efficiency

ROCAP has just completed a review of its Health/Nutrition Strategy. The findings indicate that, despite significant improvements in regional infant and child mortality rates, as well as immunization coverage, the major causes of death and morbidity in the populous northern tier countries of Central America continue to be infectious diseases among infants and children. Malnutrition also remains high; indeed in Guatemala and Panama, the malnutrition rate has increased. At the same time the southern tier (Costa Rica and Panama) and Belize are experiencing a transition in which heart disease, cancer and accidents are becoming the major health problems. Having achieved many coverage goals in primary health care, these countries' problems require more complex, multisectoral approaches. Other developments already having an impact on the region's health and nutrition status include rapid urbanization

and with it urban pollution and environmental degradation. At the same time, probable reductions in available external resources for health and nutrition make it essential for Central Americans to gear programs to realistic levels of effort, and manage scarce resources much more efficiently and effectively; and ways must be found to involve the private sector in broader distribution of health services.

#### 4. Promotion of Democratic Values

Support for democratic values and institutions is implicit throughout the entire ROCAP portfolio. A small amount of FY 90 funds will be used to extend the INCAE and Zamorano CAPS program to young people from Panama and Nicaragua. In FY 91, we will initiate a project directed at the promotion of democratic values--the Leadership Training project. It will succeed our CAPS activities and will consist of (1) support for the organization of professional associations, starting with these built around CAPS graduates; and (2) lectures, seminars, workshops, and short term study grants aimed at enhancing responsible government and promoting private enterprise and democratic values. ROCAP has already started implementing its Women in Development Action Plan in support of democratic values. Activities will include support for regional networks of women's groups; publication of a regional WID newsletter and research on selected topics of particular relevance to increasing the participation of women in the benefits of growth. We will look specifically at the role of women in NTE production and marketing and at increasing the number of women professionals in the regional institutions with which we work.

## II. PERFORMANCE

### A. Regional Impact Matrix

The difficulties of devising quantifiable, objectively verifiable performance impact indicators for ROCAP are well known. Such indicators are hard enough to formulate for bilateral programs. In most instances, ROCAP, working largely through regional institutions is one step further removed from the final development impact. ROCAP activities produce changes in process and policies, in the quality of work of regional institutions, in the degree of economic cooperation among C.A. states, in numbers of trained people; and in the development of regional private sector coordination entities. These in turn impact on national programs. In other instances, such as the CAPS and mother training programs, the NTAE Support project and LAAD our impact is much more immediate. Further complicating the measurement process is the shared objectives with bilateral

missions, coupled with the small scale of our projects relative to bilateral missions and to regional needs. Thus, while ROCAP projects are a vital complement to those of the bilateral missions, the measurement of ROCAP progress or contribution is often a subjective process.

Below is our best effort at those data series discussed in the ROCAP-LAC/DP cable exchange. The lack of adequate quantitative time series impact indicators should be overcome by the next Action Plan. As explained in the narrative, ROCAP is developing a series of program level impact indicators that will be on line for the 92/93 Action Plan. RENARM, the planned Health, Energy, and NTES projects will all develop such indicators either under the project or its design process.

## 1. ENVIRONMENT

### Deforestation Rate

(See Narrative). A contractor will establish a baseline figure for long term monitoring.

### Degree of Effective Protection for Key Protected Areas

(See Narrative). A grant is being given to an NGO to work with bilateral USAIDs to define "key protected areas" in each country and establish a monitoring and reporting system.

### Pesticide Abuse

(See Narrative). A contractor will assist national entities establish common definitions and standards; and a monitoring and reporting system.

### Tree Crop Production

- a. Acreage planted in commercial forests (Only '89 estimates are available. However, the project will develop and report a data series on this): Costa Rica, 10,000 ha; El Salvador, 0, Guatemala, 2,000 ha; Honduras, 2,000 ha; Nicaragua, no estimate; Panama, 0; and Belize, no estimate.
- b. Natural Tropical Forest under Sustained Yield Management: currently zero for all C. A. countries.

Institutional Development:

In FY 90 the establishment of the Central American Commission for Development and the Environment; in Honduras, legislation to control trafficking in endangered species; and in Guatemala, legislation creating CONAMA, establishing a system of protected areas, outlining the regulation of the forestry sector.

2. INCREASED VALUE OF NON TRADITIONAL EXPORTS FROM ROCAP PROJECTS

- a. NTAES PROEXAG activities have directly increased hard currency exports by \$11.5 million in CY 88/89. Together with new activities, the cumulative increase should be on the order of \$30 million in CY 89/90 and \$50 million in CY 90/91.
- b. LAAD Additional exports generated is thought to be \$25 - \$30 million per year and should remain at that level.
- c. CABEI Estimate of exports attributable to ROCAP funding are: '89 - \$16.5; '90 - \$41.7 million and '91 - \$60.7 million.

3. ENERGY

Rural population served with electricity.  
Preliminary NRECA data is as follows:

	<u>1986</u>	<u>1989</u>
Belize	20,000	20,000
Costa Rica	57,000	61,000
El Salvador	45,000	47,000
Guatemala	48,000	53,000
Honduras	<u>18,000</u>	<u>19,000</u>
	188,000	200,000

The figures above should be considered only as illustrative in that there are defined inconsistencies between countries as to what is rural. The data on rural productive use of electricity is at this point, to questionable for inclusion.

4. HEALTH: INFANT DEATH RATE PER THOUSAND

	<u>1987</u> (actual)	<u>1989</u> (preliminary)
Belize	25	NA
Costa Rica	18	16
El Salvador	68	54
Guatemala	73	71
Honduras	79	NA
Panama	22	28
Nicaragua	NA	62

5. REGIONAL ORGANIZATION INSTITUTIONAL DEVELOPMENT

A series is under construction on growth by institution of non-ROCAP funding in real dollars (as suggested by bureau). Currently 84%, 69% and 64% of the budgets of SIECA, ICAITI and INCAP, respectively, are non-ROCAP related.

6. WID

Number of women in Senior Staff positions in regional organizations receiving ROCAP support. The current figure (March of 1990) is 4 women out of 43 senior positions in 7 Regional Organizations. (A data series on this is being created and ROCAP plans to take a more proactive stance with these organizations.)

B. PROGRESS: LAC GOAL #1 -- LAYING THE BASIS FOR SUSTAINED GROWTH

1. Environment. Sustainable agriculture is the sine qua non of Central America's future growth. ROCAP's existing E/NR projects are being consolidated and vastly enlarged under the RENARM project. Current efforts are largely directed at getting this project underway. However some substantive accomplishments to date are:

-- The creation of the Commission on C.A. Development and the Environment, reporting directly to the C.A. Presidents, and shortly to the Panama and Belize Chief Executives as well.

-- Successful region-wide coordination of the RENARM project design and implementation.

- Provision of timely and effective ad hoc technical assistance to bilateral missions in the design of individual mission environmental strategies and projects consistent with the ROCAP drafted LAC Bureau C.A. Environmental Strategy.
- Direct influence on public policy (e.g., at the Guatemalan VP's request our forestry advisor worked with the GOG to improve its draft forestry law, which was subsequently enacted.)
- Interested a host of US and C.A. NGOs in assisting the implementation of our comprehensive strategy for protecting C.A.'s resource base.

For the 1992/93 Action Plan we expect to have a number of more specific progress indicators on line. A monitoring and evaluation contractor should be selected by early this summer. The contract will specify the development and tracking of objectively verifiable progress measures for both RENARM and, progress under LAC's broader C.A. E/NR program. This will include measurement of loss of forest cover through remote sensing techniques. In the long term, the focus will be on the region as a whole, while short term measurements will be made of the degree of protection afforded targeted protected areas by A.I.D. efforts. A NGO will be selected by early summer to work with missions to target specific protected areas for AID focus. Initial baseline data on these should be available by March of 1991. The monitoring system will also track pesticide intoxication, tree crop production, and other measures of both project progress and project impact.

2. Export Promotion. ROCAP's PROEXAG team continues to be oversubscribed. During the past year their interventions increased agricultural exports by some \$30 million, an increase which will continue indefinitely. LAAD remained active in supplying NTE export credit. Lastly, CABEI sharply accelerated development and disbursement of agribusiness loans, approving some \$9 million in 1988/89 under ROCAP's expiring Economic Recovery Project.

3. Economic Policy and Regional Trade Promotion. Under the Economic Policy Research Project SIECA and INCAE have collectively and severally held successful workshops, seminars, and fora which educated policy makers, trained researchers, and promoted a substantially greater private sector involvement in economic policy. In addition, influential studies were commissioned in areas such as intra-regional trade obstacles, the effect of tariff reductions, effective rates of protection, and a variety of other topics. SIECA as the secretariat to the

various Vice Presidential and ministerial level committees charged with strengthening regional cooperation, is ideally situated to ensure that project research reaches and influences the highest policy levels. INCAE provides training capacity, outreach, and academic excellence to the project.

Under the same objective, FEDEPRICAP (the Regional Federation of Private Sector Entities) has hosted workshops and seminars on debt-for-equity swaps, privatization, transportation, export strategies, GATT, and women's entrepreneurial development. Under its auspices important studies on port tariff charges are underway which could lead to substantial improvement in C.A. infrastructure and a reduction of export transport costs. Through the efforts of FEDEPRICAP and its national entities, an announced 10% rate increase by a C. A. transportation cartel was rescinded resulting in a \$13.3 million savings to C.A. melon producers. Activities are currently underway to improve cold storage facilities at various C.A. airports for export products and loading facilities at several C.A. ports for export sea freight to the U.S. The request by the new Government of Honduras for its assistance in formulating a new development policy is evidence of FEDEPRICAP's growing stature in the region.

4. In the energy area, ROCAP has completed a preliminary assessment of the electric power subsector in the region, which indicates that the region is, at best, 3-4 years away from critical power shortage which will impede development, if not met with immediate conservation and efficiency measures. ICAITI, under our REDI project, sharply improved its cost recovery position while continuing to improve energy conservation in C.A.'s industrial and household sectors. NRECA is successfully installing a demand assessment model in the Guatemalan electric power authority, which provides a productive uses basis for selecting among rural electrification projects. Other C.A. countries are interested, as are other donors, e.g. the World Bank, which has requested technical advice from the NRECA team. Los Alamos over the last three years has identified and/or evaluated geothermal sites with a potential yield of over 220 megawatts; of which some 55 MW are under construction and another 55 MW are currently planned.

### C. LAC GOAL #3 SPREADING THE BENEFITS OF GROWTH

1. Health. The infant death rate continues to fall throughout the region, with the exception of Panama. In addition to promoting health technology such as ORT, INCAP, using ROCAP funding, continues to supply important training and technical support to national entities on a full range of health activities and the design and implementation of food assistance

programs. For example, the completion of technical advisory work in improving food program logistic systems in Costa Rica, Guatemala and El Salvador has resulted in a drastic fall in donated food loss, misuse and spoilage.

2. Education. Since 1985, 90 cooperative managers, 50 small business owners, 160 public auditors, and 280 teachers have received training under the expiring ROCAP CAPS project. Informal sampling suggests that the trainees have substantially benefited both personally and professionally. Of particular note, these graduates are forming three regional professional associations which will strengthen technical capacities and otherwise further CAPS objectives.

3. Housing. The regional housing guaranty program, after months of delay due to mounting arrears to CABEI by the member governments, finally got underway in March when both Guatemala and Costa Rica became current on their loan and capital payments. CABEI was reimbursed \$6 million for a project in Costa Rica covering mortgages held by BANVI.

### III. NEW PROGRAM INITIATIVES

#### A. Overview

##### Fiscal Year 1990

Immediate Help for Nicaragua and Panama: As reported in previous communications with LAC Bureau ROCAP plans several early steps to help in Panama and Nicaragua. With a specific focus on Panama and Nicaragua, we will extend the LAAD project, expand coverage of the highly successful NTAE Support project, and extend the regional CAPS project (INCAE and Zamorano). To cover these requirements, we propose a deobligation of \$6.2 million of PSEE funds from the Central American Shelter Project (more specifically, from the off-site infrastructure component of this project) for this purpose. Reprogramming of these PSEE funds will also ease serious problems elsewhere in the portfolio by switching them with ARDN funds now slated for RENARM. With the deob/reob, we would also have sufficient PSEE funds for the Economic Policy project where LA/GC is questioning our planned use of ARDN funds.

The RENARM project, following the original project development plan, will be amended to add components for Farm Forestry and Private Sector Pesticide Management.

ROCAP will also be amending the Central American Rural Electrification Support project to provide the \$5 million earmarked by Congress. Within the project, we plan to create an Energy Policy Planning and Efficiency component of roughly \$1.5 million, possibly outside the NRECA framework. This will provide a vehicle to address urgent regional energy policy issues, and strengthen institutional mechanisms for power sharing within the region. Of particular concern will be increasing the private sector involvement in policy decisions. A recent in-house ROCAP study has detailed the likelihood of major electric power shortfalls. Indeed, power insufficiencies present a major constraint to the resumption of growth. Accordingly, to the maximum extent practical, the balance of the CARES project will be devoted to conservation and efficiency of rural electric use rather than an expansion of demand without regard to generating capacity. Further, as suggested in the House Committee Report, we will use all components of the project to seek innovative, private sector oriented solutions to rural electric power needs.

Amendments are also being made to the Private Sector Initiatives and Economic Policy Research projects (NPDs already approved) which will allow us to continue to promote sound economic policy, regional cooperation, and greater involvement of the private sector in the decision-making process.

Funding constraints (both at the overall level and in EHR and PSEE accounts) coupled with the need to incorporate Nicaragua and Panama, have delayed start-up of new projects in Education and Democratic Values, Energy Policy, and Health. The proposed Regional Development Support project will bridge the gap until new projects can be brought on line in these areas; providing both continuity and resources for planning, coordination, implementation, and follow-up. This is particularly important in that the ROCAP portfolio requires a large amount of cross sectoral technical support, coordination, and and training. The project will also fund a training officer to support the entire portfolio and begin work on the new Leadership Training activity scheduled to come on line in FY91. A second component will deal with Energy and fund our FNPSC multiproject energy officer until the Energy Policy Planning and Efficiency project comes on line in FY91. Other technical support needs will also be addressed in the project. A Health/Nutrition Advisor may also be funded here, pending the initiation of a new health project. The activity is also being designed to facilitate the tapping of Central American expertise for Panama or Nicaragua as those new governments plan their reform and development efforts.

Fiscal Year 1991

For FY 91, ROCAP proposes two RENARM amendments and four new projects. To strengthen the institutional base of the RENARM project, we will amend the project to provide Institutional Development support to CATIE, a principal project implementation vehicle. As the project gathers momentum, this will become increasingly urgent. A second amendment will modify and extend the existing ROCAP Tree Crop Production project (#596-0117) and subsume it under RENARM.

Health remains an area which demands a large measure of regional cooperation and affords substantial scale economies. Further, anticipated donor cut-backs could have a devastating effect on health care in general and child survival in particular. ROCAP's FY 91 Health 2000 project centers on (1) privatization of health services; (2) increasing efficiency and productivity within the health sector; and (3) prioritizing of public health services. In this context it will also assist national health ministries plan for reduced support. While INCAP will certainly have a major role, the focus as well as the implementation of this project will be substantially broader than that institution and its mandate.

Also for FY 91, ROCAP plans to extend its program of technical support of Agricultural Non-traditional Exports (NTES) to light industry using its highly successful PROEXAG project as a model. Technical support activities for both agricultural and light industrial activities thus will be funded in a single project. A training component and a related loan support activity will also be undertaken, resulting in a comprehensive approach to export support.

The proposed new Leadership Training and Democratic Values Support Project is also scheduled for authorization in FY91. It will fund a variety of training and organizational activities of an educational nature aimed at fostering democratic values and professional competence. Also included here will be activities aimed at upgrading the status of Women in the NTE programs and the institutions of higher learning. We hope to use this project as a sort of political-economic complement to our economic policy activities.

ROCAP remains concerned with the inadequate financial base of C.A.'s regional institutions. Presently there is an opportunity to buy steeply discounted C.A. government (or CABEI) debt and convert it into local currency endowments. As a FY 91 shelf (and FY 92 proposed) project, we would like to undertake a two year effort to use debt swaps (perhaps managed by

FEDEPRICAP) to provide endowment funds for regional institutions (most probably INCAE and INCAP.) Ten million dollars so invested could yield four or more times that amount in endowment funds. When donor assistance levels fall, such endowments could prove invaluable in preserving the regional health and educational infrastructure. Further, through our RENARM project we are trying to facilitate private sector and other donor debt for conservation swaps, and we will investigate use of such a mechanism for building a CATIE endowment as part of our FY 91 institutional strengthening activity.

Lastly, serious electricity shortfalls are likely throughout the region in the near term. The energy policy support project is sorely needed. We can initially address some of the need through the CARES project, but the problem is both urban and rural, and long term. A broad-gauge effort to involve the private sector more in critical policy decisions, to ensure that full advantage is taken of cooperative regional possibilities, and to upgrade technical capabilities is in order -- and is most efficiently done at a regional level. We propose this as an FY91 project.

Although we think it unwarranted given the large pipeline (\$7 million at present), LAC should nonetheless expect heavy Congressional pressure another NRECA \$5.0 million earmark. Given the needs for such programs in Panama and Nicaragua, we believe it should be assigned to one of these countries and not ROCAP.

#### Fiscal Year 1992

In FY 92 we will amend the RENARM project to add Coastal Zone Management. This represents a major expansion of RENARM and should receive Washington review. Protection of coastal wetlands is the major environmental concern not yet being treated within RENARM. This expansion is needed if we are to have a comprehensive program.

Unless funded earlier, FY92 new starts would also include the Debt Conversions for Development project on the shelf for FY91. Continuation of the Economic Policy and Private Sector Initiative projects also foreseen. To avoid redundancy, a second set of NPDs (in addition to the FY 90 NPDs) has been omitted. To keep options open, we do not plan to fold these amendments into the planned FY 90 amendments.

## B. Summary Listing and Project Development Schedule

<u>Project No.</u>		<u>Page No.</u>
-----FISCAL YEAR 1990-----		
'596-0108	NON-TRADITIONAL AGRICULTURAL EXPORT SUPPORT (AMENDMENT) FY90 \$0.5M ARDN; LOP increase \$8.5M PID -- N/A PP -- 6/90	20
'596-0123	EXPORT AGRIBUSINESS AND DEVELOPMENT PROMOTION (AMENDMENT) FY90 \$5.0M ARDN; LOP increase \$12.8M PID -- N/A PP -- 6/90	22
'596-0130	REGIONAL CENTRAL AMERICAN PEACE SCHOLARSHIP (AMENDMENT) FY90 \$0.5M EH; LOP \$0.5M PID -- N/A PP -- 5/90	24
'596-0146	CENTRAL AMERICAN RURAL ELECTRIFICATION SUPPORT (AMENDMENT) FY90 \$5.0 million PSEE; LOP increase \$5.0M PID -- N/A PP -- 5/90	27
'596-0147	ECONOMIC POLICY RESEARCH (AMENDMENT) FY90 \$0.7M PSEE; LOP increase \$1.3M PID -- N/A PP -- 4/90 (NPD already approved by LAC)	30
'596-0149	PRIVATE SECTOR INITIATIVES (AMEND.) FY90 \$0.5M PSEE/ARDN; LOP increase \$1.5M PID --N/A PP -- 10/90 (NPD already approved by LAC)	33
'596-0150	RENARM (AMEND.-- Seeds for Farm Forestry + Pvt.Sec. for Pesticides) FY90 \$ 1.0M ARDN; LOP increase \$4.0M PID -- N/A PP -- 6/90	35 37
'596-0162	REGIONAL DEVELOPMENT SUPPORT FY90 \$0.5M PSEE/ARDN/HE; LOP increase \$1.5M PID -- 5/90 PP -- 8/90	39

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-----FISCAL YEAR 1991-----

'596-01	OUTREACH (RENARM COMPONENT AMEND.)	42
	0.9M ARDN; LOP increase \$4.0M	
	--N/A PP -- 3/91	
	RENARM (AMEND.)	44
	CATIE INSTITUTIONAL DEVELOPMENT	
	FY91 \$ 1.0M ARDN/PSEE/EHR;	
	LOP increase \$7.0M	
	PID -- N/A PP -- 4/91	
'596-0161	ENERGY POLICY PLANNING AND EFFICIENCY	46
	FY91 \$2.0M PSEE; LOP increase \$6.0M	
	PID -- 11/90 PP -- 4/91	
'596-0164	HEALTH 2000	49
	FY91 \$ 3.5M HE/CS; LOP increase \$12.0M	
	PID --6/91 PP -- 8/91	
'596-0165	NON-TRADITIONAL EXPORT SUPPORT	52
	FY91 \$3.5M ARDN/PSEE; LOP increase \$8.5M	
	PID --1/91 PP -- 6/91	
'596-0167	LEADERSHIP TRAINING	54
	FY91 \$0.5M EHR/PSEE; LOP increase \$2.5M	
	PID --4/91 PP -- 8/91	
-----FISCAL YEAR 1992-----		
'596-0150	RENARM (AMEND.) --Coastal Zone Management	57
	FY92 \$ 2.0M ARDN/PSEE/EHR;	
	LOP increase \$6.0M	
	PID -- ___ PP -- ___	
'596-0166	Debt Conversion for Development	59
	FY92 \$5.05M PSEE; LOP \$10.25M	
	PID -- ___ PP -- ___	

FY 90

NEW PROJECT DESCRIPTION

PROJECT TITLE: Non-traditional Agricultural Export Support (Project Amendment)

PROJECT NUMBER: 596-0108

PROJECT FUNDING (000s): FY 90: \$500; LOP: \$8,500 (\$500 LOP Increase)  
Functional Account: ARDN

A. Project Goal/Purpose:

Goal: To support outward looking strategy for economic growth.

Purpose: To broaden base for agricultural exports.

B. Development Problem Being Addressed: This project is directed towards stimulating expanded exports of non-traditional agricultural exports (traditional exports are beef, coffee, sugar, cotton, banana). This amendment will permit project activities to be re-established in Panama and to begin in Nicaragua.

C. Project Description: The project will provide an additional \$500,000 to extend services to two additional countries. The project model calls for the identification of missing elements in a successful sale of Central American produce in a foreign market and then, filling the gap with appropriate interventions (training, technical advisory services, contacts with buyers, etc.). The Project has been successful in the other Central American countries; extension to Nicaragua and Panama is now possible with the recent political changes.

D. Mission Management: A PSC project manager will continue to manage the amended project.

E. Method and Timing of Obligation: The PACD will be extended for up to one year and a contract amendment negotiated with the present contractor. 5/90.

- F. Consistency with AID Objectives, Mission Strategy, Other Donor Activities, and Other Mission Activities: The agricultural portfolio of ROCAP has two primary pillars: environmental and natural resource management and non-traditional exports. This amendment extends support for the latter to Nicaragua and Panama.
- G. Policy Agenda Relevance: The project is consistent with agency policies and guidelines.
- H. Potential Issues: Will contracting rules permit an award to the existing contractor with an extension of time (longer PACD) and more funds?

NEW PROJECT DESCRIPTION

PROJECT TITLE: Export Agribusiness and Development  
Promotion  
(Project Amendment)

PROJECT NUMBER: 596-0123

PROJECT FUNDING (000s): FY 90 \$5,000; \$12,825 (Amendment only)  
Functional Account: ARDN

A. Project Goal/Purpose:

Goal: Income through exports.

Purpose: Support export oriented agribusinesses.

B. Development Problem Being Addressed: The expansion of non-traditional agricultural products requires financing that is not readily available from traditional financial institutions. In addition to the short-term operating capital required for product acquisition, emerging and expanding firms require medium term credit, in dollars, for plant and equipment. This amendment will permit the re-introduction of LAAD operations into Panama and Nicaragua.

C. Project Description: ROCAP will amend the existing project and increase the loan to LAAD under the same terms and conditions with authority for LAAD to use USG funds in Panama and Nicaragua. Following successful application of current practices, and building on past linkages with the agribusiness leaders in these two countries, individual entrepreneurs will be identified, business proposals evaluated, and loans made. It is estimated that approximately 20 sub-projects will be made within eighteen months of the amendment.

D. Mission Management: Mission anticipates the same implementation burden as the original loan.

E. Method and Timing of Obligation: A three year amendment to the existing project and loan agreement will be prepared. Authority is requested for ROCAP to approve amendment at post o/a 10/90.

- F. Consistency with AID Objectives, Mission Strategy, Other Donor Activities and Other Mission Activities: The agricultural portfolio includes natural resource management and support for non-traditional exports. This activity is directly tied to the latter.
- G. Policy Agenda Relevance: Transformation of C.A. economies from inward looking, import substitution strategy to outward looking, export driven strategy.
- H. Potential Issues: Interest rate to be charged LAAD.

NEW PROJECT DESCRIPTION

PROJECT TITLE: Regional Central American Peace  
Scholarship Program  
(Project Amendment)

PROJECT NUMBER: 596-0130

PROJECT FUNDING (000s): FY 90: \$500; LOP \$500 (Amendment only)  
Functional Account: EH

A. Project Goal/Purpose:

Goal: To contribute to the formation of more effective manpower resources, thereby insuring the leadership and technical skills needed for the progressive, balanced and pluralistic development of Central American in general, and Panama and Nicaragua in particular.

Purpose: To extend CAPS training to approximately 50 Panamanians and Nicaraguans.

B. Development Problem Being Addressed: As both Nicaragua and Panama are entering a period of greater political, economic and social development potential after a time of restrictive and, at times, negative growth, there is an urgent need for improving the human resource base of the countries. Among the development problems that this amendment may address are: outdated agricultural education, wasteful and inappropriate use of public funds and underdeveloped small business opportunities and cooperative organizations. Further investigation of training needs in both Panama and Nicaragua may identify other areas of focus.

C. Project Description: ROCAP has extensive experience in administering the CAPS program (1985-1990). More than 600 Central American participants have been trained, and structures and procedures are currently in place to carry out this expanded CAPS effort. After consultation with the bilateral Mission of Panama and the appropriate authority for Nicaragua, specific target areas for CAPS training in these countries will be established. Subsequently, procedures for selection of candidates, in-country ESL training, pre-departure orientation, etc. will be determined. All of these activities will follow the policies and procedures for CAPS as established by LAC/DR/EHR.

It is anticipated that the short-term training will utilize primarily Central American training institutions. The Central American training may be done at the Central American Institute for Business Administration (INCAE), Panamerican Agricultural School (Zamorano) and others which already have programs in place for CAPS support. Training in the United States will be carried out at appropriate universities/institutions, as identified by AID's Office of International Training, and as appropriate for the limited time of participants.

Returned participants will be included in ROCAP's present CAPS follow-on programs. These activities will reinforce training and values related to the CAPS program.

A minimum of 40% of the CAPS trainees selected will be women.

The estimated total per participant scholarship is \$11,000. This amount will include a 3-5 month, in-country ESL program, 1 month of training at a Central American regional institution, international travel, 3 months at a U.S. university/training institution and follow-on activities.

- D. Mission Management: A PSC project manager in the General Development Office of ROCAP will have overall responsibility for the day-to-day project management. This officer will be supervised by a U.S. direct hire employee.
- E. Method and Timing of Obligation: ROCAP is planning to add an additional \$500,000 in FY 90 to the regional CAPS program. Obligations are planned in the last quarter of FY 90.
- F. Consistency with AID Objectives, Mission Strategy, Other Donor Activities, and Other Mission Activities: CAPS has had major Bureau support since 1985 when a LOP authorization of \$146,000,000 was signed; as well as 1987 and 1989 amendments. ROCAP's RDSS takes into account the LAC/CAI objective (No. 13) of increasing participant training through its regional CAPS program. This amended CAPS effort will complement similar training activities currently in place or planned by the Interamerican Foundation, CARE, World Bank, EEC and the Panamerican Development Foundation.
- G. Policy Agenda Relevance: The encouragement of increased policy dialogue in relationship to improved public fiscal management, agricultural education, and private sector development will take place within the context of the project. Increasing adherence to democratic values--which

occurs mainly through the U.S. training experience--is a key objective in Nicaragua and Panama, as well as in the other C.A. countries.

H. Potential Issues:

- Because new AID Missions are being established in both Panama and Nicaragua, careful coordination will be essential.

NEW PROJECT DESCRIPTION

PROJECT TITLE: Central American Rural Electrification Support Program (CARES)

PROJECT NUMBER: 596-0146

PROJECT FUNDING (000s): FY 90: \$5,000; LOP: \$5,000  
Functional Account: PSEE

Background: FY 90 legislation earmarks \$5 Million for CARES. This project was initiated by ROCAP under a 1987 earmark. A similar FY 89 earmark was met by USAID/El Salvador.

A. Project Goal/Purpose:

Goal: Improve rural growth and Income.

Purpose: Strengthen the institutional basis for rural electrification; and improve policy with respect to electric power.

B. Development Problem Being Addressed: Inadequate and inefficient rural electrification.

C. Project Description: The project will keep its focus on rural electrification and the basic goals and objectives that the CARES program has had since its inception. As soon as permitted project activities will be expanded to include Panama and Nicaragua. The project will implement important activities in: Dialogue on Policy and Institutional Reform; Enhancement of Operational Efficiency; Least-cost Rural Electric Design; and Productive Uses of Electricity Programs.

A major new component will be Energy Policy Planning and Efficiency. Some \$1.5 million will be used to help increase private sector input into the national policy and planning process, and promote models for efficient private sector start-up activities. This activity is expected to lead to design of a stand-alone energy efficiency and policy project for FY 91.

This initiative will begin activities in training, seminars, and other fora; assist the private sector in educating itself on energy issues; and facilitate public-private sector dialogue on energy. It will also provide technical

training to officials with policy responsibility and help carry out a fuller exploration of the technical and policy possibilities for greater intra-regional cooperation in supplying electric power. The initiative will also seek to better orient public utilities to market realities; stimulate the development of private power supplies in the region by identifying the potential for, and the impediments to, private power development.

The CARES project is being implemented by the National Rural Electric Cooperative Association (NRECA) in cooperation with power utilities, ministries of energy, bilateral AID missions, and the active participation of the private sector, with special focus on electric cooperatives. The proposed Policy Planning and Efficiency initiative may be implemented outside the NRECA framework.

Discussions with NRECA/CARES regarding the earmark have already taken place. A Memorandum of Understanding is being prepared at the moment to describe in general terms how the earmark will be spent.

- D. Mission Management: A FSN Energy Officer will continue to manage this project. Increasing involvement of other ROCAP offices and USDH staff is envisioned with respect to the policy component.
- E. Method and Timing of Obligation: ROCAP requests authority to approve the PP amendment in the field. PP approval scheduled for May of 1990.
- F. Consistency with AID Objectives, Mission Strategy, Other Donor Activities, and Other Mission Activities: The CARES program is coordinated with major international financial institutions such as the World Bank and the Interamerican Development Bank (IDB) and works in support of C.A. national programs.

The Energy Policy Planning and Efficiency component of the Amendment will be closely coordinated with other ROCAP's funded private sector activities such as those with FEDEPRICAP.

The development of sound national energy policies that are integrated with national economic policies supportive of sustained economic growth; the expansion of the production of indigenous energy sources particularly in the private sector; and the improvement of the efficiency in energy use are all central to A.I.D. long term objectives.

G. Policy Agenda Relevance:

- Energy pricing.
- Opening energy sector to private enterprise.

H. Potential Issues: None.

NEW PROJECT DESCRIPTION

PROJECT TITLE: Economic Policy Research  
(Project Amendment)

PROJECT NUMBER: 596-0147

PROJECT FUNDING (000s): FY 90: \$700; LOP: \$1,300  
(Amendment only)  
Functional Account: PSEE

A. Project Goal/Purpose:

Goal: Sustained growth.

Purpose: Promote regional economic and trade  
policy development.

B. Development Problem Being Addressed: Poor economic policy  
which in part relates to lack of quality policy research  
capacity in C. A.

C. Project Description: This Project Amendment will (1) allow  
ROCAP to continue to generate policy analysis and  
recommendations which will contribute to better economic  
policies and (2) strengthen the capacities for policy  
analysis of key regional economic development institutions  
and faculties of economics and research institutions. Under  
the Project Amendment, the following activities will be  
undertaken:

1. The SIECA Grant will be amended to provide additional  
funding  
(Dols 480,000) for:
  - a. Studies and technical assistance needed to foster  
outwardly oriented, coordinated, technically sound,  
economic policy in the Region.
  - b. Strengthening the C.A. data base and making it  
readily accessible to economic and other  
researchers. (Computer data access by modem,  
library facilities, etc.)
  - c. Provide research results in a form useful to public  
and private policy makers.

2. The INCAE Cooperative Agreement will be amended to provide additional funding (Dols 300,000) to:
    - a. Continue project support for workshops, seminars and other activities aimed at upgrading research skills among Central American economists and policy analysts.
    - b. Provide funds to support technical assistance by INCAE to governments and NGOs. (New Project Component)
    - c. Host seminars, and a wide variety of activities aimed at educating not only policy-makers, but also influential groups (such as educators, journalists, politicians, etc. on economic reality and its implications). (New Project Component)
  3. The IESCARIBE Cooperative Agreement will be amended (Dols 150,000) to continue U.S. and extraregional technical assistance to support project activities of INCAE and SIECA.
  4. ROCAP (Dols 270,000) will employ C.A. nationals as project manager, project economist and provide clerical support, and arrange for evaluations and audits, as required.
- D. Mission Management: ROCAP Program Office will administer the Project. Project funds will be utilized to oversee and coordinate activities. The team management concept for the Project will be continued with a project steering committee, chaired by the Project Manager, with representation from each grantee--SIECA, INCAE and IESCARIBE.
- E. Method and Timing of Obligation: A Project Agreement with the Permanent Secretariat of the Central American General Treaty for Economic Integration (SIECA), Cooperative Agreements with the Central American Institute of Business Administration (INCAE), the Institutes of Economic and Social Research of the Caribbean Basin (IESCARIBE), and direct ROCAP contracts for PSC project support. PP Amendment to be reviewed by ROCAP in April. Request authority to approve at post.

- F. Consistency with AID Objectives, Mission Strategy, Other Donor Activities, and Other Mission Activities: The Economic Policy Research is an integral part of A.I.D.'s strategic goal of basic policy reforms leading to rapid and sustained economic growth and to ROCAP's RDSS Objective of Promotion of Regional Economic and Trade Policy.
- G. Policy Agenda Relevance:
- Full range of macroeconomic and microeconomic policies.
  - Regional cooperation.
- H. Potential Issues: The main issues to be resolved are the coordination problems between the three grantees and involving the bilateral USAID economists more directly.

NEW PROJECT DESCRIPTION

PROJECT TITLE: Private Sector Initiatives  
(Project Amendment)

PROJECT NUMBER: 596-0149

PROJECT FUNDING (\$000): FY 90: \$500; LOP: \$1,500  
(Amendment only)  
Functional Accounts: ARDN & PSEE

A. Project Goal/Purpose:

Goal: Sustained growth.

Purpose: Promote regional economic and trade  
policy development.

B. Development Problem Being Addressed: 1) lack of sound  
economic and trade policy in part resulting from  
insufficient inclusion of the Private Sector in the policy  
making process. 2) insufficient coordination and  
information disseminated between national private sector  
organizations in the region.

C. Project Description: FEDEPRICAP, a Regional Private Sector  
Umbrella Organization, will provide technical assistance  
and training to its members and other private and public  
organizations involved in or associated with development.  
In an effort to help generate ideas and designs for  
specific regional programs which will address constraints  
in the areas of transportation, finance and trade,  
FEDEPRICAP will offer four kinds of assistance to its  
members: (1) It will conduct policy analyses on specific  
issues related to transportation, finance, trade and  
tariffs. Analyses will also address potential impacts of  
proposed policy and legislation by the U.S. and the  
European Economic Community; (2) FEDEPRICAP will coordinate  
with its member associations in monitoring government  
activities which impact on regional commerce, trade,  
finance and development; (3) It will coordinate and  
facilitate negotiation of conflicts between and among  
productive sectors, labor and management, and government  
and business on selected issues; and (4) FEDEPRICAP will  
establish an information network and referral system on  
trade and investment, finance and credit, and  
transportation.

- D. Mission Management: The proposed amendment will provide additional resources to hire a PSC Private Sector Officer to manage this project and coordinate all ROCAP activities related to private sector development.
- E. Method and Timing of Obligation: A cooperative grant agreement in accordance with procedures outlined in Handbook 13. This NPD was approved by LAC on 2/28. The PP Amendment is expected to be approved in the field in April.
- F. Consistency with AID Objectives, Mission Strategy, Other Donor Activities, and Other Mission Activities: ROCAP's Regional Development Strategy, includes promotions of regional economic and trade policy development, and calls for ROCAP to support such development through studies, advisory services and seminars. Project activities will encourage and facilitate a broad dialogue among the leadership in the region in the private and public sectors, labor and management, and business and academia as a means of promoting sound economic and trade policies. This Project responds to the increasing recognition among C.A. governments of the essential role of private sector growth in socioeconomic development. This was underscored in January, 1988, when the vice-presidents of Central America and Panama jointly developed an outline for a regional economic development reactivation plan, in which the private sector is to play a leading role. USAIDs and other donor agencies are working in the area of economic policy to increase investment and trade, yet mechanisms for private sector participation in regional policy decisions have not yet been adequately developed. The Project is fully consistent with Agency policies. It focuses on export-led growth and development strategies, and increasing reliance on the private sector as the motor of economic growth.
- G. Policy Agenda Relevance: Economic policies for Private Sector Development.
- H. Potential Issues: Sustainability. (However, the project is being justified on the basis of discrete activities.)

NEW PROJECT DESCRIPTION

PROJECT TITLE: Seeds for Farm Forestry  
(RENARM Component Amendment)

PROJECT NUMBER: 596-0150

PROJECT FUNDING (000s): FY 90: \$500; LOP: \$2,000  
(Amendment only)  
Functional Accounts: ARDN

A. Project Goal/Purpose:

Goal: Environmental preservation.

Purpose: Tropical reforestation.

B. Development Problem Being Addressed: Lack of appropriate seeds for farm forestry. Each of the countries in Central America has a forest tree seed bank. While they have been short of staff, training, equipment and operating funds, two previous regional projects at CATIE have identified the best species of multi-purpose trees for small and medium farmers to plant. With this knowledge, efforts can now turn to correcting an important cause of the failure of many tree plantations in the region -- inappropriate seed sources.

C. Project Description: ROCAP will provide funds to a regional organization (either CATIE or ESNACIFOR) to help increase the capacity in the region to supply sufficient, high quality seed for reforestation. Financial self-sustainability of the seed banks will be emphasized.

Through short courses and workshops, seed bank technicians will be trained, seed distribution and pricing policies developed, distribution systems organized, seed procured and marketed. Seed collection will be coordinated on a regional basis to take advantage of the distribution of natural stands and existing plantations.

D. Mission Management: Mission anticipates approximately the same implementation burden as the other components of RENARM being implemented by CATIE.

- E. Method and Timing of Obligation: An HB 3 grant to CATIE or ESNACIFOR. ROCAP is requesting AID/W approval to authorize this project at post. Estimated approval of this RENARM component: 10/90.
  
- F. Consistency with AID Objectives, Mission Strategy, Other Donor Activities, and Other Mission Activities: The proposed amendment rounds out the AID assistance program focused on the management of priority areas having the potential of supplying a large part of the region's demand for wood and addresses the policy and institutional weaknesses limiting development of the natural resource base in Central America. This project will feed into and reinforce farm forest effort being undertaken by bilateral missions.
  
- G. Policy Agenda Relevance: Inter-government cooperation on exchange and collection of seed stock.
  
- H. Potential Issues: 1) Will national governments allow mechanisms for the seed banks to finance themselves and can they be operated on a commercial basis; and 2) will there be sufficient cooperation among the countries to exchange seed stocks and coordinate collection?

NEW PROJECT DESCRIPTION

PROJECT TITLE: Private Sector Pesticide Management  
(RENARM Component)

PROJECT NUMBER: 596-0150

PROJECT FUNDING (000s): FY 90: \$500; LOP: \$2,000  
Functional Accounts: ARDN

A. Project Goal/Purpose:

Goal: Environmental preservation.

Purpose: Pesticide management.

- B. Development Problem Being Addressed: Unsafe and environmentally unsound use of pesticides. The framework of laws, personnel, budgets and infrastructure of Central American government agencies regulating pesticide use are in different stages of development and with differing levels of proficiency. There is interest in harmonizing this regulatory framework. This amendment will seek to strengthen the pesticide registration and quality control. Both are critical for assuring appropriate formulation and importation of desirable pesticides, as well as assuring the safe and appropriate presentation and distribution. These actions would also contribute to the quality certification of food for export and domestic consumption.

The proposed amendment is further directed towards strengthening private sector awareness and participation concerning appropriate pesticide usage, through three key variables: information, education and technology. The goal is to develop national capabilities in pesticide management that lead to minimal but effective on farm pest control practices that are also economic and environmentally sound and long lasting. The Peace Corp is expected to collaborate in the dissemination and demonstration of information on unsafe handling and use.

- C. Project Description: ROCAP will provide funds for five basic activities: 1) regional workshops (for private-ag-chemical companies, national plant protection agencies and national and regional technical organizations); 2) development and dissemination of educational materials; 3) upgrading regional and national

laboratory facilities; 4) strengthening and upgrading of the pesticide certification course with EAP; and 5) specific technical assistance to be determined.

- D. Mission Management: Mission anticipates approximately the same implementation burden as the other components of RENARM being implemented by CATIE.
- E. Method and Timing of Obligation: Funding will be obligated under a number of PSCs, one PASA, and one or more contracts.

ROCAP is requesting AID/W approval to authorize this project at post. Estimated approval of revised component: 6/90.

- F. Consistency with AID Objectives, Mission Strategy, Other Donor Activities, and Other Mission Activities: This project component is fully consistent with the RDSS, with the LAC Central American Environmental Strategy, and with AID environmental preservation objectives. This component is a logical follow-on to existing ROCAP activities, links with other RENARM activities and reinforces or complements bilateral, other donor, and national activities.
- G. Policy Agenda Relevance: Pricing and subsidization of pesticides; regulatory practices with regard to pesticide importation, sale, and use; and regional harmonization of regulations and overall cooperation in this area.
- H. Potential Issues: There are several issues: 1) lack of coordination and integration among the principle actors involved in pesticide use; 2) development and empowerment of ICAITI as the regional quality control facility; 3) developing the service orientation of pesticide laboratories necessary to meet the increasing and changing demands of current pesticide analysis on a commercial scale; 4) an absence of a recognized, regional standardized certification program for those who recommend pesticides and introduce applicators in their usage; 5) the limited availability of the specialized expertise needed in the region.

NEW PROJECT DESCRIPTION

PROJECT TITLE: Regional Development Support  
(New Project)

PROJECT NUMBER: 596-0162

PROJECT FUNDING (000s): FY 90: \$500; LOP: \$1,500  
Functional Accounts: PSEE, ARDN & HE

A. Project Goal/Purpose:

Goal: To promote regional consensus on economic and social development strategies which ensure that future growth will be more responsibly implemented and equitably shared.

Purpose: To assist in designing alternative private sector-led development strategies which will promote intra-regional consensus on new directions in energy, health, education and the promotion of democratic values.

B. Development Problem Being Addressed: A.I.D.'s Central American program during the last decade has emphasized economic stabilization and structural reform, democratization, and critical social services. The program has been pursued through a wide range of bilateral and regional activities. As projected resource levels for the 1990s shrink, these program objectives remain valid and increased emphasis must be placed on building upon our successes to date to achieve synergism among bilateral and regional programs. Building upon the considerable investment AID has made in the region under the Central American Initiative (CAI), ROCAP proposes to target discrete activities aimed at promoting regional consensus on economic and social development strategies which ensure that future growth will be more responsibly implemented and equitably shared.

C. Project Description: This three-year project will assist in solidifying and extending progress against the CAI goals by promoting broader consensus among Central Americans on economic and social strategies which will provide greater participation in the democratic process. With fewer planned resources available for the region, the proposed

project will seek to achieve more efficient and effective use of existing resources directed towards CAI goals. It will address common needs throughout the region for promoting private sector led country and regional development strategies and interventions in the areas of Energy, Health, Education/Training and in promoting democratic values. Activities will include: policy analysis, information gathering and dissemination, skills training, and rapid and reliable access to high quality, up-to-date technical assistance.

In addition, the project will fund one long-term Technical Advisor in each of the areas of Energy, Education/Training and Health. It is envisaged that these advisors will work with appropriate private sector groups at the regional level to foment private sector led strategies for sustained growth. The Project will especially target the incorporation of women into the developmental process.

Finally, in conformance with ROCAP's technical support role, the proposed project will provide funding for activities to maximize exchanges of information among missions on approaches to common problems. Additionally, the Project, through a small contract with an institutional contractor will fund seminars, workshops, policy analysis and training.

- D. Mission Management: A PSC project manager in the Project Development Office of ROCAP will have overall responsibility for day-to-day project management. This officer will be supervised by a U.S. direct hire employee.
- E. Method and Timing of Obligation: ROCAP requests Bureau concurrence with Mission Director delegation of authority to approve the PID and PP. Estimated PID approval: 5/90; PP approval: 8/90.
- F. Consistency with AID Objectives, Mission Strategy, Other Donor Activities, and Other Mission Activities: In concert with the CAI, AID's strategy for Central America emphasizes progress in four principal areas: (1) near-term economic stabilization; (2) structural transformation aimed at self-sustaining growth over the medium term; (3) achievement of broad distribution of the benefits of growth; and (4) institutionalization of democratic processes. A.I.D.'s program encompasses a wide range of bilateral and regional activities. However, expectations on what can be achieved under the various efforts must now be adjusted based upon reduced resource levels.

The promotion of democratic values is a high priority goal both for the agency and the bureau. If democracy is to survive and prosper in Central America, its citizens must learn to take responsibility for their own actions, demand responsibility and accountability in both the public and private sector, relate to one another with respect and forbearance, and actively engage in the business of governing themselves.

Bilateral missions, regional and national organizations and other donors will utilize the various project components to assist in designing alternative private sector led development strategies which will promote intra-regional consensus on new directions in energy, health, education and the promotion of democratic values. All activities under the project will be carefully coordinated with host country, other donors, and bilateral AID mission programs.

- G. Policy Agenda Relevance: Policy dialogue within the private sector and with Government officials will be a key activity of the proposed project.
- H. Potential Issues:
- Bilateral Mission Input.
  - Contracting Options.
  - Activity Selection Criteria.

FY 91

NEW PROJECT DESCRIPTION

PROJECT TITLE: Tree Crop Outreach  
(RENARM Component Amendment)

PROJECT NUMBER: 596-0150

PROJECT FUNDING (000s): FY 91: \$916; LOP: \$4000  
Functional Accounts: ARDN

A. Project Goal/Purpose:

Goal: Environmental preservation.

Purpose: Tropical reforestation.

- B. Development Problem Being Addressed: Deforestation.  
During the last few years the rate of tree planting has been accelerating in each of the countries in the region. Much of this increase is due to the work of the Tree Crop Production Project. Through private investments, the initiatives of small farmers, public sector projects, NGO projects and tax incentive schemes, tens of millions of dollars are being spent annually on tree planting in Central America. The proposed amendment will support those efforts by getting technical, financial and organizational information to those involved in tree planting and management, thereby helping to accelerate the process and to avoid costly mistakes.
- C. Project Description: ROCAP will provide funds to CATIE to continue, for five years, two complimentary lines of action of the Tree Crop Production Project which is scheduled to end in August 1990: 1) computerized information management, and 2) dissemination of information on multi-purpose trees. Through the first line, CATIE will continue to enhance the management information system on multi-purpose trees (MIRA) and the INFORAT forestry documentation service, and will expand user access to both of these services. (These are the largest depositories of forestry information in the region.) Through the second line, CATIE will train extensionists from numerous institutions in the countries and will develop extension materials for them, based on the information generated by the Tree Crop Production Project.

- D. Mission Management: Given the reduced scope of this component as compared to the Tree Crop Production Project and the long experience with that Project, the implementation burden is likely to decrease somewhat from what it is now.
- E. Method and Timing of Obligation: HB 3 grant to CATIE. (A proposal has already been submitted by CATIE.) Authority to approve PP amendment in the field is requested. Estimated approval of Component Amendment: 11/90.
- F. Consistency with AID Objectives, Mission Strategy, other Donor Activities, and Other Mission Activities: The proposed amendment to the Regional Environmental and Natural Resources Management Project (RENARM) will capitalize on almost a decade of accumulated experience and accomplishments by two ROCAP projects (Fuelwood Project and Tree Crop Production Project), to continue to make that information available to the rapidly increasing number of potential users. ROCAP's overall approach to preserving and managing natural resources is to heighten the awareness among countries and donors of natural resource/environment matters, to transfer needed technology and to offer technical support for improved project design (RDSS p.58).
- G. Policy Agenda Relevance: Preservation of tropical forests.
- H. Potential Issues: While the Tree Crop Production Project has achieved most of its objectives of transferring responsibility to the countries, the mechanisms of sustaining information management and related activities that are best handled in a centralized fashion, need to be addressed.

NEW PROJECT DESCRIPTION

PROJECT TITLE: Institutional Development  
(RENARM Component Amendment)

PROJECT NUMBER: 596-0150

PROJECT FUNDING (000s): FY 91: \$1,000; LOP: \$63,000  
(\$7,000 amendment)  
Functional Account: ARDN

A. Project Goal/Purpose:

Goal: Sustainable use of natural resource in  
Central America.

Purpose: To establish the institutional  
foundation, private and public, for  
rational use of natural resources.

B. Development Problem Being Addressed: The degradation of the  
natural resource base in Central America threatens the  
income base for majority of citizens; is destroying  
important biological species, and; is eliminating  
opportunities for future generations. Sound management of  
natural resource is a sine qua non for economic and social  
stability.

C. Project Description: The project address a wide range of  
environmental and natural resource management issues  
throughout Central America, including the scientific  
institutional base necessary for successful identification  
and execution of interventions. This amendment will provide  
resources to assure the financial and operational integrity  
of the Tropical Agronomic research and teaching center  
(CATIE) in Costa Rica, a regional research and training  
center.

D. Mission Management: ROCAP has placed a USDH Liaison officer  
at CATIE to directly supervise the execution of ROCAP funded  
activities. This amendment will come under this officers  
per view.

E. Method and Timing of Obligation: Following intensive  
examination of the financial and managerial situation at  
CATIE, including examination of debt swaps for endowments,  
an amendment will be prepared and presented to AID/W for  
authorization. The analysis phase is expected to run  
through November, 1990 and the project amended by April 1991.

- F. Consistency with AID Objectives, Mission Strategy, Other Donor Activities, and Other Mission Activities: The agricultural portfolio of ROCAP has two pillars: environment and natural resource management and non-traditional exports. This amendment is a critical element of the former.
- G. Policy Agenda Relevance: This project is consistent with agency policy and guidance on environmental programs.
- H. Potential Issues: Is the existing charter of CATIE, including the composition of the Board of Directors adequate for improved fiscal and program management or will radical changes be required before additional funds could be effectively utilized?

NEW PROJECT DESCRIPTION

PROJECT TITLE: Energy Policy Planning and Efficiency

PROJECT NUMBER: 596-0161

PROJECT FUNDING (000s): FY 91: \$2,000; LOP: \$6,000  
Functional Account: PSEE

A. Project Goal/Purpose:

Goal: To increase private sector input into the national energy policy and planning process, and to promote models and programs for efficient private sector power generation.

Purpose: To alleviate projected energy shortfalls and achieve greater efficiency of use through improved, private sector-oriented, energy policy and planning.

B. Development Problem Being Addressed: There is very little private sector input into the decision process on electricity supply and development, thus missing a voice essential to sound planning. Demand for electricity will exceed supply in all C.A. countries by 1993-96; but countries will be unable to increase capacity substantially through new construction, due to their external debt. Improved energy efficiency and policy could significantly reduce/postpone the need for new capital investment in this sector.

C. Project Description: The project will, through training, seminars and other fora, assist the private sector in educating itself on energy issues and facilitate public-private sector dialogues on energy. Officials with policy responsibility will be given technical training and assistance to help carry out a fuller exploration of the technical and policy possibilities for greater intra-regional efficiency of utilization and cooperation.

The project will also seek to better orient public utilities to market realities, stimulate the development of private power supplies in the region by identifying the potential for, and the impediments to, private power development, and provide technical assistance in demand management.

Resulting improvements in policy and end-use efficiency, along with new private sector power supplies, are to reduce significantly public funding requirements for new electric plants and rationalize electric usage.

The direct beneficiaries will be private sector users, and later all users of electricity will benefit from improved availability and reliability of supplies.

Major Outputs:

- policy dialogue and studies;
- Policy and institutional change in power authorities;
- Training workshops and seminars;
- Demand management models and demonstrations;
- Institutionalized private sector involvement in energy policy.

Financial Plan:

<u>A.I.D. Financed Inputs</u>	<u>LOP</u> <u>(\$000)</u>
Technical Assistance	1,250
Training	1,750
Institutional Strengthening	1,250
Equipment and Demonstrations	<u>1,750</u>
TOTAL	\$6,000

Sustainability:

The Project seeks to initiate an ongoing public-private partnership for energy efficiency in the region.

- D. Mission Management: The project will be managed by the FSN Regional Energy Advisor of the ROCAP General Development Office, under the general supervision of a US direct hire.
- E. Method and Timing of Obligation: An initial obligation of \$2.0 million is scheduled in FY 91; and estimated final obligation in FY 94. Contracts will be signed with a consulting firm and appropriate Central American institution(s) to carry out the training and policy analysis described above.

F. Consistency with AID Objectives, Mission Strategy, Other Donor Activities, Other Mission Activities: This project responds directly to A.I.D.'s strategy for the promotion of efficient energy utilization, and the increased involvement of the private sector for the development of energy resources. A regional approach is proposed because of the similarity of the situation in several countries, and the necessity to manage and trade electricity regionally.

The proposed project will complement efforts of other donors who are largely concentrating on infrastructure development and technical assistance to the public sector.

G. Policy Agenda Relevance: The project is in line with A.I.D.'s long-term objectives for the energy sector, namely, the development of sound national energy policies that are integrated with national economic policies and supportive of sustained economic growth; the expansion of the production of indigenous energy sources; and the improvement of the efficiency in energy use. AID focus is in the development of the most cost-effective energy supplies necessary for development, and in the promotion of private sector involvement in supplying electric power.

H. Potential Issues: Support of the C.A. governments for the project.

NEW PROJECT DESCRIPTION

PROJECT TITLE: Health 2000  
PROJECT NUMBER: 596-0164  
PROJECT FUNDING (000s): FY 91: \$3,500; LOP: \$12,000  
Functional Accounts: HE & CS

A. Project Goal/Purpose:

Goal: Better and more equitable health care in the Central American region by anticipating the key health/nutrition problems of the next decade.

Purpose: To support a coherent health/nutrition strategy that enables Central Americans to more effectively secure their health and nutrition status.

B. Development Problem Being Addressed: This project seeks to help regional and national Health care entities cope with declining donor resources, and continued national budget stringencies in the region. Improving child survival and undernutrition remain priorities and the proposed project will help consolidate technical support in the region. The project will seek to address underlying deficiencies in health care delivery and finance in the region, especially improving management capability and involving the private sector more effectively.

C. Project Description: The project will encompass the following components:

1. Improving family health and nutrition status through (\$5 million):

- a) Applied and operations research and development in areas such as maternal and fetal undernutrition; neonatal and early infant mortality, breast-feeding and weaning practices, dietary management of diarrhea, micronutrient deficiencies, food distribution, food quality and safety and food security.

- b) Technical assistance, training and information dissemination on family health and nutrition.
  - c) Policy development and dialogue in areas related to family health and food security.
  - d) Research and development on addressing chronic diseases, high rates of accidents among the 25-44 age groups, and other emerging health problem areas.
2. Strengthening management capabilities in the health and nutrition sector through (\$4 million):
- a) Exploration of innovative approaches to improve management skills (e.g. distance learning, materials development, etc.)
  - b) Management training and policy dialogue at a regional level, especially for high level managers in the public and private sector.
  - c) Institutional strengthening of INCAP to improve its capability to provide and market its technical expertise.
3. Mobilizing the Private Sector to finance and deliver health services
- a) Innovative approaches to increase private sector provision of health services.
  - b) Specific support to private sector agencies for technical assistance training, policy dialogue, and information dissemination on AIDs. The project will work with selected organizations, both public and private, in the region providing management development and training services.
- D. Mission Management: The project will be managed by a USDH Health Advisor who is currently being recruited for ROCAP's General Development Office.
- E. Method and Timing of Obligation: Handbook 3 grants to one or more regional organizations together with direct PSC contracts and TA contracts. ROCAP requests that the Bureau delegate authority to approve the PID/PP to the Mission Director. Expected PID approval 6/90 and PP approval 8/90.

F. Consistency with AID Objectives, Mission Strategy, Other Donor Activities, and Other Mission Activities: This project responds to AID's strategic goal to reduce mortality and undernutrition among infants, children and other vulnerable groups. It is also consistent with regional strategy to reduce the dependence among regional organizations on ROCAP funding. In addition, the project responds to AID's objective of mobilizing increased involvement of the private sector. Further it is a logical extension of previous ROCAP activities. This will be a principle activity for the USDH Health Advisor position currently vacant.

G. Policy Agenda Relevance:

- improved health/nutrition status for the most vulnerable low income target group and of more effective management of scarce resources;
- promotion of cost recovery policies;
- promotion of policies facilitating a greater private sector role.

H. Potential Issues:

- 1) Is there sufficient ability to develop innovative, private sector-managed solutions to health/nutrition care needs?
- 2) What is the outlook for donor and Central American government health funding and how does this track with project objectives? How can regional and bilateral health/nutrition funding best be coordinated for maximum benefit?
- 3) Will regional governments and/or private sector be able/willing to pay for technical services from the newly client-oriented INCAP?

NEW PROJECT DESCRIPTION

PROJECT TITLE: Non-traditional Export Support  
PROJECT NUMBER: 596-0165  
PROJECT FUNDING (000s): FY 91: \$3,500; LOP: \$8,500  
Functional Accounts: ARDN & PSEE

- A. Project Goal/Purpose: To strengthen or create private sector capabilities within Central America through the provision of specific technical assistance, training and financing to non-traditional exports organizations and their clientele.
- B. Development Problem Being Addressed: The lack of in-country knowledge of the inter-workings of the international produce industry and the light manufacturing industries will be hampering consolidation of gains for the next decade.
- C. Project Description: The project will have two interacting components: 1) the continuation of the PROEXAG project with few modifications, and 2) using the PROEXAG model, providing assistance to the light industry sector (PROEXIND).
1. The PROEXAG model will continue following the same basic concepts that have made it a successful venture. Some probable variations: increase funding for specific research that is not being done elsewhere; include tropical fruits in the crop groups; increase local staff; set up offices in countries other than Guatemala; and increase or change the crop and theme specific training activities.
  2. Given the successful implementation of the PROEXAG "deal" model, whereby weak links in a produce venture are identified and assistance given to overcome these weaknesses, this project proposes to provide the same aid to the light industry export sector. A team of experts in marketing, promotion, market information, production techniques, etc. will be backed up by short term specialists. The areas to be covered will be drawback industries such as clothing and shoe manufacture, light electronics, assembly plants, furniture, etc. Assistance will also be given to establishing new areas. Those areas of light industry that deal with the agriculture sector such as juice

processing, frozen plants, etc. will be handled under the PROEXAG portion. PROEXAG and PROEXIND component will address training requirements for shortage in some skill areas.

The PROEXAG and PROEXIND projects will have specific sections targeted at women, and gender considerations be included in the design of the project. A large percentage of women are involved in both industries at the packing plant level and in light industry and therefore will be given special attention.

Both project will work with existing export federations and assist in the creation of crop or industry associations. Much new technology has been shown to stay at the producer and broker level. This assistance in building up user friendly libraries will provide for the sustainability of the project.

- D. Mission Management: The project will be managed by a PSC project manager.
- E. Method and Timing of Obligation: One or more contracts plus a loan agreement. Mission request authority to approve PID and PP. Expected PP approval 6/91, PP approval 7/91.
- F. Consistency with AID Objectives, Mission Strategy, Other Donor Activities, and Other Mission Activities: The countries in the region have all shown a strong commitment to developing non-traditional exports. Individual countries all have their own organizations, some product specific and other fitting under one general group. The bilateral missions are providing financial assistance, and limited specific technical assistance, but no one is yet able to provide across the board expertise to deal with very similar problems in the region. The PROEXAG project has shown to be very effective in providing technical assistance quickly in those areas of most need and being the forerunners in areas that as experts, they think the industry should move into (asparagus, tropical flowers). LAAD provides a financing to those risk takers in the region that are unable to receive the financing under the conditions they deem necessary. This project is consistent with all bilateral plans and complements their efforts.
- G. Policy Agenda Relevance:
- Export trade barriers.
  - Exchange rates.
- H. Potential Issues: None.

NEW PROJECT DESCRIPTION

PROJECT TITLE: Leadership Training  
PROJECT NUMBER: 596-0167  
PROJECT FUNDING (000s): FY 91: \$500; LOP: \$2,500  
Functional Account: EH

A. Project Goal/Purpose:

Goal: Strengthen democratic institutions.

Purpose: Train potential leaders in democratic processes and values.

B. Development Problem Being Addressed: Lack of managers and other leaders committed to democratic values in development. More than 400 returned ROCAP CAPS participants have organized spontaneously into regional interest groups. These groups are active in networking and meet to discuss common problems and interests. The regional group of Public Auditors put on a conference on ethics in financial management. The small business and cooperatives group met recently to discuss business trends and management. This suggests a model for a broader project encompassing a wide range of USG (and possibly other donor funded) training graduates. Among these are likely to be tomorrow's managers and other leaders in their respective countries. Strengthening these people's commitment to democratic processes and equitable development should have a positive impact at both the national and regional levels.

C. Project Description: Thousands of Central Americans already have been trained in technical/academic areas through several U.S. government-sponsored efforts, i.e., CAPS, A.I.D. project related training, Humphrey and Fullbright scholarships, etc. This activity will help the USG multiply the developmental and political impact of this training.

This project will focus the energy of these potential Central American leaders on democratic values, political and economic rights while further strengthening their technical competency in their respective fields. It will also help support regional networking and encourage cohesion in and among interest groups, many of which are already forming on their own. In addition to the potential target group of trainees mentioned earlier, regional women's groups working on development issues will also receive training and support.

Special emphasis will be placed on motivating the participants to participate in the development processes at work in each of their countries and the region as a whole. Besides initial motivational training, additional project activities will be designed to enhance and sustain leadership commitment oriented toward democratic values and procedures.

Training in the areas noted above, along with limited financial support, will be provided to and through regional interest groups which have already formed. Assistance will also be provided for the formation of new groups which encourage intra-regional affiliation and cooperation. Efforts will be made to insure that persons receiving training will transfer their new knowledge and values to others in their field, both to increase the spread effect of this project, and to create blocs of professionals and business people who can support their own countries' move toward democratic, development-with-equity oriented societies.

Implementing Agencies: A U.S. consulting firm or university will have responsibility for overall project implementation. A variety of Central American institutions and PVO's will be used to provide training and /or organizational support to regional interest groups. There may be some short-term training in the US.

- D. Mission Management: A USDH or PSC employee in the General Development Office will have overall responsibility for project monitoring, and supervision of the general contractor.
- E. Method and Timing of Obligation: Estimated PID Approval: 4/91. PP Approval: 8/91. ROCAP requests Bureau concurrence with Mission Director delegation of authority to approve the PID and PP.
- F. Consistency with AID Objectives, Mission Strategy, Other Donor Activities, and Other Mission Activities: This project is intended to further the competency of tomorrow's Central American leaders; and better acquaint them with democratic processes, and encourage their commitment to honest, development-oriented government and private enterprise. This enlargement of ROCAP involvement in Central America's democratization process is fully consistent with the current RDSS (Goal IV); and builds on progress achieved under the CAPS program, and other activities.

This project will strengthen the human resource base of Central America and instill democratic values. It will also promote honest, development-oriented government, growth with equity and human rights, and market-driven economies. All of these are central to Bureau and Agency Policy. Further, this builds directly on all US and other donor training programs.

- G. Policy Agenda Relevance: Foster Public Sector responsibility, and democratic values and processes.
- H. Potential Issues: Long-term viability of groups being trained; and possible political sensitivity to support for non-official interest groups.

FY 92

NEW PROJECT DESCRIPTION

PROJECT TITLE: Coastal Zone Management  
(RENARM Component Amendment)

PROJECT NUMBER: 596-0150

PROJECT FUNDING (000s): FY 92: \$2,000; LOP: \$6,000  
Functional Accounts: ARDN & PSEE

A. Project Goal/Purpose:

Goal: Environmental preservation.

Purpose: Coastal zone management.

B. Development Problem Being Addressed: Lack of a coherent regional (or even national) program for the management of coastal zone resources.

C. Project Description: ROCAP will provide funds for five basic activities: 1) help develop procedures to address impacts of coastal development, 2) strengthen local planning and management capabilities, 3) conduct research to identify key resource management problems, 4) implement public education programs, and 5) technical assistance.

D. Mission Management: Mission anticipates utilizing buy-ins to existing projects and implementing some activities through agreements with NGOs.

E. Method and Timing of Obligation: Estimated approval of Amendment: late FY 91/early FY 92.

F. Consistency with AID Objectives, Mission Strategy, Other Donor Activities, and Other Mission Activities: The project supports established A.I.D. goals and is particularly responsive to congressional concerns expressed in the current aid legislation.

G. Policy Agenda Relevance: Environmental preservation.

- H. Potential Issues: There are several issues: 1) political will to enforce ration management practice; 2) lack of coordination and integration among the principle actors involved in coastal zones; 3) development and empowerment of a regional entity to address international coastal management issues; 4) an absence of appropriate norms and standards; 5) the limited availability of the specialized expertise needed in the region; and 6) lack of information and appropriate monitoring procedures which are necessary to develop environmentally sound coastal management plans.

NEW PROJECT DESCRIPTION

PROJECT TITLE: Debt Conversion for Development  
PROJECT NUMBER: 596-0166  
PROJECT FUNDING (000s) FY 92: \$5,050; LOP \$10,250  
Functional Account: PSEE

A. Project Goal/Purpose:

Goal: To assist two Central American regional institutions to become self-sufficient.

Purpose: To establish endowment funds for the core operating costs of two Central American regional institutions.

B. Development Problem Being Addressed: This project through a debt conversion mechanism, will establish endowment funds to offset part of the basic operating costs of two regional institutions, the Central American Institute for Business Administration (INCAE) and the Institute of Nutrition for Central America and Panama (INCAP).

C. Project Description: The project will provide \$10.25 million to purchase from commercial banks or from the Central American Bank for Economic Integration (CABEI), debt which is owed that bank by the Central American nation which will establish the endowment fund. The buyer (agent) presents the debt certificate to the Central Bank of the C. A. nation and obtains redemption in that nation's currency of 100% of face value. The Central Bank then retires the debt. The agent of the debt, having now received local currency will establish the endowment fund.

It is anticipated that the project will utilize the services of the Federation of Central American Private Sector Entities (FEDEPRICAP) as the agent who will acquire the foreign debt instruments and that the regional institutions will be the Central American Institute for Business Administration (INCAE) and the Institute of Nutrition for Central America and Panama (INCAP). During project development, an institutional assessment of both INCAE and INCAP will be carried out to determine the most appropriate use of the endowment fund.

**Implementation Arrangements:** The project will work with three regional institutions, the Central American institute for Business Administration (INCAE), the Institute of Nutrition for Central America and Panama (INCAP) and the Federation of Private Sector Entities in Central America and Panama (FEDEPRICAP).

Financial Plan:

A.I.D. Financed Inputs

	<u>LOP</u> <u>(\$000)</u>
Technical Assistance	250
Capital for Purchasing Debt	<u>10,000</u>
TOTAL	\$ 10,250

Sustainability:

The establishment of options for sustainability is the central element of the project.

- D. Mission Management: A USDH employee in the ROCAP Project Development Office (PDO) will assume overall responsibility for project monitoring. He/she will supervise a personal services contractor (PSC) who will serve as liaison to the implementing institutions and USAIDs in the region.
- E. Method and Timing of Obligation: Bilateral grant agreement with INCAP in accordance with procedures outlined in Handbook 3, and cooperative agreements with INCAE and FEDEPRICAP in accordance with procedures outlined in Handbook 13. Initial obligation of \$5,250 is scheduled in FY 91 and estimated final obligation in FY 92.
- F. Consistency with AID Objectives, Mission Strategy, Other Donor Activities, Other Mission Activities: The project responds directly to A.I.D.'s strategy for the sustainability of developmental efforts. Through the establishment of endowment funds to cover core operating expenses, INCAE and INCAP will be allowed to devote their energy to development efforts and reduce their dependency on funds from donors.  
  
ROCAP will actively encourage other donors and the private sector to contribute to the endowment and to collaborate in assisting INCAE and INCAP through technical assistance.
- G. Policy Agenda Relevance: The project is fully consistent with Agency policies. It will serve as a useful purpose by providing two regional institutions with a creative method of reducing debt burdens and dependency on donors' funds.

H. Potential Issues:

- Institutional capacity of INCAP and INCAE to become relevant demand driven service oriented institutions in the region.
- Agreement of Central American governments to debt swaps on reasonable terms.

#### IV. RESOURCES REQUIREMENTS

##### A. Program Funding

The OYB for 1990 presently stands at \$21.3 million, well below the \$30 million levels projected and approved in the 1991-1995 RDSS. This is a particularly onerous level given that ROCAP was also forced to absorb the FY 90 \$5 million NRECA earmark. The level we have been given as a planning figure for FY 91, \$20.4 million, is even worse given the Bureau's decision during last year's AP review to support a \$26 million program throughout the RDSS time frame. While we fully understand that "things are tough all over" ROCAP, without access to ESF or PL-480 and the associated local currencies, is being hit particularly hard. We believe the Bureau and the Agency should reexamine priorities within the region in light of the recent events in Nicaragua and Panama and reaffirm in a concrete manner USG commitment to Central American regionalism. To help in this process we are submitting a budget at the modest levels approved in the RDSS when the region was only a four country region. Put another way, the present regional program amounts to the equivalent of \$5 million per country per year. Increasing the ROCAP budget to \$30 million, the original RDSS level, is in fact straight lining. RENARM alone could account for most of the increase --\$47 M over six years for five countries vs. \$70 M for seven countries. (Indeed, the RENARM project is severally underfunded at planned levels. It could productively absorb twice as much money as is now being allocated.)

The radical changes in Panama and Nicaragua, and the move toward economic reform and freemarket oriented governments in El Salvador and Honduras have enormously enlarged the potential for regional collaboration. The governments now have much closer political and economic values, and will be aiming for much the same policy package. This means the possibilities for integrating C.A.'s productive policies and infrastructure to trade more productively and competitively internally and abroad are now very real. Barriers to free trade and economic cooperation within C.A. no longer serve any government's purpose. The opportunity, however, comes at a time when the region's physical and institutional infrastructure is starved for both operating and planning resources. The C.A. governments themselves have little to spare. Thus USG and other donor resources are critical if we are to take advantage of current opportunities. In short, the possible gains from regional programs has risen sharply. It is important that we move quickly to seize the opportunity afforded by the changes in governments and to demonstrate to the rest of the world, the IFIs, the Japanese, the EC and others that the time for action is now.

For FY91 we request an additional \$9.6 million to bring us to the \$30 million mark. At this level, we could adequately fund planned activities without a major mortgage buildup.

In FY92, at the LAC planning level, major amendments to RENARM, the new export support projects plus the endowment building debt conversion project are planned. An additional \$4 million would allow a modest reduction in the mortgage to better position ourselves for expensive additions to RENARM and other activities likely in FY 93.

B. OE Sufficiency

Current OE levels, including Trust Funds provided by USAID/G and USAID/CR, are scarcely sufficient to sustain our current operating configuration. It is increasingly difficult to maintain a adequate level of program oversight and accountability. We plan to shift OE funded Foreign National personnel to project funding where justified. The addition of a USDH Environmental Officer this summer will further stretch our budget. Training, supplies, NXP, are all being restricted. Expenses on these and a number of items are incurred in common and shared with USAID/G (presently at an 80:20 ratio), details on these were reviewed at the Guatemala Action Plan review. Our OE picture would be improved significantly if AID/W determines that selected energy and environmental costs can be shifted to program funding.

	(In \$000)			
	<u>FY89</u>	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>
<u>OE BUDGET</u>	<u>1,795</u>	<u>1,833</u>	<u>1,770</u>	<u>1,748</u>
OE DOLLARS	995	800 <u>a/</u>	1070	1048
QUETZAL TRUST FUNDS	750	983 <u>b/</u>	600	600
CR COLONES TRUST FUNDS	50	50	100 <u>c/</u>	100 <u>c/</u>

a/ Does not include post assignment travel costs.

b/ Includes \$383 set aside for new building.

c/ Requested from USAID/CR

The budget levels shown above are the minimum feasible. Unless we get authority to fund environmental and energy officers under program funds the situation will be very difficult. There is no flexibility. Further (detrimental) change in operating staff configuration may yet be required.

TRUST FUNDS. In this environment, continued Trust Funds from USAID/G and USAID/CR are vital. Without these or their dollar equivalent, we would be unable to sustain present staff and exercise appropriate project oversight. USAID/G has advised us that the total amount of Quetzales generated (and by implication ROCAP's share) is falling. USAID/G further advises that if ESF disbursements are delayed existing funds will be exhausted by August. If this should happen offsetting OE dollar funds would be required. In Costa Rica, our situation is equally serious. We are asking USAID/CR to increase our allocation of Colones from \$50,000 to \$100,000. Without this increase, it is doubtful that we will be able to continue to maintain a ROCAP/CR office. This in turn will impact on our environmental activities, many of which are currently based in Costa Rica.

STAFFING. The above budget, with its 12 approved USDH positions and its static local OE staff level, is the minimum feasible level at which we can operate the program without major adjustment. Below this level we would have to consider disengaging from one or more sectors (i.e., health and/or education), and reducing the level of effort under RENARM.

To undertake an upgraded regional program responsive to the major political/economic changes in Central America, ROCAP needs an increase in OE and staff, as well as more program funds. To service two additional countries under our regular programs alone implies expanded needs, and to mount major new activities directed towards the new regional opportunities now existent will require still more. Current demands now require the addition of an FSN Assistant RCMO and a FSN Secretary for the Commodity Management Office which now covers Panama and Nicaragua. Beyond this, to mount an effective upgraded regional program we need a USDH Economist (or Program Officer to free-up our Program Officer/Economist); an IDI for the environmental area; and an IDI for the energy area. This of course will require additional funding which we will detail in the ABS.

In the regional institutions, we have excellent vehicles for influencing the future direction of Central America. Without sufficient ROCAP staff, important and unique opportunities will be lost.

V. MISSION AND AID/W ISSUES

A. CONTINUED ACCESS TO SUFFICIENT TRUST FUNDS.

B. UPGRADING THE REGIONAL PROGRAM.

(1.) Funding. ROCAP is requesting Deob/Reob authority for \$6.3 million for FY 90 together with additional NOA for in the amount of \$9.6 million for FY91 and \$4.0 million for FY92.

(2.) Staffing. ROCAP requests an additional USDH Economist, an IDI Energy Officer, and an IDI Environmental Officer; plus associated OE funding.

C. USE OF ESF LEVERAGE IN SUPPORT OF PAYMENT OF REGIONAL INSTITUTION QUOTAS AND LOAN REPAYMENT.

ROCAP appreciates AA/LAC support on this issue. We ask that USAIDs be requested to submit plans for pursuing this issue.

D. NEXT NRECA EARMARK.

It seems likely that there will be another \$5 million PSEE earmark in FY '91 or '92. Rural electric programs should not be a priority claimant on funds. In our judgement congressional consultations on this are appropriate. In any event, this activity is more appropriate to the new programs being developed for Panama and Nicaragua than to the regional portfolio where there is already a large pipeline.

E. EARTH MORTGAGE.

While no ROCAP funds will be needed until FY 93, this remains a residual liability. ROCAP wishes to strongly support USAID/CR plans to reob money to this project and asks that it be given priority treatment for other deobs that may become available to the bureau.

F. COVERING ENVIRONMENTAL AND ENERGY OE EXPENSES WITH PROGRAM FUNDS.

Request response to the recommendations of the RENARM Steering Committee (San Jose 015627).

G. INCREASE IN USAID/CR TRUST FUND SUPPORT ROCAP.

CR may need an increase in its Trust Fund usage authority to accommodate the \$50,000 increase in ROCAP usage we have requested. (This assumes Costa Rica concurs. Their initial response has been positive.)

**SUMMARY PROGRAM FUNDING TABLE**  
 Dollar Program by Functional Acc Functional Account  
 (\$ 000)

13-Mar

Project No. and Title	G/L	FY 90	FY 91	FY 92	
<b>ARDM</b>					
596-0000.3	PD&S	G	500	500	500
596-0108	AG. Export Support	G	500	0	0
596-0123	Exp. Agrib. Dev. Amend. (LAAD)	L	5000	5000	2825
596-0129	Ag. Higher Education (EARTH)	G	0	0	0
596-0143	CA Shelter & Urban Dev.	G	500	0	0
596-0147	Economic Policy Research	G	0	150	0
596-0149	Private Sector Initiatives	G	600	100	0
596-0150	Natural Resources Management	G	5899	4305	4000
596-0162	Regional Development Support	G	100	100	100
596-0165	Export Support (PROXIN)	G	0	1750	2500
	<b>TOTAL ARDM</b>		<b>13099</b>	<b>11905</b>	<b>9925</b>
	GRANT		8099	6905	7100
	LOAN		5000	5000	2825
<b>HEALTH</b>					
596-0000.8	PD&S	G	200	100	100
596-0150	Natural Resources Management	G	432	700	475
596-0162	Regional Development Support	G	0	50	50
596-0164	Health 2000	G	0	2500	1500
	<b>TOTAL HEALTH</b>		<b>632</b>	<b>3350</b>	<b>2125</b>
	GRANT		832	3350	2125
	LOAN		0	0	0
<b>CHILD SURVIVAL</b>					
596-0000.7	PD&S	G	18	30	0
596-0150	Natural Resources Management	G	0	0	500
596-0164	Health 2000	G	0	1000	500
	<b>TOTAL C.S.</b>		<b>18</b>	<b>1030</b>	<b>1000</b>
	GRANT		18	1030	1000
	LOAN		0	0	0

continued . . .

Project No. and Title	G/L	FY 90	FY 91	FY 92	
<b>EDUCATION &amp; HUMAN RESOURCES</b>					
596-0000.4	PD&S	G	307	115	100
596-0130	CA Peace Scholarships (CAPS)	G	500 a/	0	0
596-0150	Natural Resources Management	G	0	200	450
596-0182	Regional Development Support	G	100	50	50
596-0187	Leadership Training	G	0	500	500
<b>TOTAL ED. &amp; H.R.</b>			<b>907</b>	<b>865</b>	<b>1100</b>
<b>GRANT</b>			<b>907</b>	<b>865</b>	<b>1100</b>
<b>LOAN</b>			<b>0</b>	<b>0</b>	<b>0</b>
<b>PSKE (SDA)</b>					
596-0000.6	PD&S	G	500	500	500
596-0128	Industrial Development	G	470	0	0
596-0146	CA Rural Electrification Support	G	5000	0	0
596-0147	Economic Policy Research	G	700	500	700
596-0149	Private Sector Initiatives	G	700	900	1000
596-0150	Natural Resources Management	G	5800	7100	4000
596-0181	Energy Policy Plann. & Effic.	G	0	2000	2000
596-0182	Regional Development Support	G	300	100	100
596-0185	Export Support (PROXYIN)	G	0	1750	2500
596-0186	Debt Conversion for Develop.	G	0	0	5050
<b>TOTAL PSKE</b>			<b>13470</b>	<b>12850</b>	<b>15850</b>
<b>GRANT</b>			<b>13470</b>	<b>12850</b>	<b>15850</b>
<b>LOAN</b>			<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL DEVELOPMENT ASST. ACCOUNT</b>					
<b>TOTAL DA</b>			<b>28126 b/</b>	<b>30000 c/</b>	<b>30000 d/</b>
<b>TOTAL GRANT</b>			<b>23126</b>	<b>25000</b>	<b>27175</b>
<b>TOTAL LOAN</b>			<b>5000</b>	<b>5000</b>	<b>2825</b>

a/ NOA requested

b/ Includes \$500,000 additional NOA requested plus \$6.3 million of Deob/Reob.

c/ Includes \$9.6 million NOA requested

d/ Includes \$4.0 million NOA requested

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SUNFUND

# ROCAP OYB COMPARISON

SENARIO 1: PER ACTION PLAN GUIDENCE MESSAGES  
SENARIO 2: ROCAP REQUEST LEVEL

	--- FY90 ---			--- FY91 ---			--- FY92 ---		
	I.	II.	change	I.	II.	CHNG	I.	II.	CHNG
	current	requested	+/-	current	requested	+/-	current	requested	+/-
596-0000	1525	1525	0	1245	1245	0	1200	1200	0
596-0108		500	500	0	0	0	0	0	0
596-0123	0	5000	5000	0	5000	5000	0	2825	2825
596-0128	470	470	0	0	0	0	0	0	0
596-0129(B)	0	0	0	0	0	0	0	0	0
596-0130	0	500	500						
596-0143	0	500	500	0	0	0	0	0	0
596-0146	5000	5000	0	0	0	0	0	0	0
596-0147	600	700	100	650	650	0	700	700	0
596-0149	1300	1300	0	700	1000	300	1000	1000	0
596-0150	12231	12131	-100	8605	12305	3700	9425	9425	0
596-0161	0	0	0	1500	2000	500	2000	2000	0
596-0162	200	500	300	300	300	0	300	300	0
596-0163									
596-0164	0	0	0	3400	3500	100	2000	2000	0
596-0165	0	0	0	3500	3500	0	2825	5000	1175
596-0166	0	0	0	0	0	0	5050	5050	0
596-0167	0	0	0	500	500	0	500	500	0
***TOTALS***	21326	28126	6800	20400	30000	9600	25000	30000	4000
Current LAG planned MOA		21326			20400			26000	
Planned REOB/DEOB (from Housing Proj)		6300			0			0	
Additional MOA being requested		500			9600			4000	
		28126			30000			30000	





**ROCAP**

**PROPOSED OBLIGATIONS BY FUNCTIONAL ACCOUNT**

**AUTHORIZED PLANNING LEVEL**

Account	FY90						FY91						FY92					
	TOTAL	ARDM	PSEE	HE	GS	EH	TOTAL	ARDM	PSEE	HE	GS	EH	TOTAL	ARDM	PSEE	HE	GS	EH
596-0000 PD&S	1525	500	500	200	18	307	1245	500	500	100	30	115	1200	500	500	100	0	100
596-0108 Ag Export Support	0						0						0					
596-0128 Industrial Development	470		470				0						0					
596-0129 Ag. Higher Educ. (EARTH)	0						0						0					
596-0134 CA Energy Resources	0						0						0					
596-0143 CA Shelter & Urban Dev.	0						0						0					
596-0146 CA Rural Electr. Supp.	5000		5000				0						0					
596-0147 Economic Policy Research	600	300	300				650	150	500				700	700				
596-0149 Private Sector Init.	1300	600	700				700	100	600				1000	1000				
596-0150 Natural Resources Mgmt.	12231	11649	150	432		0	8605	4705	3000	700		200	9425	4000	4000	475	500	450
596-0161 Energy Policy Plan. & Ethic.							1500		1500				2000		2000			
596-0162 Regional Development Supp.	200	50	50			100	300	100	100	50		50	300	100	100	50		50
596-0163 Reg. Education Support (C							3400			2400	1000		2000					
596-0164 Health 2000	0						3500	1750	1750				3625	825	3000			
596-0165 Export Support (EXAGRNDLAAD)							0						5050		5050			
596-0166 Debt Conversion for Devel	0		0			0	0						500					500
596-0167 Leadership Training	0					0	500					500	500					500
<b>TOTAL</b>	<b>21326</b>	<b>13079</b>	<b>7170</b>	<b>632</b>	<b>18</b>	<b>407</b>	<b>20400</b>	<b>7305</b>	<b>7950</b>	<b>3250</b>	<b>1030</b>	<b>865</b>	<b>25000</b>	<b>8425</b>	<b>16350</b>	<b>2125</b>	<b>1000</b>	<b>1100</b>

**ROCAP**

**PROPOSED OBLIGATIONS**

**REQUESTED LEVEL - EXCEEDS Action Plan guidance figures**

	FY90				FY91				FY92									
	TOTAL	AROM	PSEE	HE	CS	EH	TOTAL	AROM	PSEE	HE	CS	EH	TOTAL	AROM	PSEE	HE	CS	EH
596-0000 PD&S	1525	500	500	200	18	307	1245	500	500	100	30	115	1200	500	500	100	0	100
596-0108 Ag Export Support	500	500					0						0					
596-0123 Export Agribusiness (LAAD)	5000	5000					5000	5000					2825	2825				
596-0128 Industrial Development	470		470				0						0					
596-0129 Ag. Higher Educ. (EARTH)	0						0						0					
596-0130 CAPS	500					500	0						0					
596-0143 CA Shelter & Urban Dev.	500	500					0						0					
596-0146 CA Rural Electrif. Supp.	5000		5000				0						0					
596-0147 Economic Policy Research	700		700				650	150	500				700					
596-0149 Private Sector Init.	1300	600	700				1000	100	500				1000					
596-0150 Natural Resources Mgmt.	12131	5999	5800	432		0	12305	4305	7100	700		200	9425	4000	4000	475	500	450
596-0161 Energy Policy Plan. & Effici.	0						2000		2000				2000					
596-0162 Regional Development Suppl	500	100	300			100	300	100	100	80		80	300	100	100	50		50
596-0163 Reg. Education Support (CA																		
596-0164 Health 2000	0						3500			2500	1000		2000			1500		500
596-0165 Export Support (EXAGNDLA	0						3500	1750	1750				5000	2500	2500			
596-0166 Debt Conversion for Develop	0		0			0	0						5050					
596-0167 Leadership Training							500					800	500					500
<b>TOTAL</b>	<b>28126</b>	<b>13099</b>	<b>13470</b>	<b>632</b>	<b>18</b>	<b>907</b>	<b>30000</b>	<b>11905</b>	<b>12850</b>	<b>3350</b>	<b>1030</b>	<b>865</b>	<b>30000</b>	<b>9925</b>	<b>15050</b>	<b>2125</b>	<b>1000</b>	<b>1100</b>
OYB OR AUTH. PLANNING LEVEL	21326	13099	7170	632	18	407	20400	6155	15100	3350	1030	865	26000	5600	17675	2125	1000	1100
REOB	6300		6300				0						0					
REQUESTED NOA	500					500	9600						4000					