

PD-ABL-067  
94687

**PROJECT ASSISTANCE COMPLETION REPORT**

**FOR**

**STRATEGIC PLANNING AND TECHNICAL SUPPORT**

**( S P A T S )**

**522-0269**

**STRATEGIC PLANNING AND TECHNICAL SUPPORT (SPATS)**  
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**PROJECT ASSISTANCE COMPLETION REPORT**

**I. BACKGROUND**

The \$4.0 million Strategic Planning and Technical Support project provided technical support services to priority development areas. The program began in the early 1980's, when Central America was in a state of political turmoil and economic crisis. In 1983, the National Bipartisan Commission, headed by Henry Kissinger, was sent to Central America to study the situation. Their report, known as the Jackson Plan, highlighted the problems in the region and recommended four courses of action: (1) short-term economic stabilization; (2) basic structural reforms leading to rapid and sustained economic growth; (3) wider sharing of the benefits of growth; and (4) strengthening democratic institutions.

The Central America Initiative, established to implement the Jackson Plan, resulted in sharp increases in assistance to the region. U.S. assistance to Honduras increased more than six-fold from \$34 million in 1981 to \$220 million in 1985. This surge, though very welcome, placed a heavy administrative burden on the Government of Honduras and USAID/Honduras.

The Strategic Planning and Technical Support project, begun in 1985, was initiated to insure that the increased assistance was directed where it was most needed. The project provided technical assistance to identify development needs, conduct feasibility studies, and design and implement new development projects.

**II. PROJECT GOAL AND PURPOSE**

The goal of the project was to enhance the social and economic development of Honduras. The purpose of the project was (1) to enhance Honduran capabilities to identify priority development problems, and to design approaches to address these problems in the context of the Jackson Plan and (2) to provide technical support services to priority development areas.

**III. PROJECT DESCRIPTION**

The Strategic Planning and Technical Support Project was authorized on August 1, 1985. The Project Agreement was signed on August 23, 1985 between the Ministry of Finance and USAID/Honduras, with the Secretariat of Planning (SECPLAN) designated as the host country counterpart organization. The original USAID Life of Project contribution was \$4.0 million, of which \$2.2 million was obligated in 1985, and the balance of \$1.8 million was obligated in 1986. The original GOH counterpart contribution to the project was the Lempira equivalent of \$1.5 million in cash and in-kind. However, by the PACD the GOH contribution

had risen to \$2.9 million. The original PACD was July 31, 1988, which was later extended to September 30, 1993.

This project had two components. The first component was the Strategic Planning and Policy Analysis Activity, also known as the "studies" component. This component addressed key policy issues facing Honduras in stimulating and sustaining economic and social development, at identifying investment and participation opportunities in Honduras for the GOH, USAID, the private sector, and other donors. Studies, assessments, and feasibility studies carried out as part of this component aimed to: (1) enhance the data base, and review and analyze all available information on the issues to be addressed; (2) interpret results providing elements of judgement for the GOH policy-making process; and (3) identify specific interventions to translate the information into concrete activities to address the most serious developmental problems facing Honduras.

The second component was Technical Support and Assistance, which targeted medium- and long-term technical assistance to selected areas which would lead to the revision and analysis of policies, enhancement of ongoing development programs, and provision of support to the GOH and the private sector. (Note that SPATS was more flexible than PD&S, in that the former covered the medium and long term while the latter can only cover the short term). Technical assistance played a key role in bridging gaps between the identification of specific needs for external expertise and the formal process of project design, and also targeted support to the GOH in accomplishing specific objectives. It also permitted the GOH, USAID, and other donors to accelerate the design and implementation of future development efforts.

At the time of the agreement, it was estimated that each component would cost \$2.0 million. In 1988, however, USAID and the GOH reached agreement that the Strategic Planning and Policy Analysis component would come to an end, but the Technical Support and Assistance component would continue. This decision was made for two reasons: (1) the target of ten studies had already been reached (see Outputs section for listing), and (2) the Policy Analysis and Implementation Project (522-0325) started that year, which in effect carried on with the studies.

As a result of this decision, in 1991 \$330,000 was shifted from the studies component to the technical assistance component. This technical assistance was provided to key government and private institutions. For example, experts assisted the Honduran Congress in developing laws that foster economic growth, financial development, and investment promotion. Experts from the U.S. Bureau of Census assisted the Honduran government to analyze statistics from the Honduran Census of Population and the Agricultural Census. In addition, technical experts were hired to assume key positions in the Government of Honduras and USAID to design and implement projects under the expanded program.

#### **IV. PROJECT OUTPUTS.**

All LOP targets were met or exceeded. The originally planned ten dollar-funded studies (with counterpart support) were completed by 1988, at which point this activity ended. Those ten studies covered the following topics:

Municipal Law Development	Zero-Based Budgeting
Government Auditing System	Customs Systems
Environmental Development	Rice Processing
Analysis of Census Statistics	Agribusiness
Program Strategy Formulation	Economic Policy

The Technical Assistance Component continued until the PACD, and exceeded the original target. The Project Paper called for an EOPS of 300 persons-hours of technical assistance, and the project actually provided 328.

Counterpart contributions covered project supervisors, local technicians, logistical support, office space, vehicles, and secretarial services. In some cases, counterpart funding covered additional activities. This funding paid for studies and technical assistance in the areas listed on the following page:

## **STUDIES**

Agro-industrial Marketing  
Agribusiness Study  
Seed Industry Study  
Chinchilla Milk Production Fishing Study  
Marketing of Fruits and  
Vegetables  
INVA Evaluation  
Price Waterhouse Report  
Payas Indian Study  
SAANA Billing System  
Analysis of Agricultural Surveys  
Nutrition Baseline Inventory  
Basic Grain Marketing (IHMA & KSU)  
Sugar Alcohol Study  
Evaluation of ESNACIFOR  
Port Study  
PL 480 Titles I & II Evaluation  
Report on Livestock Fund  
Report on Ag. Law Amendment  
Agriculture Sector Report  
Privatization Report  
Displaced Hondurans Report  
Small Farming Report  
Private Sector Organizations  
Microenterprises Study  
Trade Policy Report  
ASHONPLAFA Financial Status  
Report  
Social Analysis Report  
Directorate of Census Study

## **TECHNICAL ASSISTANCE**

IICA Seminar  
Agribusiness Technical Assistance  
Agribusiness Workshop  
FPX Workshop  
TA for Agricultural Survey  
Agricultural Development Law Seminar  
FPX Seminar  
Agricultural Extension Services Congress  
INCAE Tariff Seminar  
Forest Report Preparation  
GEMAH Institutional Strengthening  
Small Business Workshop  
TA to the Municipality of Choluteca  
Food Aid Seminar  
SECPLAN Seminars  
Municipalities Bill (TA)  
Environmental Development (TA)  
TA to Congress  
Customs Systems (TA)  
Southern Rice Farmers (TA)  
GOH Auditing System (TA)  
TA to INVA (Housing)

## **V. PROJECT INPUTS.**

USAID provided \$4.0 million that was used primarily for technical studies and technical assistance for design and implementation of development activities. The GOH provided another \$2.9 million from the Technical Support Trust Fund to support the dollar-funded assistance, as well as to carry out additional studies and provide additional technical assistance.

## VI. FINANCIAL STATUS

The Strategic Planning and Technical Support Project was authorized on August 1, 1985. The Life of Project amount was \$4.0 million, of which \$2.2 million was obligated on August 23, 1985, and the balance of \$1.8 million was obligated on May 4, 1986. As noted above, the original amount for the studies component was \$2,000,000, and the other \$2,000,000 was for technical assistance. In 1991, the studies component dropped to \$1,670,000, and the technical assistance component increased to \$2,330,000.

The original GOH counterpart requirement was \$1,500,000. This, according to the original Agreement, was to be met through appropriate activities supported by the Technical Support Trust Fund (host-country-owned local currency). By the PACD the GOH had contributed \$2,904,200 in counterpart contributions--almost twice the amount required.

In 1993 before the 9/30/93 PACD, a balance of \$297,000 that could not be used was deobligated from the project, leaving an LOP at the time of the PACD of \$3,703,000. An additional \$38,896 was deobligated from the project in 1993, leaving a final LOP of \$3,664,104.

The following table shows the financial status of SPATS and shows the amounts authorized, obligated, expended, and the pipeline amounts as of July 15, 1994:

ACTIVITY	LIFE OF PROJECT	OBLIGATIONS	EXPENDITURES	PIPELINE
STRATEGIC PLANNING	1,643,274	1,643,274	1,643,274	0
TECHNICAL ASSISTANCE	2,020,830	2,020,830	2,020,830	0
TOTAL	3,664,104	3,664,104	3,664,104	0

## VII. RESULTS OF EVALUATIONS/AUDITS

Since no follow-on project was planned, no evaluation of SPATS was considered.

## **VIII. SUMMARY OF LESSONS LEARNED**

This project has served its purpose very well. It provided a mechanism to handle the vast increases in funding that occurred in the 1980s, and enabled USAID and the GOH to maximize development impact from the use of those funds. The fact that a significant part of the Mission's program in 1995 continues to address the problems identified and studied under the SPATS project, pays tribute to its contribution.

USAID/Honduras no longer needs a SPATS project, as its resource levels are decreasing, not increasing. However, other regions of the world that are opening up to USAID (e.g. the NIS), or are experiencing sharp increases in resource levels (e.g. South Africa), may want to consider SPATS as a model.

Drafted by:DECárcamo (02/28/95)