

**AGENCY FOR  
INTERNATIONAL  
DEVELOPMENT**



**ANNUAL BUDGET SUBMISSION  
FY 1979**

**GUATEMALA**

**DEPARTMENT  
OF  
STATE**

JUNE 1977



FY 1979 ANNUAL BUDGET SUBMISSION

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## NARRATIVE SUMMARY STATEMENT

Since the early 1970's, the AID program in Guatemala has been focused on programs directed toward improving the well-being of the rural poor. Numerous studies and two censuses have provided sufficient data to orient geographically this concentration. The GOG's latest development plan for the 1975-1979 period points out that 50% of the population of Guatemala commands only 16% of the national income. It further noted that the vast majority of these people are among the 57% of the total population engaged in agriculture. Small farms predominate, with 87% of all farms in the country having 7 hectares or less. Average per capita income in current dollars for this group is about \$89 compared with the national average of \$680. Most small farmers are living at or below the subsistence level which forces them to seek seasonal employment on large farms under extremely poor conditions. Health and educational indices for this group are equally discouraging.

Governmental interest in the rural sector is a relatively recent phenomenon. Years of neglect have left a huge legacy of unmet needs which obviously cannot be satisfied within a short time frame. At the same time, however, overall economic progress of the country, as measured in macro-economic terms, has shown solid if not spectacular gains in recent years. Initially, these gains were attributable in large measure to the impetus provided the industrial sector through participation in the Central American Common Market. Light manufacturing, food processing and textile production led the way, and it is evident from analysis of Central American export-import data that Guatemala has benefitted more than any of the other four countries from the integration process. As gains in this sector began to level off, the worldwide increase in basic commodity prices more than took up any slump in industrial growth. Guatemala's agriculture export sector, which is the province of the large farmer, is remarkably well diversified with coffee, sugar, cotton, fresh beef and bananas making up the great bulk of export earnings. Tourism has grown rapidly over the past 2-3 years and now is the second largest foreign exchange earner. On the immediate horizon are earnings accruing

from the export of nickel and from possible oil exports if recent findings prove to be sufficient to justify commercial production.

The USAID strategy is centrally aimed at helping the GOG to distribute more equitably this favorable economic performance through programs and projects which will increase incomes and quality of life of the poorer elements of the population. The essence of the strategy is to design and implement programs to achieve substantial increases in real incomes among the small farmers and landless laborers who constitute 90% of the target group. This primary effort is complemented by strategic interventions within the education and health sectors designed to reinforce program impacts in the target areas.

In carrying out this strategy USAID has and will continue to support new and innovative programs in the rural sector which have direct linkages with the well-being of the rural poor and where a high probability exists for continued GOG support. The Mission will continue to seek assurances of this support through its requirement for substantial counterpart contributions. Expansion of agricultural extension activities; creation of an agricultural research facility concentrating on crops capable of being economically produced by small farmers; expansion and re-orientation of farmer cooperatives; establishment of a new type of health para-professional, the rural health technician; improved primary school curriculum and up-grading of teacher capabilities; and creation of a non-formal education program are examples of new activities financed by AID. In some instances, the IDB and IERI have provided follow-on financing for expansion of programs once AID loans and grants were fully disbursed.

The strategy adopted by the GOG and USAID is not, however, a short run "quick fix" to development. The programs presented for consideration herein represent an intensification of AID investments in support of the strategy and continued support for the GOG's efforts to improve its ability to design and implement projects which will transfer resources to the most disadvantaged of its citizens.

Future programming will continue to concentrate on the key constraints bearing on small farmer income growth, including the land constraint, lack of viable diversification alternatives, lack of employment alternatives, and lack of appropriate technology. The USAID will seek also additional opportunities for addressing administrative constraints within the public sector which inhibit delivery of adequately designed and managed projects to the target group.

A key factor bearing on future USAID program levels is the absorptive capacity of GOG institutions. The USAID concern with improving administrative performance is directed toward improving this capacity, but at best it is a slow process. Related to this are the activities of the INI's which are increasingly being concentrated in the rural area with the result that a given GOG institution may be responsible for implementing two or more international loans at the same time albeit for different purposes. An unknown factor is the attitude of the Guatemalan Congress toward the general question of indebtedness in that notwithstanding the fact that the country's debt potential has hardly been touched, great concern has been voiced in the Congress over the rapid growth in international debt over the past 4-5 years. Whether this concern will effectively limit the expanded debt levels which the Executive branch seems willing to contract in order to finance development projects is not clear, but it has had the effect of greatly extending the time necessary to secure Congressional ratification of newly signed loans. A final but major consideration bearing on future USAID programming is the outcome of the March, 1978, Presidential and Congressional elections in Guatemala. We anticipate that any future government would continue to emphasize development of the rural sector, and perhaps increase resource flows to it.

A word on the earthquake is in order. Given the widespread destruction and human suffering caused by this February, 1976 disaster, there was remarkably little impact on the country's productive capacity. Agricultural lands were not affected, industrial plant was largely undamaged, and the road infrastructure which did receive extensive damage has been or is in the process of repair. Another year should see completion of this part of the rebuilding effort. Housing was the greatest loss, but the rural poor have

traditionally built their own houses and have proceeded to rebuild utilizing materials, and in some cases financial assistance, provided by IFI's, AID and PVO's. The large problems which continue to exist are in the urban areas, principally Guatemala City. Again these relate to the need for housing, and while there has been a large influx of international funding for this purpose, and while the GOG has allocated significant internal resources for urban housing, elimination of the deficit is still a long way off. While the Government's response to the emergency phase of the earthquake was in many ways impressive, its administrative and financial resources have been severely strained. This is particularly evident in a slow down in ongoing development programs and a stretched out planning period for longer term reconstruction. To assist the GOG with the reconstruction task, the USAID is recommending approval for a FY 1978 ROCAP Housing Investment Guaranty for urban cooperative housing, and if successfully employed, would expect to recommend additional guaranty funding directed toward low cost housing programs.

The underlying analytical basis for future USAID programs will be an already completed agriculture assessment (Dec. 1976) as supplemented by future studies planned over the next two years; an education sector assessment currently being edited prior to being put into final form; and a health sector assessment scheduled for completion in September, 1977. A number of in-depth evaluations of ongoing programs have also provided valuable information which will assist future programming. To tie the Mission strategy together, a DAP revision will be completed in October, 1977.

Affecting all USAID programs in Guatemala is the problem of devising effective delivery mechanisms which make allowance for the cultural diversity of the country. Some 60% of the population are Mayan Indians (the indigenous population) with a unique culture and diversity of languages. An estimated 23 distinct dialects are spoken and in most Indian families Spanish is a second language. Perhaps 25-30% of all Indian men and 60-70% of the women are not conversant in Spanish. Years of exploitation have left a heritage of suspicion and distrust toward the Ladino (western oriented

culture) population which makes access by the Ladino dominated government agencies difficult. Ladinos have to be sensitized to this factor, but significant progress will come only by involving the Indians themselves in the direction of programs at the local level and in setting of priorities for existing and new programs. The use of promoters to expand the outreach of trained extension agents, the bilingual education activity, the non-formal education program, the training of health promoters selected from village populations, the encouragement of local cooperatives, and the training of bilingual primary school teachers are all approaches which the USAID has supported to address this problem. The cultural factor will be emphasized in all USAID programs, and in so doing, GOG agencies will have to recognize this factor as well.

In selecting a proposed resource transfer level for FY 1979, the USAID has been guided by recent loan and grant levels as well as a considered judgment regarding the absorptive capacity of the agencies involved and the continuing high lending levels of other IFI's. The Country Team feels that current programming levels serve U.S. interests in Guatemala satisfactorily, and in absence of a world-wide increase in bilateral loan and grant levels in which Guatemala should share, the current program level is the preferred one over the ABS timeframe. In other words, the high program level has been developed on the premise that world-wide bilateral increases will be authorized as a matter of U.S. policy. It is not based on a general belief that higher program levels for Guatemala are necessary under current strategy assumptions. Agreement has been reached with the Ambassador on a personnel ceiling which is satisfactory for managing the proposed program level. If a higher programming level is dictated for Guatemala, the increased staffing which would be required (3 additional U.S. and 3 additional local employee positions) has been accepted.

The three funding levels (decision packages) presented in the ABS do not imply fundamental differences in USAID goals or objectives. The minimum level shows no new projects and assumes a rapid phase-out in the education and health sectors while maintaining the capability to mount new programs after the budget year only in rural development. This approach

would be consistent with the Mission's priority objective of substantially increasing rural incomes.

The current level which we are proposing for FY 1979 represents a continuation of the strategy -- including four new projects which address priority areas in rural development and education. While maintaining the central focus on increased income among the target group in the rural areas, this strategy provides complementary programs in health and education. The work force level required to manage this program responsibly is 21 U.S. direct hire professionals.

The expanded level presented in the ABS would increase the resource flow for rural development and provides for a loan and grant package which would be used to attempt to encourage the GOG to make important, but difficult policy decisions in the key area of land tenure. Since implementation of such a package would depend on GOG willingness to undertake significant policy changes, it represents a contingency. This expanded level also provides for two additional new grant projects in areas from which future loans might be expected increased funding for the two proposed level loans and a HIG for rural cooperative housing.

The P.L. 480, Title II level is unchanged between the last two decision packages since it depends directly on the outcome of the USAID/GOG health and nutrition assessment now in process. The results of this assessment cannot now be predicted, but are expected to rely heavily on local production of food products. See Mission comments on voluntary agency P.L. 480 proposals for further details.

Section 100  
Population

Submitted by

Frederick W. Schieck  
Acting Director, USAID/Guatemala

COUNTRY: GUATEMALA

TABLE I  
LONG RANGE PROGRAM PLAN  
(\$ Millions)

	1978	1979 Req.	Planning Period			
			1980	1981	1982	1983
Food/Nutrition	6.8	12.0	14.0	11.8	8.6	11.5
Grants	1.8	2.0	2.0	1.8	1.6	1.5
Loans	5.0	10.0	12.0	10.0	7.0	10.0
Population	0.3	0.4	0.4	0.5	0.6	0.7
Grants	0.3	0.4	0.4	0.5	0.6	0.7
Loans	-	-	-	-	-	-
Health	3.7	0.2	0.2	0.2	0.2	6.1
Grants	0.2	0.2	0.2	0.2	0.2	0.1
Loans	3.5	-	-	-	-	6.0
Education	0.3	0.6	0.6	0.5	5.4	0.3
Grants	0.3	0.6	0.6	0.5	0.4	0.3
Loans	-	-	-	-	5.0	-
Selected Development						
Activities	0.3	0.3	0.1	0.1	0.2	0.1
Grants	0.3	0.3	0.1	0.1	0.2	0.1
Loans	-	-	-	-	-	-
Total Functional						
Accounts	11.4	13.5	15.2	13.0	14.9	16.8
Grants	2.9	3.5	3.2	3.0	2.9	2.8
Loans	8.5	10.0	12.0	10.0	12.0	14.0
Other Accounts	-	-	-	-	-	-
PL 480 (Non-Add)	7.1	4.9	4.1	3.2	2.3	1.8
Title I	-	-	-	-	-	-
Title II	7.1	4.9	4.1	3.2	2.3	1.8
Housing Investment						
Guaranty (Non-Add)	-	-	10.0	-	-	15.0

DAP DOCUMENTATION SCHEDULE

FY 1979

DATE APPROVED  
OR SENT TO AID/W

DOCUMENTS TO BE USED AS BASIS FOR PROGRAM PLANNING

Original DAP 09-73

DAP Revision 10-77

Analytical Description of Poor Majority

Summary Strategy Statement

Sector Assessments

Agriculture 12-76

Education 09-77

Health 09-77

Nutrition 12-78

COUNTRY: GUATEMALA

TABLE II

FUNDING LEVELS FOR FY 1977, FY 1978, FY 1979  
(in \$000)

	<u>FY 1977</u>	<u>FY 1978</u>	<u>Proposed FY 1979</u>	<u>Expanded FY 1979</u>
Food/Nutrition	17,266	6,810	12,070	27,945
Grants	1,466	1,610	2,070	3,445
Loans	15,800	5,000	10,000	24,500
Population/Health	601	4,041	541	603
Grants	601	541	541	603
Loans	-	3,500	-	-
(Population)	( 290)	( 325)	( 356)	( 356)
(Grants)	( 290)	( 325)	( 356)	( 356)
(Loans)	( - )	( - )	( - )	( - )
(Health)	( 311)	( 3,716)	( 185)	( 247)
(Grants)	( 311)	( 216)	( 185)	( 247)
(Loans)	( - )	( 3,500)	( - )	( - )
Education	5,580	300	600	1,230
Grants	380	300	600	1,230
Loans	5,200	-	-	-
Selected Development Activities	275	280	300	600
Grants	275	280	300	600
Loans	-	-	-	-
Sub-Total	23,722	11,431	13,511	30,378
Grants	2,722	2,931	3,511	5,878
Loans	21,000	8,500	10,000	24,500
Security Supporting Assistance	-	-	-	-
Grants	-	-	-	-
Loans	-	-	-	-
TOTAL	23,722	11,431	13,511	30,378
PL 480	6,000	7,126	4,900	4,900
Title I	-	-	-	-
Title II	6,000	7,126	4,900	4,900
Housing Investment Guaranty	-	-	-	10,000
GRAND TOTAL	31,722	18,557	18,411	45,278

AGENCY FOR INTERNATIONAL DEVELOPMENT <b>ABS/CP SUMMARY - TABLE III</b>		1. TRANSACTION CODE <b>A</b> A = ADD C = CHANGE D = DELETE		2. ABS/CP DOCUMENT CODE <b>6</b>	
3. COUNTRY/ENTITY <b>GUATEMALA (MID LEVEL)</b>		7. DOCUMENT REVISION NO. <input type="checkbox"/>	5. OPERATIONAL YEAR FY <b>78</b>	6. BUREAU/OFFICE A. SYMBOL <b>LA</b> D. CODE <b>05</b>	
8. TYPE DATA <b>1</b> 1 = ABS      2 = ABS REVISION 3 = CP      4 = CP NOTIFICATION		9. TYPE ASSISTANCE <b>1</b> 1 = PROJECT 2 = PROGRAM			

10. PROJECT SEQUENCE NO.	11. PROJECT TITLE (40 CHARACTERS MAXIMUM)	12. STR. FOR. OBLIG.	13. EST. FY. AUTH. OBLIG. FINAL	14. APPROPRIATION	15. PRIMARY PURPOSE CODE	16. LOAN GRANT INDICATOR	17. BUDGETS (IN \$ 000)			
							AY	OY	BY	LOP
				<u>FOOD AND NUTRITION</u>						
<u>LOANS</u>	<u>Sub-Total</u>						15,300	5,000	10,000	
	<u>NEW</u>									
0247	Rural Infrastructure Devel.	-	79	FN	243	L	-	-	6,000	6,000
0255	Small Farm Diversification Systems	-	79	FN	200	L	-	-	4,000	4,000
0256	Verapaces Coops Development	-	--	FN	233	L	-	-	-	-
0257	Land Transfer Alternatives	-	--	FN	230	L	-	-	-	-
	<u>CONTINUING</u>									
0238	Small Farmer Marketing	-	77	FN	-	L	3,800	-	-	3,800
0248	Rural Electrification	-	77	FN	-	L	12,000	-	-	12,000
0245	Rural Enterprises Development	4	78	FN	-	L	-	5,000	-	5,000

(Cont'd)

18. DATE DOCUMENT RECEIVED IN AID/W	MM	DD	YY
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AGENCY FOR INTERNATIONAL DEVELOPMENT ABS/CP SUMMARY - TABLE III					1. TRANSACTION CODE A = ADD C = CHANGE D = DELETE		2. ABS/CP DOCUMENT CODE 6			
5. COUNTRY/ENTITY		DOCUMENT REVISION NO.		5. OPERATIONAL YEAR FY		6. BUREAU/OFFICE		7. GEOGRAPHIC CODE		
GUATEMALA (MID LEVEL)				7/8		A. SYMBOL LA		B. CODE 05		520
8. TYPE DATA					9. TYPE ASSISTANCE					
1 = ABS 2 = ABS REVISION 3 = CP 4 = CP NOTIFICATION					1 = PROJECT 2 = PROGRAM					
10. PROJECT SEQ. UENCE NO.	11. PROJECT TITLE (40 CHARACTERS MAXIMUM)	12. QTR. FOR OBLIG.	13. EST. FY AUTH. OBLIG. FINAL	14. APPROPRIATION	15. PRIMARY PURPOSE CODE	16. LOAN GRANT INDICATOR	17. BUDGETS (IN \$ 000)			
							AY	OY	BY	LOP
	FOOD AND NUTRITION (Cont'd)									
<u>GRANTS</u>	<u>Sub-Total</u>						1,665	1,810	2,070	
	<u>NEW</u>									
0252	Appropriate Rural Technologies	-	--	FN	200	G	-	-	-	-
0255	Small Farm Diversification Systems	-	83	FN	200	G	-	-	300	2,342
0256	Verapaces Coops Development	-	--	FN	233	G	-	-	-	-
0257	Land Transfer Alternatives	-	--	FN	230	G	-	-	-	-
	<u>CONTINUING</u>									
0232	Food Productivity & Nutritional Improv.	3	79	FN	-	G	365	475*	420	1,823
0233	Small Farmer Improvement	2	80	FN	-	G	505	550	600	1,875
0238	Small Farmer Marketing	4	79	FN	-	G	545	200*	335	1,200
0245	Rural Enterprises Devel.	4	81	FN	-	G	-	265	115	500
0249	Integrated Area Dev. Studies	1	79	FN	-	G	-	220	200	420
0000.1	Technical Support	-	--	FN	-	G	250	100	100	-

8. DATE DOCUMENT RECEIVED  
IN AID W MM DD YY

AGENCY FOR INTERNATIONAL DEVELOPMENT				1. TRANSACTION CODE		2. ABS/CP											
ABS/CP SUMMARY - TABLE III				A		DOCUMENT CODE 6											
5. COUNTRY/ENTITY		6. BUREAU/OFFICE	7. GEOGRAPHIC CODE	8. TYPE DATA	9. TYPE ASSISTANCE	10. PROJECT SEQ. - UENCE NO.	11. PROJECT TITLE (40 CHARACTERS MAXIMUM)	12. QTR. FOR OBLIG.	13. EST. FY	14. APPROPRIATION	15. PRIMARY PURPOSE CODE	16. LOAN GRANT INDICATOR	17. BUDGETS (IN \$ 000)				
GUATEMALA (MID LEVEL)		LA	520	1	1								AY	OY	BY	LOP	
													<u>H E A L T H</u>				
LOANS	Sub-Total													-	3,500	-	
	<u>CONTINUING</u>																
0251	Low-Cost Rural Health Services	3	78	H	-	L							-	3,500	-		3,500
GRANTS	Sub-Total												252	216	185		
	<u>CONTINUING</u>																
0230	Rural Health System Evaluation	2	79	H	-	G							152	156	123		606
0000.2	Technical Support	-	--	H	-	G							100	60	62		-
	<u>OPG</u>																
0253	Coordination of PVO Health Services/OPG	-	--	H	589	G							-	-	-		-
													<u>P O P U L A T I O N</u>				
GRANTS	Sub-Total												290	325	356		
0237	Population and Family Planning	1	79	P	-	G							290	300	331		921
0000.5	Technical Support	-	--	P	-	G							-	25	25		-

18. DATE DOCUMENT RECEIVED			
MM	DD	YY	

AGENCY FOR INTERNATIONAL DEVELOPMENT ABS/CP SUMMARY - TABLE III				1. TRANSACTION CODE <input type="checkbox"/> A = ADD <input type="checkbox"/> C = CHANGE <input type="checkbox"/> D = DELETE		2. ABS/CP DOCUMENT CODE 6					
3. COUNTRY/ENTITY GUATEMALA (MID LEVEL)		4. DOCUMENT REVISION NO. <input type="checkbox"/>	5. OPERATIONAL YEAR FY <input type="checkbox"/> 78	6. BUREAU/OFFICE A. SYMBOL <input type="checkbox"/> B. CODE <input type="checkbox"/> 55		7. GEOGRAPHIC CODE <input type="checkbox"/> 500					
8. TYPE DATA <input type="checkbox"/> 1 = ABS <input type="checkbox"/> 2 = ABS REVISION <input type="checkbox"/> 3 = CP <input type="checkbox"/> 4 = CP NOTIFICATION				9. TYPE ASSISTANCE <input type="checkbox"/> 1 = PROJECT <input type="checkbox"/> 2 = PROGRAM							
10. PROJECT SEQ. UENCE NO.	11. PROJECT TITLE (40 CHARACTERS MAXIMUM)	12. QTR FOR OBLIG	13. EST. FY	14. APPROPRIATION	15. PRIMARY PURPOSE CODE	16. LOAN GRANT INDICATOR	17. BUDGETS IN \$ '000				
							AY	OY	BY	LDP	
	<u>LOANS</u>			<u>EDUCATION</u>							
	<u>Sub-Total</u>						5,200	-	-		
	<u>CONTINUING</u>										
0242	Primary School Recon- struction	-	77	E	-	1	5,200	-	-		5,200
	<u>GRANTS</u>										
	<u>Sub-Total</u>						380	300	600		
	<u>NEW</u>										
0258	Bilingual Education	-	81	E	622	3	-	-	200		200
0259	Educational Adminis- tration	-	81	E	680	3	-	-	200		200
	<u>CONTINUING</u>										
0228	Basic Rural Educa- tion	3	79	E	-	3	280	200	200		1,300
0000.3	Technical Support	-	--	E	-	3	200	200	200		-

3. DATE DOCUMENT RECEIVED IN AID W MM DD YY

AGENCY FOR INTERNATIONAL DEVELOPMENT <b>ABS/CP SUMMARY - TABLE III</b>		1. TRANSACTION CODE <input type="checkbox"/> A = ADD <input type="checkbox"/> C = CHANGE <input type="checkbox"/> D = DELETE		2. ABS/CP DOCUMENT CODE 6	
3. COUNTRY/ENTITY GUATEMALA (MID LEVEL)		7. DOCUMENT REVISION NO. <input type="checkbox"/>	5. OPERATIONAL YEAR PY 7/8	6. BUREAU/OFFICE A. SYMBOL LA B. CODE [05]	
8. TYPE DATA <input type="checkbox"/> 1 = ABS      2 = ABS REVISION <input type="checkbox"/> 3 = CP      * = CP NOTIFICATION			9. TYPE ASSISTANCE <input type="checkbox"/> 1 = PROJECT <input type="checkbox"/> 2 = PROGRAM		

10. PROJECT SEQ. - UENCE NO.	11. PROJECT TITLE (40 CHARACTERS MAXIMUM)	12. STG. FOR OBLIG	13. EST. FY OBLIG FINAL	14. APPR. VARIATION	15. PRIMARY PURPOSE CODE	16. LOAN GRANT INDICATOR	17. BUDGETS (IN \$ 000)			
							4Y	0Y	BY	LCP
<u>SELECTED DEVELOPMENT PROBLEMS</u>										
<u>LOANS</u>	<u>Sub-Total</u>						-	-	-	
	<u>NEW</u>									
0261	Secondary City and Rural Housing (HIG)	-	--	-	-	-	-	-	-	-
<u>GRANTS</u>	<u>Sub-Total</u>						135	280	300	
	<u>NEW</u>									
0260	General Training	-	--	E	799	G	-	-	-	-
	<u>CONTINUING</u>									
0145	Special Development Activities	-	--	SD	-	G	50	50	50	-
0243	Earthquake Housing Reconstruction	1	79	SD	722	G	-	140*	160	300
0000.4	Technical Support	-	--	SD	-	G	35	90	90	-

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MM	DD	YY
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PROJECT NARRATIVE STATEMENTS

FY 1978 CP VARIANCES

1. 0232 - Food Productivity and Nutritional Improvement -- \$69,000 under CP figure due to nine-month search for a technician by Texas A&M. The technician has recently arrived.
2. 0238 - Small Farmer Marketing -- \$50,000 over CP due to revised costing of this not-yet-begun project.
3. 0243 - Earthquake Housing Reconstruction -- \$20,000 under CP due to one-year project deferral.





AGENCY FOR INTERNATIONAL DEVELOPMENT  
**PROJECT IDENTIFICATION DOCUMENT FACESHEET**  
 TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE  
 C A = ADD  
 C = CHANGE  
 D = DELETE

PID  
 2. DOCUMENT CODE  
 1

3. COUNTRY/ENTITY  
 GUATEMALA

4. DOCUMENT REVISION NUMBER  
 1

5. PROJECT NUMBER (7 DIGITS)  
 520-0247

6. BUREAU/OFFICE  
 A. SYMBOL LA B. CODE 05

7. PROJECT TITLE (MAXIMUM 40 CHARACTERS)  
 Rural Infrastructure Development

8. PROPOSED NEXT DOCUMENT  
 A.  2 = PRP B. DATE  11  18  
 3 = PP

10. ESTIMATED COSTS  
 (3000 OR EQUIVALENT, \$1 = Q 1.00 )

FUNDING SOURCE		AMOUNT
A. AID APPROPRIATED		8,000
B. OTHER	1.	
	2.	
C. HOST COUNTRY		4,000
D. OTHER DONOR(S)		
TOTAL		12,000

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION  
 a. INITIAL FY  7  8 b. FINAL FY  7  9

11. PROPOSED BUDGET AID APPROPRIATED FUNGS (3000)

A. APPRO- PRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY 78		LIFE OF PROJECT	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1) FN	2433		290		8,000		8,000
(2)							
(3)							
(4)							
TOTAL					8,000		8,000

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)

200 | 100 | | | | |

13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)

BR | BL | EQTY | INTR | LAB | |

14. SECONDARY PURPOSE CODE

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)

To improve the well-being of rural Guatemalans by increasing small farmer income, expanding the production of diversified food crops and increasing employment opportunities in the rural areas.

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)

Provide the infrastructure necessary to support regional development activities in the Western Highlands of Guatemala.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)

From Project 0249 - Integrated Area Development Studies.

18. ORIGINATING OFFICE CLEARANCE

Signature: Frederick W. Schieck

Title: Acting Director, USAID/Guatemala

Date Signed: MM DD YY

19. DATE DOCUMENT RECEIVED BY AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION

MM DD YY

RURAL INFRASTRUCTURE DEVELOPMENT

(520-0247)

The USAID submitted a PRP for this project on October 31, 1976. The DAEC review recommended that an Interim Report be prepared and the project was shown in the FY 1978 Congressional Presentation as an additional program requirement.

Although the Guatemalan Government continues to be interested in the project, it cannot be made ready for funding in FY 1978. The USAID therefore, proposes to revalidate the project for FY 1979 financing.

The current funding level proposed is \$8 Million which appears in the expanded program option. The level would be reduced to \$6 Million under the current and proposed level. Since the project would be closely tied to specific geographic areas, the funding options are accounted for through the addition or deletion of additional regions.

AGENCY FOR INTERNATIONAL DEVELOPMENT  
**PROJECT IDENTIFICATION DOCUMENT FACESHEET**  
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1. TRANSACTION CODE  
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 2. DOCUMENT CODE  
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3. COUNTRY/ENTITY  
 GUATEMALA

4. DOCUMENT REVISION NUMBER

5. PROJECT NUMBER (7 DIGITS)  
 520-0255

6. BUREAU/OFFICE  
 A. SYMBOL LA B. CODE 05

7. PROJECT TITLE (MAXIMUM 40 CHARACTERS)  
 Small Farm Diversification Systems

8. PROPOSED NEXT DOCUMENT  
 A.  2 = PRP  
 3 = PP

B. DATE  
 MM YY  
 02  78

10. ESTIMATED COSTS  
 (\$000 OR EQUIVALENT, \$1 = Q.1.00 )

FUNDING SOURCE	WASDC
A. AID APPROPRIATED	9,342
B. OTHER	1.
	4,320
C. HOST COUNTRY	5,700
D. OTHER DONOR(S)	
TOTAL	15,042

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION  
 A. INITIAL FY  79 B. FINAL FY  83

11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY 79		LIFE OF PROJECT	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1) EN	200	050	251	500	7,000	2,342	7,000
(2)							
(3)							
(4)							
TOTAL				500	7,000	2,342	7,000

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)

010      031      044      075      245

13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)

TNG      BL      BS      R/AG      COOP      TECH

14. SECONDARY PURPOSE CODE  
 0140

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)

Increase income among target farmers.

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)

Through small farming systems analysis and the cooperative movement, increase target group productivity by promoting and facilitating substantial diversification of production.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)

Six person-months consultant assistance - \$24,000.

18. ORIGINATING OFFICE CLEARANCE

Signature: Frederick W. Schieck

Title: Acting Director, USAID/Guatemala

Date Signed: MM DD YY

19. DATE DOCUMENT RECEIVED FOR AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION

MM DD YY

## SMALL FARM DIVERSIFICATION SYSTEMS

### I. Summary of the Problem and Proposed Response.

#### A. The Problem

The basic factor which must be addressed if the wellbeing of Guatemala's rural population is to be improved is their low relative and absolute incomes. From a developmental perspective, this is also a critical problem, since, without higher incomes, nearly two thirds of the total population can not participate significantly in the cash economy, thereby severely restricting economic growth potential. In terms of magnitude, while average annual per capita incomes for all Guatemalans is estimated at about \$680 (in 1977 dollars), for rural Guatemalans it is only \$49, and for highland rural Guatemalans it is probably no more than \$65.

Urban opportunities for migrating rural inhabitants appear to be able to accommodate less than half of the rate of increase in the rural labor force. Thus, alternatives must be sought "in place" not only for existing rural families, but also for new rural families formed each year who cannot find alternatives for livelihood elsewhere.

AID development assistance strategy in Guatemala focuses on small farmers and rural landless laborers, especially those concentrated in the highlands. Nearly two-thirds of these target families are small farmers with a land resource potential for either a total or a significant farming solution to their income improvement problem. They operate farms of one to 50 manzanas in size, with some three-fourths of these having less than 5.7 manzanas (under 4 hectares).

This particular target sub-group functions within the limitations of a number of constraints to improving incomes. Some of these constraints are internal to the farm-household unit resource structure in terms of level and utilization, e.g.:

- 1) Small size of land holding and low productivity of the land;
- 2) Production primarily of low-profit, subsistence type crops; and
- 3) Low level of technology and inputs utilized in the production process.

In many cases, these internal constraints exist because of higher order constraints external to the farm/household unit which are outside the control of the farm family. External constraints generally are related to the availability of supplies, services and knowledge required by the farmer in order to make decisions that alleviate constraints internal to his farm/household firm. Major external constraints are well documented as:

- 1) Availability of appropriate inputs, and credit with which to acquire them;
- 2) Availability of technical information appropriate to small farmer needs;
- 3) Availability of markets for small farmer production at stable and profitable prices.

In this context, availability must be considered in terms of whether a particular small farmer has access to appropriate inputs, services and knowledge required to improve net disposable income accruing to the farm family.

The GOC, AID and other donors have concentrated considerable resources on alleviating the external constraints listed above, and are continuing to do so. A review of the present situation as compared to 1970 shows that significantly improved conditions exist with regard to availability of (and small farmer access to) production inputs, production credit, technical assistance, and higher prices and ready markets for basic grains. Institutions such as BANDESA, DIGESA, ICTA, INDECA and agricultural cooperatives are institutionally

much stronger, have much larger budgets, considerably more and better trained personnel, and have contact with many more small farmers than in 1970. It is estimated that these institutions collectively will have contact with perhaps 75,000 - 100,000 small farmers in 1977, as compared to perhaps no more than 10% that many in 1970.

Despite these considerable efforts, there is evidence that significant income increases are not accruing to many small farm families. Analyses of results to date in small farmer basic grains production improvement programs indicate that they may well be offering assistance that is necessary to improve the small farmer's condition, but not sufficient, within the context of the small farm household production-consumption system to significantly improve the net family disposable income position, and may in fact, over time, worsen that position.

A solution to the dilemma appears to be to develop and apply inputs, services and information within the context of the whole farm household system of the small farmer. The farm unit must produce enough physical product for subsistence but at the same time enough cash production for increased disposable income needs. This implies the need to combine use of cash inputs for producing subsistence requirements with reduced on-farm factor inputs (especially land and family labor), and applying remaining land and labor factors to compatible diversified enterprises. The optimum mix must not only generate the cash input needed for subsistence production but also sufficient surplus income to cover diversified cash costs of production, plus sufficient additional disposable income to satisfy other cash family requirements and to compensate for whatever added risk that may be perceived by the farmer.

### 3. Proposed Response

The problem described requires an integrated effort directed to an improved understanding of small farmer farm household production-consumption systems,

generation of appropriate analytical information for income increasing land/labor intensive livestock and diversified crop sub-systems, development of more responsive and cost-effective small farmer oriented technology dissemination systems, more effective and expanded implementation of technical assistance efforts to small farmers, and more reliable and expanded availability of appropriate inputs, especially fertilizer and credit to assure feasible rapid expansion of small farmers into higher income crop and livestock enterprises.

The purpose of this project is to develop the capability of the GOG and the Cooperative movement to understand and respond to these requirements, and to expand significantly the number of farmers being benefited by such integrated efforts.

Loan funds and technical assistance will be provided to assist ICTA, other GOG agencies and the Cooperative movement to carry out the following:

- 1) Analysis of small farmers systems and farm planning (including improved small farmer dissemination systems development);
- 2) Production research on non-traditional crops (livestock and diversified crops);
- 3) Pilot programs for integrated application of small farm plans based on farm systems analysis and sub-systems development, utilizing improved dissemination systems for livestock and diversified crops enterprises;
- 4) Expansion and improvement of small farmer technical assistance directed to the whole farm/household firm through integration with cooperative input supply, credit and marketing services;
- 5) Pilot program for improving fertilizer



B. Loan Funding and Counterpart (000)

	<u>AID</u>	<u>GOG</u>
1. Small Farm Systems Development	\$ 625	\$ 625
2. Diversified Crops and Small Animal Research	800	200
3. Pilot programs for small farm systems	3,325	875
4. Cooperative Federation contracts for Extension Service	--	2,000
5. Pilot Bulk Fertilizer Plant	1,000	1,500
6. Evaluation contracts	500	--
7. Participant Training	750	--
	<u>\$7,000</u>	<u>\$5,200</u>

III. Estimated Disbursement Period

Implementation period for this project is estimated at five years.

IV. Major Assumptions Pertinent to Project Success

- (1) The GOG and USAID continue to maintain close collaborative relationships and retain shared interest in improving the lot of the rural poor.
- (2) ICTA's organizational, administrative and management capacity, which has been satisfactory in the past, will continue to improve; the management of this expanded program will be

within its capacity; and its budget will be increased to support its expanded development program.

- (3) GOG will continue to give strong support to the agricultural cooperative movement.
- (4) Needed production inputs and markets for output will be available at reasonable stable prices.

V. Brief Description of Related Activities of Host Country and Other Donors in Area of Concentration

Several agricultural development activities of the GOG and other donors focus on small farmer development. AID assisted on-going and proposed projects in credit and cooperative development, mini-irrigation, resettlement, feeder roads, marketing, rural electrification, basic village education, and human resource development all focus on the small farmer and landless rural laborer. This project will serve as a framework to provide the integrating structure for improving application of many of the benefits of these programs at the small farm level. It will provide missing links in livestock and diversified crops technology for small farmers.

*What does this mean?  
How does this integrate with the other tools*

IDB has made intermediate credit available for use by small farmers. However, it is a part of the general small farmer credit resources available through BANDESA. In integrating the use of credit with a whole farm planning approach, combined with appropriate technical assistance, this project will assist in developing the capabilities and dissemination systems required to assure more effective use of other short and medium term credit made available through the GOG and other donors.

This project also is expected to provide technical information and dissemination systems that will strengthen DIGESA on-going extension programs.

## VI. Possible Alternatives to the Project

Possible alternatives, basically involve developing variations on the proposed project. Essentially, the project would work with the institutions most capable of dealing with the diversification. Short of creating a new institutional structure, we see no viable alternative other than not doing the project.

## VII. Direct and Indirect Beneficiaries

The direct and immediate beneficiaries of this project will be small farmers and farm laborers who live in the highlands on farms suitable for diversified production.

The indirect beneficiaries will include not only the masses of domestic consumers of these products but of consumers in other Central American countries which are dependent upon imports of these products from Guatemala.

## VIII. Spread Effects

There are three levels at which a replication/spread effect can be anticipated if the project is successful.

- (1) ICTA will continue to develop applicable technology with its own resources.
- (2) The utilization of the technology will be multiplied via a delivery system composed of the Agricultural Public Sector (APS), Cooperatives and private entities.
- (3) Farmers will assimilate technical innovations from their neighbors as they observe positive results.

## IX. Project Development

Six staff/months of contract assistance will be required for PRP development by February, 1978. The PP will be submitted in mid-FY 1979.

AGENCY FOR INTERNATIONAL DEVELOPMENT  
**PROJECT IDENTIFICATION DOCUMENT FACESHEET**  
 TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE  
 A A = ADD  
 C C = CHANGE  
 D D = DELETE

PID

2. DOCUMENT CODE

3. COUNTRY/ENTITY  
 GUATEMALA

4. DOCUMENT REVISION NUMBER

5. PROJECT NUMBER (7 digits)  
 520-0256

6. BUREAU/OFFICE  
 A. SYMBOL LA B. CODE 05

7. PROJECT TITLE (MAXIMUM 40 CHARACTERS)  
 Verapaces Coops Development

8. PROPOSED NEXT DOCUMENT  
 A.  2 2 = PRP  
 3 3 = PP  
 B. DATE MM YY 05 78

10. ESTIMATED COSTS (\$1000 OR EQUIVALENT, \$1 = 0.2100)

FUNDING SOURCE	340,000
A. AID APPROPRIATED	4,000
B. OTHER	
1.	
2.	
C. HOST COUNTRY	3,000
D. OTHER DONOR(S)	
TOTAL	7,000

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION  
 a. INITIAL FY 79 b. FINAL FY 82

11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$1000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY 79		LIFE OF PROJECT	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1) FN	233	031	055	300	4,000	500	4,000
(2)							
(3)							
(4)							
TOTAL				300	4,000	500	4,000

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)  
 029 250 251 060 070 210

13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)  
 BR COOP EQTY IX PARC

14. SECONDARY PURPOSE CODE  
 043

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)  
 Encourage land tenure improvement.

16. PROJECT PURPOSE (MAXIMUM 400 CHARACTERS)  
 Promote productivity and owner management on a group of cooperative but government-run farms in a discrete and impoverished rural area, as a target of opportunity and possible replication in the land tenure field.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)  
 Eight p/m consultant advice -- \$30,000.

18. ORIGINATING OFFICE CLEARANCE  
 Signature: Frederick W. Schieck  
 Title: Acting Director, USAID Guatemala  
 Date Signed: MM DD YY

19. DATE DOCUMENT RECEIVED BY AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION  
 MM DD YY

## PROJECT IDENTIFICATION DOCUMENT

### VERAPACES COOPERATIVE DEVELOPMENT

#### I. SUMMARY OF THE PROBLEM TO BE ADDRESSED AND THE PROPOSED RESPONSE

##### A. The Problem

During World War II, the GOG expropriated several productive plantation farms which were owned and operated by Germans, and has operated them since that time. Although 25 of these properties containing 131,201 hectares located in the Verapaces region (Central Highland region) had been given to the farm workers in the form of producers cooperatives by 1972, the operations continue to be heavily controlled by the GOG. The properties are still managed under the traditional plantation system and mentality in which the workers are primarily considered as subservient to an imposed "patron" system of organization and cultivation.

Some 4,000 workers have benefited little from the intent of the GOG to provide them with secure tenure. The farm managers employed by the Instituto Nacional de Transformación Agraria (INTA) frequently pay less than the legal minimum wage to their owner-workers. Despite dramatic increases in the prices for the two principal cash crops, coffee and cardamom, the farms are barely profitable. The people live under conditions of poverty similar to those living on minifundia elsewhere, and some are unaware of the very fact of their ownership. The GOG is aware that this valuable agricultural resource is being poorly utilized and that the object of agrarian reform has been lost in terms of providing a more substantial and dignified standard of living for those who work the land.

A new agrarian law currently under discussion, which proposes to reduce the role of public agencies in the management of national properties, offers an opportunity for devising economically and socially sound agricultural programs for the 25 properties. If this effort is successful, it could be used as a model by the BOC in divesting itself of the ownership and management of other properties now in the public domain. An added benefit of this project arises because the project area has sufficient agricultural potential to support nearly double the number of families currently working on the farms thereby opening settlement opportunities for other families.

### 3. AID Response

The project will be designed to overcome two fundamental and interrelated problems: The low productivity of the land as it is now being farmed, and lack of organization and motivation among the current farm laborers.

#### 1) Productivity:

Currently, it is estimated that the farms produce no more than one-third of their potential. To improve productivity, programs for intensifying and renewing existing plantings, provision of agricultural inputs necessary for diversification into other appropriate crops and incorporation of unused or underutilized lands are required. To support these activities improvements and modernization of existing physical facilities of the farms also will be required.

Specifically, the project would finance:

- Renovation, replanting and improvements on about 40,000 hectares of the established permanent crops of coffee and cardamom.
- Clearing and planting of about 8,000 additional

hectares to appropriate crops,

- Establishment of diversified crops of spices, pastures, and others on about one-fourth of the total arable land available,
- Improvement in the productivity of lands currently farmed in individual plots for basic food grains, and
- Improvements in access roads and other agricultural installations on all 25 properties.

2) Social Organization:

The inhabitants of these 25 properties essentially have traded one patron for another - INTA. Although formally organized as cooperatives and supposedly having title to the land through the cooperatives, the cooperative members work most of the land communally, with the INTA appointed cooperative management paying daily wages to the membership. Because of this long standing relationship the owner-workers on these properties have had no experience in conducting their group affairs. To effect the withdrawal of INTA management, local cooperative membership must be trained to assume responsibility for the efficient use of the national asset represented by the 101,201 hectares. Thus assistance would be provided for:

- Restructuring the 25 cooperatives so as to facilitate equitable participation of the member-owners in making and carrying out agricultural decisions and for training cooperative management.
- Training approximately 100 key members for specialized cooperative service jobs, such as payroll clerk, nurseryman, processing supervisors, maintenance, accounting and bookkeeping.
- Developing recommendations for optimum agricultural use of the land.

- Demonstrating improved practices which would increase the productivity of the land.

## II. RESOURCES REQUIRED

Productivity increases on the properties will depend heavily on successful demonstration of more suitable agricultural practices and availability of credit for shifting production from current to more efficient growing patterns. For existing coffee and cardamom plantings, this will require renewal of exhausted plants, pruning of untended producers, rearrangement of shade tree growth, fertilizer, etc. Some expansion from the current coffee and cardamom production base of these properties will also require successful demonstration efforts and credit for the agricultural inputs necessary to adopt them. Appropriate agricultural technology exists within Guatemala to effect these productivity increases.

Investments also will be required in cooperative service installations to support the membership. Such investments might include nurseries, storage and handling equipment, sprayers, harvesting tools and perhaps limited maintenance shops for cooperative equipment. An additional project investment will be access roads for the properties - several of which are reachable only by foot and horse.

The project will attempt to employ some of the communication techniques developed by the Basic Village Education project to overcome language and cultural obstacles. This experience may be well suited to passing on new agricultural practices in this area.

## III. MAJOR ASSUMPTIONS

New legislation is being drafted which would effect major changes in both cooperative and land regulations. The intent of the legislation is to increase the autonomy of the cooperative movement and to diminish the role of the Government in the management of national lands. Under the transfer agreement which provided

the producer cooperatives with their properties, the Government retained the right to select and supervise the managers of the cooperative properties. The Government also participates actively in commercial transactions involving supply and marketing. While a new law is not necessary for the success of this project (the GOG could make a decision to divest itself of the cooperative farms under present law), it would provide the framework for nationwide divestiture of national farms thereby laying down a legal "rules of the game" for INTA. Thus an important assumption is that a new law will be passed which will facilitate negotiation and implementation of this project.

This project also assumes that qualified people can be recruited, trained and developed for key jobs. The cultural milieu of the workers is a particularly delicate and important issue in this project.

#### IV. ACTIVITIES OF THE GOG AND OTHERS IN THE PROJECT AREA

The cooperative properties which are the object of this project exist in a remote area of the country characterized by the existence of large plantations. The area has been little affected by other development assistance projects. GOG activities in the fields of health, education, agriculture and credit are minimal, and activities of anthropologists and missionaries are limited.

The Agrarian Transformation Institute (INTA) is the major GOG presence in the area in its cooperative management role. However, INTA's current actions are more related to commerce, patronage and control than to development.

#### V. REALISTIC ALTERNATIVES TO THE PROJECT

Because agricultural credit is available under other programs, conceivably AID inputs to this project could be limited to grant-funded technical assistance. Infrastructure investments would be postponed until they could be financed from coop earnings. We believe,

however, that infrastructure improvements are necessary early on if maximum return to the cooperatives is to be achieved within a reasonable time-frame.

VI. PROJECT BENEFICIARIES

The intended beneficiaries of this project are members of the Kekchi Indian language group. The 1964 census data reflect that these workers' incomes rank next to the poorest in the country. Yearly family income is currently about \$250. In addition to their material poverty, the worker population is almost entirely illiterate, has little contact with the outside world and maintains a subservient posture toward government and those of a higher economic or social status. Mobility is practically nil, due in part to the fact that few can speak Spanish. Finally, most of the target population have lost the traditional benefits of their cultural integrity, and only vestiges remain of the indigenous social structure.

VII. FINANCIAL REQUIREMENTS AND PLANS

Components of the Proposed Project

(In \$000's)

<u>Activity</u>	<u>AID Loan</u>	<u>AID Grant</u>	<u>GOG Counter- part</u>
-- Agricultural Technical Assist- ance and Information Transfer	150	-	50
-- Social and Anthropological Studies	-	100	-
-- Renewal, Expansion & Diversi- fication of Existing Plantings	1,500	-	1,000
-- Coop Service Installations and Improved Access	1,500	-	1,000
-- Social Infrastructure -- Schools, Health Centers, Adult Education, Potable Water	-	-	450
-- Organizational and Management Assistance	-	450	-
-- Agriculture Credit and Coop Operating Capital	750	-	500
-- Specialized Training	<u>100</u>	<u>50</u>	<u>-</u>
TOTALS	<u>4,000</u>	<u>600</u>	<u>3,000</u>

Estimated disbursement period will be four (4) years.

### VIII. DEVELOPMENT OF THE PROJECT

Out-dated studies of two properties exist dealing almost exclusively with their agro-economic potential. INTA has prepared some production statistics and economic summaries but these documents refer only to past performance of the cooperatives.

A number of additional studies must be completed to develop this project. A general agricultural resources study of the area must be carried out accompanied by an initial examination of the project target group and their organizations. A cultural survey will be necessary to design communication strategies.

Although some of the human resources needed for these studies can be provided by the USAID, approximately 8 person-months of outside consultant assistance will be required at a cost of \$32,000 in the following fields: Tropical Agriculture, Social Anthropology, Agricultural Economics, and Cooperative Organization. The USAID would submit a PRP during May of 1978. With the PRP approved we estimate an additional 4 person-months of consultant service would be required to complete the PP during November of 1978.

1/17/78

AGENCY FOR INTERNATIONAL DEVELOPMENT  
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3. COUNTRY/ENTITY  
 GUATEMALA

4. DOCUMENT REVISION NUMBER

5. PROJECT NUMBER (7 DIGITS)  
 520-0257

6. BUREAU/OFFICE  
 A. SYMBOL LA B. CODE 05

7. PROJECT TITLE (MAXIMUM 40 CHARACTERS)  
 Land Transfer Alternatives

8. PROPOSED NEXT DOCUMENT  
 A.  2 = PRP  3 = PP  
 B. DATE MM YY 09 78

10. ESTIMATED COSTS  
 (\$000 OR EQUIVALENT, \$1 = Q.1.00 )

FUNDING SOURCE	AMOUNT
A. AID APPROPRIATED	7,500
B. OTHER	0.3, 2.
C. HOST COUNTRY	8,500
D. OTHER DONOR(S)	
<b>TOTAL</b>	<b>16,300</b>

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION  
 a. INITIAL FY 79 b. FINAL FY 83

11. PROPOSED BUDGET AID APPROPRIATED FUNCS (\$000)

A. APPRO- PRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY		LIFE OF PROJECT	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1) EN	230	054	055	500	5,500		5,500
(2)							
(3)							
(4)							
		TOTAL					

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)  
 044 060

13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)  
 BR BS COOP EQTY IX PART

14. SECONDARY PURPOSE CODE

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)  
 Encourage land tenure improvement.

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)  
 Increase small farmer access to land by working with the new Instituto de Tierras to develop and try systems to promote the voluntary transfer of agricultural lands.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)  
 Four person/months consultant assistance - \$16,000.

18. ORIGINATING OFFICE CLEARANCE  
 Signature: Frederick W. Schieck  
 Title: Acting Director, USAID/Guatemala  
 Date Signed: MM DD YY

19. DATE DOCUMENT RECEIVED, AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION  
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## PROJECT IDENTIFICATION DOCUMENT

### LAND TRANSFER ALTERNATIVES

#### I. PROBLEM AND PROPOSED RESPONSE

##### A. THE PROBLEM

Virtually all serious analyses of Guatemala's agriculture sector have concluded that a key constraint to improving the incomes of a large number of small farmers is land availability. The problem is especially acute in the Highlands where 80% of all farms are less than 7 hectares. Some farms are so small that in the absence of major breakthroughs in crop technology, crop diversification systems, and improved marketing channels, the potential for increasing family income from the land is minimal. Tradition plays a strong role too in that with many small farm families living at the subsistence or less than subsistence level, the planting of corn and beans, which constitute the principal component of their diet, is seen as a necessity to ensure survival.

In an effort to address the imbalance in land ownership, an aggressive agrarian reform program was initiated by the CGG in the 1952-54 period. As with many such programs, initial opposition by large landowners spread rapidly to other groups as excesses began to mount in implementation of the reform law. Land which clearly was outside the intent of the law was invaded and expropriated. This program and its problems, inter alia, came to an end with the overthrow of the government in 1954 and land on which about 80,000 families had been settled was returned to its former owners.

In place of this program, a succession of agrarian transformation agencies have been created which have primary concentrated on operation of the "national farms" properties expropriated from German nationals during World War II. In some instances, ownership of these farms has been transferred to worker cooperatives, but in reality the CGG has maintained almost complete control over their operation. The current CGG agency in this field, Instituto de Transformación Agraria

(INTA) is also involved with sponsoring a number of colonization projects in the north-central part of the country where undeveloped land is available. However, there is no current GOG program which addresses the land constraint in the areas populated by small farmers and the landless.

#### B. PROPOSED RESPONSE

Pressure to obtain land is strong among the target group. Unfortunately this pressure has driven land values up to a point where asking prices frequently bear little relationship to the productive capacity of the land. Nevertheless, attempts are being made by at least three PVO's to provide long-term financing for land purchases, generally for groups of campesinos who are interested in either working the land in common or who are at least willing to leave title of the overall property in the name of the group while working individual plots. Credit unions have also provided financing to members for purchase of small parcels. The Planning Council and the GOG's Agriculture Bank (BANDESA) have expressed interest in programs for facilitating the purchase of land, and under a 1975 IDB loan to BANDESA for cooperative credit, up to \$2,000,000 of the GOG's counterpart was made available for financing land purchases. Unfortunately, the loan has been somewhat modified since then in order to address earthquake reconstruction needs which has meant that the counterpart will be allocated for other eligible uses.

The USAID proposes therefore, to explore various alternatives for facilitating land transfers to the rural poor. A land sale guaranty program is one possibility which will be considered, although the USAID is mindful of experience with similar programs elsewhere in Latin America. Another alternative is to encourage the Government to provide the necessary financing for land purchases with AID funds being allocated for intermediate credit and technical assistance for the new land owners. Prior to preparation of the PRP the USAID will seek advice from AID/W and other sources regarding other possible alternatives.

A related objective of this proposal is the desirability of providing assistance to a new agency Instituto de Tierras (Land Institute) for which enabling legislation is under

preparation. The Institute would supersede INTA, and as is currently envisaged, would have as its major function the actual transfer of undeveloped and developed lands to the rural poor. Whether the new organization would truly break with tradition and concentrate on land transfer rather than serving as a farm operator remains to be seen, but clearly such a break is the underlying rationale behind the proposed new legislation.

II. FINANCIAL PLAN (\$000)

	<u>AID Grant</u>	<u>AID Loan</u>	<u>GOG</u>
Salaries and operating Costs			1,000
TA (short & long term)	1,500		
Participant Training	500		
Equipment		500	
Farm Infrastructure		1,000	1,000
Intermediate Credit		3,000	
Land Sale Fund			5,000
	<hr/>	<hr/>	<hr/>
Total	1,000	5,500	8,500

A five-year disbursement period is projected.

III. PROJECT DEVELOPMENT

The PRP would be submitted by September 1978 if project development appears feasible, and would require approximately 4 staff/months of TDY and consultant assistance.

The Project Paper would not be scheduled for submission before late FY 1979.

IV. RELATED ACTIVITIES

Under loan 026 (Small Farmer Development), the USAID is

financing a pilot colonization project utilizing cooperatives as the vehicle for organizing and administering new settlements which will draw people from the Highlands. Cadaster and land use studies are being financed for areas outside the initial pilot settlements to provide a basis for continued expansion of the program.

Also, as noted above, an initial attempt was made under an IDB loan to encourage GCG financing of land purchases through cooperatives, but this aspect of the project was subsequently changed.

Certain FVO's are engaged in financing land purchases as is the credit union movement, but these are small-scale efforts when compared with demand.

#### V. POSSIBLE ALTERNATIVES

Obviously, the one alternative which would most directly address the problem would be reinstatement of the agrarian reform law. Given the political realities of Guatemala, however, this is not a realistic alternative. A possible variation would be enforcement of the land tax which would penalize owners of unused or underutilized land. Interestingly enough, the large landholdings in the Highlands are considered by most observers to be properly utilized which means that such a tax would have little impact in the target group area itself. In areas where lands are being held for speculative purposes, other land is available in the public domain nearby, and this is being used, or is projected to be used for colonization purposes. A progressive land tax based on property size would tend to encourage sale but this would run into many of the same political obstacles which an outright expropriation program would encounter.

#### VI. INTENDED BENEFICIARIES

Small farmers and landless laborers living in the Highlands region are the intended beneficiaries. Estimated annual per capita income is currently \$89. Because typical land holdings are so small, and because alternative employment opportunities are limited in the area, the target group is forced to seek seasonal employment on large farms located

on the Pacific coastal plain. Living conditions there are extremely poor and wages are low. The great majority of the target group are Mayan Indians who are living outside the modern sector and who traditionally have been ignored by government programs. Illiteracy is high and health status is poor.

#### VII. SPREAD EFFECT

The spread effect for this project will be largely a function of the government's willingness to continue program financing. If a land sale guaranty mechanism is adopted, then spread effect will be dependent upon the continued existence of a guaranty fund and willingness of private financial institutions to make mortgage money available. Measures to ensure continuance of the program will be analyzed during intensive review.

AGENCY FOR INTERNATIONAL DEVELOPMENT  
**PROJECT IDENTIFICATION DOCUMENT FACESHEET**  
 TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE  
 A A = ADD  
 C C = CHANGE  
 D D = DELETE

PID  
 2. DOCUMENT CODE 1

3. COUNTRY/ENTITY  
 GUATEMALA

4. DOCUMENT REVISION NUMBER

5. PROJECT NUMBER (7 DIGITS)  520-0252

6. BUREAU/OFFICE  
 A. SYMBOL LA B. CODE 05

7. PROJECT TITLE (MAXIMUM 40 CHARACTERS)  
 Appropriate Rural Technologies

8. PROPOSED NEXT DOCUMENT  
 A.  3 2 = PRP 3 = PP B. DATE MM YY 09 78

10. ESTIMATED COSTS (3000 OR EQUIVALENT, \$1 = Q.1.00)

FUNDING SOURCE	485524
A. AID APPROPRIATED	400
B. OTHER	
1.	
U.S.	
2.	
C. HOST COUNTRY	150
D. OTHER DONOR(S)	50
TOTAL	600

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION  
 a. INITIAL FY  7  9 b. FINAL FY  8  0

11. PROPOSED BUDGET AID APPROPRIATED FUNGS (3000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY		LIFE OF PROJECT	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1) FN	200	112		300		400	
(2)							
(3)							
(4)							
TOTAL				300		400	

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)  
 000 150 130

13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)  
 TECH BR BL LAB

14. SECONDARY PURPOSE CODE

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)  
 Improve rural productivity, employment and quality of life.

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)  
 Strengthen GOG ability to coordinate and promote appropriate rural technologies.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)  
 Eight staff-weeks TDY.

18. ORIGINATING OFFICE CLEARANCE  
 Signature: Frederick W. Schieck  
 Title: Acting Director, USAID/Guatemala  
 Date Signed: MM DD YY

19. DATE DOCUMENT RECEIVED FOR AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION  
 MM DD YY

## PROJECT IDENTIFICATION DOCUMENT

### APPROPRIATE RURAL TECHNOLOGIES

#### 1. The Problem

The rural poor who constitute USAID/Guatemala's target group are small producers, mostly agricultural, who in many respects have been left behind by the twentieth century. Methods of production and productivity have not kept pace with increased population growth in target areas.

In the aftermath of the February 1976 earthquake, a number of spontaneous self-help initiatives came into being. Some of these have survived beyond the initial emergency. Simultaneously, progress is being made in communications and in the exchange of information about "appropriate technologies" among developing countries. All things considered, it may now be propitious to focus on the type of technology transfer and adaptation which would help narrow the gap between the modern and the traditional sectors.

The goal of this project is to improve rural productivity, employment, and quality of life by promoting the identification, development, dissemination, and adoption of appropriate small-scale labor intensive technologies (a) on the farm, (b) in agro-industries, and (c) in construction materials.

#### 2. The Institutional Base

- a. The Unidad de Ciencia y Tecnología in the Consejo Nacional de Planificación Económica has in recent months been strengthened in terms of staff and resources. It is charged with coordination of GOG Science and Technology programs. It also is the Guatemalan component of the Comisión para el Desarrollo Científico y Tecnológico en Centro América y Panamá, which started to function in early 1976.

- b. The Instituto Técnico de Capacitación y Productividad (INTECAP) was established in 1972, superseding the national productivity center (CENDAP), which had been founded in the early sixties with U. S. foreign assistance. INTECAP offers a wide range of training courses at the executive, technical and operative levels and also renders industrial extension services. It has the desire, organizational capability and resources to absorb foreign technical assistance effectively. Particular need for such assistance is currently felt in the agro-industrial sector.
  
- c. The Centro Mesoamericano de Estudios sobre Tecnología Apropriada (CEMAT), is one of several more specialized institutions. CEMAT was established on a non-profit basis after the February 1976 earthquake by a group of Guatemalan professionals, to promote and systematize appropriate technology development and transfer. The leaders and coordinators of this group are largely donating their time and efforts for this purpose. Others are cooperating in the development of specific projects and in carrying out CEMAT consulting contracts. It has so far been a policy that these services are remunerated considerably below current rates. The purpose is to obtain a highly motivated type of cooperation. A number of projects, mostly designed to put suitable technologies at the service of the lowest strata in the manufacturing sector, are in various stages of implementation.

### 3. Proposed Response

- a. The project purpose is to strengthen the ability of the Science and Technology Unit of the National Economic Planning Council to coordinate and foster the introduction of appropriate technology in the areas indicated.
  
- b. The proposed project would provide the following:
  - Twenty (20) p/m of short-term advisory assistance in both the administration of appropriate technology development and in specific technologies.

- Twenty (20) p/m of short-term, non-academic participant training, in the U.S. and third countries, in the above fields.
- The creation of a small matching fund for incentive grants to stimulate local R&D efforts as well as the introduction of new technologies where such catalytic inputs will be necessary.

The project contemplates two years of funding and disbursement over three fiscal years.

- c. The main assumption is always that there are in fact appropriate technologies to be discovered and introduced. Another is that socio-cultural factors at the local level will not impede their adoption. In order to address this, an element of professional guidance on this problem will be introduced into the selection process.
- d. There is one logical alternative to this project, and this would be to address the science and technology questions on a project-by-project basis. However, the benefits of working through and strengthening the existing nascent science and technology institutional base appear to have the potential for far more significant and widespread impact.
- e. Direct beneficiaries will include those small farm, small-scale agro industrial, and new construction materials producers who successfully adopt the new technologies; workers whose new employment results from the technologies' introduction; and consumers who benefit from finding more, higher quality, and/or cheaper food, clothing, housing or other consumer items available.
- f. The spread effect for particular small-scale rural technologies should take place as they are spontaneously replicated in response to a simple profit motive, once the feasibility is established and benefits demonstrated. More generally speaking, the systematic introduction of appropriate technology search and utilization in addressing

development problems of the rural sector will most likely require a more substantial donor investment than the proposed here. In that sense, this project may be regarded as a pilot effort.

4. Financial Plan (\$000)

	<u>AID</u>	<u>GOG</u>	<u>PRIVATE</u>
Technicians	200	50	--
Participants	100	--	25
Incentive Fund	<u>100</u>	<u>100</u>	<u>25</u>
TOTALS	<u>400</u>	<u>150</u>	<u>50</u>

5. Project Development

Four weeks' TDY by each of two Spanish-speaking OST (or contract, if not available) personnel will be needed during FY 1978 to structure more fully and negotiate the project prior to PRP submission around June 1978. The PP would be submitted in July 1979.



## PROJECT IDENTIFICATION DOCUMENT

### COORDINATION OF PVO HEALTH SERVICES

#### I. SUMMARY OF THE PROBLEM TO BE ADDRESSED AND THE PROPOSED RESPONSE

##### A. Summary of the Problem

The investment for rural health care services of the 150 health-related PVOs in Guatemala totals approximately \$4.5 million per year. This amount buys a variety of primary care, public health and nutrition services. In addition CARE and the Catholic Relief Services (CRS) are contractors for the distribution of approximately \$9 million in PL 480 Title II food each year. Thus directly or indirectly the PVOs control the expenditure of \$13.5 million per year for health related programs in Guatemala. This level of expenditure is equivalent to approximately 32% of the entire budget of the Ministry of Health.

With the exception of CARE, CRS and Project HOPE, there is virtually no contact between PVOs and the GOG at the national or departmental levels. In this absence of any regular communication, unrealistic expectations develop on the part of all parties, followed by frustrations and suspicion; and this further impedes communication. The breakdown of communication is not only between the GOG and PVO but also between PVOs. The effect of this poor communication is ineffective sharing of the PVO resources and experience with the GOG health services and with the other PVOs. In the end, the \$4.5 million committed annually by PVOs to the Guatemalan health sector buys much less than it could if it were applied more collaboratively.

##### B. Proposed Response to the Problem

###### 1. Purpose of the Project

It is proposed that USAID finance the development of a Health Council of PVCs working in Guatemala which would include both Guatemalan PVCs and those from other countries, and provide the technical support needed to establish a National PVC Registry. The council would be officially recognized by the GCG, and membership would be invited if a PVC wished assistance in obtaining official status in Guatemala. In return for participation, the PVCs would be provided duty-free import for drugs and medical equipment, courtesy visas for foreign staff and opportunity to purchase medicines and supplies at low cost through bulk purchasing. The high cost of pharmaceuticals has been of concern to PVCs in Guatemala and elsewhere for many years. The opportunity to purchase these at low cost makes the project particularly attractive and necessary. Perhaps most importantly such a PVC Council would provide a forum for the interchange of experience between PVCs which could strengthen their programs.

## 2. Project Description

### a. Required Outputs

The major output would be a self-supporting organization with installed capacity to facilitate the work of PVCs in the health sector.

The organization would improve these health-related programs by improving efficiency, thereby extending outreach, helping to avoid duplication of efforts, improving coordination with PVC and GCG health-related activities, and heightening awareness of innovations in planning, appropriate technology, development of teaching aids and training and deployment of trained personnel.

A purchasing facility through which medicines

could be obtained at low cost would be established. Certain commonly used medicines would be agreed upon by the PVOs and bulk purchasing would permit these to be procured periodically and distributed to PVOs.

Approximately 12 newsletters per year would be produced and circulated, 8 seminars for PVO project managers and staff, including GOG counterparts, and one annual meeting of PVO representatives would take place.

A registry of organizations and their activities and accomplishments would be established and assistance to PVOs for obtaining duty free importation of eligible commodities would be made available.

b. Required Inputs

Inputs include, salary for administrative and secretarial staff (57% of project cost), office equipment (4% of project cost), supplies and materials (8% of project cost), consultant fees, local travel and per diem for professional personnel who will conduct seminars (3% of project cost), and administrative costs involved in annual meeting of PVO representatives (2% of project cost).

A vehicle for transport of medicines and supplies purchased in bulk would be provided during the final year of the project after the system has been established and the need confirmed (7% of project cost), also gasoline, oil and contingency (8% of project cost).

Additional inputs not quantified are time donated by personnel of MOH and PVOs, and cost of educational materials

developed in response to the organizations' recommendations.

c. Estimated Disbursement Period

Three years.

3. Major Assumptions

- a. The success of the project is contingent upon interest and willingness to cooperate on the part of the PVCs and the GOG.
- b. The system for bulk purchase of medicines and supplies is functional and of a magnitude that will permit self-financing of the project.

It is estimated that approximately \$1.5 million currently is expended by PVCs annually in Guatemala for purchase of medicines. If it is assumed that half of this amount (\$750,000) is used for bulk purchase at a very favorable price a "mark-up" of 5% would bring \$37,500 per year which would be used for continuing the work of the coordination office.

4. Activities in Area of Concentration

Some evidence exists of PVC interest and willingness to cooperate. A 4-day meeting took place in 1975 at which representatives of PVC and GOG health programs came together for the first time to exchange information. It was generally agreed that the meeting was valuable and that future exchanges should take place.

Meetings continue to take place on a more or less ad hoc basis when representatives of a few organizations may meet for discussions on specific topics of interest, e.g. training of village health promoters. Volunteers on the staff of Dr. Carroll Behrhorst's Clinic

in Chimaltenango have stimulated these exchanges and have established a basis of confidence and credibility both among the PVOs and with the Office of International Relations of the Ministry of Health (MOH).

Much interest exists in bulk purchasing and an enquiry has begun to determine the most commonly used medicines as a first step.

5. Alternatives

A possible alternative would be for USAID to assist the MOH to establish a National PVO registry. With an official function only, this alternative would do nothing to improve the efficiency of PVOs on their cooperation with each other and the MOH.

Another alternative would be to assist a PVO to establish an organization, with no relationship to the MOH. This alternative would not be able to provide duty free import of medicines and medical supplies and visas, nor would it accomplish the important objectives of improved coordination between PVO and the MOH.

6. Beneficiaries

a. Direct

A potential group of approximately 150 PVOs working in health programs and the MOH.

b. Indirect

Beneficiaries would be, recipients of healthcare reached by efforts of these PVOs. It is estimated that many of the people living in rural areas are served to some degree by these organizations. These people are among the poorest sector of society, whose income level lies at or below the median of \$70 per year. Given

that the USAID/G health sector strategy is directed toward assisting programs which extend coverage to groups who do not have access to health services, that the regional priority for USAID/G programming concentrates on the Western Highlands, and that the majority of PWCs in Guatemala are delivering primary health services for the Indian villages in the Western Highlands, it is concluded that this project would be indirectly benefiting one of the most needy groups in Guatemala which live in a high-priority area for USAID/G programming.

#### 7. Spread Effect

The spread effect might include organization of similar coordinating groups in other Latin American countries.

An indication of interest in PWC coordination activities in other countries was the attendance of representatives from Mexico, Nicaragua and Honduras at the PWC meeting which took place in 1975.

II. FINANCIAL REQUIREMENTS OF PLAN

A. Estimate of Project Cost

\$115,400

B. Anticipated AID Share of Costs

OPG grant-financing to an appropriate established PVO working in Guatemala.

	<u>AID</u>	<u>PVO</u>	<u>GOG</u>	<u>TOTAL</u>
1. Salaries of administrative & secretarial staff	61,680	15,000	---	76,680
2. Office equipment	5,050	---	---	5,050
3. Supplies & Materials	10,100	1,000	---	11,100
4. Rental of office space	12,000	2,400	---	14,400
5. Consultant fees, local travel and per diem	2,400	1,200	---	3,600
6. Administrative costs of annual meetings	3,000	---	---	3,000
7. Pick-up truck	10,000	---	---	10,000
8. Gasoline, oil and contingency	11,170	---	---	11,170
9. Value of import duties forgiven <u>1/</u>	-----	-----	<u>27,400</u>	<u>27,400</u>
TOTAL	<u>115,400</u>	<u>19,600</u>	<u>27,400</u>	<u>162,400</u>
	=====	=====	=====	=====

Financial Inputs by Year

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>TOTAL</u>
AID	41,310	33,886	40,204 <u>2/</u>	115,400
PVO <u>3/</u>	---	6,000	13,600	19,600
GOG <u>1/</u>	---	<u>8,400</u>	<u>19,000</u>	<u>27,400</u>
	<u>41,310</u>	<u>48,286</u>	<u>72,804</u>	<u>162,400</u>
	=====	=====	=====	=====

1/ Reflects LOP inputs only. Value of this item will reach \$63,000 p.a. beginning in Year 4.

2/ Includes purchase of pick-up truck.

3/ PVO contribution to project will result from overhead charged on bulk purchase of medicines and supplied.

It is estimated that the recurrent costs of the project after termination of AID inputs will be in the order of \$45,000 per year. This amount can be recovered by imposition of a 5% overhead on the annual purchase of \$900,000 worth of medical supplies and pharmaceuticals. Since current (1976) expenditure by PVCs is in the order of \$1.5 million it is estimated that by 1981 bulk purchasing of \$900,000 worth of supplies will be easily attained and probably greatly exceeded.

The counterpart contribution of PVCs in years 2 and 3, are calculated on bulk purchases in the amount of approximately \$120,000 and \$272,000 respectively.

### III. DEVELOPMENT OF PROJECT

All necessary studies for the development of the projects have been completed.

A detailed study of the PVC's working in Guatemala has been undertaken as part of an ongoing Health Sector Assessment. This document entitled "A Study of Private Voluntary Organizations (PVCs) in Guatemala" by Charles A. Keaty and Geraldine Keaty (May 1977) is available from USAID/Guatemala.

The project that is the subject of this PID is in accordance with recommendations included in the referenced study.

A PVC (The Behrhorst Foundation) has been identified as capable, willing and interested in undertaking the project. This organization has been active for 18 years in Guatemala, provides an outreach medical and hospital program for approximately 113,000 rural dwellers and has trained 43 rural health promoters. The foundation has taken leadership in developing ideas for bulk purchasing and is canvassing PVCs to ascertain their ideas and the medicines they use most frequently.

AGENCY FOR INTERNATIONAL DEVELOPMENT  
**PROJECT IDENTIFICATION DOCUMENT FACESHEET**  
 TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE  
 A = ADD  
 C = CHANGE  
 D = DELETE

PID  
 2. DOCUMENT CODE  
 1

3. COUNTRY/ENTITY  
 GUATEMALA

4. DOCUMENT REVISION NUMBER

5. PROJECT NUMBER (7 DIGITS)  
 520-0258

6. BUREAU/OFFICE  
 A. SYMBOL LA B. CODE 05

7. PROJECT TITLE (MAXIMUM 40 CHARACTERS)  
 Bilingual Education

8. PROPOSED NEXT DOCUMENT  
 A.  2 = PRP  3 = PP  
 B. DATE MM YY  03  78

10. ESTIMATED COSTS  
 (\$000 OR EQUIVALENT, \$1 = 21.00)

FUNDS SOURCE		
A. AID APPROPRIATED		840
B. OTHER U.S.		
C. HOST COUNTRY		300
D. OTHER DONOR(S)		
TOTAL		1140

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION  
 a. INITIAL FY  78  79  
 b. FINAL FY  81

11. PROPOSED BUDGET AID APPROPRIATED FUNGS (\$000)

A. APPRO- PRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY		LIFE OF PROJECT	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1) EHR	622	636		585		840	
(2)							
(3)							
(4)							
		TOTAL		585		840	

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)

13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)

BR	R/ED	DEL	EQTY	PART	TRG
----	------	-----	------	------	-----

14. SECONDARY PURPOSE CODE  
 660

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)  
 Increase educational opportunities for children from families of the rural poor.

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)  
 To develop a bilingual education project which could serve as a model for bilingual education in Guatemala.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)  
 \$50,000 in FY 78 EHR Technical Support Funds

18. ORIGINATING OFFICE CLEARANCE  
 Signature: Frederick W. Schieck  
 Title: Acting Director, USAID/Guatemala  
 Date Signed: MM DD YY

19. DATE DOCUMENT RECEIVED / AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION  
 MM DD YY

## PROJECT IDENTIFICATION DOCUMENT

### BILINGUAL EDUCATION

#### I. SUMMARY OF THE PROBLEM TO BE ADDRESSED AND PROPOSED RESPONSE

##### A. Statement of the Problem

The focus of AID assistance to the education sector in Guatemala has been the support of programs directed to increase educational opportunities for children from families of the rural poor. Over one half of the rural population of Guatemala are Mayan Indians who speak one of 23 different dialects. Partly because of language and cultural differences, individuals within this indigenous population tend to make less use of public services, have lower life expectancies, have less income, have higher rates of illiteracy, and participate less in the decision-making processes of their government at both the national and municipal levels.

One of the key determinants governing access to the formal education system for this group is their ability to speak Spanish. Because many Indian children do not speak Spanish when they reach school age, they rarely progress beyond the first grade. While non-formal education programs provide an alternative means of educating the rural poor of indigenous origin, such programs cannot substitute for the formal system which is considered to be the socially and legally accepted primary education medium. Moreover, current non-formal education programs have been designed as a mechanism for imparting a plethora of practical messages in such disparate areas as sanitation and agriculture to adult audiences.

## B. The AID Response

In response to the language problem, the Ministry of Education (MCE) has developed a program for teaching Spanish to pre-school age and first graders using bi-lingual promoters. The purpose and coverage of the program are limited, as is its effectiveness. Better approaches are being sought by the MCE and the USAID.

The purpose of this grant is to provide resources and technical assistance to the MCE in development of a pilot project based on current information available on bilingual education that can serve as a model for bilingual education in Guatemala.

The executing agency will be the Ministry of Education, and it is anticipated that its planning unit, USIPE, will be charged with coordination of this project.

## C. Description of the Project

Assistance will be provided to the MCE in selection of a sample area envisaged as geographically coinciding with an area in which one or two major Indian languages are spoken. The program will be conducted in regional and satellite schools located in the area, as well as ordinary primary schools. The regional school/satellite school concept of rural primary education, developed under the AID-assisted PEMEP program, provides for regional schools offering instruction through the sixth year which also absorb students from satellite schools which may offer only three or four years of schooling. The target area would contain approximately 100 schools and a primary school student population of about 10,000. We envisage utilizing the services of a consultant to assist in the area selection process during the project development stage.

The use of indigenous languages in the classroom is not new. A castellanization program has existed for several decades which consists of a year of school before first grade (age 6) to teach indigenous monolingual children oral Spanish. In 1964 a crucial addition was made to the program; the use of the indigenous language during the first grade. Teacher aids, or Promotores Bilingües, were trained and assigned to communities in which their Indian language was spoken. They have the multiple role of assisting in school with monolingual children, attending to linguistic problems the teacher is unaware of, and working with community development and adult literacy programs in the villages.

Although there are nearly 750 bilingual promoters trained and working in the MOE primary system, the majority of the teachers in the castellanization programs continue to be monolingual Spanish-speaking ladinos. The emphasis of this program has been the teaching of Spanish and development of Spanish speaking children. Little to no emphasis has been given to cultural background, study of the self concept, or other factors affecting the educational achievement of children whose first language (and only language upon matriculation in the primary system) is an Indian dialect.

*which one?*

In this project, assistance will be provided in the training of existing Promotores Bilingües to re-focus them from a castellanization function to true bilingual education. The project would develop curriculum materials need for the first three years of primary school in both the native indigenous language and in Spanish. It is envisaged that textbook development and production would be contracted, perhaps to the Summer Institute of Linguistics. Between 100 and 200 Promotores Bilingües may be trained in the new curriculum during school vacation periods using existing "normal" or teacher training schools as training centers.

To provide an opportunity for Ministry of Education officials concerned with the program to observe on-going bilingual education programs at first hand, we propose to send six Ministry officials on observation tours of one month's duration to Bolivia, Paraguay and the U.S. In addition, two Ministry officials will be selected for long-term graduate level academic training in the U.S. in the field of bilingual education. This training is expected to be of two years' duration.

Evaluation will be a vital component of the project, both to convince the MCE of the merits of this technique of bilingual education and for making program adjustments which would enable the MCE to replicate the experience in other geographic areas among different linguistic groups. Project evaluation, including a baseline study of retention and promotion rates, would be contracted out, perhaps to a U.S. educational institution.

A full-time advisor will be engaged to coordinate the different project activities and to offer advice in the areas of training and curriculum development.

#### D. Alternatives to the Project

USAID has considered several alternatives:

1. Attempting an experimental project which would be designed to assess the relative merits of a variety of methods of bilingual education. An evaluation would be performed to select the technique which was most acceptable to the GCG. This alternative has been discarded because it is felt that enough information is available to implement a pilot project, obviating the need for a broad experiment.

2. Another alternative would be the immediate development of bilingual programs in all of the indigenous languages of Guatemala. This idea has been discarded as premature, since it is felt that the extensive investment in textbook and curriculum development which this alternative would require should await successful testing of the chosen approach via a pilot project.

E. Project Beneficiaries

Direct and immediate beneficiaries of the project would be the students involved and their families in the project area. Long-range benefits will be derived by the target group through obtaining higher educational levels which will permit greater social and economic participation in Guatemalan society, as well as access to secondary level training schools (agronomists, teachers, accountants, etc.)

F. Major Assumptions Pertinent to Project Success

The Government of Guatemala will expand and integrate the project results into its curriculum for all indigenous school children.

II. FINANCIAL REQUIREMENTS AND PLAN

The estimate of total project cost is \$1,140,000 of which \$840,000 would be in the form of an AID grant. The GOG contribution is estimated at \$300,000.

Financial Plan

	<u>First Year</u> <u>US</u>	<u>Second Year</u> <u>US</u>	<u>Third Year</u> <u>US</u>	<u>Total</u>
Curriculum development and production	250	70		320
<u>Training of Promotores</u> <u>Bilingualies</u>	200	30	30	310
Full-time coordinator/ advisor	60	20	60	240
Long-term academic participant training	30	30	30	120
Observation tours for participants	10	15		25
Evaluation	35	10	35	125
	<u>585</u>	<u>175</u>	<u>95</u>	<u>1,140</u>

### III. DEVELOPMENT OF THE PROJECT

The use of FY 1978 Technical Support Funds is being proposed to develop the project. Of the proposed Education and Human Resources Development Technical Support FY 1978 funding level of \$100,000, \$50,000 is contemplated as the cost for a team of consultants to provide recommendations to refine project design, to plan project implementation, and to identify the project area. We expect to submit the PFP in March, 1978 and the PP in February, 1979.

AGENCY FOR INTERNATIONAL DEVELOPMENT  
**PROJECT IDENTIFICATION DOCUMENT FACESHEET**  
 TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE  
 A = ADD  
 C = CHANGE  
 D = DELETE

PID  
 2. DOCUMENT CODE 1

3. COUNTRY/ENTITY  
 GUATEMALA

4. DOCUMENT REVISION NUMBER

5. PROJECT NUMBER (7 DIGITS)  520-0259

6. BUREAU/OFFICE  
 A. SYMBOL LA B. CODE 05

7. PROJECT TITLE (MAXIMUM 40 CHARACTERS)  
 Education Administration

8. PROPOSED NEXT DOCUMENT  
 A.  2 = PRP  3 = PP B. DATE 06 7 8

10. ESTIMATED COSTS  
 (\$000 OR EQUIVALENT, \$1 = 02.00)

FUNDING SOURCE	646586
A. AID APPROPRIATED	930
B. OTHER 1:	
U.S. 2:	
C. HOST COUNTRY	925
D. OTHER DONOR(S)	
TOTAL	1,855

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION  
 a. INITIAL FY 79 b. FINAL FY 82

11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$000)

A. APPRO- PRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY 79		LIFE OF PROJECT	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1) EHR	680	650		395		930	
(2)							
(3)							
(4)							
TOTAL				395		930	

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)  
 670

13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)  
 R/ED ENG

14. SECONDARY PURPOSE CODE

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)  
 To produce qualitative improvement in the primary education system which supports the USAID's growth with equity objectives for the rural areas of Guatemala.

16. PROJECT PURPOSE (MAXIMUM 400 CHARACTERS)  
 To improve the administrative capacity of the Ministry of Education to enable it to manage effectively its primary education resources.

17. PLANNING RESOURCE REQUIREMENTS (not funds)  
 \$50,000 in FY 1978 Technical Support funds to finance a consultant team.

18. ORIGINATING OFFICE CLEARANCE  
 Signature: Frederick W. Schieck  
 Title: Acting Director, USAID/Guatemala  
 Date Signed: MM DD YY

19. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION  
 MM DD YY

PROJECT IDENTIFICATION DOCUMENT

EDUCATION ADMINISTRATION

I. SUMMARY OF THE PROBLEM TO BE ADDRESSED AND PROPOSED RESPONSE

A. Statement of the Problem

In early 1977, the Guatemalan Congress enacted a new law which gives the Minister of Education wide latitude in reorganizing the Ministry. The law stems from recognition that the current organizational structure of the Ministry is inadequate and that the Ministry's various dependencies are not addressing the educational needs of the country in an effective (qualitatively as well as financially) manner.

The educational system in general and the rural primary education sector in particular are beset by a lack of highly trained management and administration personnel. There are no officials in the Ministry, for example, with advanced degrees in educational administration. Much of the administration at the Ministerial level is the responsibility of maestros and profesores, i.e. primary and secondary school teachers. Their lack of specialized administrative training is reflected in the occurrence of administrative bottlenecks, ill-defined channels of communication, and duplication of tasks by different offices. Thus, one of the most serious problems facing the Ministry of Education is staff inability to handle developmental tasks; program creation, design and development; overall planning and policy formulation. Illustrative of this lack of management skills are the following deficiencies: (1) no comprehensive mapping of the system of education is presently available, although such mapping should result from the reorganization ordered by the new law; (2) systematic education planning of a more

specific nature than the parameters established by the 1975-1979 Five-Year Development Plan is non-existent with the result that Ministry planners move from brush-fire to brush-fire following a crisis-management approach; (3) the information base on which planning is built is generally obsolete, often misleading and not impartial which results in inappropriate allocation of resources. This includes such basic statistics as primary school enrollment figures, retention figures, teacher-pupil ratios, etc.

These administrative constraints impinge upon the execution of an educational program which can effectively reach rural children of primary school age, both in the realms of formal and non-formal education. With regard to the latter, the GOG's non-formal education suffers from lack of a clearly defined relationship to the formal education sector and to the structure of the Ministry of Education. Correction of the deficiencies noted above will depend to a large degree on upgrading the Ministry's administrative capacity, particularly through a systematization of education planning and accomplishment of a comprehensive mapping of the education system.

### B. The AID Response

The purpose of this project is to enhance the administrative capability of the Ministry of Education to provide effective primary education by providing necessary training to key officials of the MCE and technical assistance, especially in the following areas:

- Educational Planning;
- Educational Financing;
- Educational Administration;
- Data Processing and Analysis;
- Research and Development.

A professional education planning capability would enable the Ministry to focus on long-range

objectives, thereby, being better able to assign tasks to the most appropriate unit, avoiding duplication.

Educational financing expertise would assist in maximizing the limited financial resources available to the sector.

An upgraded general educational administration capability would enable the Ministry to coordinate effectively the different functions of the Ministry and to introduce greater efficiency into the running of the primary education system.

A data processing and analysis unit would serve to correct the present lack of reliable primary school statistics, making possible decisions based on data collected and not on assumptions.

A research and development unit would enable the Ministry to devise approaches to primary education most relevant to the Guatemalan context.

#### C. Description of the Project

Proposed are the following types of training in the fields of planning, finance, educational administration, data processing and analysis, and research and development program management.

1. Long-term training of selected officials in the U.S. or in third countries;
2. Short-term courses in-country;
3. In-service training and development of staff.

Long-term training for two-year graduate level training toward Masters or Doctorate degrees in the U.S. for three participants in each field would be financed. Short-term advisors would be engaged to assist in the setting up of a

data processing and analysis system and of a research and development unit, primarily by providing training to Ministry personnel in-country. Short-term and in-service training classes of one month's duration totalling perhaps seven months per year for a two-year period would be given in Guatemala by U.S. consultants to classes of approximately 15 participants in the field of planning, finance and educational administration. Texts, secretarial support, office materials and equipment will be provided for the in-country participants by the GCG.

To coordinate these activities and to serve in an advisory capacity in the areas of planning and educational administration, an educational planning advisor and an education management specialist would be financed over the life of the project.

Among the tasks of the management specialist would be to assist in the development of financial mapping of the education sector and to develop systems of information retrieval and analysis.

The education planner would work with officials of the Ministry of Education to clarify objectives, base program development on these objectives, and to demonstrate the role of education planning in the total education framework.

The executing agency will be the Ministry of Education.

#### D. Related Activities

UNESCO has indicated some interest in being involved in the general field of education administration and management, but has not defined a project to date. If the PND is approved, the USAID would closely coordinate development of the project with UNESCO.

E. Project Beneficiaries

The participants to be trained would directly benefit from the project, as would those entities within the Ministry which employ them. Secondary beneficiaries would be primary school students including those in rural areas where the system is currently most deficient.

F. Major Assumptions Pertinent to Project Success

The key assumption is that the Ministry re-organization will be appropriate to the needs of the system and that key personnel will be made available for training and will subsequently be permitted to exercise their knowledge on completion of training.

II. FINANCIAL REQUIREMENTS AND PLAN

Estimated total project cost is \$1,855,000 of which \$930,000 would be financed under the AID grant. Estimated GOG contribution is \$925,000.

Financial Plan

	<u>First Year</u>	<u>Second Year</u>	<u>Third Year</u>	<u>Total</u>
	<u>US</u>	<u>US</u>	<u>US</u>	
	<u>GOG</u>	<u>GOG</u>	<u>GOG</u>	
Long-term participant training in U.S.	180	180	200	760
Advisor providing training in data processing and analysis	30	20	100	295
Advisor providing training and tech. assistance in research & development unit management	30	20	20	320
Consultants providing short-term training	35	55	10	90
Education planning and management advisors	120	120	10	390
	<u>395</u>	<u>575</u>	<u>210</u>	<u>1,855</u>

### III. DEVELOPMENT OF THE PROJECT

FY 1978 Technical Support funds will be required to develop the project. The use of up to \$50,000 of the requested \$100,000 FY 78 Education and Human Resource Development Technical Support funding level is contemplated to finance a team of consultants to identify deficiencies which the project would address, and to define the required response. Required will be 10 p.m. of consultant services in the areas of educational planning, educational management, data processing, and educational research unit management.

The PRP would be submitted in June, 1978.

The PP will be submitted in April, 1979.

AGENCY FOR INTERNATIONAL DEVELOPMENT <b>PROJECT IDENTIFICATION DOCUMENT FACESHEET</b> TO BE COMPLETED BY ORIGINATING OFFICE	1. TRANSACT ON CODE <input checked="" type="checkbox"/> A = ADD <input type="checkbox"/> C = CHANGE <input type="checkbox"/> D = DELETE	PID 2. DOCUMENT CODE 1
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3. COUNTRY/ENTITY GUATEMALA	4. DOCUMENT REVISION NUMBER <input type="checkbox"/>
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5. PROJECT NUMBER (7 DIGITS) <input type="checkbox"/> 520-0261 <input type="checkbox"/>	6. BUREAU/OFFICE A. SYMBOL LA B. CODE 05	7. PROJECT TITLE (MAXIMUM 40 CHARACTERS) <input type="checkbox"/> Secondary City and Rural Housing HIG
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8. PROPOSED NEXT DOCUMENT A. <input type="checkbox"/> 3 2 = PRP 3 = PP B. DATE MM YY <input type="checkbox"/> 9 <input type="checkbox"/> 7 <input type="checkbox"/> 9	10. ESTIMATED COSTS (2000 OR EQUIVALENT, \$1 = Q.1.00) FUNDING SOURCE A. AID APPROPRIATED OTHER U.S. 1. HIG 10,000
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9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION a. INITIAL FY <input type="checkbox"/> 7 <input type="checkbox"/> 9 b. FINAL FY <input type="checkbox"/> 7 <input type="checkbox"/> 9	B. HOST COUNTRY D. OTHER DONOR(S) TOTAL 10,000
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11. PROPOSED BUDGET AID APPROPRIATED FUNGS (\$000)							
A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY 79		LIFE OF PROJECT	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1) HIG			805		10,000		10,000
(2)							
(3)							
(4)							
TOTAL					10,000		10,000

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)

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13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)	14. SECONDARY PURPOSE CODE

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)

Assist the CGG to sponsor and finance low-cost cooperative housing projects.

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)

To extend the services of the Cooperative Technical Service Organization to lower income groups, particularly in the secondary cities and rural areas, and to facilitate the financing and replication of such projects by BANVI.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)

18. ORIGINATING OFFICE CLEARANCE Signature: Frederick W. Schiack Title: Acting Director, USAID/Guatemala Date Signed: MM DD YY	19. DATE DOCUMENT RECEIVED / AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION MM DD YY
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## PROJECT IDENTIFICATION DOCUMENT

### SECONDARY CITY AND RURAL HOUSING HIG

#### I. SUMMARY OF THE PROBLEM AND PROPOSED RESPONSE TO THE PROBLEM

Prior to the earthquake of 1976, it was determined that there was an effective housing demand in the urban areas of Guatemala of 21,000 units per year. Eleven thousand of the 21,000 per year represent the effective demand in secondary cities outside of Guatemala City. This demand has not been satisfied and as shown on Figure 1, the projected housing deficit in Guatemala was substantial even before the February 1976 earthquake which was estimated to have destroyed 258,000 houses. Since then, the major portion of the resources used for housing in the country has been directed at the reconstruction of the units that were destroyed by the earthquake.

In 1974, AID approved a PID for a \$15 Million low-cost rural housing HIG to respond to housing requests which were being conveyed to BANVI by a large number of cooperatives. The cooperatives also were seeking technical assistance from BANVI and the project was designed to provide this support to the housing cooperative movement. That project was never finalized, primarily because of the poor administration of the BANVI by its president and the negative attitude of BANVI's board of directors in regard to the perceived high interest rates of HIG loans.

BANVI now has a new president and the administration of the bank is showing significant improvement. Furthermore, the president who has the support of his Board of Directors is convinced that in order to address the tremendous housing demand they must operate with market interest rates.

The Bank has recently requested a \$30 Million loan from CABEI to be used to ease the surge in demand caused by the earthquake. Nineteen million of the \$30 Million to be provided to BANVI by CABEI is from a HIG. The \$19 Million HIG is to be mixed with \$11 Million of other concessional funds which CABEI has for Guatemala reconstruction and the \$30 Million will be offered to BANVI at an interest rate of about 8.5%. Twenty-six million of the \$30 Million will be used for a \$11 Million cooperative city project and a \$15 Million condominium project in Guatemala City. The remaining \$4 Million will be used for smaller cooperative projects in a few of the secondary urban areas.

Under the \$19 Million HIG for the reconstruction loan, USAID/Guatemala will provide a grant in part to establish a technical services organization formed around BANVI's office of cooperative housing.

It is anticipated that once formed and trained and after several cooperative projects have been generated, that the TSO will spin off as an independent organization.

Under this proposed HIG, the services of the TSO will be extended to meet the demand of other low-income cooperatives and to sponsor lower income cooperatives, particularly in the secondary urban areas and to the extent possible in the rural areas as well.

The cooperatives in many of these areas have gained experience quickly as they have sought to meet their members' needs in the aftermath of the earthquake. Building on this base it is expected that the project will be able to make a substantial impact in rural areas. The loan also will assist in the demonstration that low-income cooperative housing can be financed and the mortgages successfully serviced at market interest rates.

During the implementation of the two HIGs, the feasibility of using the cooperative mortgage portfolio in BANVI as a basis for issuing cedulas as bonds will be investigated as an alternate method of capturing funds

for future cooperative projects. BANVI has the authority, which it has never used, to issue cedulas as bonds to raise additional capital.

## II. FINANCIAL PLAN

It is anticipated that this \$10 Million loan will produce at least 3,000 low-cost housing units for low-income cooperative organizations. At least three quarters of the units will be located in the secondary urban and rural areas of the country. The initial disbursement date is anticipated to be June 1979 and the disbursement period to be three years or less.

## III. DEVELOPMENT OF PROJECT

Upon approval of this PID a feasibility study will be conducted. This will analyze:

- A. Cooperative organizations and membership for each project;
- B. Project design and costs;
- C. TSO planned activities in secondary urban and rural areas;
- D. Servicing of the mortgages.

The study will be undertaken by AID personnel and consultants now under contract. A shelter sector analysis will not be required. One was performed in July 1974 and a post-earthquake study was conducted in April 1976.

Assuming PID approval, the feasibility study can be carried out in approximately two months and a PP submitted in mid-1978.

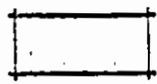
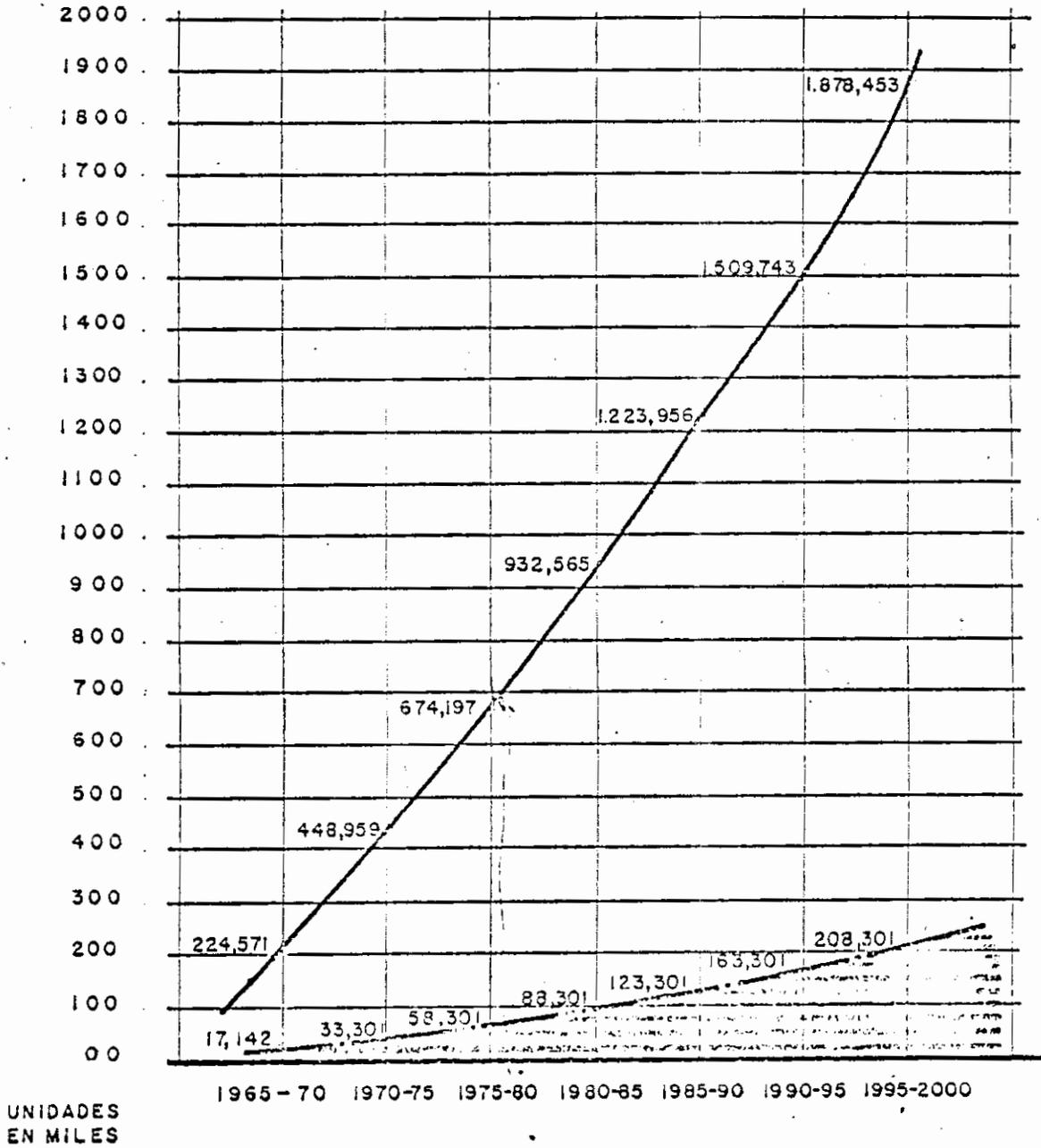
## IV. ISSUES

This loan is not proposed to be channeled through CABEI because with CABEI'S 1% service charge the interest rate would be unacceptable to BANVI. Furthermore, it is not included in the \$19 Million FIC for

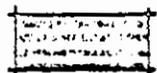
CABEI since that loan is a special purpose loan for reconstruction and it is linked to the \$11 Million to be provided by CABEI.

BANVI's guarantee is not likely to be acceptable to AID; therefore, BANVI will need to determine if a SOG guarantee can be provided.

DEMANDA INSATISFECHA DE VIVIENDA  
AL AÑO 2000



DEMANDA INSATISFECHA



CONSTRUCCION DE VIVIENDAS  
SEGUN TENDENCIA

VARIABLE:  
EVOLUCION DEMOGRAFICA  
Y REPOSICION DE VIVIENDA

AGENCY FOR INTERNATIONAL DEVELOPMENT  
**PROJECT IDENTIFICATION DOCUMENT FACESHEET**  
 TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE  
 A = ADD  
 C = CHANGE  
 D = DELETE

PID  
 2. DOCUMENT CODE 1

3. COUNTRY/ENTITY GUATEMALA

4. DOCUMENT REVISION NUMBER

5. PROJECT NUMBER (7 DIGITS) E20-0260

6. BUREAU/OFFICE  
 A. SYMBOL LA B. CODE 05

7. PROJECT TITLE (MAXIMUM 80 CHARACTERS) GENERAL TRAINING

8. PROPOSED NEXT DOCUMENT  
 A.  2 = PRP  3 = PP B. DATE 08 7 8

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION  
 a. INITIAL FY 7 3 b. FINAL FY 8 1

10. ESTIMATED COSTS (\$000 OR EQUIVALENT, \$1 = Q1)

FUNDING SOURCE	6465089
A. AID APPROPRIATED	430
B. OTHER U.S. \$	
C. HOST COUNTRY	200
D. OTHER DONOR(S)	
TOTAL	630

11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$000)

A. APPRO- PRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY 79		LIFE OF PROJECT	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1) 50	799	790		200		430	
(2)							
(3)							
(4)							
TOTAL				200		430	

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)  
 980

13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)

14. SECONDARY PURPOSE CODE

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)  
 Improve the capability of Guatemalan Governmental institutions to plan and implement development projects.

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)  
 Develop within the National Planning Council the ability to select, support and follow-up on public sector employees who are sent abroad for training.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)  
 6 person weeks of AID/W TDY

18. ORIGINATING OFFICE CLEARANCE  
 Signature: Frederick W. Schiack  
 Title: Acting Director

19. DATE DOCUMENT RECEIVED BY AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION

Date Signed: MM DD YY

## PROJECT IDENTIFICATION DOCUMENT

### GENERAL TRAINING

In the process of developing the USAID Education Sector Assessment, Joshua Levine of Harvard University completed a sub-study entitled "Manpower Projections, Guatemala, 1973-1983-1988" which pointed out the paucity of trained manpower at various educational levels in a number of skills categories. The report also projected manpower requirements in Guatemala over the next several years and compared those requirements with projected trained manpower production at the secondary and university levels from existing Guatemalan educational institutions. Table 1, attached, summarizes the overall manpower gap which Mr. Levine identified; Tables 2 and 3, attached, summarize the urban and rural educational distribution among the labor force within major occupational categories.

The most important conclusion from Professor Levine's study is that there is a substantial gap between the production of technically qualified people at the secondary and university level and the requirements in several different occupational categories. Although there was no single category in the study that equates with public administration or government employment, the gap between educational levels required and the educational accomplishments of current employees is very wide in this area. The GOG has recently completed a census of public sector employees, the results of which will be available within a few weeks. The census is expected to illustrate dramatically the problem of employee qualifications in the public sector. The lack of trained manpower is a serious constraint to implementation of national economic development plans and has been recognized by the Guatemalan National Economic Planning Council as one of the most important bottlenecks in the country.

A short-term solution to this problem is to encourage the Government to pay high salaries in critical skills areas. The GOG has attempted to do this in certain areas by establishing special organizations such as the Planning Council which are outside of the normal civil service administered personnel system of the line ministries. Competition for trained manpower has intensified in the past few years as the private sector of the Guatemalan economy has performed very well. Salary escalation has been rapid and now even the "special" organizations have difficulty competing successfully. Continued governmental salary escalation is thought to be politically infeasible.

While longer term solutions of this problem obviously depend on increasing the capacity and efficiency of Guatemalan institutions of higher education, the Planning Council has decided that in the intermediate term, Guatemala's requirement must be filled by taking advantage of training opportunities which may be available in other countries as the GOG plans and investments for increasing the number of secondary school and university graduates from Guatemalan institutions are being made.

To begin to explore the feasibility of this strategy, the GOG has approached AID to establish a mechanism for self-financed participant training in the United States. They have also expressed an interest in learning more about AID's ability to assist them in evaluating third country training institutions. As an illustration of the GOG's determination to pursue this strategy, two participants have left Guatemala to begin long-term training in the U.S. in public energy policy at GOG expense.

USAID proposes to respond to this GOG initiative with a grant project to address three interrelated requirements. The overall objective would not be to fill a training gap in the quantitative sense; rather, the project would assist the GOG in establishing mechanisms which would allow them to implement the strategy outlined above. Thus, the AID project would concentrate on:

1. Developing within the GOG a unit for training coordination and support which would have the capacity of supporting trainees abroad, processing candidates for training, following-up on trained people and their performance upon return to Guatemala.

2. Assisting the GOG to evaluate public administration and technical training sources, particularly in other Latin American countries. This effort would include the establishment of a bibliography of training opportunities including strengths and weaknesses of each institution. We would hope to make AID's experience available to the GOG in this area.
3. The project will also contain a pilot grant of funds for training which would provide experience for the new organization and would be specifically designed to address an obvious imbalance in secondary and higher education in Guatemala -- the paucity of professionally trained women in developmental occupations. At least 60% of the funds made available in this pilot training grant will be earmarked for training women at secondary and university levels.

#### AID Inputs

It is estimated that approximately 3 worker-years of technical assistance would be required to establish an organization within the GOG fully capable of performing activities 1 and 2 above. The technical assistance would be of a short-term nature and will include the following skills: participant testing and selection; participant orientation; financial management; computer systems analysis and programming; an expert in Latin American training institutions; an information systems specialist, etc.

In addition, AID will have signed a 607 agreement with the GOG providing for up to \$2 Million worth of participant training in development-related skills in the U.S.

The estimated disbursement period of the project is 3 years; estimated project cost is \$430,000 and it is expected that through the 607 agreement the GOG will more than match this amount.

Proposed Budget

(\$000s)

	<u>AID Grant</u>	<u>GOG</u>
1. Technical Assistance 3 person-years of short-term advisors	144	20
2. U.S. and third country training	<u>266</u>	<u>700*</u>
	<u>410</u>	<u>720</u>

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\* During the life of project.

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Project Development

USAID will require approximately 6 person-weeks of assistance from AID/W to develop the project. Three (3) weeks of TDY from the Office of International Training will be required to assist the Mission in identifying GOG requirements laying out a work plan for the consultants who will help the government build up their capabilities to support trainees abroad.

An additional 3 weeks of AID/W TDY will be required from the AID/W Office of Country-Financed Technical Services to help design the project components which will enable the GOG to take maximum advantage of U.S. training opportunities, as well as to evaluate Latin American training institutions.

The PP would be submitted in August 1978.

*John ...*

TABLE 1

Percent and Number of Guatemalan Employed  
 "Requiring" Education at University and Secondary Levels

	1973		1983		1988	
	<u>Univ.</u>	<u>Second.</u>	<u>Univ.</u>	<u>Second.</u>	<u>Univ.</u>	<u>Second.</u>
<u>Percentage</u>	7.1	28.1	7.3	30.7	7.4	32.1
(Actual)*	( 0.7)	( 5.0)				
<u>Number (000)</u>	119.6	473.0	140.2	589.3	153.6	663.6
(Actual)*	( 11.0)	( 85.0)				

\* "Actual" secondary counts all persons with 3 years of secondary schooling or more. For completers of the full cycle (including the "diversified" subcycle), the absolute number is only 39,000 and the percentage 2.3.

Sources: Needs: See Text.

Actual: Estimated from 1973 Census of Population and completion rates in each subcycle.

TABLE 2

Guatemala: Education Distribution of the Urban Active Population  
in Each Occupational Category, 1973.

	Level	Primary			Secondary		Univ.
	Grade	None	1-3	4-6	1-3	4-6	
<b>A. <u>Occupation, Men</u></b>			+ 100%				
Prof. & Technicians	1.1	4.0	14.9	8.1	35.0	36.9	
Managers/Administrators	3.4	11.8	29.1	11.7	23.6	20.4	
Office Workers	2.7	9.3	36.8	19.9	23.6	7.7	
Sales Workers	22.4	23.3	31.3	9.3	10.6	3.1	
Farmers, Agric. Workers	53.0	30.0	15.0	0.8	0.9	0.3	
Miners	46.6	29.3	21.2	2.0	0.6	0.3	
Transport Workers	9.4	29.1	51.0	7.8	2.4	0.3	
Craftsmen/Skilled Industrial Workers	15.5	28.7	46.8	7.4	2.4	0.2	
Unskilled Indust. Workers	31.5	32.3+	32.2	3.2	0.7	0.1	
Personal Service	19.6	33.3	39.5	4.4	2.7	0.5	
<b>B. <u>Occupation, Women</u></b>			+ 100%				
Prof. & Technicians	0.8	1.4	17.3	11.4	54.4	14.7	
Managers/Administrators	20.4	20.1	29.5	9.4	15.5	5.1	
Office Workers	0.5	1.6	17.5	20.6	55.2	4.5	
Sales Workers	33.2	20.1	34.7	7.7	4.1	0.2	
Farmers, Agric. Workers	54.8	22.8	18.8	1.6	1.6	0.4	
Transport Workers	21.5	26.2	33.3	10.3	8.7	----	
Craftsmen/Skilled Indust. Workers	30.2+	19.2	43.1	6.1	1.3	0.1	
Unskilled Indust. Workers	15.7	20.1	54.4+	8.1	1.7	----	
Personal Service	44.0	29.8	23.9	2.0	0.3	0.0	

Source of Computation: 1973 Census of Population.

TABLE 3

Guatemala: Education Distribution of the Rural Active Population  
in each Occupational Category, 1973

Level	Primary			Secondary		Univ.	
	Grade	None	1-3	4-6	1-3		4-6
<b>A. <u>Occupation, Men</u></b>			→ 100%				
Prof. & Technicians	7.7	15.6	23.1	8.2	36.9	8.5	
Managers/Administrators	25.3	30.4	24.2	6.9	8.8	4.3	
Office Workers	9.9	22.7	44.3	14.0	8.3	0.8	
Sales Workers	60.7	28.6	9.6	0.7	0.4	0.0	
Farmers, Agric. Workers	70.7	24.1	5.0	0.2	0.0	0.0	
Miners	63.4	28.5	7.9	0.0	0.2	----	
Transport Workers	24.0	44.3	28.6	2.9	0.6	0.0	
Craftsmen/Skilled Indust. Workers	50.0	34.3	14.8	0.8	0.1	0.0	
Unskilled Indust. Workers	47.6	35.7	16.0	0.6	0.1	----	
Personal Service	34.9	37.8	23.7	2.1	1.3	0.1	
<b>B. <u>Occupation, Women</u></b>			→ 100%				
Prof. & Technicians	9.4	2.9	25.7	13.1	45.5	3.4	
Managers/Administrators	53.0	27.6	12.7	2.1	3.9	0.7	
Office Workers	4.8	11.0	36.8	12.9	34.0	0.5	
Sales Workers	67.8	20.6	10.2	0.9	0.5	0.0	
Farmers, Agric. Workers	82.2	14.9	2.7	0.1	0.1	0.0	
Transport Workers	64.1	25.6	10.3	----	----	----	
Craftsmen/Skilled Indust. Workers	82.9	11.6	5.2	0.3	0.0	----	
Unskilled Indust. Workers	41.5	36.3	21.7	0.6	0.2	----	
Personal Service	67.5	22.8	9.2	0.4	0.1	0.0	

Source of Computations: 1973 Census of Population

AGENCY FOR INTERNATIONAL DEVELOPMENT  
**PROJECT IDENTIFICATION DOCUMENT FACESHEET**  
 TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE  
 A = ADD  
 C = CHANGE  
 D = DELETE

PID  
 2. DOCUMENT CODE 1

3. COUNTRY/ENTITY  
 GUATEMALA

4. DOCUMENT REVISION NUMBER

5. PROJECT NUMBER (7 DIGITS)  520-0243

6. BUREAU/OFFICE  
 A. SYMBOL LA B. CODE 05

7. PROJECT TITLE (MAXIMUM 40 CHARACTERS)  
 Earthquake Housing Reconstruction

8. PROPOSED NEXT DOCUMENT  
 A.  3 2 = PRP 3 = PP B. DATE 09 77

10. ESTIMATED COSTS (\$000 OR EQUIVALENT, \$1 = Q.1.00)  
 FUNDING SOURCE 645624  
 A. AID APPROPRIATED 300  
 B. OTHER U.S. 150  
 C. HOST COUNTRY  
 D. OTHER (MONOR (B))  
 TOTAL 450

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION  
 a. INITIAL FY 78 b. FINAL FY 79

11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY		LIFE OF PROJECT	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1)	722B	86E		78		300	
(2)							
(3)							
(4)							
TOTAL				140		300	

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)  
 865

13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)  
 BR BU COOP

14. SECONDARY PURPOSE CODE

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)  
 Assist families who lost their homes in the Guatemalan earthquake of February 1976, to acquire housing.

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)  
 To establish the capability within private development institutions, especially cooperatives, to provide credit, construction materials and technical assistance for housing construction in the earthquake area.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)  
 Three (3) person-weeks from the ROCAF Regional Housing Office.

18. ORIGINATING OFFICE CLEARANCE  
 Signature: Frederick W. Schieck  
 Title: Acting Director, USAID/Guatemala  
 Date Signed: 09 77

19. DATE DOCUMENT RECEIVED BY AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION  
 MM DD YY

EARTHQUAKE HOUSING RECONSTRUCTION

(520-0243)

The project appeared in the FY 1978 Congressional Presentation as a continuing project initially funded in FY 1977. The PP will be developed in conjunction with a ROCAP HIG for \$19 million for cooperative housing which will be channelled through CABEI. Since the HIG will not be sent to AID/W until September 1977, the USAID proposes to revalidate the project for initiation in FY 1978.

P.L. 480, TITLE II NARRATIVE

The Mission informed both CARE and CRS that we believe a multi-year plan for P.L. 480, Title II programs in Guatemala to be inappropriate at this time. Both voluntary agencies have been fully occupied with the continuation and gradual reduction of their earthquake assistance programs and neither has had time to prepare a plan nor to engage in the extensive discussions which would be necessary to reach full agreement with the GOG and USAID on the nature of such a plan. The attached submissions, therefore, represent hastily drawn 1-year plans from both CARE and CRS. CRS intends to supplement its submission at a later date.

The Mission has just received, and within the very limited time available reviewed, the attached program plans for FY 1979. The dictates of prudent management and responsibility for another agency's (USDA) appropriated funds forbid approval of the programming levels submitted at this time. Accordingly, we are requesting for FY 1979 a total for both CARE and CRS of not more than \$4.9 Million at both the Proposed and Expanded levels, and \$2 Million at the Minimum Level, for the following reasons:

1. The Voluntary Agencies' programs ballooned dramatically as a direct result of the February 1976 earthquake. Substantial increases in staff were made in order to handle the huge increment in stocks of foodstuffs. Both remain. While we understand the Voluntary Agencies' desire to maintain high levels of staff and program, we do not see the necessity or desirability of conducting an extraordinary disaster-level program 18 months after the disaster, let alone 31-43 months after. In addition, current staff levels are apt to decrease as the earthquake imperative becomes less urgent for the VolAgs.
2. In the summer of 1974 the GOG issued Decree 74-10, prohibiting grain imports in order to avoid production disincentives. The Government is now applying this decree to the P.L. 480 program. The substantial quantities of corn and beans which were imported in

response to the earthquake emergency have been easily integrated into feeding programs since corn and beans normally represent the major portion of the diet of the rural population. A continuation of the relatively high numbers of recipients which were reached during the emergency period with whole grain foods runs the risk of consumer acceptability problems in the absence of grains. Additionally, while we have no firm evidence yet of production disincentive effects of Title II programs along the lines that originally motivated the GOG, a very large program in a country the size of Guatemala might have effects analogous to those pointed out elsewhere by Title I evaluators and in Congress.

3. Any approval of future program increases would be subject to the findings of a nutrition assessment, due to be completed by September 1977.
4. Most of the expansion in the P.L. 480, Title II programs proposed by CARE and CRS represents increased beneficiaries in the MCH program. The combined MCH programs proposed would total 295,000 recipients. This represents about 5% of the entire Guatemalan population, and 10% of its female population. While USAID has been stressing to both CARE and CRS the need to target MCH feeding program more effectively on mothers and children who bear the highest nutritional risk, the proposed MCH feeding levels would reach nearly 50% of a total universe composed of all pregnant and lactating mothers and all children under the age of two. A program addressing this many recipients is difficult to characterize as well targeted. Moreover, it is possible that at these levels each Voluntary Agency would potentially be feeding many of the same people.
5. CRS has presented a sample survey indicating a percentage of children in the El Quiché Department suffering from varying grades of malnutrition. However, it should be noted that their results indicate a percentage of children suffering from third degree malnutrition which is worse than that found in Haiti. These results should certainly be confirmed before

being used as a basis for justifying such substantial increases in the P.L. 480 MCH programs.

6. USAID/Guatemala does not have the capability to monitor a Title II program of the dimensions being proposed by the VolAgs.
7. USAID believes that an in-depth evaluation of the nature and scope of impact of both the CARE and CRS MCH programs should be performed in any event, and certainly prior to consideration of any program expansion of the magnitude proposed. To this end, we have had preliminary discussions with AID/W (LA/DR/Nutrition Office) regarding the possibility of mounting such an effort in the Fall of 1977.

The Mission will be holding discussions with both CARE and CRS in the next several weeks which we trust will result in acceptance of more realistic resource projections for FY 1979.

Country: GUATEMALASponsor's Name: CARE

<u>No. of Recipients By Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands)</u>	
		<u>Pounds</u>	<u>Dollars</u>
<u>MCH (Material and Child Health)</u>		<u>Total Recipients: 175,000</u>	
175,000	CSM	2,100	529
175,000	Flour	2,100	1,111
175,000	WSDM	4,200	1,060
175,000	NFDM	4,200	2,751
175,000	Bulgar	2,100	1,111
175,000	Oil	2,100	651
TOTAL MCH		<u>18,800</u>	<u>5,539</u>
<u>School Feeding</u>		<u>Total Recipients: 162,000</u>	
162,000	CSM	1,458	367
162,000	Bulgar	1,458	125
55,080	Flour	991.4	311
55,080	Oil	75.3	23
TOTAL SCH		<u>3,982</u>	<u>594</u>
<u>Other Child Feeding</u>		<u>Total Recipients: --</u>	
---	---	---	---
<u>FFW (Food for Work)</u>		<u>Total Recipients: --</u>	
2,500	WSDM	500	120
2,500	Flour	500	48
2,500	Bulgar	500	51
2,500	Oil	150	46
2,500	CSM	1,200	302
TOTAL FFW		<u>3,150</u>	<u>528</u>
<u>Other (Specify)</u>		<u>Total Recipients: --</u>	
---	---	---	---

CARE - GUATEMALA  
ANNUAL PROGRAM PLAN  
FY 1979

(October 1978 - September 1979)

ELEMENTS OF OPERATIONS

A. Identification

1. Name of Agency: Cooperative for American Relief Everywhere Inc. (CARE).
2. Country: Guatemala
3. Date Submitted: June 14, 1976
4. Name and address of Agency counterpart in foreign country: CARE-Guatemala, 6a. Avenida 6-47, Zona 9 (P.O. Box 1211) Guatemala City, Guatemala.
5. The CARE Director for Guatemala is Felix Ashinhurst. He is ultimately responsible for all CARE activities in Guatemala, including the PL 480 Title II nutrition feeding program. Two other American citizens, Hank Richards, Assistant Director and Elisabeth Barnett, Administrative Assistant are employed to assist in the development and supervision of CARE programs. Hank Richards is directly responsible for the PL 480 Title II nutrition feeding programs in Guatemala. The following personnel assist in the effective implementation of the PL 480 Title II nutrition feeding programs, either on a part-time or full-time basis:

Financial Controller	Ricardo Barrillas
Assistant Controller	Daniel García
Administrative Assistant (food)	Carlos García
Office Assistant (food)	Esteban Chacón
Office Assistant (food)	Carlos Posales
Field Supervisor	Jorge González
Field Supervisor	Hugo Mazariegos
Field Supervisor	Archie Gillespie
Field Supervisor	Alvaro Meneses
Field Supervisor (food)	Norberto Rosales
Field Supervisor (food)	Carlos Castillo
Customs Representative (food) (Puerto Barrios)	Roy Fearon
Customs Representative (food) (Champerico)	Amalia Losley de Cardona
Secretary (food)	Carolina Asturias de Paiz

Warehouseman (food) Guatemala City	Julio Tun
Assistant Warehouseman (food)	Leonel Villavicencio
Warehouse Assistant	Javier Antonio Cruz
Driver (CARE truck) (food)	Antonio Toledo
Driver (CARE truck) (food)	Cristibal Garcia

## B. Agency Agreements

1. CARE program operations are implemented under a bilateral agreement called a "Basic Agreement", originally signed on July 28, 1969. Annual contracts are signed between the Government of Guatemala and CARE covering the terms and conditions of each year's program. One contract is signed for the School and MCH programs and additional contracts are signed for the three FFW programs.
2. CARE does not operate under a "blanket" agreement between the Government of Guatemala and the United States Government.
3. The agency agreement and/or the annual contract provide:
  - a) All expenses for the distribution of commodities received under PL 480, Title II, including port charges, wharfage, inland transportation, warehousing, etc., to be covered by the Government of Guatemala.
  - b) Duty-free entry of PL 480, Title II and other relief supplies.
  - c) For freedom of action that will permit the distribution and recipient agencies to carry out their supervisory responsibilities.
  - d) For maximum protection under the law for all commodities and acknowledgement of Government of Guatemala's ultimate responsibility to assure proper utilization of same.
  - e) That expenditures for foods for needy persons made by the host government will not be reduced as a result of their receipt of PL 480, Title II foods.
  - f) That recipients will not be required to pay for PL 480, Title II foods, except as permitted by USAID regulations.
  - g) That the host government and/or the recipient agencies will permit reviews, inspections of foods in storage, examination of records relating to PL 480, Title II foods, and audits and end-use checks by United States Government and distributing agency personnel concerned.
  - h) For the release of adequate and appropriate program publicity as to the source of the foods.

C. Area, Scope and Conditions of Operations

1. The program will be country-wide, operating in all departments of Guatemala.
2. The distribution method to be utilized in making food available to each category of recipients is as follows:

- a) SCH - Schools in the departments of Chimaltenango, Sacatepéquez and Guatemala, totalling 162,000 beneficiaries for FY 1979 will be provided a total of 2 lbs. of commodities, including CSM, soy-fortified bulgur. Beneficiaries will be authorized to receive a total of 2 lbs. per beneficiary per month for 9 months in any combination.

Schools that wish to also include bread in the daily snack may do so, using CARE flour and oil, by arranging a contract with a local bakery. In FY 1979 there will be 55,080 beneficiaries receiving bread. Two pounds of flour and .152 pounds of oil per month per beneficiary will be the established ration.

- b) MCH - Those health institutions throughout Guatemala, totalling 175,000 preschool children and pregnant and lactating mothers, will receive a total of 8.0 pounds of commodities per beneficiary per month for 12 months, including whey-soy drink mix (2 lbs.) non-fat dry milk (2 lbs.) corn soy milk (1 lb.) wheat flour (1 lb.), soy-fortified bulgur (1 lb.) and peanut oil (1 lb.) Except for the peanut oil, all other commodities will be interchangeable, although we shall try to program them in the amounts stated above when feasible.

c) Food for Work

1. Highlands Integrated Agricultural Development Program
2. Community Development Program
3. Petén Development Support Program

At food for work sites, workers will receive for every manday of work 5.25 lbs. of food, including five pounds of a mixture of bulgur, wheat flour, and CSM, and WSDM, and 25 lbs. of peanut oil. Except for the peanut oil all other commodities will be interchangeable depending on availability.

3. All costs for storage (with some exceptions handled by civic organizations) and transportation and distribution of commodities from warehouse to schools and institutions are borne by the Government of Guatemala. CARE maintains supervision over 25 warehouses operated by the Military Reserves, Ministry of Education offices or civic organizations in most departments of Guatemala, as well as three CARE operated central warehouses in the capital. At this point, the only departments

in which CARE does not have warehouses are Progreso, Jalapa, Sololá and Sacatepéquez. We are making efforts to obtain them and expect to have one in every department by FY 79.

The GOG pays all port costs, as well as costs of fumigation, transportation and storage of food in Guatemala.

- 4. CARE coordinates programming of commodities with the Catholic Relief Services in Guatemala, so as to avoid duplication of distributions in the maternal-child welfare and institutional health feeding programs (Catholic Relief Services does not operate a school feeding program in Guatemala). CARE is also careful to avoid the programming of food where other food, such as that of the World Food Program is being utilized.

D. Control and Receipting - Records, Procedures and Audits

- 1. As ~~the~~ commodities arrive in the ports, they are checked by a CARE representative to determine damages ~~and~~ shortlandings. This count is checked with the Surveyor's and Customs' counts for accuracy. A verification report of commodities arrived is provided by Customs. The commodities are then shipped by commercial truck to the central and department warehouses. Each warehouse has a warehouse inventory book and checks arrivals against the carrier's transportation receipts.

Every dispatch made to a warehouse is authorized by a dispatch order, called a "guia de transporte", made out by the CARE Office. These are numbered in sequence and contain information on commodity, quantity, type of transport, license plates, name of driver, date, etc. They also serve as delivery receipts to be signed and returned to CARE.

In the case of schools, another control form is used, called "recibo de entrega de alimentos" (food delivery receipt), which acts as the end-receipt. This allocation form is made out by Education District Supervisors, and represents an order for the school director to pick up his allocated commodities at this area warehouse. Every pick-up by any school or health institution from a field warehouse must be made only on the basis of this end-receipt.

With the MCH program, health centers and posts in the departments are given receipts for the proper quantity of food by CARE's six field supervisors. The receipt enables the center or post to pick up food from the departmental warehouse. In the capital, the central office issues the receipts.

In the Food for Work programs, arrangements are being made at this time for counterpart agencies to pick up food at departmental warehouses. They will be given receipts by the central office or by the field supervisors pick-up food at the nearest departmental warehouse.

Both the Government of Guatemala and CARE have permitted and will continue to permit the right to review and audit all transactions made by CARE in pursuance of its program in Guatemala. The Government of Guatemala and CARE's auditors also make periodic checks. These audits permit the review of programs at every level of our operations, such as control records, inspection of food storage, etc. and include the right to audit funds collected from children participating in school-lunch programs.

All losses of Title II commodities incurred from the time of port entry until final distribution are handled in the following manner:

- a) Marine losses: Independent surveyors, customs officials and the CARE representative in port carry out a joint survey and submit a report detailing damages and short-landings for each shipment. Documented evidence is sent to CARE's New York office for adjudication with the carrier and AID-Guatemala is notified.
- b) Losses during unloading and customs clearance, during inland transportation or in in-country warehouses: Losses are documented by Custom's dispatch orders, trucker's delivery receipts, monthly physical inventory reports and in case of spoiled food, by certification from a local health inspector. Letters of protest are sent to the responsible branch of government. All losses are reported to AID-Guatemala and to CARE's offices in New York.

#### L. Port Facilities - Practices

1. Off-loading facilities at the port of Puerto Barrios were destroyed in the February, 1976 earthquake. Therefore, the port of Champerico on the Pacific Coast is currently being used. This port has the advantage of cutting inland transportation markedly, as well as being adequate to handle the commodities required in CARE's programs. Alternate facilities are also available at the Port of San José, which is situated on the Pacific Coast.

Investigations are being made at present into the feasibility of bringing approximately half of our food commodities through the Port of Sto. Tomás on the Atlantic coast. This would decrease transportation to eastern sites as well as cut down on food losses since shipments can be packed in containers coming to Sto. Tomás, a system which minimizes handling of food.

2. Duty-free entry presents no special problem for CARE.
3. The Government of Guatemala permits us to use our own independent surveyor at each port of entry.
4. Port charges are not levied by the GOG port operations for entry of CARE food.

F. Storage Facilities

1. Twenty-five warehouses are maintained throughout Guatemala for the storage of all Title II commodities received by CARE. These are operated by the Military Reserves, Ministry of Education Offices or civic organizations in each department and by CARE in the case of the central warehouses in the capital. By FY 79 there will be four more warehouses in the four departments where CARE does not at present have warehouse space. All warehouses are supervised by CARE representatives, both by personal visits to these warehouses and by monthly reports of the amounts of foods received and distributed.
2. Although warehouse facilities have been adequate for existing levels of programming, new programs are being initiated and existing programs expanded. We foresee the need for additional warehouse space in the capital and will shortly be designing a project to build one in cooperation with the government of Guatemala.
3. See No. 1 above.

G. Inland Transportation

1. In the case of school programs in Guatemala and Sacatepéquez, CARE performs direct deliveries. In all other locales, truck delivery services are contracted by CARE and paid by the Government of Guatemala in accord with the annual contracts.
2. No special problems are expected to occur in relation to inland transportation in FY 78. To date no problems have been experienced with the GOG contracted transportation company and none are anticipated for FY 1979.

H. Processing - Reprocessing - Repacking

1. No activity of this kind is being contemplated for FY 1979.

II. FINANCING

1. The Government of Guatemala, under a contractual agreement with CARE, provides financial support for all Title II programs, embracing administrative expenses, port charges, inland transportation costs and postage and telegraph expenses.
2. Costs of administration, storage, transportation, processing, repacking, special labels, issuance of informative materials, etc., are all covered by the host government under the CARE contract.

At some MCH centers a small fee of from one to ten cents is charged for repacking rations in small plastic bags or for the individual MCH center's transportation costs in moving the commodities from the departmental warehouse to the center.

3. CARE does not plan to sell commodity containers.

J. Acceptability of Available Foods - Computation of Food Requirements.

1. CARE does not plan to import whole grain corn or wheat.
2. Wheat flour and peanut oil and NFDM are the commodities most readily acceptable in all our programs since these commodities are well known within Guatemala. FY 1974 was the first year in which we programmed whey soy drink mix and it was, and continues to be, well received by mothers and young children. MCH center staff report that this product is more easily digested than non-fat dry milk and therefore, there are fewer bad side effects in people unaccustomed to NFDM.

CSB and soy fortified Buldur Wheat are mixed with warm water and flavorings to make an "atole", a popular drink in Guatemala. CSM is more easily identifiable but even this product is said to make tough tortillas, the staple diet of the majority of people receiving PL 480 commodities.

Generally in all programs, sugar, vanilla, cocoa, cinnamon and other flavorings are added to beverage preparation to sweeten them and make them more palatable.

SCH

Commodity	Daily Requirements (per beneficiary)		Annual Requirements (assuming 162,000 beneficiaries for 180 days)
	oz.	gr.	
CSM	.8	22.5	1,458,000 656,100
SF Bulgur	.8	22.5	1,458,000 656,100
Flour	1.6	45	991,440 446,148
Peanut Oil	.12	3.42	75,349 33,907
	3.32	93.42	3,982,789 1,792,255

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	Daily Ration	Daily Protein	Daily Calories
Students receiving bread and "atole" (#55,080)	93.42	13.5	359
Students receiving only "atole" (#106,920)	45	8.3	165

MCH

<u>Commodity</u>	<u>Daily Ration</u>		<u>Daily Protein</u>		<u>Daily Calories</u>		<u>Annual Requirements</u>	
	oz.	gr.	gr.			lbs.	kg.	
CSM	.53	15	2.9		52	2,100,000	945,000	
Flour	.53	15	1.8		55	2,100,000	945,000	
WSDM	1.06	30	6		108	4,200,000	1,890,000	
NFDM	1.06	30	10.8		109	4,200,000	1,890,000	
SF Bulgar	.53	15	2.6		58	2,100,000	945,000	
Oil	.53	15	0		133	2,100,000	945,000	
	4.24	120	24.1		515	16,800,000	7,560,000	

Beneficiaries 175,000

Feeding Days per Year 365

FFW

<u>Commodity</u>	<u>Daily Ration</u>	<u>Daily Protein</u>	<u>Daily Calories</u>	<u>Annual Requirements</u>
	oz.	gr.		lbs.      kg.
MSDM	16 450	90	1620	600,000      270,000
M. Flour	16 450	53.1	1642.5	600,000      270,000
SF Bulgar	16 450	78.75	1732.5	600,000      270,000
Oil	4 112.5	0	994.5	150,000      62,500
CSM	32 900	171	3123	1,200,000      540,000
	51bs.4oz.1912.5	302.85	7492.5	3,150,000      1,417,500

Beneficiaries      2,500 at any given time

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RECAP OF ALL FY 1978 FEEDING PROGRAMS

	Total Annual Req. (kilos)
SCH Program	1,792,255
MCH Program	7,560,000
FFW Program	<u>1,417,500</u>
GRAND TOTAL	10,769,755

K. Program Publicity

1. Yearly instructions go out to all schools, explaining source of foods, program requirements and methods of food preparation. This is also done during periodic visits of CARE field supervisors. One Peace Corps Volunteer is giving a series of courses to train local Indian women involved in the Highlands Agricultural FFW program on the preparation of all PL 480 foods. These women will become the teachers in their own communities.

MCH centers conduct scheduled demonstrations on the preparation and use of PL 480 Title II commodities. Recipes for these foods are also distributed at this time.

2. All receipts for the handling of these Title II commodities are labeled with the CARE name indicating that the foods come from the United States of America. This program is well known and appreciated and the recipients are well familiarized with the food source.
3. The above mentioned educational material is too bulky to allow inclusion in this report.
4. Although identity cards or food chits in most health centers do not indicate the source of the PL 480 Title II commodities, other evidence of the source of this food (as described in No. 2, above) publicizes the fact.

L. Estimate of Program Duration

1. In the School Feeding Program, CARE/Guatemala has been working with the GOG to develop a four year phase-over program, which would mean the termination of all PL 480 commodities for Guatemalan primary school children by 1980. Below is the agreed upon schedule of phase-over:

<u>Year</u>	<u>MOE</u>	<u>CARE</u>
1977	265,300	273,696
1978	332,221	206,775
1979	376,971	162,000
1980	538,996	---

This phase-over is at present going according to schedule. The Ministry of Education, using Incaparina, a locally produced high protein food, is feeding approximately half of all the children in the program. They have recently reconfirmed their desire to go ahead with the phase-over as scheduled.

Per child feeding levels will not change for this program.

2. In the Mother-Child Feeding Program we anticipate considerable growth in the numbers of beneficiaries as well as quality of services offered. With our newly-hired field staff we are working to branch out, extending our program to all centers and posts in the country. According to present plans, in FY 79 we will be serving 175,000 beneficiaries.

Our present plans include the expansion of this program in terms of quality as well. With the new Integrated Child Development Plan, regular health checks and immunizations will be given, nutritional status monitored and regular classes given in nutrition, health and hygiene. Because of these inputs we believe that, while the program would be less complete without the use of PL 480 commodities it could continue to provide useful services to mothers and children.

3. We expect that there will be growth in the three SFV programs as well. In the Highlands Agricultural Development Program, additional extensionists are hired each year allowing for more beneficiaries to be reached. In the Community Development Program expansion is also foreseen by Desarrollo de la Comunidad, our counterpart in this program. The Petén Development Program will also be expanded, although somewhat slowly. By 1979, we anticipate 2,500 beneficiaries at any given time in the three programs. Assuming that a man works an average of one month, there will be 30,000 people actually receiving food every year through these programs.

All of the above programs would be able to continue without the use of PL 480 food. However, we believe that it would be considerably more difficult to find community members who could afford to take time off from their normal activities to work on community development projects without receiving food in compensation for their time.

## PLANS OF OPERATIONS FOR SPECIFIC TYPES OF PROJECTS

### MCH PROGRAM

The mother and child health program is at present going through a new stage in its development. The traditional CARE take-home food distribution to pregnant and lactating mothers and preschool children is continuing. In addition, however, we are working on a plan to expand and improve the program as follows:

1. CARE's feeding department now has a team of six field supervisors supervising all feeding programs. They are responsible for the distribution of food receipts, supervision of use of food and the initiation of new programs in their areas. This is improving the overall organization and function of this program.
2. Through the work of the field officers, CARE is working toward opening programs in every health center and post in Guatemala.
3. An Integrated Child Development Program is being designed. The principal purpose of the program is to ensure that every child enrolled receives all the inputs that are available which combined, should be effective in raising his nutritional status to a "normal" level. Specifically, each enrollee in this program will receive:
  - a) All basic immunizations: BCG, DPT, Polio, Tetanus, Measles, Small Pox.
  - b) Regular medical check-ups and acute medical care including parasite treatments.
  - c) CARE supplementary foods (PL 480 Commodities).
  - d) The opportunity to purchase Incaparina, a local high-protein, low cost food at even lower prices (20¢ per pound).
  - e) Home visits from health promoters to monitor progress, provide nutrition and health information and assure proper utilization of CARE food.
  - f) Regular classes for mothers in nutrition, health and hygiene.
  - g) A health chart which controls the regularity and effectiveness of the various inputs.

The Department of Maternal-Child Health Care and CARE will be starting this program in five departments (Guatemalan political subdivisions) this year with plans to move into another five departments every subsequent year until the entire country is covered. It will continue for an indefinite length of time, although CARE's role will diminish as the government is able to take over more and more of the program.

This program is being carried out in cooperation with the Division of Mother-Child Health Care of the Ministry of Health. We are working together to implement a program which will serve 175,000 beneficiaries by FY 1979.

SCHOOL FEEDING PROGRAM

The Primary School Feeding Program has the following goal and objectives:

Final Goal: Improved nutritional status among primary school students in Guatemala.

- Objectives:
1. The provision of 15% of the PDA of calories and 25% of the RDA of protein per child per day.
  2. Phase-over of this program to the Ministry of Education by 1980.

The SCH program is in a state of transition. CARE and Bienestar Estudiantil of the Ministry of Education have been working together to work out a feasible phase-over schedule which would put the entire SCH program in the hands of the Ministry of Education by 1980. This plan was formulated in the fall of 1976 and the following schedule was agreed upon:

<u>Calendar Year</u>	<u>MDE</u>	<u>CAPE</u>
1977	265,300	273,696
1978	332,221	206,775
1979	376,971	162,025
1980	538,996	- 0 -

The phase-out at present is going according to schedule. Few major problems have been encountered and Bienestar Estudiantil is doing a fine job of managing their part of the program, especially considering their acute staffing shortage.

In FY 1979, CARE will have a functioning school snack program from January to September 1979, covering school children in the departments of Guatemala, Sacatepéquez and Chimaltenango.

FOOD FOR WORK

1. Community Development Program

This program is designed to promote the use of the Community Development approach as a viable technique for development throughout the nation. It is now widely recognized that people

must have concrete reasons for organizing and pooling human and financial resources toward a common goal. The problems this program will address relate to such basic necessities as water supply, roads and bridges, irrigation, school construction and others consistent with general development objectives. These not only will be projects of obvious value to the community but will provide a focus for the formation of community groups capable of playing an important role in the development of their local communities. Food for work will be used to facilitate the process of organizing the communities and will to a degree compensate the workers for time taken away from their usual activities.

Goal: To work toward the establishment of rural Guatemalan communities as relatively self-sufficient development units by training them to:

1. mobilize their local resources to undertake all developmental projects possible through self-help;
2. submit proposals to government for those developmental projects that are beyond their scope either financially or technically.

Objectives:

- a) Organized community structure in all communities which will work toward achieving the above listed final goals.
- b) Provide a resource (FFW) to those Departmental development personnel who have established community betterment groups, but have few resources available for project implementation.

CARE hopes to work in 120 communities per fiscal year affecting countless numbers of people. Those who actually receive food for work will be fewer: approximately 15,000 per year working 285,000 man/days.

The program is designed to support the Community Development Agency under the office of the Presidency in Guatemala. They will be providing materials and equipment as well as technical and organizational personnel for all of the projects to be done in this program. The PL 480 food will be an important element in their community mobilization work. They, with supervision from CARE's field staff, will be responsible for the transportation, warehousing, distribution and record keeping related to the use of food for work.

Programs will be carried out wherever the Community Development Agency maintains regional officers in 12 of Guatemala's 22 departments.

## 2. Peten Development Support Program

CARE is, at present, in the process of working out the final details of a new food-for-work program scheduled to begin in July of 1977. FYDEP (Fomento y Desarrollo de Peten), the primary development agency working in Peten, is involved in a number of different projects designed to colonize and develop this most underdeveloped region of Guatemala.

This program will be two-fold. The first aspect of the program will be identical to the Community Development Program. Community members will be given food in return for work on projects of benefit to the community as a whole. The goals and objectives will be the same as those described in the Community Development Program.

The second aspect of this program will be supporting work done by FYDEP personnel in various parts of Peten, outside of specific communities. FYDEP is a growing organization of limited resources which can only afford to pay limited wages to its staff. CARE plans to provide food-for-work for FYDEP employees in the lowest salary bracket as a supplement to the wages they receive. This will allow FYDEP to use a greater percentage of its resources as input to additional projects that they might not otherwise have been able to undertake.

This program will serve 7,800 beneficiaries per year working about 285,000 man/days. Beneficiaries will be working at sites distributed throughout the Peten.

## 3. Highlands Integrated Agricultural Program

The major objectives and goals of this FFW program are:

- a. To assist small farmers in the development and maintenance of proper land management in selected sites of the Guatemalan Highlands.
- b. To promote awareness among local inhabitants of land management problems caused by improper land use.
- c. To promote improved land management of non-tillable agricultural lands. (Forest and grazing).
- d. To promote improved land management of tillable agricultural lands in order to increase food production.
- e. To improve the nutritional diet of the indigenous population while also introducing elementary nutritional education into their lives.

The program for FY 1978 will include 1,000 beneficiaries and approximately 12,000 per year (with each worker participating for an average of one month per year). These families will be centered around approximately 30-40 communities in the western highlands area of Guatemala.

Obviously, the Government of Guatemala counterpart agency, INAFOR, with whom we are working on this project, is most interested in conserving the land through forest and soil conservation. They are concerned that this totally rural population will deplete their resource base and that the people will then be forced to move into the already over-populated urban areas.

Currently approximately 41 Peace Corps volunteers, trained in agricultural practices are stationed in the communities and are working with Indian promoters in order to organize work groups. The entire operation is being coordinated by a North American CARE Field Representative with agricultural background.

Along with the programming of the PL 480 commodities, we are also attempting to provide nutritional education materials to the women of the communities. One Peace Corps volunteer is now involved with giving classes which distribute recipes for commodities as well as instruct local women on elementary nutritional ideas. We hope to be able to expand this aspect of the program in the future through the use of local women as teachers.

#### CONTRIBUTIONS TO PROGRAM

- A. The Government of Guatemala provides all inland transportation, warehousing and personnel required to handle the distribution and storage of all PL 480 Title II commodities. The government's contribution also includes administrative costs incurred by CARE in Guatemala and New York attributable to the PL 480 Title II, MCH and SCH programs contributions. These two programs are included in one contract with the government of Guatemala, while the FFW programs have separate contracts.

The first listing deals only with the MCH and SCH programs.

1. Inland transportation, port-clearance fees, and CARE administrative costs	\$ 443,192.00
2. Warehousing/personnel	832,262.00
	<hr/>
TOTAL	\$ 1,275,454.00

The second listing deals only with the FFW programs:

1. Inland transportation, port-clearance fees and CARE administrative costs	\$ 92,420.00
2. Warehousing/personnel	30,000.00
	<hr/>
TOTAL	\$ 122,420.00

RECAP OF GOG CONTRIBUTIONS

MCH and SCH programs Total	\$1,275,454.00
FFW program Total	122,420.00
	<hr/>
GRAND TOTAL OF GOG DISTRIBUTION FY 78	\$1,397,874.00

B. Distributing Agency Contribution

CARE receives contributions-in-kind from United States food manufacturers which are distributed in Guatemala to schools and health institutions.

C. Other Contributions to Program

As previously mentioned, nominal charges are sometimes levied to cover the cost of food preparation.

Various civic organizations, such as the Lions and Rotary Clubs, do contribute occasionally to the program by providing storage space.



CATHOLIC RELIEF SERVICES - USCC  
GUATEMALA, PROGRAM

11 Avenida 31-86, Zona 5  
Guatemala, C. A. Tel. 60-6-24

No.985/4.16/

May 27, 1977

Mr. George Hill  
Program Officer  
USAID/Guatemala

Re.: Program Plan for FY1977  
Yours of May 25, 1977

Dear George:

Enclosed please find, as per your request in the above referenced letter, our resource requirements for FY1979. These quantities represent our best possible projections of food needs based on our as yet incom - pleted program planning for the period in question; we hope to submit our - completed Program Plan for FY1979 by June 27, 1977.

We are requesting approval for 120,000 beneficiaries in our MCH Program; 1,000 beneficiaries in Other Child Feeding; 50,000 beneficiaries for Food for Work; and 1,000 for Other Institutions programming. Thus, we have a total program request of 172,000 beneficiaries; this programming will require, at the approved ration levels, 7,665 metric tons (16.9 million lbs.) for FY1979 at a cost of \$4.4 million, using prices as per AIDTO Circular A-676.

Maternal Child Health.....Total Recipients 120,000

CRS/Guatemala and our counterpart, Caritas de Guatemala, have recently implemented an applied nutrition education project in the Departments of Quiche, Solola, Totonicapan and Quetzaltenango. This project will be integrated with CRS water, sanitation and health education projects in the Highlands.

The counterpart's INCAP trained nutritionist, Lic. Alexandra Praun, is currently collecting the base line data which will serve to define the nutritional status of our target group as well as provide a valuable statistical up-date on food habits, taboos and attitudes of nutritional relevance.

This survey, as well as the ongoing applied nutrition program, is centered around the MCH centers. The results of this survey are not as yet completed, but preliminary data strongly suggests that the nutritional status of the Guatemala peasant has not significantly improved over the years. Data has been tabulated on 5 rural centers in the Department of Quiche with a total of 386 pre-school children. The results were as follows:

./....



No.985/L.16/-2-/

May 27, 1977

CATEGORY (according to Gomez Classification)	QUICHE PRE-SCHOOL CHILDREN 1977	INCAP NATIONAL SURVEY 1966
NORMAL	0%	20%
GRADE I	36%	49%
GRADE II	47%	26%
GRADE III	8%	5%
	100%	100%

These figures are not strictly comparable because the INCAP National Survey of 1966 includes the entire pre-school population whereas our more recent information includes only a sample of characteristically poor rural children. With regard to our survey, its sample technique and randomness could also be questioned, but it does provide a useful insight into the nutritional status of rural Guatemala.

Other information we have leads us to conclude that the Guatemalan peasant is not participating in this country's recent economic expansion. In fact, there is reason to believe that, when rural population increases, inflation and unfavorable land redistribution trends are taken into account, the average Guatemalan peasant has less real disposable income than several years ago.

In any event, our preliminary data indicates that, whether the trend is up or down, the present situation of the nutritionally vulnerable pre-school category, as the above table shows, is indeed precarious.

For this reason, and because we now have the human and financial resources, we wish to expand our MCH Program to 120,000 beneficiaries. This represents a modest increase over planned FY1978 levels.

Food for Work.....Total Recipients 50,000

This program has had a profound effect on rural community infrastructure, especially with regard to secondary roads. When communities meet to analyze their needs, the acute lack of penetration roads is almost always discussed. The FFW Program has helped hundreds of communities build the roads they need to get their crops to market.

It has also been amply shown to be a catalyst for community development in that it tends to draw people together to solve local problems.

.../...



No.985/4.16/-3-/

May 27, 1977

Interest in this program, especially in the Highlands, continues to be high. In April of 1977 we had to suspend all new applications for Food for Work projects because our beneficiary levels exceeded the 35,000 approved level. The waiting list continues to grow.

We believe this program should be expanded from the 7,000 workers programmed for FYs 1977 and 1978 to 10,000 working for FY1979.

Other Child Feeding.....Total Recipients 1,000

All recipients in this category are in orphanages and nurseries and participate in the program through their respective institutions. CRS/Guatemala requests the continuation of this small program in order to provide continued support to some very well-run but financially pressed orphanages.

Other Institutions.....Total Recipients 1,000

These foods are given primarily to the aged in old folks' homes. The privately operated old folks' homes in Guatemala receive very little public or even private support.

They are under-staffed, living conditions are difficult, and daily diets are below minimum standards for the aged.

CRS/Guatemala requests the continuation of this small program for FY1979.

Administrative and Financial Support

CRS/Caritas will have the administrative and financial support to effectively manage a program of this scope during FY1979. Details will be provided in the Program Plan for FY1979.

While I realize that the time constraints with relation to your Annual Budget Submission to Washington are serious, I believe we should discuss the enclosed resource request as soon as possible.

Sincerely,

Thomas B. Mulhearn  
Program Assistant

TBM/amr  
Encl.  
c.c.: CRS/New York



PL 480 TITLE II FY 79  
GENERAL INSTRUCTIONS

GUATEMALA  
(Country)

- 1.) List pounds, dollars and recipients in thousands. Carry recipient data to one decimal place i.e. 10,138 equals 10.1.
- 2.) Volag information is basically the same as that contained in lines 1-8 of an Annual Estimate of Requirement (AER).
- 3.) To estimate dollar values use CCC prices in FY77 guidelines
- 4.) Provide the following data for each individual sponsor, e.g., I. CARE, II, CRS and III, Government to Government.

I. Sponsor's Name( Catholic Relief Services-USCC )

A. Maternal and Child Health.....Total Recipients 120,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands)</u>	
		<u>Kilos</u>	<u>Dollars*</u>
120.0	W S B	654	175
120.0	SOYBEAN OIL	654	447
120.0	C S M	1308	725
120.0	S.F.R. OATS	1308	419
120.0	MILK	1308	1889
<b>TOTAL</b>	<b>MCH</b>	<b>5232</b>	<b>3655</b>

B. School Feeding.....Total Recipients 1,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>(Thousands)</u>	
		<u>Kilos</u>	<u>Dollars*</u>
1.0	SOYBEAN OIL	5	3
1.0	C S M	11	6
1.0	S.F.R. OATS	16	5
1.0	S.F. FLOUR	5	1
1.0	S.F. BULGUR	11	2
1.0	MILK	11	16
<b>TOTAL</b>	<b>OCH</b>	<b>59</b>	<b>33</b>



PAGE TWO

C. Food for Work.....Total Recipients 50,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>Kilos</u>	(Thousands) <u>Dollars*</u>
50.0	W S B	272	73
50.0	O I L	136	93
50.0	C S M	272	151
50.0	R. OATS	545	174
50.0	S.F. FLOUR	545	128
50.0	S.F. BULGUR	545	102
		<u>2315</u>	<u>721</u>

D. Other Institutions.....Total Recipients 1,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>Kilos</u>	(Thousands) <u>Dollars*</u>
1.0	W S B	16	4
1.0	O I L	5	3
1.0	MILK	11	16
1.0	R. OATS	16	5
1.0	S.F. FLOUR	11	1
		<u>59</u>	<u>29</u>

\* Based on FY1977 Estimated CCC  
Full Reimbursement Value as per  
AID to Circular A-676, dated 12/24/76.

TBM/amr

TECHNICAL ASSISTANCE TO COOPERATIVES  
( \$000)

	<u>FY 1977</u>	<u>FY 1978</u>	<u>FY 1979</u>	<u>FY 1979</u>
			<u>PROPOSED</u>	<u>EXPANDED</u>
<u>GRANTS</u>				
0233	125	125	125	125
0238	545	200	335	335
0245	-	265	115	115
0255	-	-	300	500
0256	-	-	-	300
0257	-	-	-	200
	670	590	875	1,575
Sub-Total				
<u>LOANS</u>				
0238	150	-	-	-
0245	-	225	-	-
0255	-	-	1,500	3,500
0256	-	-	-	500
0257	-	-	-	500
	150	225	1,500	4,500
Sub-Total				
<b>TOTAL</b>	<u>820</u>	<u>815</u>	<u>2,375</u>	<u>6,075</u>

PROGRAM ANALYSIS FOR ORALS AND CONDOMS

TO ACHIEVE REPLACEMENT LEVEL OF POPULATION GROWTH

GUATEMALA -

TABLE 1.

- 000's -

	1976	1977	1978	1979	1980	1981
<b>A. Full Supply Analysis</b>						
1. Married Women	1,029	1,060	1,093	1,128	1,163	1,198
2. 65% of line A1	669	689	710	733	756	779
3. 44% of line A1	294	303	312	323	333	343
4. Annual Stock Requirements						
a. Orals - <u>.96</u> X A3 X 13	3,669	3,781	3,894	4,031	4,156	4,281
b. Condoms - <u>0.4</u> X A3 X 100	1,176	1,212	1,248	1,292	1,332	1,372
<b>B. Non-AID Bilateral Sources</b>						
1. Private Commercial Sector						
a. Orals	463	510	561	617	679	747
b. Condoms	1,562	1,593	1,675	1,657	1,690	1,724
2. Other Donors						
a. Orals	1,670	150	250	629	710	773
b. Condoms	5,494	--	--	--	--	--
3. Host Country Procurement						
a. Orals	--	--	--	--	--	--
b. Condoms	--	--	--	--	--	--
4. Total In-Country Stock						
a. Orals	2,133	660	811	1,246	1,389	1,520
b. Condoms	7,056	1,593	1,675	1,657	1,690	1,724
<b>C. Gap to be filled</b>						
1. Orals (A4a - B4a)	1,536	3,121	3,083	2,785	2,767	2,761
2. Condoms (A4b - B4b)	+5,880	+381	-427	+365	+358	+352
<b>D. AID Bilateral Supply Objectives</b>						
1. Orals	--	--	--	--	--	--
2. Condoms	--	--	--	--	--	--
<b>E. Total New Supply</b>						
1. Orals (B4a + D1)	2,133	660	811	1,246	1,389	1,520
2. Condoms (B4b + D2)	7,056	1,593	1,675	1,657	1,690	1,724
<b>F. Remaining Supply Gap</b>						
1. Orals (A4a - E1)	1,536	3,121	3,083	2,785	2,767	2,761
2. Condoms (A4b - E2)	+5,880	+381	-427	+365	+358	+352
<b>G. People Gap</b>						
1. Orals (F1 ÷ 13)	118	240	237	214	213	212
2. Condoms (F2 ÷ 100)	--	--	--	--	--	--
3. Total (G1 ÷ G2)	118	240	237	214	213	212

NOTES FOR TABLE 1 - GUATEMALA

Line A.1. Source - Projections based on (1) correction of 1973 Guatemala Census by Dr. Krishna Roy, former U.N. advisor to Guatemala Department of Census, (2) "Guatemala: Evaluación del Censo de 1973 y Proyección de la Población por Sexo y Edad, 1950-2000," CEMLADE, Serie A, No. 1021, and (3) Arias, J., "La Población de Guatemala", Instituto Centroamericano de Investigación y Tecnología Industrial y Universidad del Valle, Guatemala, 1974. These projections are used for planning purposes by the National Family Planning Program and, thus, were adopted for the purpose of this exercise.

Line a.3. The 44% entered in Line A.3 was based on program data and on the following projections:

Contraceptive Mix Among Active Users  
Guatemala National Family Planning Program  
 1975 - 1980

<u>Method</u>	<u>75</u>	<u>76</u>	<u>77</u>	<u>78</u>	<u>79</u>	<u>80</u>	<u>81</u>	<u>Average</u>
Oral	70%	75%	80%	80%	75%	75%	75%	75%
IUD	23%	16%	13%	12%	15%	15%	13%	16%
Condom	1%	2%	3%	3%	4%	5%	5%	3%
Sterilization	1%	2%	3%	4%	5%	6%	6%	4%
Other	5%	1%	1%	1%	1%	1%	1%	1%

These figures reflect the continuing predominance of oral contraceptives in the Guatemala program. This is due to the anticipated four-fold increase

in the number of MOH clinics distributing contraceptives in the rural areas of Guatemala, to an extension of the I.E. & C. program to the national level, and to APROFAM's on-going and proposed CED programs. Preliminary data from APROFAM's Logistics Program show that 77.2% of acceptors chose orals (see FPED/CDC Resource Support Services Report: Guatemala, dated April 26, 1977). While condoms are available through the Logistics Program, this method is not popular and there is no evidence that its popularity will increase. Thus, the average contraceptive mix for the 1975-1981 period indicates that approximately 44% of couples will be using orals and condoms (65% minus 21% other methods = 44% oral/condoms).

Line A.4. Source - See Line A.3. Based on program data (see Table above) and projections on contraceptive mix in the national family planning program, the proportion of oral and condom users for the 1975-1981 period is estimated to be 96% (76 ÷ 79) and 4% (3 ÷ 79), respectively.

Line B.1. These estimates were based on studies conducted by APROFAM in 1974 and 1975. The market for oral contraceptives is anticipated to increase 10% per year from 1975 to 1980. The condom market is anticipated to increase 2% per year over the same period. The Mission feels that these projections reflect the real and potential market for these commodities.

Line B.2. "Other Donors" include IPPF and FPIA. As Line B.2. shows for 1976, APROFAM received a large shipment of orals and condoms from these donors for distribution in the National Family Planning Program. Thus, future orders reflect the large stock levels already on hand and anticipated demand for these commodities. Orders for orals for 1979-1981 were also based on APROFAM's decision to maintain on hand (end of year balance) stocks equivalent to 10% of married women/15-49 (Line A.1.) X 13.

Line C. Statistics preceded by a plus sign (+) indicate excess commodities.

Line D and Tables 2 + 3. USAID/Guatemala has historically utilized intermediaries, such as IPPF and FPIA, for the provision of contraceptives, and plans to continue this arrangement as long as it is satisfactory and politically expedient.

The following tables illustrate the Inventory Analysis for contraceptives from all sources for the years 1976-1981.

Logistic Analysis of Orals from all Sources

	( 000's )					
	<u>'76</u>	<u>'77</u>	<u>'78</u>	<u>'79</u>	<u>'80</u>	<u>'81</u>
Beginning of year stock	910	2,194	2,793	2,446	2,469	2,612
Expected Deliveries	1,670	150	250	629	710	773
Expected Use	386	551	597	606	667	734
End of Year stock	2,194	2,793	2,446	2,469	2,612	2,651

Logistic Analysis of Condoms from all Sources

	( 000's )					
	<u>'76</u>	<u>'77</u>	<u>'78</u>	<u>'79</u>	<u>'80</u>	<u>'81</u>
Beginning of year stock	747	6,098	6,915	6,721	6,516	6,297
Expected Deliveries	5,494	--	--	--	--	--
Expected Use	143	183	194	205	215	231
End of Year Stock	6,098	6,915	6,721	6,516	6,297	6,066

Line F. Statistics preceded by a plus sign (+) indicate excess commodities.

T A B L E 2

AID Bilateral Logistic and Financial Analysis of Grals

- GUATEMALA -

A. AID Inventory Analysis - Grals	<u>Calendar Year</u>				
	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
1. Beginning of Year Stock	--	--	--	--	--
2. Add: Scheduled Deliveries	--	--	--	--	--
3. Less: Expected Use	--	--	--	--	--
4. End of Year Stock	--	--	--	--	--

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TABLE 3

AID Bilateral Logistic and Financial Analysis of Condoms

- GUATEMALA -

A. AID Inventory Analysis - Condoms	<u>Calendar Year</u>				
	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
1. Beginning of Year Stock	--	--	--	--	--
2. Add: Scheduled Deliveries	--	--	--	--	--
3. Less: Expected Use	--	--	--	--	--
4. End of Year Stock	--	--	--	--	--

---

## SECTION 102(d)

The following is an attempt to respond to the exigencies of Section 102(d), as elicited by AIDTO CIRC A-139. All of the difficulties mentioned in the refrain have been encountered, and the response should be considered in that light.

### (1) Small-farm Agricultural Productivity

A. Survey work as well as data gleaned from other sources indicate that efforts are being made to improve agricultural productivity for the AID target group. The agricultural research agency, ICTA, is now developing methods to transfer technology to the operators of small and medium sized farm units. DIGESA, the extension arm of the GOG, has been expanded and is reportedly increasing its coverage to the smaller farm units. Substantial support is also being given to small farms in and through the cooperative movement.

Various other international agencies have programs that have proven that operators of small farms can increase yields of corn and beans up to 8 times and that milk production from local stock can be increased up to 5 times. These successes prove that technology can be transferred effectively to the AID target group. Review of DIGESA data also indicates that operators of small and medium size farms have adopted better practices and that their productivity is increasing.

Another factor that will help to improve agricultural productivity is a recent change in emphasis from a policy of promoting only basic grains to one of crop diversification. Operators of smaller farms are slowly shifting to higher valued crops where water availability and climatic conditions permit. Progress in the above areas is slow. The resources required, human and financial, are the limiting factors. Recently, research programs have been instituted to develop required technology in diversified crops. USAID will be involving itself in this area in FY 1979.

B. A review of the GOG Agriculture-development goals revealed no conflict between its set of goals and those outlined in 102(d). The major goal of the GOG plan is to improve the level of income of the operators of small and medium size farm units and to provide employment opportunities for the rural poor.

C. The trade off or conflicts among the goals of 102(d) and the GOG with respect to agriculture are given below:

1. Limited financial resources must be distributed between the 5 basic goals of 102(d). The more one area receives, the less there is available for the others.

2. Limited human capital must be allocated among the program areas - the more one area receives, the less there is for the others.

3. There is a lack of available socio-economic data to determine how best to allocate resources.

4. There are no current national level data in the agricultural areas. The latest data available at the national level is the 1964 Agricultural census. There are various partial surveys and analyses. There are also some apparently good evaluations of Ag-Programs that have been shelved due to political pressure.

Currently the GOG is attempting to develop a sample frame in the Ministry of Agriculture that will provide reliable estimates on progress in the five areas of 1.1.1.d' as a minimum. The first unit of the frame will cover the departments of Huehuetenango, Quezaltenango, Sololá, Totonicapán, San Marcos and El Quiché (more or less). This part should be ready by Nov. 1977. It is expected that the rest of the country will be finished in 1978.

5. 1. Ag Sector funding has increased from about Q15,000,000 in 1971 to about Q35,000,000 in 1976.

2. DIGESA agents servicing farmers, including operators of small and medium farms, has increased from about 190 to 360 during the same period.

3. Projected GOG expenditures for the sample frame and its operation will increase from about Q40,000 to Q100,000 - 150,000.

4. An additional Q13,000,000 of its own funds plus an equal amount of loan funds have been committed for Ag-sector development through April 1981.

F. There are various partial studies and surveys available. Some of these are not now actionable for political reasons. (eg. land tenure problems, where we hope to be able to offer some help in FY 1979, if a changed situation permits).

G. AID has a grant program underway to start the sample frame mentioned above. The grant funding ends 30 June 1977. It is expected that the GOG will continue this program beginning 1 July with loan and GOG counterpart funds.

ROCAP is funding a program that is trying to standardize regional data collection in Central America.

## (2) Infant Mortality

Deaths in children of one year and under are estimated at 89 per 1000 live births; in children of five years and under, at 45.7 per 1000 live births. Substantial amounts of data responding to section 102(d) concerns will be forthcoming in the health sector assessment, expected in September, 1977.

## (3) Population Growth

A. The United Nations provided technical assistance to the Guatemalan Statistics and Census Office to evaluate the accuracy of the 1973 Census. The results of this year-long analysis produced the following:

- Enumerated 1973 population = 5,160,221
- Estimated underenumeration in 1973 census = 12.2%
- Corrected 1973 census population = 5,879,000
- 1973 Crude Birth Rate = 43.9 per 1,000
- 1973 Crude Death Rate = 13.0 per 1,000

- Annual Population Growth Rate = 3.1%
- Life Expectancy - Men = 52 years
- Life Expectancy - Women = 55.3 years

Population Projected at 3.1% Annually

<u>Year</u>	<u>Population</u>
1975	6,249,147
1980	7,279,710
1985	8,480,225
1990	9,878,721
1995	11,507,843
2000	13,408,603

At 3.1% annually, the Guatemalan Population will double in 23 years.

The Latin American Demographic Center (CELADE) also made an estimation of underenumeration in the 1973 Census, but it used 9.3% rather than the 12.2% used by the United Nations.

CELADE's Projected Population  
(Constant Fertility Projection)

<u>Year</u>	<u>Population</u>
1975	6,081,635
1980	7,088,846
1985	8,320,052
1990	9,804,156
1995	11,581,727
2000	13,721,273

B. 1. The population is currently growing at a faster annual rate (3.1% as opposed to 2.7% in the 1964-1973 period) than at any time in its history.

2. Mexico and all Central American countries, with the exception of Costa Rica and Panama, are growing at more than 3% annually.

3. The host country's objectives in reference

to this problem are to provide family planning services as a human right, but Guatemala does not have a policy for reducing population growth.

D. Demographic statistics such as the Vital Registration System are unusually good for an underdeveloped country. Birth and death registration is estimated to be more than 95% complete. Census figures, once corrected, are also sufficient for development activity programming.

E. AID is providing technical assistance to improve family planning service statistics. The U.N. will continue in the area of Censuses and vital statistics.

F. Women-in-fertile-age targets for the nation-wide contraceptives distribution project are derived from the corrected 1973 census.

#### (4) Income Distribution

The GOG frames its expenditure policy within the National Development Plan, as enlarged by national reconstruction program needs.

This policy of public spending will have contributed to make the distribution of income among strata of the population more equitable; however, studies will be required subsequent to completion of implementation of the plan to determine the extent to which the plan met its objectives.

It is also true that Guatemala is experiencing inflation which is affecting the purchasing power of the salaried population. The negative effect of this inflationary process may seriously affect achievement of the plan's objectives.

GOG efforts toward more equitable income distribution have been as follows:

##### Private Sector

From 1972 to 1976 minimum wages have been imposed in the areas of commerce, industry, private education, agriculture,

construction, transportation, journalism and other services.

### Public Sector

The GOG has increased its wages six times between January 1974 and May 1977 in efforts to raise the levels of real income.

In addition, there has been an increase in free basic public services such as health, education and others, of which some of the needy majority of urban and rural inhabitants can avail themselves. Consequently, low income families are less obliged to spend part of their earnings on education and medical needs.

3. The statistics, however, spell out a far grimmer picture, historically. 1947/48 figures on distribution of family income for the republic show a considerable concentration of wealth; 25% of the population received 61.5% of the total generated income, while 25% of the population received only 7.0%. A mapping of the distribution of family income for the republic, as derived from 1970 figures indicates that the income increase derived from a process of economic modernization and increases in productivity of the working class have not been distributed equitably, but have favored the sectors with the highest incomes. In the period under study a slow deterioration of the relative participation of the poorest three quartiles of the population in the distribution of income occurred. In relative terms, 75% of the population underwent a lowering of its proportion of participation to the benefit of the better-off 25%. This gradual change in the structure of the distribution, then, has been discriminatory in favor of higher income groups.

Income increases during the 1970/1973 period went to the urban sector which already had higher income. The average family income for the rest of the population remained constant.

The policy of achieving a more equitable income distribution aims at gradual incorporation into the market economy of marginal groups. The forthcoming expansion of the

global demand for agricultural and manufactured products, as well as for various services, is contributing toward this end. While a significant reform of income structure is designed to be achieved only within the context of a long-term policy, the 1975/1979 Development Plan posits goals which mark the initiation of a process of more equitable income distribution.

It is planned that the lowest income population quartile will obtain a real growth rate of 8.5% during the five-year period; while the second quartile will obtain a real growth rate of 7.9%; the third quartile a rate of 7.6%; and the quartile of highest income, a growth rate of 7.2%, the overall growth rate would be 7.5%. The accomplishment of these goals would allow a "minimum subsistence" income for each rural family of \$400.00 annually and of each urban family of Q800.00 annually by the end of the decade, and would increase the participation of 50% of the poorer population in the national income from 16.7% in 1973 to 17.5% in 1979.

D. Statistics in this area are of limited reliability.

E. UNFPA - Demography and Family Planning.

CELADE - Interamerican Center of Demography.

#### (5) Employment

A. The GOG attempts to reduce unemployment through the following activities: The Office of National Employment and Professional Schooling provides an introduction to the job market as defined by job offers received from employers. The Technical Institute for Capacitation (INTECAP) provides vocational training in all areas of economic activity.

Promotion of small industries is being supported through loans under the banking system at 8% interest with a maximum of Q2,000. To date, Q6 million has been loaned. Cooperativism is being promoted as a means of providing proper training for workers and of creating new sources of employment. In the Agricultural Sector, the GOG has assisted

cooperatives in production and transportation of produce to markets. New markets have been created for handicrafts outside the country (US and Europe). The earthquake of February 1976 generated a demand for construction workers; a substantial amount of credit was made available for housing, as well as for industries damaged by the earthquake.

B. The Department of Labor Planning and Statistics offers the following information:

<u>Year</u>	<u>Employed</u>	<u>Unemployed</u>
1950	949,570	3,802
1964	1,322,643	17,244
1973	1,524,487	21,171

In these statistics, from 1950 to 1964 an annual population growth rate of 2.4% was used. From 1964 to 1973 the rate of annual employment growth was of 1.4%. From 1950 to 1973 the growth rate of employment was 2.1%. This rate of growth was used as a basis to estimate the employed population for 1977: 1,655,350.

One of the objectives of "The Strategy of Development in Guatemala" (Development Plan 1975/1979 of the National Economic Planning Council) is to reduce substantially unemployment and underemployment, as well as to increase the productivity of the worker. This objective is basic in attaining growth and is the central element in the distributive policy. The central concept of the plan requires maximum use of the productive potential of the labor force. It is hoped that the Development Plan 1975/1979 will maintain the rate of unemployment at 2.7 per cent of the economically active population, and to reduce underemployment significantly.

D. Statistics do not present a reliable picture of the employment situation in Guatemala. They are not based on specific technical studies, but on a general population census. The problem of unemployment has not been examined in depth. Employment statistics are so deficient as to

make responsible programmatic conclusions impossible.

E. The project development process for a number of proposed Mission projects that involve the creation of both on-farm and off-farm employment are and will be making use of existing and new (e.g. sample survey) information on employment. Examples are Rural Electrification and Small Farmer Marketing in FY 1977, Rural Enterprises Development in FY 1978, and Small Farm Diversification Systems and Rural Infrastructure Development in FY 1979.