PD-ACC-134

UNCLASSIFIED

AGENCY FOR
INTERNATIONAL
DEVELOPMENT

ANNUAL BUDGET SUBMISSION

FY 1977

HONDURAS

DEPARTMENT
OF
STATE

JULY 1975

UNCLASSIFIED

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FY 1977 Annual Budget Submission

Honduras

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USAID/Honduras DAP Statement

The basic features of Honduran policy objectives for the economic and social development of the country and A.I.D.'s interest in Honduras remain as stated in Part I of the USAID/Honduras Development Assistance Program (DAP), submitted almost two years ago and approved by the Assistant Administrator for Latin America. The prime GOH development goal was, and continues to be, finding integral solutions to the many problems of the rural sector, especially through improvements in the standard of living of the rural population and a broad agrarian reform program.

The passage of time and various adversities have tested the firmness of GOH committment to this goal. It has not been found lacking. If anything, that firmness now is stronger than ever before, having a more concrete foundation in the form of a detailed development and reconstruction plan coupled with a new agrarian reform law. During these past two years, Honduras has been one of the countries most seriously affected by the petroleum crisis and has had its rural base seriously shaken by the disasters wrought by Hurricane Fifi. There has also been a change in government--but not in budgetary priorities. Integral rural development still is the major focus of GOH efforts to move Honduras ahead. It is manifest in programs for agricultural production and education, health and nutrition, housing and, most recently, education.

A.I.D.'s Congressional Mandate was of great interest to many high GOH officials. They discovered the high degree to which A.I.D.'s philosophy and general program strategy matched their own perceptions of development priorities for Honduras. They knew that A.I.D. programs in Honduras were primarily directed to the rural poor, but did not appreciate the depth of Congressional interest in their group of target men. Nor did they appreciate the breadth of that interest, looking as it does to productive employment that, combined with an adequate diet, health services and a practical education, would afford fuller employment to the poorest majority and thereby lead to an improved distribution of income and wealth.

It was logical, in light of the above, that the GOH would approach A.I.D. for support of its rural development programs. We have responded to these requests with a number of assistance packages, including those for generalized agriculture sector development, the demonstration and national cadasters, grain marketing and rural municipal development, among others. Most of these projects were foreseen in the DAP and all were based on earlier analytical efforts. In addition, our hurricane reconstruction packages (the $5 million capital grant, PL 480 Title I and II programs and

Reconstruction Loans I and II) are tied to basically rural programs.

Our interest in supporting Honduran development initiatives is conditioned by the high degree to which the overall Honduran strategy for growth and development coincides with our Congressional mandate. It is also conditioned by the plain need of Honduras for concessional financing. Honduras in characterized by low levels of income and a skewed income distribution, a widespread incidence of malnutrition, low levels of general health, short life expectancy, high infant mortality, high birth rates, and inadequate health services. It is one of the poorest countries in Latin America, is a country most seriously affected by the petroleum crisis and has been classified by the FAO as a chronic food shortage country.

The extent of our interest is not measured simply in terms of financial commitments, but also in terms of how forthcoming we are in considering and approving high priority proposals. As stated in the DAP (see the sector discussion on pages 47 through 56), long-range GOH objectives forthe education sector revolve around making the formal and nonformal national education structure more responsive to development needs at all levels. Foremost among these objectives are those which apply to primary education: (1) to improve the efficiency and quality of primary education, especially in relation to student retention rates; and (2) to increase the percentage of primary school age children actually attending school. In addition, the GOH wants to develop an effective adult education program which, together with the primary education system, will make available to all Hondurans a minimum practical education, defined to be that body of knowledge, attitudes and skills necessary to effectively contribute to and participate in a developing Honduran society and economy.

The enclosed PID for a Primary Schools project briefly describes a proposal to help the GOH attend the needs of the Honduran populace for such an education. The Mission believes A.I.D. support to the program is definitely in keeping with even the narrowest interpretation of the Congressional mandate and is a logical extension of our recent activities in education (primary textbooks, secondary education curriculum reform, secondary school construction and equipment, EDUCREDITO student loan fund, primary school reconstruction as part of Rural Reconstruction I, and a new nonformal rural education project). There are two possible reasons of a broad nature for not giving prelimirary support to the Primary Schools proposal: first, why should A.I.D. continue along in formal education projects in Honduras; and second, would involvemtment in the project scatter Mission energies to the detriment of rural

development, the present area of USAID concentration.

Formal education projects play an important role in the overall A.I.D. program in Honduras, as is evident from the above listing of education activities. Each in its own way addresses a significant constraint to human resource development. The fact is that we are involved in education, all of it (except the nonformal rural education project) in the formal education sphere. This is a natural area of activity because the system already exists and will continue to demand a large share of national budgetary resources. Its effectiveness and efficiency must be improved. One way of doing this is to increase the utilization of existing physical facilities for more hours per day by holding adult education cources in them at night. Another way is to draw on ancillary teaching and equipment services from specialized nuclear schools (conventionally called pilot schools here due to their once-experimental nature). This would improve the quality of education without the expense of specially equipping all primary schools. Curriculum changes, updated textbooks and teachers trained to teach nuclear school subjects also would improve the quality of received education. Although we cannot yet quantify the unit costs of nonformal education programs in Honduras to compare them with formal education costs, the above changes should significantly lower the unit costs of formal education.

The Mission recommends that a subsector assessment of primary education in Honduras, be conducted expanding the study of the nuclear schools to be performed during the intensive review of the proposed Rural Reconstruction II Loan (which will finance some rural nuclear schools). Since we intend to rely primarily on Honduran and TCN technicians for carrying out both the actual assessment and the work on curriculum reform, we do not expect a repeat of the Florida Consortium situation. If needed, discreet technical expertise will be obtained from U.S. sources in a few areas.

The second possible reason--scattering of Mission energies to the detriment of rural development -- consists of two separate considerations. Since Mission staffing has increased by over one-third in the last year, the implementation of a few new activities is not expected to strain the USAID's capacity to effectively manage its portfolio. Nor is our rural development thrust likely to be harmed. In fact, since the GOH is actively seeking our support for integral rural development, supporting the Primary Schools proposal will reinforce our focus, just as the Nonformal Rural Education project does. Therefore, the Mission believes that while a new secondary or university education project would be inconsistent with the strategy approved in the DAP, the Primary Schools project is not.

RESEARCH PROPOSAL FOR CENTRAL AMERICA

Indigenous Industry Development - Central America

I. Problem to be addressed.

There is an opportunity to process agricultural and forest products products presently discarded by farmers and manufacturers. For example, the lumber industry appears to waste a large volume of by-products in the form of sawdust and wood remnants.

Is there any way to turn sawdust into pressed blocks for fuel or wood remnants into charcoal by an economically feasible process? Virtually every major industry (and some commercial agriculture producers) in Central America are affected.

II. Scope of Work.

a. Contact regional research institutions to determine status of current work.

b. Study major industries to identify unused by-products, taking (a) into account.

c. Identify new products which can be made from these by-products.

d. Carry out feasibility studies to ascertain the market potential of the products.

e. Identify or develop processes utilizing, if possible, intermediate technology so that small entrepeneurs can transform

these by-products into new products, and do so in a way that also maximizes use of available labor supplies.

HONDURAS

ABS Summary Table

Fiscal Year 1976

	F&N	PP&H	E & HR	SDP	TOTAL
1. Ongoing Grants					
A. Regular					
0118 Core Services	399	---	---	---	399
0065.1 MCH (Title X)	---	120	---	---	120
0108 Nonformal Rural Education	---	---	155	---	155
0073 SDA	---	---	---	50	50
0053.1 Export Promotion	---	---	---	25	25
0000.1 Tech Support	246	---	---	---	246
0000.2 Tech Support	---	10	---	---	10
0000.3 Tech Support	---	---	176	---	176
0000.4 Tech Support	---	---	---	25	25
B. PVO					
0105 Ag Coops	118	---	---	---	118
Sub Total	763	130	331	100	1,324
2. New Grants					
A. Regular					
0124 Nutrition Assessment	260	---	---	---	260
B. PVO					
0122 Yoro Rural Housing	---	---	---	50	50
0127 Expanding Income and Employment	---	---	---	465	465
0125 Nutrition and Health Promoters	---	77	---	---	77
0128 Community Dev. Pespire	---	---	---	50	50
0126 Health Services	---	100	---	---	100
Sub-Total	260	177	-	565	1,002
3. Loans					
A. Reconstruction II:					
1. Agricultural Production	5,000	---	---	---	5,000
2. Access Roads	2,500	---	---	---	2,500
3. Watershed Management	2,500	---	---	---	2,500
4. Primary Schools	---	---	2,000	---	2,000
B. Nutrition	4,000	---	---	---	4,000
Sub-Total	14,000	-	2,000	-	16,000
TOTAL	15,023	307	2,331	665	18,326

FY 76 (page 2)

	F & N	PP&H	E &HR	SDP	TOTAL
4. HIG	---	---	---	---	---
5. PL 480					
Title I	---	---	---	---	6,500
Title II	---	---	---	---	1,321

ABS Summary Table

IQ

	F & N	PP & H	E & HR	SDP	TOTAL
1. Ongoing Grants					
A. Regular					
0118 Core Services	73	---	---	---	73
0065.1 MCH (Title X)	---	30	---	---	30
0108 Nonformal Rural Education	---	---	260	---	260
0073 SDA	---	---	---	50	50
0000.1 Tech Support	10	---	---	---	10
0000.2 Tech Support	---	5	---	---	5
0000.3 Tech Support	---	---	9	---	9
0000.4 Tech Support	---	---	---	30	30
B. PVO					
0105 Ag Coops	57	---	---	---	57
0128 Community Development: Pespire	---	---	---	25	25
0126 Health Services	---	30	---	---	30
Sub Total	140	65	269	105	579
2. Loans	---	---	---	---	---
TOTAL	140	65	269	105	579
3. HIG	---	---	---	---	---
4. PL 480					
Title I	---	---	---	---	---
Title II	---	---	---	---	350

HONDURAS

ABS Summary Table
Fiscal Year 1977

	F&N	PP&H	E & HR	SDP	TOTAL
1. Ongoing Grants					
A. Regular					
0118 Core Services	200	---	---	---	200
0065.1 MCH Title X)	---	180	---	---	180
0108 Nonformal Rural Education	---	---	190	---	190
0073 SDA	---	---	---	50	50
0000.1 Tech Support	130	---	---	---	130
0000.2 Tech Support	---	10	---	---	10
0000.3 Tech Support	---	---	35	---	35
0000.4 Tech Support	---	---	---	20	20
B. PVO					
0125 Nutrition & Health Promoters	---	308	---	---	308
0128 Community Dev. Iespire	---	---	---	50	50
0126 Health Services	---	170	---	---	170
Sub-Total	330	668	225	120	1,343
2. New Grants					
A. Regular					
0123 Farm Power	100	---	---	---	100
0120 Agro-Industry Export Development	---	---	---	310	310
0119 Primary Schools	---	---	300	---	300
0121 Development Management	---	---	300	---	300
Sub-Total	100	0	600	310	1,010
3. Loans					
Farm Power	6,500	---	---	---	6,500
Primary Schools	---	---	6,000	---	6,000
Development Management	---	---	2,500	---	2,500
Sub-Total	6,500	0	8,500	0	15,000
TOTAL	6,930	668	9,325	430	17,353
4. HIG					
Low-Cost Housing					6,000
5. PL-480					
Title I	---	---	---	---	---
Title II	---	---	---	---	1,351

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT IDENTIFICATION DOCUMENT FACESHEET

TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE ('X' APPROPRIATE BOX)
[X] ORIGINAL [ ] CHANGE
[ ] ADD [ ] DELETE

PID
DOCUMENT CODE 1

2. COUNTRY/REGIONAL ENTITY/GRANTEE
HONDURAS

3. DOCUMENT REVISION NUMBER

4. PROJECT NUMBER
522-0124

5. BUREAU
A. SYMBOL: LA
B. CODE: 3

6. PROPOSED NEXT DOCUMENT
A. [ ] PRP [X] PP B. DATE MO. 10 YR. 75

7A. PROJECT TITLE - SHORT (STAY WITHIN BRACKETS)
National Nutrition Planning

8. ESTIMATED FY OF AUTHORIZATION/OBLIGATION
A. INITIAL FY 76 B. FINAL FY 76

7B. PROJECT TITLE - LONG (STAY WITHIN BRACKETS)

9. ESTIMATED COST (LIFE OF PROJECT)
($000 OR EQUIVALENT, $1 = L. 2.)

PROGRAM FINANCING	AMOUNT
A. AID APPROPRIATED	260
B. OTHER U.S.	-
C. HOST GOVERNMENT	65
D. OTHER DONOR(S)	
TOTAL	325

10. ESTIMATED COSTS/AID APPROPRIATED FUNDS ($000)

A. APPROPRIATION (ALPHA CODE)	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE	FIRST YEAR D. GRANT	FIRST YEAR E. LOAN	ALL YEARS F. GRANT	ALL YEARS G. LOAN
FN			260		260	
TOTAL			260		260	

11. OTHER U.S. ($000)

A. PROGRAM TYPE	B. FIRST YEAR	C. ALL YEARS
TOTAL		

12. PROJECT GOAL (STAY WITHIN BRACKETS)

Improve the nutritional status of rural and urban poor, particularly pregnant and lactating women and children under five.

13. PROJECT PURPOSE(S) (STAY WITHIN BRACKETS)

To establish a capability within the GOH to continously analyze the extend of the nutrition problem in Honduras, design new intervention and evaluate ongoing nutrition efforts.

14. PLANNING RESOURCE REQUIREMENTS (STAFF/FUNDS)

Part of nutrition sector assessment effort.

15. ORIGINATING OFFICE CLEARANCE

SIGNATURE Frank B Kimball

TITLE Director, USAID/Honduras

DATE SIGNED MO. 06 DAY 27 YR. 75

16. DATE RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION
MO. DAY YR.

AID 1330-2 (5-75)

PROJECT IDENTIFICATION DOCUMENT

PID
NATIONAL NUTRITION PLANNING

I. Summary of Problem & Response

Malnutrition in Honduras is severe by any standard. Data furnished by the Institute of Nutrition of Central America and Panama (INCAP) in 1966 indicate that over 70% of the total Honduran population suffers from various forms of malnutrition. In addition, 73% of all children under five suffer some degree of protein-calorie malnutrition. There are also widespread deficiencies of Vitamin A and iron.

In response to this serious problem and to the request of the GOH, USAID has presented an Intensive Review Request for a nutrition loan. Prior to the development of the loan, a scope of work for a nutrition assessment and a nutrition assessment are necessary. The Scope of Work was completed June 6, 1975. The assessment will begin August 1, 1975. In addition to these activities, it has been determined that a grant project is necessary to address certain human resource deficiencies.

At the present time the GOH lacks the capability to continuously analyze the extent of the nutrition problems in Honduras, to design new interventions or to evaluate (and replan) ongoing nutrition efforts.

The overall goal of this project and the subsequent loan is to improve the nutritional status of the poor population of Honduras, particularly pregnant and lactating women and children under the age of five.

The purpose of this project is to establish the capability in Honduras for the following nutrition related activities: data collection, project analysis, project management, and project planning. The project will also support the design and implementation of an institutional feeding experiment.

A nutrition education program will be designed and started during the grant period.

The grant will provide:

1) Educational economist for 12 mm.
2) Followships to Honduras in such fields as nutrition planning, data collection and analysis, project management, economics.

3) Technical support for studies in food distribution and marketing, price, income and consumption.

4) Internal workshops on nutrition planning.

5) A nutrition planner for 24 mm.

6) A Specialist in Institutional Feeding 2mm.

The outputs of the project will be: trained personnel, data collected on food distribution, marketing, price, income and consumption patterns, workshops given, institutional feeding program designed, didactic materials and curriculum designed.

The disbursement period will be two years.

Assumptions relating to project purpose are that : a) a new separate organization is not needed but purpose can be accomplished through existing structures plus coordination; b) assessment will cement GOH conviction that continuing data collection and analysis is needed.

No other international donor is active in the nutrition field. Several agencies are indirectly involved through their efforts to increase rural production. In the related area of health the IDB has made a loan for $4 million to the GOH to carry out a program of constructing approximately 90 village water systems.

There are no realistic alternatives to this project.

This project and the subsequent loan will benefit rural and urban poor, primarily pregnant and lactating women and children up to five years of age.

The spread effect from the overall effort, including the loan, is expected to be large, but this project purpose is specific and limited.

II. Financial Statement

AID

1) Education Economist 12 mm	$ 50,000
2) Fellowships approx. 8 m yr	80,000
3) Technical assistance for food distribution etc.	30,000
4) Workshops	10,000
5) Nutrition Planner 24 mm	80,000
6) Specialist in Institutional Feeding 2 mm	10,000
	$260,000

GOH

Counterpart salaries, in-kind services (office, secretarial etc.)	$ 65,000

III. Development of Project

Project will be developed based on scope of work for nutrition assessment, DAEC suggestions, and work done during actual assessment process. The identification of participants for training has begun. The location of appropriate persons to provide technical assistance will be initiated immediately with assistance from AID/W.

The PP is to be submitted in October, 1975. The project design will be finished as part of the nutrition assessment. No further AID resources will be necessary.

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT IDENTIFICATION DOCUMENT FACESHEET

TO BE CO[illegible] [illegible]ATING OFFICE

1. TRANSACTION CODE (X' APPROPRIATE BOX)
[X] ORIGINAL [ ] CHANGE
[ ] ADD [ ] DELETE

PID

DOCUMENT CODE

2. COUNTRY/[illegible]/GRANTEE
HONDURAS

3. DOCUMENT REVISION NUMBER

4. PROJECT NUMBER
522-0123

5. BUREAU
A. SYMBOL: LA
B. CODE: 3

6. PROPOSED NEXT DOCUMENT
A. [X] PRP [ ] PP B. DATE MO. 1 0 YR. 7 5

7A. PROJECT TITLE - SHORT (STAY WITHIN BRACKETS)
FARM POWER

8. ESTIMATED FY OF AUTHORIZATION/OBLIGATION
A. INITIAL FY 7 7 B. FINAL FY 7 9

7B. PROJECT TITLE - LONG (STAY WITHIN BRACKETS)

9. ESTIMATED COST (LIFE OF PROJECT)
($000 OR EQUIVALENT, $1 1.2)

PROGRAM FINANCING	AMOUNT
A. AID APPROPRIATED	7,000
B. OTHER U.S.	
C. HOST GOVERNMENT	
D. OTHER DONOR(S)	
TOTAL	

10. ESTIMATED COSTS/AID APPROPRIATED FUNDS ($000)

A. APPROPRIATION (ALPHA CODE)	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE	FIRST YEAR D. GRANT	FIRST YEAR E. LOAN	ALL YEARS F. GRANT	ALL YEARS G. LOAN
FN			100	6,500	500	6,500
TOTAL			100	6,500	500	6,500

11. OTHER U.S. ($000)

A. PROGRAM TYPE	B. FIRST YEAR	C. ALL YEARS
TOTAL		

12. PROJECT GOAL (STAY WITHIN BRACKETS)

Increase income of rural poor of Honduras. Sub-goal: Increase utilization of underemployed land and labor.

13. PROJECT PURPOSE(S) (STAY WITHIN BRACKETS)

Assist GOH to make labor - and land-complementing power and equipment available to small farmers.

14. PLANNING RESOURCE REQUIREMENTS (STAFF/FUNDS)

PRP: 2 MM TDY AID/W

15. ORIGINATING OFFICE CLEARANCE

SIGNATURE

TITLE Frank B Kimball
Director, USAID/Honduras

DATE SIGNED MO. 0 6 DAY 2 7 YR. 7 5

16. DATE RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION
MO. DAY YR.

AID 1330-2 (5-75)

FARM POWER - PROJECT IDENTIFICATION DOCUMENT (PID)

I. SUMMARY OF PROBLEM AND PROPOSED RESPONSE

The rural sector of Honduras is best described in terms of underutilization of land and human resources which results in low productivity, low income and rural poverty. Since land is relatively abundant and labor underemployed at certain times of the year, an appropriate initial means of attacking the problem, as decided by the GOH, is the bringing together of underutilized land with underutilized labor through a land reform program.

However, the gains in productivity that can be brought about by increasing the land-to-labor ratio while maintaining traditional practices (hand tools and human power) are extremely limited due to bottlenecks occurring at planting time and harvesting time. Nature dictates that these two periods are brief.

Using traditional land preparation practices, a hard working man and his family can prepare for planting approximately 3 manzanas (about one-third of the minimum provided to each family under the land reform program) which, weather cooperating, may be sufficient for subsistence. This accomplished, his task is relatively easy until harvest time. He alone, perhaps with assistance of some herbicides and pesticides, can take care of the three manzanas. The rest of his family remains idle until the crop is mature when once more there is more than enough work to go around. The farmer is hard pressed to gather his crop while conditions are right and in time to plant once more before the end of the rain cycle.

Additional inefficiencies are also apparent. Land preparation via hand tools is inherently inferior to mechanized techniques. Relative to plowing, little turning of the soil occurs with the use of hand tools, often resulting in inadequate seedbed preparation and, ultimately, a significant sacrifice in yields. Also, while harvesting by hand may be more efficient in terms of percent of production actually harvested, it also takes much longer -- increasing the risk of losses of or damage to mature crops.

Other bottlenecks to more efficient utilization of Honduran land and human resources which are not linked to the planting-harvesting cycle relate to timely water availability and land clearing techniques. If water supplies in Honduras could be controlled, often even partially, the resulting extension of the growing season could mean an additional crop. In some cases it might mean year-round production. It could also enable switching to those higher value crops for which water control is important.

The primitive technique for land clearing involves burning away initial plant growth and then hand removal of remaining stumps, rocks, etc. The burning is wasteful of vital plant nutrients which could be returned to the soil, and the hand removal is extremely consuming in terms of time and energy -- so much so that it is often not completed. As a result, much of the land cleared for planting is of reduced usefulness, and much of the land which might be used is left in its natural state.

The purpose of this project is to assist the GOH in making available to small farmers complementary farm power and implements. This will be done by determining the critical equipment types appropriate to the target groups (250 small farmer cooperatives and agrarian reform associations and 500 individual farm units -- some 8,000 families) and making such equipment available to them via sub-loans (1) to farm units for purchase of light equipment (oxen, small tractors, implements, pumps) and (2) to cooperatives, agrarian reform associations, or private entrepreneurs for purchase of heavier, more expensive equipment (bulldozers, combines, land leveling equipment) to form equipment pools to service the target farm units on a "custom work" basis. In general, we will examine all types of animal and mechanical power (including that of an "intermediate technology" nature), seeking to match farm needs with the appropriate level of available technology.

These equipment loans will be complemented by training courses carried out by the National Skills Training Institute (INFOP) to insure adequate knowledge by farm unit managers and equipment users of the operation, maintenance and minor repair of the equipment.

To the above ends, AID will provide a loan to the GOH of $6,500,000. The bulk of these funds, $4,200,000, will be allocated for the purchase of light equipment and animals by farm units via sub-loans from the BNF (National Development Bank); $1,300,000 will be allocated to purchase heavier equipment to form the equipment pools, also via sub-loans from the BNF; $600,000 will be allocated for technical assistance (144 MM) to assist in determining the appropriate amount of investment (equipment) for participating farming units, purchasing equipment, and setting up training programs; and $400,000 will be allocated for the local construction of small implements. A complementary grant of $500,000 will be used in carrying out the training programs. The GOH will provide a counterpart funding of $2,500,000 for the purchase of locally produced items such as farm wagons, animal power as well as a contribution to the loan fund for purchase of custom services and the construction of protective on-farm buildings for the equipment.

The disbursement period will be three years. The first year would be devoted to selection of participating farming units, specifications of power and equipment needs, arrangements for importation and setting up training courses.

MAJOR ASSUMPTIONS

a. The GOH will continue to give high priority to the effective administration of the Agrarian Reform Program.

b. Overall economic conditions consistent with goal.

c. Access to profitable markets.

d. No major natural disasters.

e. Adequate land resources available to target groups.

f. Organizational and management problems solved.

OTHER ACTIVITIES RELATED TO "PROJECT"

In the National Development Plan, 1974-78, the agricultural sector was given priority. GOH actions to implement this important political decision have taken several forms.

The paramount activity is the Agrarian Reform Program discussed above. The GOH is providing additional manpower and funds for the implementation of the broad reaching program.

In support of or complementary to the Reform Program, the GOH strategy involves several other areas of importance. Among these are expanded and improved extension service, training program on formal and non-formal levels, credit programs for land reform units and agricultural cooperatives, increased involvement in purchase, storage and marketing of basic grains, and improved coordination among the major agricultural service agencies.

International donors are active in Honduras. UNDP and FAO are assisting in development and organizational promotion with the National Agrarian Institute. The IDB is assisting through loan programs in agricultural credit and extension. The significant expansion of extension services and research facilities was initiated with IDB assistance. The IBRD has current loans in livestock production and support for the reorganization and improvement of the National Agricultural School at Catacamas. IICA has assisted the GOH in various short-term training programs in extension, farm planning and specialized assistance in several phases of agricultural production and institutional development.

AID's logical alternatives for making additional power available to the target group are to support: (1) the operation of equipment pools by the GOH and (2) the improvement of farm labor mobility.

For some time the GOH has made an effort to provide mechanized services to farmers from government owned and operated machinery pools. However, these pools have not worked well, being constrained by several problems: (1) all income must go into the National Treasury and may not flow back for repairs, maintenance and operational costs; (2) civil service employees subject to restrictions in overtime and normal working hours cannot be expected to work long hours during critical periods; and (3) gearing-up to meet the demand would create tremendous organizational, management and logistic problems for a government agency. Such factors are not major problems in the proposed project as most are eliminated when power and equipment is supplied directly to the individual farming units.

Unless accompanied by some other type of complementary productivity-increasing investment, supporting increased farm labor mobility (perhaps even the organization of itinerant farm labor crews) is not attractive for the following reasons: (1) Using labor crews to relieve the land preparation bottleneck will only increase productivity per farm and not per unit of labor as long as traditional land preparation methods are followed; i.e., human power and hand tools; (2) the prime candidate to become a labor crew member is the same underemployed farmer (unless regional differences in cropping seasons can be used to advantage) who is in need of hiring a labor crew to increase his productivity.

Major direct beneficiaries shall be the approximately 8,000 small farm families who shall have access to credit for farm power investments, and a still undetermined number of farmers who will benefit from the use of "custom equipment services".

Spread effect here will not be automatic. However, should this project demonstrate that cooperative, Agrarian Reform Association and individual small farmers are capable of operating and maintaining complementary farm power, the indirect effect on future GOH investments in its agricultural sector could be notable.

II. FINANCIAL REQUIREMENTS AND PLANS

Total project cost is envisioned to be approximately $9,500,000. AID will finance $6,500,000 of this via a loan to the GOH/Ministry of Finance, to be executed by the Ministry of Agriculture through the BNF, and $500,000 via a grant to the Ministry. The AID contribution shall be utilized as follows:

Loan:

Technical Assistance (BNF, MNR & INFOP)	$ 600,000
Commodities (Imported farm equipment purchase loan fund)	5,500.000
Other Costs (local manufacture of implements)	400,000

Grant:

Other Costs (INFOP Training)	500,000
Total	$7,000,000

The GOH contribution will be $2,500,000, which shall be used to establish loan funds to: (a) purchase locally produced equipment and animal power; (b) contract custom services; and (c) finance the construction of sheds and other buildings to protect farm equipment.

III. DEVELOPMENT OF THE PROJECT

At the initial project review stage (prior to submission of the PRP) the project committee plans to take a closer look at the two alternative approaches to providing timely, efficient farm power (i.e., provision of mechanized power or organization of transient labor cooperatives). We propose to do this because we realize that we are "breaking new ground" with our Farm Power proposal. To this end we would anticipate inviting early TDY assistance from AID/W of an economist (perhaps from the "Working Group on the Rural Poor") and an agricultural engineer in July/August for up to one month each. We are also submitting a proposal for centrally funded research to prepare comparative analyses of the trade-off between performing specific agricultural operations by hand labor or machinery.

1. Ag. Eng. will have to visit the farming areas to see soil, terrain, working conditions, typical farm units and cropping practices to provide guidance on types of power, combinations of equipment and machinery and to check basic feasibility. He would also examine variations in farm power packages to suit different areas and different scale farms, determine which machinery would complement labor and which would tend to replace it, provide price levels to verify estimates of funds required. Consider possibilities pro/con of machinery/equipment pools.

2. WGRP - to take a close look, with the engineer, at the hand labor/machine labor problems to see need to multiply human efforts to raise productivity and therefore raise income of target persons.

We also plan to do further analysis early in the process concerning the amount of productivity loss in the target area attributable to primitive planting and harvesting techniques. This is basic to project feasibility since the profitability of farm power is in part a function of these potential savings.

We anticipate getting a Project Review Paper to AID/W in October or November and may call for several man/weeks of TDY assistance from LA/DR to help us in pulling together this document.

IV. ISSUES OF A POLICY OR PROGRAMMATIC NATURE

1. Should we encourage any use at all of non-human farm power in light of high rates of rural unemployment and "under-employment"? (USAID will shortly submit a research proposal to look at this question more thoroughly than can be done by the TDY assistance proposed above.)

PROJECT IDENTIFICATION DOCUMENT

Farm Power — Logical Framework

GOAL : To increase incomes of the rural poor.

SUB-GOAL : To increase farm productivity via more efficient utilization of underemployed land and human resources.

PURPOSE : To make labor and land complementing farm power sources available to small farmers.

OUTPUTS :

1. Appropriate equipment determined and made available to:

   (a) Cooperatives, Agrarian Reform Associations and individual small farmers (small tillers, tractors, pumps for gravity irrigation, oxen, etc.); and

   (b) equipment pools (bulldozers, harvesters, etc.)

2. Sub-loans through BNF to finance equipment purchases.

3. Training courses for equipment operators and mechanics.

4. Farms utilizing additional power.

INPUTS :

1. USAID ($000)

   A. Loan

Technical Assistance	600
Commodities	5,500
Other Costs	400

   B. Grant

Other costs	500
AID Sub-total	7,000

2. GOH ($000)

Commodities	2,500
GOH Sub-total	2,500

3. Project Total 9,500

LOGICAL FRAMEWORK

A. Goal

1. Statement of Goal: Increase the income of the rural poor of Honduras. Sub-goal: Increase productivity of rural poor via more efficient utilization of underemployed land and labor.

2. Measures of Goal Achievement: Change in income and other socio-economic variables, yields, production and productivity.

3. Means of verification: Baseline and follow-up studies of target and control groups.

4. Important Assumptions:

   a. The GOH will continue to give high priority to the effective administration of the Agrarian Reform Program.

   b. Overall economic conditions consistent with goal.

   c. Access to profitable markets.

   d. Climatic conditions favorable.

   e. Adequate land resources available to rural poor.

B. Project Purpose

1. Statement of Purpose: Assist GOH in its efforts to make labor- and land-complementing power & equipment available to small farmers.

2. EOPS: Approximately 250 cooperatives and farm business associations (involving 7,500 families) and approximately 500 individual farmers using land and labor complementing farm power and equipment.

3. Means of Verification: Data collected by baseline and follow-up studies and reports from the BNF and MNR will be used to verify number of farms using project provided additional land and labor complementing farm power and equipment.

4. Assumptions:

   a. Organization and Management problems can be solved.

C. Outputs:

1. Statement of Outputs:

a. Farm power, equipment and machinery needs specified

b. Importation of farm equipment and machinery

c. Loans made to finance power, machinery and equipment purchases

d. Training courses for equipment operators and mechanics

2. Magnitude of Outputs:

a. Farm power, equipment and machinery needs specified for the various farming units according to size and production enterprises.

b. Quantity of farm machinery and equipment imported - (Dollar value)

c. Number and amount of loans made to finanee power, machinery and equipment purchases.

d. Number of equipment operators and mechanics trained/year.

3. Means of Verification:

a. Reports by technicians

b. Reports filed by importing agencies

c. Records of BNF and MNR

d. Reports supplied by training institution (INFOP)

D. Project Inputs:

1. USAID ($000)

	TOTAL	
a. Loan	$	MM
(1) Technical Assistance	600	144
(2) Commodities	5,500	
(3) Other Costs	400	
Sub-total	6,500	
b. Grant ($000)	500	
Total	7,000	

2.	GOH ($000)	
	a. Commodities	2,500
	Total	2,500
3.	Total ($000)	9,500

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT IDENTIFICATION DOCUMENT FACESHEET

TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE ('X' APPROPRIATE BOX)
[X] ORIGINAL [ ] CHANGE
[ ] ADD [ ] DELETE

PID
DOCUMENT CODE 1

2. COUNTRY/REGIONAL ENTITY/GRANTEE
HONDURAS

3. DOCUMENT REVISION NUMBER

4. PROJECT NUMBER
522-0122

5. BUREAU
A. SYMBOL: LA
B. CODE: 3

6. PROPOSED NEXT DOCUMENT
A. [X] PRP [ ] PP B. DATE MO. 11 YR. 75

7A. PROJECT TITLE - SHORT (STAY WITHIN BRACKETS)
Agro-Industrial Export Development

8. ESTIMATED FY OF AUTHORIZATION/OBLIGATION
A. INITIAL FY 77 B. FINAL FY 79

7B. PROJECT TITLE - LONG (STAY WITHIN BRACKETS)

9. ESTIMATED COST (LIFE OF PROJECT)
($000 OR EQUIVALENT, $1 = L.2.)

PROGRAM FINANCING	AMOUNT
A. AID APPROPRIATED	1300
B. OTHER U.S.	
C. HOST GOVERNMENT	700
D. OTHER DONOR(S)	
TOTAL	2000

10. ESTIMATED COSTS/AID APPROPRIATED FUNDS ($000)

A. APPROPRIATION (ALPHA CODE)	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE	FIRST YEAR D. GRANT	FIRST YEAR E. LOAN	ALL YEARS F. GRANT	ALL YEARS G. LOAN
SD						
			310		1300	
TOTAL			310		1300	

11. OTHER U.S. ($000)

A. PROGRAM TYPE	B. FIRST YEAR	C. ALL YEARS
TOTAL		

12. PROJECT GOAL (STAY WITHIN BRACKETS)

To increase agro-industrial exports.

13. PROJECT PURPOSE(S) (STAY WITHIN BRACKETS)

1. Provide technical assistance in marketing and production to exporters in agro-industry.
2. Centralize GOH administration of export activities.

14. PLANNING RESOURCE REQUIREMENTS (STAFF/FUNDS)
4 MM. $20,000

15. ORIGINATING OFFICE CLEARANCE
SIGNATURE: Frank B. Kimball
TITLE: Director
DATE SIGNED: MO. 06 DAY 27 YR. 75

16. DATE RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION
MO. DAY YR.

AID 1330-2 (5-75)

I. SUMMARY OF PROBLEM AND RESPONSE

For many years Honduras has depended on bananas to generate the largest share of its foreign earnings (43% of merchandise exports in 1972 and 36% in 1973).

As a result of the banana exporting countries' decision to impose a tax on banana exports and of the difficulties in working out agreements with the fruit companies to implement the tax, export earnings had begun to fall before Hurricane Fifi struck. With Fifi came destruction of the greater portion of the country's banana plantings, which is expected to lead to at least a 40 percent plunge in the value of banana exports in 1975. In addition, the disruptions and damages brought by Fifi, coupled with the present oil inflationary spiral, have further reduced the capacity to export other products.

These events will have a profound impact on the mix of both exports and exporters. As the role of the multinational corporations decreases in traditional export areas, the GOH has to develop new exporters. To a large extent, it has to rely on the myriad of small farmers, especially cooperative and asentamiento producers. Other AID activities are also aimed at helping these farmers, particularly the Agriculture Sector Loan and other funds made available to the National Development Bank for production and marketing.

Producers of non-traditional products have faced numerous problems which have made them reluctant to enter the export market. Among the most serious are: the present scattering of responsibility for exports throughout the bureaucracy; the lack of a positive export strategy, embodied in an export incentive law to encourage investment in production for export; lack of knowledge of international marketing techniques; and the lack of technology to develop exportable products. In addition, of course, the productive base for exports is weak and few resources have been devoted to supporting non-traditional exports.

The previously funded export promotion project has had some success in setting up a unit within the GOH which is active in export promotion, in developing export policy and in providing export market information. (A full-scale review will be scheduled for this summer with AID/W help to assess our experience in these activities.) This project seeks to deal more directly with the entrepreneur in the development of an exportable product. It is a logical and valid extension of the strategy expressed in Part I of the USAID/Honduras DAP.

We believe that the success of our efforts to help the rural target

man hinges heavily on helping him enter new markets. These have to be export markets. According to the results of the second national agriculture sector model derived as part of the agriculture sector analysis, the growth and development of Honduran agriculture is constrained by the size of the market for agricultural products. With the highly skewed income distribution the majority of the population is able to include in their diet only the basic necessities, primarily corn, rice, and beans. Yet this majority also earns its income from agricultural products. The paradox is that the lack of demand for agricultural products limits producer incomes and the lack of incomes is created by insufficient demand. The escape from this desperate circle is export markets. By increasing the market for agricultural products through exports, more income can be generated domestically. This income increases the demand for agricultural products (and products from other sectors as well).

The sensitivity of the agricultural sector to demand constraints was demonstrated in a recent analysis conducted by the Honduran Sector Analysis Team. The effect of increased exports was estimated by varying the demand constraints of the linear programming model. By making slightly less conservative estimates of the expected export demand for selected products in 1977 (primarily citrus and vegetables), the value added for the agricultural sector was increased 19% over previous estimates. When exports were freed of any export constraint, an unlikely but interesting possibility, value added for the sector doubled. From the viewpoint of the producer, access to export markets promises higher income. This result is even more valid if more domestic value added is obtained by increasing local processing. We believe this to be a logical step for entrepreneurs to take and therefore believe this project, as designed, will lead to increased agro-industry exports.

The purpose of this project would be towfold; first, to provide technical assistance in marketing and production to exporters in agro-industry; and second, to centralize the government's administration of all its export related activities in one agency.

Technical assistance will directly affect the quantity of exports by increasing the competitiveness and availability of Honduran products in world markets. The centralization of the administration of GOH export activities within one unit will make it easier for the producer to deal with the administrative and legal requirements of the export process and to keep abreast of developments by using the services the unit can offer. The centralization will also be helpful to the implementation of coordinated export policy, although we expect the National Commission on Foreign Trade to take the lead in policy coordination.

In order to centralize export promotion and administration and provide technical assistance to producers, the GOH would set up a new, semi-autonomous Export Assistance Agency. This agency would have a board of directors with representatives of both the public and private sectors. The staff would be made up of personnel who are now engaged in various aspects of export promotion and administration in such agencies as the Ministries of Economy and Finance, the Central Bank and the National Development Bank, the National Association of Industrialists, the Federation of Agriculturists and Cattlemen and the National Association of Small Industry.

This agency would act both as a brokerage service providing direct technical assistance to the potential exporter, and as export promotion center. We envision a contract between the agency and the World Trade Center or a similar institution to bring to Honduras a full time liaison person to coordinate short-term technician visits, to provide information about present Honduran and world market conditions, to solve producer problems as they arise and to be general advisor to the agency. Participants from the agency's staff would be sent to the World Trade Institute for training in international marketing techniques, to establish a Honduran product display facility and to develop contacts in the American business community. Inputs would include 13 man years of TA in agro-industrial related specialties, 10 man years of participant training and other costs.

The project will be disbursed over three years.

One major assumption, which must be dealt with prior to initial disbursement, is the passage of an export incentives law.

Alternatives to the present project are difficult to enumerate because of the dearth of A.I.D. experience in the field of export promotion. The first choice might be between indirect and direct help to export producers. We have tried to combine the two approaches by having the Export Assistance Agency deal with both government policy and the individual entrepreneur. The second set of alternatives has to do with the type of products to be promoted. We decided to concentrate on agro-industries in order to develop backward linkages to the agricultural sector where we have many programs to increase production (see discussion above). Agro-industries are also likely to be located in rural areas, thus providing additional rural employment.

The direct beneficiaries will be the GOH and private entrepreneurs. The benefited entrepreneurs would be members of the lowest 40% of the rural population with regard to most exports of unprocessed agricultural products, but with regard to processed products, that group would be benefited only if the businesses were cooperatives or parts of asentamientos.

Indirect benefits would accrue to lower-income rural residents through increased employment and eventually backward product linkages.

Spread effects could be large in terms of increased demand for the Export Assistance Agency's services if exporting can be shown to increase as a direct result of the agency's efforts. Nothing breeds success like success.

II. FINANCIAL PLAN

1. Project cost $2,000,000 over 3 years

2. A.I.D. share (grant funded):

7 man years long term TA	$ 400,000
6 man years short term TA	400,000
10 man years participant training	200,000
Other Costs	300,000
TOTAL	$1,300,000

3. GOH share: $700,000

III. PROJECT DEVELOPMENT

1. Many aspects of this project will require further study during the development of the PRP. First, we wish to review our first three years of experience in Honduran export promotion to evaluate the worth of continuing indirect types of assistance in export promotion such as marketing information services and trade fairs. Second, we will have to look at the feasibility of running a contracting service for technical assistance. What is the demand for these services at what prices, or, in other words, how subsidized would this service have to be in order to be utilized? Third, what would the exact nature of the Export Assistance Agency be? What kind of public-private mix would be feasible, what salaries would be necessary to keep personnel, how would the agency charge for services, and is a policy advisory role possible? Fourth, are there particular groups of products that we should concentrate on within agro-industry in order to focus our efforts? Fifth, how could the experience of such organizations such as ICAITI (Central American Research Institute for Industry) be utilized?

2. Time Frame

PRP by 30 November, 1975

PP within six months thereafter

3. Resources Required

   a. Team from AID/W or consultants, four man months, to do above studies and assist in preparing project documention. If consultants,$20,000 would probably be needed.

IV. POLICY ISSUES

We have not identified any broad issues of a policy or programmatic nature.

PRELIMINARY
LOG FRAME

GOAL: Increase agro-industrial exports

PURPOSE:

1. Provide technical assistance in marketing and production to exporters in agro-industry.

2. Centralize GOH administration of export activites.

OUTPUTS:

Export Assistance Agency staffed and functioning.

INPUTS:

A.I.D.

1. TA
2. Participant training

GOH

1. Staff
2. Budget support

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT IDENTIFICATION DOCUMENT FACESHEET

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1. TRANSACTION CODE (IX' APPROPRIATE BOX)
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DOCUMENT CODE

3. DOCUMENT REVISION NUMBER

HONDURAS

4. PROJECT NUMBER: 522-0119

5. BG CAU: A. SYMBOL: LA; B. CODE: 3

6. PROPOSED NEXT DOCUMENT
A. [X] PRP [ ] PP B. DATE MO. 1 1 YR. 7 5

7A. PROJECT TITLE - SHORT (STAY WITHIN BRACKETS)
Primary Schools

8. ESTIMATED FY OF AUTHORIZATION/OBLIGATION
A. INITIAL FY 7 7 B. FINAL FY 7 9

7B. PROJECT TITLE - LONG (STAY WITHIN BRACKETS)

9. ESTIMATED COST (LIFE OF PROJECT)
($000 OR EQUIVALENT, $1 = 2 Lps)

PROGRAM FINANCING	AMOUNT
A. AID APPROPRIATED	7000
B. OTHER U.S.	
C. HOST GOVERNMENT	2500
D. OTHER DONOR(S)	
TOTAL	9500

10. ESTIMATED COSTS/AID APPROPRIATED FUNDS ($000)

A. APPROPRIATION (ALPHA CODE)	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE	FIRST YEAR D. GRANT	FIRST YEAR E. LOAN	ALL YEARS F. GRANT	ALL YEARS G. LOAN
EH			300	6000	1000	6000
		TOTAL	300	6000	1000	6000

11. OTHER U.S. ($000)

A. PROGRAM TYPE	B. FIRST YEAR	C. ALL YEARS
TOTAL		

12. PROJECT GOAL (STAY WITHIN BRACKETS)

To increase the level of basic skills of the rural population of Honduras.

13. PROJECT PURPOSE(S) (STAY WITHIN BRACKETS)

1. To provide rural primary students with a more relevant formal education system.
2. To provide literacy training and functional education to the rural adult population.

14. PLANNING RESOURCE REQUIREMENTS (STAFF/FUNDS)
4 man-months services from LA/DR
9 man-months contract technical services - Est. Cost $32

15. ORIGINATING OFFICE CLEARANCE

SIGNATURE

TITLE Frank B Kimball
Director, USAID/Honduras

DATE SIGNED MO. 0 6 DAY 2 7 YR. 7 5

16. DATE RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION
MO. DAY YR.

AID 1330-2 (5-75)

PROJECT IDENTIFICATION DOCUMENT

PRIMARY SCHOOL SECTOR

I. Summary of Problem and Response

AID, the Honduran Government and other donor agencies are concentrating substantial resources in the development of rural Honduras-where nearly 3/4 of the population lives. In order to improve the quality of life for the vast majority of Hondurans, significant advances must be made in incomes, human nutrition, health services and the rural worker's productivity. A major constraint in all of these efforts is the low learning and skills level encountered in rural Honduras, in large part due to an inadequate educational system.

The majority of Honduran children either do not benefit from any primary schooling or leave primary school with such a low level of skills as to be unable to take advantage of future academic or vocational training. To be effectively inculcated with these skills, children must have access to schools and the content of the education must be designed to keep them in school.

80 percent of Honduran students who entered the first grade during the past six years dropped out of school before completing the sixth grade. 40 percent of these dropped out before completing the first grade. This problem is even more serious in rural areas than it is in large towns. In 1973, for example, 44 percent of all children enrolled in rural schools dropped out of first grade while 24 percent of their urban counterparts dropped out.

There are a myriad of reasons for this. The Government of Honduras (GOH), Ministry of Education (Min Ed), is focussing on three factors (lack of access, traditional school environment, and inadequate materials) as problems that they can attack immediately. An additional factor, the opportunity cost to the family of having children in school, will be examined in developing the PRP. It has recognized that for a primary education program to be relevant, it must be directly applicable to the daily activities of its citizens and must fit the needs and resources of the community. The Rural Primary Pilot Schools Program, which AID is supporting under Hurricane Reconstruction Loan II, was developed with this in mind.

The focus of this GOH initiative goes beyond improving the formal primary education system. The pilot schools will serve much broader commnity needs, operating throughout the year, day and night.

They are envisioned not only as community centers for use by cooperatives and housewives' clubs but also as adult training centers. Adult literacy training, nutrition education, vocational education, agricultural extension and other services will be provided through these multipurpose centers. Teacher training will be broadened so that teachers have the capacity to direct adult training courses. From a national budgetary point of view then, the GOH sees the pilot schools as an excellent investment in attaining multiple top priority national goals--improved primary education, adult education and expanded social services for rural areas.

The purposes of this Project are: 1) to provide the sons and daughters of the rural poor with a more relevant formal education system; and 2) to provide literacy training and functional education to rural adults. This will be done by expanding the Rural Primary Pilot Schools Program, while upgrading two supportive divisions in the Ministry of Education. AID will assist the Min Ed to: (1) construct an additional 250 Rural Pilot Schools, equip them and train teachers for them; (2) help the Min Ed Education Materials Division to up-date obviously antiquated textbooks and develop new materials in areas such as health and nutrition; (3) work with the Min Ed Educational Curriculum Research Office to improve its capability to carry out studies and surveys necessary to monitor evolving Honduran needs in primary school curriculum and develop new materials as needed; and (4) assist the Min Ed Adult Education Office to improve its capacity to design and administer adult education programs.

To these ends AID will provide approximately $6.0 million in loan funds as follows: $4.3 million to assist in construction of 250 schools; $1.2 million to supply those schools with educational materials and equipment (eg. textbooks, vocational training equipment and agricultural tools); and $0.5 million to help finance the training of teachers for the schools. In addition, AID will grant finance six man-years of technical assistance plus technical training to the Educational Materials Division at a cost of $400,000, 3 man-years of technical assistance plus training for the Curriculum Research Center at a cost of $200,000 and 5 man/years of technical assistance plus training to the Adult Education Office at an estimated cost of $400,000. We expect that AID funds can be completely disbursed in 3 years.

While other donors, most notably the IBRD and the IDB, are cooperating with the GOH in certain specialized areas of education, neither has further plans to assist in primary or adult education.

The IBRD is financing the National Agriculture School of Catacamas and INFOP, the National Skills Training Institute. The IDB is supporting the construction of a large teaching hospital in Tegucigalpa and a number of vocational training and normal school facilities at various sites.

Alternatives to this Project--There may be operational alternatives to this particular project, such as whether to construct new schools or remodel and redirect existing schools (we hope to study this in the PRP), but conceptually, there is no significant alternative to the program of increasing the relevance of the rural primary school to its environment. Given the desperate situation in rural primary education in Honduras today, and the energetic and well conceived efforts of the GOH/Min Ed to alleviate that situation, AID is well advised to assist.

Alternatives to the proposed approach for adult education might include: a) Developing a separate national adult literacy program with its own facilities. The Mission feels it is more efficient to include literacy training in the pilot schools and utilize limited trained teaching personnel for this purpose as well; b) Dropping literacy as a primary objective and providing agriculture and vocational training through the pilot schools or separate facilities. We would argue that literacy gives the adult a tool that can open many other educational opportunities which already exist. Also, the multipurpose pilot school concept enables us to do both literacy and other skills training; and c) Concentrating efforts on primary education and hope for the spread effect caused by the children sharing what they learn with their parents. Well, maybe. However, for a miniscule additional investment, more rapid (and certain) education can be delivered through the pilot school mechanism.

Major Beneficiaries: The rural population will be the direct beneficiaries of the project. If successful, the pilot schools program should be reach virtually all of rural Honduras comprising nearly 3/4 of the country's people. The bulk of the beneficiaries are those whose incomes are in the $75/yr range. We would expect some medium and long term impact on campesino family health and nutrition practices, and gradually increasing vocational skills ability on the part of parents and children alike. Additional benefical effects resulting from greater services orientation of the schools to the community also seem likely but are difficult to specify at this point.

II. Financial Requirements:

	Amount in $000
A. A.I.D. Loan to the Ministry of Finance, to be executed by the	

Financial Requirements:	Amount in $000
Ministry of Education	6,000
B. A.I.D. grant financing for technical assistance and training in cooperation with the Ministry of Education	1,000
(subtotal A.I.D.)	(7,000)
C. GOH counterpart contribution	2,500
TOTAL PROJECT	$ 9,500

It is expected that implementation will be completed in 3 years.

III. Development of the Project

A major part of the analysis underpinning the project will be accomplished under intensive review of the Reconstruction II Loan. Additional short term specialized assitance will be required to assess causes of the dropout problem, to get a much better reading on textbook revision and development needs, to develop a sound approach to improving the capacity for curriculum research and development and to plan adult education programs. This is an extremely sensitive area for direct U.S. involvement, but we feel that with present personnel relationships and third country technicians, it can be done.

Estimated costs outside assistance:

Adult Education 3 mm	12,000
Educational Materials, 3mm	10,000
Curriculum Development, 3mm	10,000
	$ 32,000

The project committee will work with a study team from LA/DR for 3-4 weeks in early fall 1975 to review findings of the outside experts and draft the PRP. This team's analysis will be critical to the Mission to pursue project development. Assuming acceptance of a PRP by November 1975 we would expect to submit the PP by March 1976. A brief TDY from LA/DR may be required prior to drafting of the PP.

IV. Issues:

L. GOH ability to allocate such heavy resources on a continuing basis for Rural Primary Pilot schools.

2. Political sensitivity of up-dating core textbooks and assisting in developing curriculum research capacity.

3. GOH capability to author and update textbooks.

4. Feasibility of large scale, nationwide force account construction program vs. remodeling of present structures or self-help approach.

5. Entrance of AID into a second sector (beyond Food and Nutrition).

Logical Framework

GOAL : To improve the basic skills levels of the rural majority.

PURPOSE : 1. Provide rural students with a more relevant formal educational system.

2. Provide literacy training and functional education to the rural adult population.

OUTPUTS : 1. Rural Primary Pilot Schools Development

a. 250 schools constructed and minimally equipped per the pilot schools concept.

b. Teacher training provided to the teachers who will staff the schools.

2. Education Curriculum Research

a. Improved capability of the Education Curriculum Research Office to carry out the studies and surveys necessary to keep track of evolving Honduran needs in primary school curriculum and develop new materials as needed.

3. Improved capability of the Adult Education Office to design and administer adult education programs.

INPUTS : 1. Rural Primary Pilot Schools Development.

A. School Construction--4.3 million to assist in construction of 250 schools.

b. Educational Materials and Equipment--$1.2 million to supply the above schools with educational equipment per the Rural Primary Pilot Schools concept (eg. vocational training equipment, agricultural tools, text books, visual aids, etc).

c. Teacher Training --$0.5 million to provide training for teachers from the 250 Rural Pilot Schools.

2. Educational Materials Development

a. Technical Assistance--Six Man/years of expertise $350,000 in textbook preparation (from 3d country & Honduran sources) as follows:

- One advisor for two years to help with textbooks revision and act as Group Director.

- Four advisors for one year each to help with preparation of materials in agriculture, health, nutrition and vocational education.

b. Training-- Education Materials Development at a cost of $50,000.

3. Educational Curriculum Research

a. Technical assistance -- two man/years of expertise in curriculum research and development (from 3d country sources) at a cost of $120,000.

b. Training -- Education Research Methods at a cost of $80,000.

4. Adult Education

a) Technical Assistance - 5 man/years expertise in Adult Literacy, Adult Education Administration at a cost of $300,000.

b) Training - Adult Education methods and administration at a cost of $100,000.

Summary Log Frame

Goal To improve the level of basic skills of the Honduran rural majorities	**Indicators** - Literacy rate of primary school leavers rises from _____% in 1975 to _____% in 1979
Purpose 1. Provide rural primary students with a more relevant formal education system 2. Provide literacy training and functional education to the rural adult population	**EOPS** - Increase # of students by X receiving Y approach to education by 19_____ - Drop-out rate decreased from _____ in 19_____ to _____ in 19_____ - X Adults have achieved Y skills levels in _____, _____, _____
OUTPUTS 1. Schools constructed and equipped 2. Teachers trained 3. New curriculum materials 4. Educational Curriculum Research Office staff and enlarged trained 5. Capacity of adult education Office	**MAGNITUDE OF OUTPUTS** 1. 250 schools built and equipped by 19_____ 2. X teachers trained by 19_____ 3. X books, etc. published by 19_____ 4. X new personnel with Y training in place 5. Information gathered and collated on drop-out rate and other educational parameters 6. Adult education courses underway
INPUTS 1. School construction 2. School equipment 3. teacher training 4. curriculum materials; TA	

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT IDENTIFICATION DOCUMENT FACESHEET

TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE (X' APPROPRIATE BOX)
[X] ORIGINAL [ ] CHANGE [ ] ADD [ ] DELETE

PID

DOCUMENT CODE 1

2. COUNTRY/REGIONAL ENTITY/GRANTEE
HONDURAS

3. DOCUMENT REVISION NUMBER

4. PROJECT NUMBER
522-0121

5. BUREAU
A. SYMBOL **LA**
B. CODE **3**

6. PROPOSED NEXT DOCUMENT
A. [X] PRP [ ] PP B. DATE MO. 1 0 YR. 7 5

7A. PROJECT TITLE - SHORT (STAY WITHIN BRACKETS)
Development Management

8. ESTIMATED FY OF AUTHORIZATION/OBLIGATION
A. INITIAL FY 7 7 B. FINAL FY 7 9

7B. PROJECT TITLE - LONG (STAY WITHIN BRACKETS)

9. ESTIMATED COST (LIFE OF PROJECT)
($000 OR EQUIVALENT, $1 = **2 Lps**)

PROGRAM FINANCING	AMOUNT
A. AID APPROPRIATED	3500
B. OTHER U.S.	
C. HOST GOVERNMENT	1200
D. OTHER DONOR(S)	4700
TOTAL	

10. ESTIMATED COSTS/AID APPROPRIATED FUNDS ($000)

A. APPROPRIATION (ALPHA CODE)	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE	FIRST YEAR D. GRANT	FIRST YEAR E. LOAN	ALL YEARS F. GRANT	ALL YEARS G. LOAN
EH			300	2500	1000	2500
		TOTAL	300	2500	1000	2500

11. OTHER U.S. ($000)

A. PROGRAM TYPE	B. FIRST YEAR	C. ALL YEARS
TOTAL		

12. PROJECT GOAL (STAY WITHIN BRACKETS)

To improve the delivery of public services to rural areas.

13. PROJECT PURPOSE(S) (STAY WITHIN BRACKETS)

Provide management improvement services to GOH agencies engaged in priority development programs.

14. PLANNING RESOURCE REQUIREMENTS (STAFF/FUNDS)

PRP: LA/DR staff - 1 MM
PP: Outside expertise - 2 MM - $8

15. ORIGINATING OFFICE CLEARANCE

SIGNATURE

TITLE
Director, USAID/Honduras

DATE SIGNED MO. 0 6 DAY 2 7 YR. 7 5

16. DATE RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION
MO. DAY YR.

AID 1330-2 (5-75)

PROJECT IDENTIFICATION DOCUMENT

DEVELOPMENT MANAGEMENT

I. Summary of Problem and Response:

The GOH is involved in a major effort to improve the quantity and quality of public services available in rural Honduras. To this end it is engaged in Agriculture, Health, Nutrition, Education and Municipal Development projects with the assistance of many international donors as well as A.I.D.

A significant restraint in all of these efforts is the low quality management capability that GOH agencies are able to mobilize, with resultant inefficiencies and delays in implementation.

The problem is well recognized, and there are many activities under the sector projects to address narrow pieces of it But these efforts suffer severe limitations. Sector training tends to be academic and sporadic, rather than based on identified practical needs and followed up with job-site implementation assistance. The governmental machinery is cumbersome and legalistic. There is no central coordination of training programs to provide professional assistance in the conduct of training and the improvement of systems, or to promote the public and executive understanding and support for the national development effort.

While this problem is highly visible and very serious in Honduras, it is serious enough to have drawn much broader attention. Witness the special MDCC management constraint sub-committee and the Ambassador Hall Project Management Work Group which have been assigned to task studies of outlining the problem on a multinational scale. The public management problem was fully identified in the sectorial discussions of PART I of the USAID/Honduras DAP and narrow portions of the problem have been addressed on a project-by-project basis. The USAID and the GOH now believe that this approach cannot yield the important increases in managerial effectiveness that were hoped for and propose an institution to provide a coherent development management program.

The purpose of this project is to address these problems by assisting the GOH to (1) improve present training efforts and provide training services and facilities, focussing especially on the programs that impact on the rural areas and on activities receiving A.I.D. development program emphasis, and (2) help establish a central entity to backstop sector training and systems improvement and coordinate government-wide management improvement activities.

To this end A.I.D. will provide technical assistance to the already existing Development Training Center of the Ministry of Finance to assist in improving and coordinating government training efforts, in developing management systems and in upgrading it to be a management institute so

that it can more effectively play its role as motivator and resource provider for a better public service. At the same time a loan will be made to the Ministry of Finance, to be administered by the Institute, to enable it to provide more and better training services focussed on improving the delivery of public services to rural areas. (See the attached Preliminary Logical Framework).

A.I.D.'s logical alternative to this project is the tack which we have been pursuing in recent years, i.e., ignore the institutional "big picture" of preparing of managers, constructing linkages and efficient delivery systems, to focus development administration efforts exclusively where they impinge on implementation of specific A.I.D. project components. We have chosen to broaden our efforts to improve development administration, without abandoning the overall A.I.D. focus on the rural poor, in those institutions involved in delivering services to the lowest income groups.

Major beneficiaries shall be the population of rural Honduras--especially those who are current targets of ongoing Agriculture, Nutrition, Health, and Education projects whose implementers will receive the greater part of the technical assistance and training services from this project.

Spread effects should be notable and continuing. Each activity will contain its multiplier aspect and together they should contribute to an increasing sense of a development movement and a climate propitious for change. Training will be concentrated on instructors and supervisors who in turn will teach others. Systems improvement in one sector will establish the pattern for similar reforms in others. Improved management techniques will be transferred to the full range of government activities including industry, communications, transport, social security, water and power.

II. Financial Requirements and Plans:

We propose a grant/loan package of $3,500,000, with the grant recipient being the Management Institute and the loan borrower being the Ministry of Finance, which in turn will allocate the management of loan funds to the Development Institute for government training and management improvement services. The GOH will contribute institute facilities, trainee accommodations, administrative personnel, instructors, analysts and job-site trainers, valued at $1,200,000. Project period will be three years for both technical assistance and for complete disbursement of the loan.

A.I.D. Contribution	Loan	$2,500,000
	Grant	1,000,000
GOH Contribution		1,200,000
Total Project Cost		$4,700,000

III. Development of the Project:

During the initial project review stage (prior to submission of the Project Review Paper) the project committee will do the following:

1. Begin the study of specific public service training needs, potential for and responsiveness to systematization of certain activities, and general GOH responsiveness to strengthening the coordination of government training in selected ministries and agencies--particularly its receptiveness to doing it through the Development Institute.

2. Discuss with GOH officials the need for any policy adjustments or emphases necessary to enable project success. Should there be needs in this area they will be discussed in the Project Review Paper and possibly written in as Conditions Precedent to Project/Loan Agreement.

The Mission anticipates the need for outside help in further project conceptualization during initial project review at the PRP level--perhaps a two or three week TDY from TAB or perhaps LA/DR in August. We also foresee the need for the help of an LA/DR loan officer for one week to help pull the overall analysis together, perhaps in October. For the Project Paper, at this point we foresee the need for some TDY technical advice (a management systems specialist) -- perhaps one man-month -- to analyze present delivery systems and a few key entities. The Mission is also programming a modest level of Technical Support funds in support of project development on the GOH side to develop management systems. A total of $26,000 for FY 1976 and $7,000 for the IQ ~~has~~ been included. in the ABS. [illegible] for FY 1977 have

IV. Issues:

1. First and foremost is the now traditional AID/W resistance to any activity involving assistance to general public administration usually on the basis that A.I.D. resources are not of a magnitude to significantly change the overall public administration structure. This issue must be directly addressed in AID/W-Mission review. The problem is scaled to A.I.D. resources since (a) Honduras is a small country with a public service that is small in absolute terms and (b) the approach hereby proposed is meant to firmly establish an institution that will do the actual training.

2. Semi-autonomous status for Management Development Institute as opposed to organization in the Presidential Office or at the Ministerial level.

3. Feasibility of establishing government management improvement and training policy, municipal code revision, and mandatory supervisory training as Conditions Precedent.

LOGICAL FRAMEWORK

Development Management

GOAL : Improve the delivery of public services to rural areas.

PURPOSE: Provide management improvement services to GOH agencies engaged in priority development programs.

OUTPUTS:

1. Training
   - An ongoing system for annually assessing training needs and carrying out corresponding training programs.
   - Supervisory development training for all middle and upper level GOH officials working in agriculture, education and health and for related officials in related agencies.
   - Extension of ongoing training efforts at lower levels in these agencies to officials serving rural areas.

2. Service Delivery Systems
   - Develop a centralized capacity to assist agencies to identify bottlenecks to service delivery and to overcome them.

3. Central Coordinating Mechanism (Development Management Institute)
   - Development of a Training Advisory Group (chaired by the Director of the Institute) composed of heads of Planning, Finance and Civil Service, which will review on a continuing basis the training plans of the various ministries, give general direction to the management consultation services offered by the Institute, and effectively promote employment standards, management development, etc.

INPUTS: USAID ($000)

Technical Assistance (to the Management Institute).....1,000

Loan (to be administered by the Institute).....2,500
Allocated to:

Ministry of Agriculture	600
Ministry of Education	500
Ministry of Health	700
Related Agencies	700

GOH ($000).....1,200

Total Project Cost 4,700

PROJECT No. 522-0122

Catholic Relief Services/Caritas de Honduras

Project: Yoro Rural Housing

CRS will receive the grant and administer it through Caritas de Honduras.
OPG would allow CRS/Caritas de Honduras to set up a revolving credit mechanism for rural housing benefiting a total of 800 peasant families over the two year project life. Beyond that, rollover uses of the fund should benefit about 4000 additional rural families. Estimated AID contribution would be $50,000 to this $140,000 project. Mission has received proposal and expects shortly to forward it to AID/W with a recommendation that it be funded in FY 1976.

PROJECT No. 522-0125

Catholic Relief Services/Caritas de Honduras

Project: Nutrition/Health Promotion

CRS will receive the grant and administer it through the CARITAS de Honduras operational structure. Contingent on the results of our current nutrition assessment, the OPG would enable Caritas de Honduras to greatly expand its cadre of trained promoters and its network of Homemaker's Clubs providing basic health and nutrition services in remote rural areas.

Estimated cost over four years would amount to $385,000 and would cover the training of health promoters, the purchase of first aid kits, RN salaries, travel and supervision.

Mission expects to receive formal proposal before the end of the calendar year.

PROJECT No. 522-0126

Medical Assistance Programs, Inc.

Project: Medical Services

OPG would allow MAP to provide medical services in the Aguan Valley while at the same time developing paramedical and auxiliary medical personnel. This will increase the rate at which medical services can be brought into this newly developing area.
Estimated total cost is $300,000 over 3 years. The Mission expects to receive a revised proposal in time for consideration of the project for funding in FY 1976.

PROJECT No. 522-0127

TECHNOSERVE Inc.

Project: Expanding Income and Employment Opportunities.

The OPG would allow TECHNOSERVE to expand its current provision of business advisory services to small Honduran enterprises and to establish a rotating loan fund, to support the establishment and expansion of small business. Primary focus is on agro-industry in rural areas. Estimated total cost is $465,000 over three years. Proposal has received conditional USAID/ approval and has been sent to AID/W for consideration for FY 1976 funding.

PROJECT No. 522-0128

Community Development Foundation/Save the Children Federation.

Project: Community Development in the region of Pespire (pop. approx. 30,000)

CDF proposes to provide community organizers and occasional technical specialists (eg. grain marketing specialist, hydrologist). Over the three year life of project, small communities would be organized to plan and direct their own development projects, limited to such areas as sorghum production, health, irrigation, agro-industry or possibly fishponds. CDF would provide seed capital for income producing projects.

Total cost is estimated by the Mission to be $125,000 over three years. This project builds on the present project funded by CDF from private sources. The Mission expects to receive a revised proposal early in FY 1976.

PL 480 TITLE I NARRATIVE

HONDURAS

Title I resources in FY1976 have the same justification as for FY1975: balance of payments and shortfalls in domestic production due to Hurricane Fifi and subsequent drought conditions. Reference is made to the Mission's justification for FY1975 Title I resources. Despite some production recovery due to intensive replanting following Hurricane Fifi (September, 1974), Honduras remains in a net food grain deficit position, and current failure of rains to begin threatens prospects for major grain crop cycle this year.

Therefore a minimum of 25,000 metric tons of wheat/wheat flour and 10,000 metric tons of rice are being requested for FY1976. These should be considered minimum amounts, however, since additional rice may be needed. Should the drought pattern continue, corn may be requested as well.

Previous Agreement is very closely aligned with rural development strategy of overall A.I.D. program in Honduras and 1976 Agreement is likely to simply repeat the Self-Help provisions of 1975.

HONDURAS

PL-480 TITLE I AGREEMENTS AND SHIPMENTS
($ millions)

COMMODITY	AGREEMENTS		SHIPMENTS		CARRYOVER	
	(%)	(MT)	($)	(MT)	(%)	(MT)
1. FY 1975						
Wheat	-	10,000	-	10,000	-	0
Rice	-	10,000	-	10,000	-	0
2. FY 1976						
Wheat	$ 3.4	25,000	$ 3.4	25,000	0	0
Rice	3.1	10,000	3.1	10,000	0	0
3. IQ	-	-	-	-	-	-
4. FY 1977	-	-	-	-	-	-

SUBJECT: USAID/H Review of CRS PL-480 Title II Program Plan for FY 1977

REFERENCE: Tegucigalpa's TOAIDA-14 dated 3/10/75 with attachments

The enclosed CRS Program Plan has been reviewed by the USAID and discussed with the CRS Representative. While the Mission agrees to the CRS plan as drafted and to the levels proposed therein, we do have some comments and suggestions.

1. CRS has two national warehouses-one in San Pedro Sula in the northern part of Honduras and one in San Lorenzo in the sourthern part of Honduras. The CRS/ Caritas feeding programs are largely in central and northern Honduras. Furthermore, as was pointed out in the recent audit of CRS Title II programs, CRS should no longer take deliveries at the Pacific port of Amapala because of substantially higher ocean freight and inland transportation costs. Thus, it does not seem reasonable to maintain one of two national warehouses at a site so distant from most feeding operations and from the only port being used for PL-480 commodities. CRS recognizes this and plans to reduce its San Lorenzo warehouse operation.

2. Both MCH and FFW activities are spread all over Honduras. The decision to begin feeding in a given community is based on the organization of a Housewives' Club (or other group in the case of FFW).which can carry out the feeding program. While poverty and malnutrition are widespread in Honduras, we are not certain these programs are concentrated on the most seriously affected groups among the poor.

The Nutrition Assessment to be conducted over the next few months by the GOH, AID and INCAP will produce, inter alia, a nutrition map of Honduras identifying concentrations of malnourished persons. CRS will be kept informed of the assessment's findings in general and specifically in terms of this map. They have agreed to use this

information in planning feeding programs for FY 77 and beyond.

3. CRS and Caritas recognize the need to adopt a coherent nutrition strategy to increase the impact of their programs. They are preparing a national program of health/nutrition promotion for which AID OPG funding will be sought. In addition, CRS has expressed an interest in sharing the results of the Nutrition Assessment in order to incorporate fidings in their nutrition strategy. The Mission will share the findings and encourage CRS/Caritas to articulate a multiyear nutrition strategy by the time of the ABS for FY 1978. The substance of this review has been discussed with the CRS. Representatives and a copy is being furnished to him.

June 13, 1975

Catholic Relief Services - USCC

Honduras Program

FY 1977 Program Plan

I. ELEMENTS OF OPERATION

A. Identification

1. Name of Distributing Agency:

Catholic Relief Services - USCC (CRS)

Country: Honduras, Central America

Date Submitted: June 16, 1975

Name of Counterpart Agency:

Cáritas de Honduras

Address: Apartado Postal No. 257
Tegucigalpa, Honduras

2. Name and address of American Citizen Representative:

K. E. Brown, Jr.
Apartado Postal No. 257
Tegucigalpa, Honduras

a) devotes full-time to Title II activities
b) has no other assigned duties

CRS Supervisory Staff:

U. S. Citizens:

Mr. Henry C. Jova, Program Assistant

Honduran Citizens:

Mr. Julio C. Monteya, Chief of Distribution
Mr. Arístides Padilla, Field Supervisor

Cáritas de Honduras Supervisory Staff:

Fr. Enrique Coursol, General Manager
Mrs. Rosa María de Hernández, Administrative Superviser
Mr. Ricardo Flores, Asst. Chief of Distribution
Miss Julia Fajardo, Nutritionist

Mr. Arnoldo Guerra, Manager Cáritas Choluteca
Mr. Carlos Caballero, Manager Cáritas Sabanagrande
Mr. Roberto Tinoco, Manager Cáritas Santa Rosa de Copán
Mrs. Tomasa de Torres, Manager Cáritas Olancho
Mr. Carlos Bueso, Manager Cáritas Comayagüa
Mr. Esmelin Perdomo, Manager Cáritas Santa Bárbara

In addition to the above managerial staff, Cáritas has a total of 150 additional employees engaged in Title II activites.

B. Agency Agreements

1. CRS operates in Honduras under a bi-lateral agreement with the Ministry of Public Health and Social Assistance. In addition, CRS has an agreement with Cáritas de Honduras which permits inspection of commodities in storage, examination of records relating to Title II Foodstuffs as well as audits and end-use checks by CRS and the U. S. Government.

2. The agreement between the Ministry of Public Health (MPH) is based on a "blanket" agreement established by an exchange of letters between the Government of Honduras (GOH) and the U. S. Government, dated March 21 1955.

3. See B 2 above.

C. Area, Scope, Conditions of Operation

1. The program will cover the entire country with the exception of the Bay Islands and the Mosquitia section of Honduras with which land communication is all but impossible.

2. The CRS/Honduras Title II program is limited to the Maternal/Child and Economic and Community Development Categories. The distribution method to be used in each category is as follows:

Maternal/Child Health (MCH)

Cáritas centers distribute Title II commodities to Maternal/Child sub-centers on a contractual basis. These contracts specifically outline responsibilities of the sponsors of sub-centers and indicate administrative norms and source of foods.

For further information see Section II A below.

Economic and Community Development Cáritas centers distribute directly to community appointed directors of specific development activities for subsequent distribution to workers and their dependents. Project sites are visited prior to approval of food distribution to assure proper usage of foodstuffs and to investigate information provided on application forms. Once a project is approved, a contract is signed between Cáritas and the interested group. This contract specifies duration of project activities, number of workers and their dependents, minimum hours of work per volunteer per month, etc. as well as describes specific responsibilities of project sponsors.

For further information see Section II B below.

3. The GOH participates in the CRS program by providing an annual subsidy which covers port, transportation, warehousing and part of the supervisory costs. No special conditions nor problems regarding the admission, storage, transportation, distribution, or utilization of commodities on the part of the GOH have been imposed or encountered.

4. Duplication of distribution and inequalities in rations will be avoided on a functional basis.

CRS/Cáritas will administer its MCH program directly through the Cáritas sponsored Farmers Housewives' Clubs. CRS/Cáritas will continue in FY 1977 with our agreement with CARE regarding FFW activities, viz. CARE with sponsor projects withANACH (National Association of Peasants of Honduras) and CRS/Cáritas will sponsor activities with non-ANACH groups.

CRS/Cáritas do not work FFW activities with INA (National Agrarian Institute) land resettlement projects and thereby avoid duplication with WFP.

D. Control and Receipting - Records, Procedures and Audits

1. Shipping records accurately reflect condition of cargo at time of vessel delivery to the port storage area. Outturn reports are received and sent to CRS/New York for presentation of maritime claims.

   Commodities are delivered to Cáritas regional warehouses by railroad cars and trucks on the basis of CRS allocation instructions. Proof of delivery is accomplished by obtaining locally devised auditable receipts. One copy of the receipts is stored in the regional warehouses and another is sent to the CRS National Office.

   Cáritas Centers distribute commodities to Maternal/Child sub-centers and Economic/Community Development work sites on a contractual basis. These contracts specifically outline responsibilities of the sponsors of sub-centers and work sites and indicate the source of foods. Lists of beneficiaries are provided as an attachment. Monthly distributions are made on the basis of the presentation of inventory and distribution reports which are maintained by the Cáritas Centers.

   Cáritas Centers provide CRS with one copy of a monthly warehouse inventory report and receipts showing delivery to sub-centers/work sites. The centers maintain one copy of these records in their files in a readily auditable form.

   Distribution centers are audited by CRS or National Cáritas supervisors at least once each quarter. A representative number of end-use checks are made to supervise sub-centers/work sites' activity. End-use-check form and follow-up action documentation are maintained by CRS.

2. Losses involving Title II Foods are handled as follows:

   a) Maritime losses are reported to CRS/New York for presentation of claim to carrier,

b) Funds collected from third parties as a result of an internal losses are turned over to the U. S. Embassy, in accordance with Food for Peace regulations.

E. Port Facilities

1. Off-loading facilities at Puerto Cortés are adequate to handle Title II Foods.

2. Duty-free entry does not present any problem whatsoever and is adequately covered by CRS/Honduras and Government Agreements.

3. Cargo surveys are permitted by Port Authorities.

4. Port charges do not present a problem. Port charges accruing for shipments received through Puerto Cortés are paid directly by the Government to the autonomous port authority.

F. Storage Facilities

1. All food is stored as prescribed by Title II regulations. CRS/Honduras and Cáritas operate two national four regional and thrity - five sub-regional warehouses. The national warehouses at San Pedro Sula and San Lorenzo are modern facilities especially designed to store food commodities; they are adequately ventilated, and have cement floors and fumigation facilities.

   The regional warehouses: in Juticalpa, Comayagüa, San Marcos de Ocotepeque, El Progreso and Tegucigalpa are all adequately ventilated buildings converted for use as food warehouses. All four buildings have tile or cement floors and are equipped for fumigating.

   The sub-regional warehouses are adequate considering local conditions and inventories are kept at a minimum to avoid losses.

2. Storage facilities mentioned above are adequate for program needs:

3. CRS retains control of food at warehouse level through contractual arrangements with Cáritas' local counterpart/recipient agencies.

G. Inland Transportation

1. Rail facilities, trucks and animals are used to transport Title II commodities.

2. The main problem of transportation is the lack of an adequate road system in many areas of the country where the need is the greatest. This limitation precludes providing extensive coverage of these areas.

H. Processing - Reprocessing - Repackaging

None.

I. Financing

1. Government of Honduras Subsidy:

The Government of Honduras has shown its satisfaction with, and support of, the CRS sponsored Title II Program by providing an annual subsidy of $50,000.00. This amount adequately covers port handling, internal transportation, warehousing, and administrative expenses.

In addition, the Government pays port charges for shipments entering at Puerto Cortés at an annual rate of approximately $15,000.00. The National Railroad company also provides free service for Title II foods valued at $10,000.00 annually.

2. CRS also provides administrative and supervisory support for the program at an annual cost of $20,000.00 not including the salary of the U. S. Citizen representatives nor Home Office support.

3. Cáritas de Honduras also receives donations from private sources totalling approximately $15,000.00 per year which is used to support Title II activities. The national lottery also provides Cáritas de Honduras with $10,000.00 toward administrative costs.

J. Acceptability of Available Foods - Computation of Food Requirements

1. Whole grain wheat or corn are not requested.

2. The requested products as listed in Section II A and B are accepted without difficulty by the recipients.

3. Food requirements are estimated on the best possible combination of commodities available under Title II which are readily acceptable in Honduras. The commodities requested and feeding levels used for estimation of requirements are the same as used in the normal CRS/Honduras programs in FY 1975.

4. (a) Rate of use and planned number of distributions are listed in Section II A, and B.

   (b) Title II foods will definitely tend to reduce dietary deficiencies among the eligible recipients. This is especially true in the Maternal/Child Health category. Random tests of pre-school children demonstrated that their weight increased rapidly and that general health improves as a result of the blended foods and rolled oat supplement.

   In the Food For Work category there is absolutely no doubt that use of Title II foodstuffs have mitigated the effects of hunger, especially on the North and South Coasts of the country, in the South because of recent droughts which have plagued the area, and in the North because of loss of agricultural production caused by the effects of hurricane Fifi in September 1974.

K. <u>Program Publicity</u>

1. Recent publicity concerning distribution of Title II commodities has been both national and international in scope. Normal publicity is limited to periodic press reports and television announcements of Cáritas activities.

L. <u>Estimate of Program Duration</u>

As will be detailed in subsequent paragraphs, CRS and Cáritas de Honduras have directed their food program towards partially eliminating the need for such assistance by developing a private indigenous entity (Cáritas) capable of providing multi-dimensional services to marginal groups which will themselves attack the

causes of underdevelopment. It would be unrealistic to set a timetable or event to establish as a goal that Cáritas or the government of Honduras would be in the eventual position of supplying the food resources required to undertake a supplementary feeding program of the magnitude required to alleviate malnutrition in the country. The only meaningful alternative from the private sector perspective is to use the food as a short-term resource with which to attack the effects of malnutrition while simultaneously stimulating social and economic development at the grass-roots level, thereby attacking both the causes of under-development and its symptoms.

The resources available to CRS and Cáritas limit the activities of these agencies to serving a small percentage of Honduras' neediest groups. As any of these groups develop to the point where they no longer require food-input stimuli, that food is then used to catalyze development activities in new areas. And so, while CRS assists Cáritas to develop other programs, such as nutrition and health education, services for cooperatives, tool banks, and micro project funds to complement the food input and prepare for the day when food resources are no longer available, it is doubtful that the program could be voluntarily terminated before the overall PL 480 Program in Honduras ends.

No individual program is begun unless it is believed that (once stimulated, organized and operating) it can be sustain itself should Title II feeds become unavailable.

II. Plans of Operation for Specific Types of Projects

A. Maternal /Child Health

To understand the CRS/Cáritas de Honduras' MCH Program in regards to its functioning and its relation to national goals, priorities and institutions, one must first understand the Farmers' Housewives' Clubs - the media through which the food is distributed.

These clubs are started by the women themselves in their rural village after encouragement by any of a

number of local leaders. These women meet regularly to discuss mutual problems of special feminine interest. Normally, the most mutually felt needs of the woman in any Honduran rural community are:

1. the health and nutrition of their children,

2. scarcity of money and complete lack of saving for any emergency and,

3. the hardness of the drudgery of everyday life, at least two hours a day hauling water, etc.

Thanks to the availability of PL 480 Food Commodities at least one of the above mentioned needs - child nutrition - can be easily and immediately attended.

The women in a particular community, still under the encouragement of local leaders, discuss the possibility of organizing themselves for a food distribution program, elect officers who then make a roster of member responsibilities, and choose a locale for the food distribution.

Once these women sign a contract with their local Cáritas office, they receive their first month's supply of blended foods and rolled oats and can begin the first of their projects in earnest. These women and their club are also brought to the attention of Cáritas and their local Farmers' Housewives' promoter who will regularly visit the club, assist the women with their organization, encourage them to undertake other projects more reliant on internal inputs, and introduce complementary activities (invitations to health and nutrition courses, information on budgeting and loan availability, the monthly bulletin of the Farmers' Housewives' Clubs, etc.)

The food distribution program is normally the first activity chosen by these clubs because:

1. It is easily managed by the newly formed committees of mothers.

2. The blended foods and rolled oats are a readily available resource, and

3. The health of the children is an easily identifiable need.

Once the food distribution program is functioning properly, the women begin to promote other projects such as those listed below:

1. Good housekeeping
2. Water purification
3. Personal cleanliness
4. Home gardens
5. Artesanry projects
6. Savings clubs
7. Social events
8. Consumer cooperatives
9. Poultry and Fishery cooperatives
10. Sewing clubs
11. Piped water delivery system
12. Adult literacy classes

Exact information is being collected to determine how many projects of this nature have been promoted by the housewives' clubs, it is estimated that they number in the high hundreds or low thousands. Thousands of women are mobilizing their communities to undertake incessantly more ambitious programs. Caritas, the Radio Schools and the Honduran Development Foundation have been swamped with requests for more courses in food preservation and preparation, nutrition, health and agriculture and for loans with which to start small artesan enterprises, gardens and animal raising projects. Women are now seeking help in marketing their products and in forming first aid stations to help the sick of their communities. Many clubs have sent representatives to month long courses (with 2 month-long follow-ups) in health promotion and disease prevention.

With the help of an Inter-American Foundation grant covering two years of an accelerated organizational drive, the clubs have been able to hire 51 rural club members, train them and salary as full time professional club promoters working in zones all over Honduras (with the exception of the Bay Islands and the La Mosquitia region). An AID/Washington grant of a mobile unit for nutritional education has given the clubs an opportunity to reach the woman in her village with a 3 - day program of health and nutrition education concentrating on organization as means of overcoming felt needs, boiling one's drinking water, and the use of latrines for community health.

At present, there are some 1,200 Farmers' Housewives' Clubs throughout Honduras with approximately 30,000 rural women members (nearly all of whom are the wives of subsistence farmers). Of this number, 900 clubs sponsor a Mother/Child Health Program. A few of the remaining 300 clubs never used milk as an organizational stimulus; but built their programs around other projects such as savings clubs (infinitely more

difficult). The majority of these 300 clubs, however, began with a Glass-of-Milk program and, as they graduated to other activities, they phased out the milk, confident that they were now able to maintain their children's health with the new education they have received and the new projects they were undertaking.

As impressive as the growth of the Farmers' Housewives' Clubs has been during the past four years, they still reach only a very small percentage of the rural population. CRS/Honduras hoped that it will be able to assist Cáritas to reach many more of Honduras' severely undernourished children and to spread the benefits of organization and grass-roots infrastructure building to developing or potentially developing communities. To do this, the program must be continued, at least at its present level, and, as established clubs phase themselves out of PL 480 food distribution, newer clubs can be promoted.

Projections - Right now, club officers/the clubs' salaried promoters/and Cáritas personnel are directing their activities toward the creation of a federation of Farmers' Housewives' Clubs, providing services from within and independent of Cáritas and PL 480 blended foods and rolled oats subsidies. This process will take at least three years. Meanwhile, however, a new institution is being born to give subsistence farming housewives a voice in the determination of their own lives, an influence over national decisions, and a mechanism whereby resources can be channeled to the grass-roots level. In the words of George Cabot Lodge, this institutional framework provides "a receptacle for material and technical inputs" which are needed to help solve the problems of a previously disenfranchised majority.

More practically speaking, these clubs that are being founded around the relatively humble glass-of-milk are fast developing into a viable, autonomous, and democratic national organization dedicated to the cultural, economic, political and social advancement of rural women, their families and their communities.

Evidence of the role that these clubs are begining to play in relation to national goals is the fact that Cáritas de Honduras has been asked by both the National Food and Nutrition Council and by the Ministry of Public Health and Social Asistance to participate, through the contacts provided by the Clubs to the grass-roots communities, in the national planning and implementation of rural nutrition, leadership training and disease prevention programs being sponsored by these organizations.

In the normal development process of these clubs, approximately 5,000 recipients each year under this program category would normally reach a stage of independence of Title II support as a direct result of the activities listed above. As this level of independence is reached in specific clubs, others reach a stage in their development in which Title II inputs become necessary. As a result, and despite this annual turnover in beneficiaries, 30,000 recipients are requested for this category in FY 1977.

This request represents a net increase of 5,000 recipients over requested levels for FY 1976. This increase is justified by the forming of approximately 200 additional Farmers' Housewives' Clubs in the are most severely effected by the September 1974 hurricane. These clubs have been formed in areas in which interest in the clubs did not exist prior to the hurricane.

See attachment A, Program Requirements, of this Program Plan for specific requirements for this category.

Attachment B provides approximate anticipated breakdown of recipients by geographic location.

B. Food for Work

In his book Engines of Change: United States Interests and Revolution in Latin America, George Cabot Lodge describes the entrance of the campesino, or isolated subsistence farmer, into society as a three stage process. "First come agitation. The campesino must be made clearly aware of a need which is more compelling than his fears, his doubts and his conditioned hopelessness and indifference. Agitation means the isolation, analysis and dramatization of one need, the fulfillment of which is reasonably manageable and around which successful motivation and organization can take place. The pasivity of the campesino having been shaken, he begins to envision the possibility of change and the achievement of a new and more attractive relation to his environment. He begins to have aspirations. So the second step can be defined as motivation. He is ready to fulfill the need about which he has become agitated. Having greater understanding of his needs and confidence in his competence to deal with them, the campesino becomes willing to join with - and trust others in order to achieve the power necessary to reach his newfound objective. Thus, the third step in sequence is organization, to allow him to move more forcibly into the surrounding political, social and economic environment in a continuing and institutional way. Finally, the campesino

achieves commitment to whatever group or individual (engine) has brought him successfully through the first three steps of the sequence".

For the past ten years, private organizations such as Cáritas, the Radio Schools, the Honduran Development Foundation, ANACH, etc. and public institutions such as La Junta Nacional de Bienestar Social (The National Welfare Conference) and the National Agrarian Institute have been trying to accelerate this process. Realizing the importance and inevitability of a newly emerging campesinal majority and the necessity of campesinal inclusion in society, the private banking industry has recently begun making loans available, with no other collateral than group confidence, to campesino cooperatives in hopes of stimulating agricultural diversification and production increases.

Based on the experiences of the above mentioned organizations, there appears to be six distinct phases in a campesino's transition from a fate-accepting, resigned, intellectually moribund traditionalist to the dynamic participant in change processes and community development. These are:

1. Animation ---------- or an awakening of the marginal man to human values by acting upon his will toward human advancement.

2. Micro-realization -- reinforcing newly discovered values through the successful undertakings of micro-community projects.

3. Concientization ---- or becoming acutely aware of basic reality, rights and duties by acting upon one's intelligence and rationality.

4. Capacitation ------- the training required to obtain skills to dominate the environment.

5. Organization ------- obtaining power through solidarity and participation in the decision making process.

6. Services ---------- providing technical and economic inputs to newly-forged organizations to assist them in attacking specific social, economic and political problems.

Phase No. 1 is the mission of a number of organizations and movements such as the Radio Schools with organized classes in some 1,429 villages in rural Honduras, the 1,020 Farmers' Housewives' Clubs, with their 51 promoters, the Leadership Training Centers' courses, and the visits talks and pamphlets of organization representatives from Cáritas, the Junta Nacional, DESARRURAL, etc. Phase No. 3 is the campesino's reflection on what he is, on his community and on whatever initial steps he and the community have undertaken to solve their problems. Phase No. 2, 4, 5 and 6 involve the campesino working directly on or towards projects that are promoted by the already mentioned groups and stimulated, (especially in Honduras where poor harvests and malnutrition are such evident antiforces) by PL 480 Food For Work inputs.

While there are organizations anxious to assist the Honduran campesino in this transition; there are also forces beyond his control, mitigating against each successive step.

The average campesino is still very isolated and illiterate. He has so little he is afraid to risk anything in innovation. He has no experience with inter-groups relationships and must be coaxed into any group activities. He has become tradition-bounded and is only now being reached by change awareness - something still very foreign to him. Nature, too, has been cruel; on the North Coast hurricane fifi destroyed 75% of agricultural production, 50% of infrastructure and damaged 35% of rural homes while the southern zones of Honduras have been plagued with droughts which have destroyed harvests for the last three years.

A total of 1162 FFW projects were promoted by Cáritas in the first semester of FY 1975. These can be broken down as follows:

Number and Type Project	Project Results
20 Repair City Streets	57 Kilometers
15 Access Road Construction	70 Kilometers
30 Access Road Repair	81 Kilometers
26 School Constructions	54 Rooms
12 School Repairs	24 Rooms
38 Piped Water Systems	38 Systems
9 Well Projects	9 Wells
3 Water Tank Construction	3 Tanks
42 Community Center Construction	42 Centers

Number and Type Project		Project Results
14	Agricultural cooperative Projects	14 cooperatives
11	Latrine construction	202 latrines
36	Land resettlement Projects	36 Projects
7	Housing projects	42 houses
10	Community gardens	10 gardens
3	Community chicken coops	3 coops
3	Bridges	3 bridges
5	Housing repair	17 houses
3	Day care centers	3 centers
77	Home gardens	77 gardens
3	CCommunity Water Systems	3 systems
80	Agricultural club projects	80 projects
698	Emergency agricultural projects	698 projects
17	Adult education courses	17 courses

Programming for FY 1977 requires FFW assistance for 5,000 workers with approximately 20,000 dependents. See Attachment A, Program Requirements, of this Program Plan for specific requirements for this program. Attachment B provides approximate anticipated breakdown of recipients by geographic location.

The goals of the FFW program for FY 1977 are to:

1. Stimulate 5,000 unemployed and underemployed workers (with 20,000 dependents) to participate in food-for-work projects promoted by the Radio Schools, Cáritas, the Leadership Training Centers and the Farmers' Housewives' Clubs, etc. geared to increasing agricultural production, protecting soils and forests, and improving health conditions.

2. Concentrate on projects of a productive nature such as fish tanks, poultry cooperatives, land clearing - or projects which will strengthen infrastructure. Support of this type of activity is more likely to bring about substantial change in communities and lessen future dependence on Title II support.

PROGRAM PLAN FY 1977
ATTACHMENT A PROGRAM REQUIREMENTS

Program Category	Number Persons	Number Months Operation	B.F.F. Rate Lbs.	B.F.F. ooo Lbs.	Rolled Oats Rate Lbs.	Rolled Oats ooo Lbs.	Bulgur Rate Lbs.	Bulgur ooo Lbs.
MCH	30,000	12	1.0	360	1.0	360		
FFW								
Workers	5,000	12	5.0	300			5.0	300
Dependents	20,000	12	5.0	1,200			5.0	1,200
Total Persons	55,000							
Total Requirements FY 1977		3720		1,860		360		1,500

PROGRAM PLAN FY 1977
ATTACHMENT B ANTICIPATED BREAKDOWN - RECIPIENTS BY DEPARTMENT

Department	MCH	FFW (workers)	TOTAL
Cortés	3,500	500	4,000
Atlántida	2,000	500	2,500
Colón	1,000	300	1,300
Gracias a Dios	500	100	600
Santa Bárbara	2,000	350	2,350
Copán	2,000	500	2,500
Ocotepeque	1,100	100	1,200
Lempira	5,000	100	5,100
Intibucá	1,500	100	1,600
La Paz	1,500	100	1,600
Comayagüa	2,200	350	2,550
Frco. Morazán	2,500	800	3,300
Valle	1,000	200	1,200
Choluteca	1,200	100	1,300
Parafso	500	200	700
Olancho	500	200	700
Yoro	2,000	500	2,500
TOTALS:	30,000	5,000	35,000

3. Continue such programs of proven success as adult literacy training through feed stimuli to the volunteer monitor-teachers of the Radio Schools and School construction.

Submitted: June 13, 1975

K. E. Brown Jr.

K. E. Brown, Jr.
Director
Honduras Program

In agreement:

Norbert F. Kockler

Norbert F. Kockler
Acting Director, USAID/Honduras

KEB/vms

HONDURAS (Country)

PL 480 Title II FY 77

I. Sponsor's Name (CATHOLIC RELIEF SERVICES)

A. Maternal and Child Health..... Total Recipients 30,000

No. of Recipients by Commodity	Name of Commodity	(thousands) Pounds	Dollars
30	Rolled Oats	360	34
30	CSB	360	41
Total MCH		720	75

B. School Feeding..... Total Recipients None

No. of Recipients by Commodity	Name of Commodity	(Thousands) Pounds	Dollars
Total School Feeding			

C. Other Child Feeding..... Total Recipients None

No. of Recipients by Commodity	Name of Commodity	(Thousands) Pounds	Dollars
Total Other Child Feeding			

D. Food for Work..... Total Recipients (Thousands) 5,000 workers and 20,000 Dependents

No. of Recipients by Commodity	Name of Commodity	Pounds	Dollars
25	CSB	1,500	169
25	Bulgur	1,500	122
Total FFW		3,000	291

E. Other (Specify)..... Total Recipients None (Thousands)

USAID/H REVIEW OF CARE PROGRAM

PLAN FOR FY1977

Ref: 1) Program Plan (Attached)
2) USAID/H's TOAID A-13 dated 2-27-75

1. As can be seen from the program plan CARE is proposing an ambitious program for FY1977 — a 33% increase over the ISC-approved level for FY76. The World Food Program and Catholic Relief Services are also projecting increases in FY1977. Much of the stimulus for these larger activities seems to have come from the Hurricane Fifi disaster in September 1974. While its effects were indeed devastating, it is expected that Honduras' domestic food production capacity will have recovered substantially by the time FY77 feeding begins, more than 2 years after the storm. Thus some of CARE's rationale for significant increases must be viewed with skepticism.

The CARE program plan shows its growing concern for the nutritional status of disadvantaged Hondurans. Yet there is no comprehensive Nutrition Strategy presented. This is not a criticism of CARE. Indeed, the GOH and various international agencies are only now undertaking to analyze the nutrition situation in Honduras and to design policies and programs to attack malnutrition. As results of the upcoming GOH/AID Nutrition Assessment become available, we expect to share them with CARE, CRS and other interested agencies. It is hoped that these studies will help CARE in designing its activities and focussing on the most critical problems. The studies should be available in time (possibly December 1975) to shape the final CARE FY77 program.

2. MCH Feeding

CARE is requesting a 50% increase in this category--from 40,000 in FY76 to 60,000 in FY77. The USAID has encouraged CARE to concentrate on this highest priority category. Nevertheless, it is felt that program expansions must be limited to what can be effectively managed by the Volag. CARE will increase MCH feeding from 20,000 in FY75 to 40,000 in FY76. During this period CARE will also be implementing a large portion of an A.I.D. primary school loan. The Mission is concerned that the combination may strain CARE's management capa-

city, as was the case in FY1975 when CARE was heavily involved in relief and rehabilitation activities to the detriment of some feeding programs.

We would want to assure ourselves that CARE can effectively handle the expansion proposed for FY1976 and that the Ministry of Health feeding centers entering the program for the first time prove capable of not only handing out food according to A.I.D. regulations, but also providing effective nutrition education to recipients. The essence of this program is the use of food to stimulate changes in dietary and health practices. USAID will review the expansion with this in mind.

NOTE: CARE seems to be including 20,000 recipients under MCH which may belong in the "Other Child" category. 20,000 Pre-schoolers are apparently not part of organized MCH activities.

3. Pre-School/Other Child Feeding

The Mission has requested that CARE attempt to negotiate increased GOH involvement in this category, especially for orphanages. If, however, PL480 Title II foods could stimulate the growth of day-care programs sponsored by the GOH, even larger increases may be recommended for this category.

4. School Feeding

As indicated in the referenced airgram, the Mission suggests that more be done to encourage the government to take over this lower priority program. Unlike CARE's projections for school feeding, the Mission would like to see PL480 Title II inputs to school feeding phased down to zero by the end of FY1979.

The incremental costs to the government should be relatively small, and readily assumed over the next four years. The Mission estimates, for example, that it would cost the GOH approximately $40,000 to replace PL480 foods for 30,000 children if the CARE recipient level dropped to 150,000 in FY77. The cost to the GOH of assuming all commodity costs for 235,000 recipients would be roughly $300,000 per year.

The Mission notes that CARE is proposing to provide food for school children for only 6 months of the school year and at the same ration levels discussed in the referenced airgram. (A recent audit of PL480 Title II programs in Honduras took note of this as well.) CARE says it is exploring ways to improve the school feeding distribution to ensure coverage for the entire school year. If this can be successfully worked out and if AID/W Nutrition experts indicate that a larger ration is appropriate, CARE wants assurances that additional Title II commodities will be provided. The Mission agrees.

5. Food for Work

CARE initiated an FFW project in FY1975 in response to hurricane reconstruction requirements. There is a continuing need for well-designed FFW projects which support the attainment of high priority development objectives, especially in agriculture and nutrition. USAID has urged CARE to concentrate its FFW activities in these areas in order to maximize their contribution to larger development objectives. CARE's next program plan should spell out steps taken to accomplish this end.

As of this writing, CARE has not provided a report (per referenced airgram) on its initial (FY1975) FFW projects. Call forwards for FY1976 FFW uses will not be approved by the USAID until this report is submitted and reviewed. Before a level is approved for FY1977 CARE should submit a description of planned projects, geographic areas of operations and recipients. No data on FFW is included in the attached plan.

6. Miscellaneous

a) In our discussions with CARE representatives, we touched on two concerns with the CARE transportation system. The first dealt with School Feeding and the need to deliver commodities earlier in the school year. As it is now, some schools do not receive food until the middle of the second month of the year. CARE has promised to review its system for initial distributions and attempt to make the changes necessary to ensure that the first shipment is on hand when school opens.

Also, on page 3 of the Program Plan it is implied that selection of communities for FFW assistance may be based in part on their ability to pay transport costs--sometimes over very long distances--from CARE's main warehouses in Tegucigalpa and San Pedro Sula. Such a system would prejudice FFW opportunities for poorer rural communities. CARE says that it will take steps to ensure that its field personnel identify communities only on the bases of need and willingness to work. Where the community cannot afford the costs of transportation, assistance will be sought from public or private Honduran agencies or will be provided by CARE.

The USAID will review with CARE its progress in these areas over the next several months.

Recommendations

It is recommended that:

1. AID/W tentatively approve 60,000 as the FY1977 recipient level for MCH feeding contingent upon a review of CARE's success in the MCH expansion planned for FY1976, particularly the experience with Nutrition Education and commodity management.

(NOTE: CARE states that a reduced FY76 first quarter call forward is already impinging on expansion. Call forward approval apparently was based on the FY75 level of 20,000 recipients, not the newly approved level of 40,000. AID/W should increase shipments accordingly. CARE/H is also pursuing this matter through CARE/New York.);

2. Other Child Feeding be approved at the 4,500 level proposed by CARE;

3. An FY1977 level of no more than 150,000 recipients be established for School Feeding. The USAID/H has asked CARE/H to prepare a phaseout plan for School Feeding with the last Title II input scheduled for FY1979. CARE/H disagrees with the USAID position on the basis that the GOH cannot afford to assume commodity costs and it is uncertain that the GOH attaches sufficient priority to the program to fund it even if finances were not a problem;

4. AID/W make a determination on the adequacy of the School Feeding ration level. If an increase is in order inform CARE/NY and USAID/H and adjust commodity requirements accordingly;

5. CARE improve its School Feeding distribution system to ensure full school year coverage before FY1977 plans are approved;

6. Only tentative approval be given to the CARE-proposed FFW recipient level of 4,000 workers pending USAID acceptance of the report on FY 1975 FFW activities, as requested in the referenced airgram, and acceptance of a description of FY77 FFW feeding activities including a concentrated targetting on agriculture and nutrition; and

7. USAID and CARE share the findings of the upcoming Nutrition Assessment and that CARE include a statement of its Nutrition Strategy, as a part of the Honduran national strategy, in next year's Program Plan.

The substance of this paper has been discussed with CARE Representatives and a copy of it is being furnished to them.

c.c.: Mr. Jerome S. Lewis, Director
CARE/Honduras

CARE-HONDURAS

PROGRAM PLAN -- FISCAL YEAR 1977

I. ELEMENTS OF OPERATION

A. Identification

1. Distributing Agency: CARE-Honduras
Tegucigalpa

Date of Submission: June 15, 1975

Counterparts:
a) Ministry of Education, Tegucigalpa

b) Ministry of Health, Tegucigalpa

c) National Children's Nutrition and Social Work Agency (SNAAN)
c/o Ministry of Education, Tegucigalpa

2. Responsible American Citizen:

J. S. Lewis
Director, CARE-Honduras
Tegucigalpa

He is in charge of all CARE programming, including Title II activities, in Honduras.

In APPENDIX "B" will be found the locations of CARE offices in Honduras and a list of all the staff engaged with Title II Feeding Programs either full-time or part-time.

B. Agency Agreements

1. CARE operates Title II Feeding Programs under a Basic Agreement signed between CARE and the GOH, which is supplemented by annual, signed agreements between CARE and the Ministries of Education and Health.

2. CARE operations are sanctioned under an agreement between the Governments of Honduras and the U.S.A., dated March 21, 1955. The GOH officially recognized CARE as an international agency on February 4, 1959.

3. The Honduras-CARE agreement incorporates various provisions pertaining to requirements made by A.I.D. and the U.S. Government which have become a standard part of such agreements.

C. Area - Scope - Conditions of Operation

1. The program covers all of the Departments (States) of Honduras.

2. Pre-arranged allocations are made, in conjunction with CARE's counterparts in the Ministries of Education and Health, from two central warehousing points. In the case of schools, it is implemented on a 6-month basis, due to difficult accessibility and the corresponding expense, by dispatching to sub-depots in the charge of the principal Education Officer of the Department or in a few cases, directly to the schools. Each delivery will provide sufficient rations of WSB (Wheat Soya Blend) to sustain the school feeding program for three months, totalling two delivery periods during the school year. Initial dispatches are affected by truck or rail on the major arteries and thereafter may proceed to final destination by a variety of conveyances, including boat and mule.

For the MCH and Other Child programs, the commodities are ordinarily collected at three-month intervals from the central distribution points by the recipient institution. Food will continue to be distributed in prepared form to the beneficiaries at established feeding centers. At certain MCH distribution points food will be distributed bi-monthly in dry form to eligible mothers where there exists a responsible staff which can provide nutrition and health education to the recipients.

In the Food-For-Work program, commodities will be distributed in dry form to approved community groups who meet the established A.I.D. criteria. The commodities will be collected at monthly intervals by the group members and distributed by selected group leaders at approved ration rates and for a specified time period which will permit termination of the project. Allocations will be made from two central warehousing points (Tegucigalpa and San Pedro Sula) with each recipient group being responsible for transportation and safe storage of all commodities as well as proper distribution techniques.

3. The extent of the GOH responsibilities in respect to admission, storage, transportation, distribution and utilization of the commodities, as defined by A.I.D., are covered by CARE agreements. Cooperation by the GOH has always been good, and CARE has encountered no significant departures from the performance of obligations normally expected of the Government in such feeding programs.

4. The only other external sources of PL 480 commodities are through CRS and WFP. CARE maintains sufficient contact at the headquarters level and through field scrutiny to avoid duplication and inequities.

D. <u>Control and Receipting - Records, Procedures, and Audits</u>

1. A thorough system of receipting is applied at every point from the port to the main warehouses to the sub-depots to the final point of consumption. Monthly reports on prescribed forms are solicited from every warehouse and feeding center, identifying the rate of utilization and the inventory balances, which are employed to adjust succeeding allocations.

All of these reports are submitted to CARE (and to SNAAN, in the case of school feeding), and all records are retained at Tegucigalpa

office of CARE for a minimum period of 3 years. Since the last A.I.D. audit, which approved the operational procedures of CARE, the only modifications to this system have been to make it more comprehensive and integrate the reporting system for the Food-For-Work program.

2. Marine Claims are reported in the universally accepted CARE format and in accordance with A.I.D. regulations. Procedures for reporting internal losses, where they exceed the amount exempted by A.I.D., are clearly established and in accordance with A.I.D. regulations. Action can be taken against third parties responsible for collectible losses, and any funds realized will be held by CARE only for payment to A.I.D. Instances of collectible losses have been very infrequent in Honduras.

E. Port Facilities - Practices

1. CARE receives PL 480 commodities only at Puerto Cortés. Facilities at this port are adequate for all purposes and damages are minimal.

2. CARE has encountered no problems with duty-free entry or port charges.

3. Outturn reports are provided in the prescribed manner. In addition, an Independent Surveyer (Representative of Lloyds of London) is employed during the offloading of all PL 480 commodity shipments.

F. Storage Facilities

1. Good warehousing facilities are provided to CARE free of charge at the two major locations, San Pedro Sula and Tegucigalpa. Storage facilities at sub-depot, Food-For-Work storage areas, and feeding center level are generally not as good as should be expected, but are considered satisfactory, and provided free of charge.

2. Availability of storage space has not been a serious problem. The quality and maintenance of such space at the local level may sometimes require improvement. Exceptions are noted by Field Inspectors and recommendations for change are implemented wherever possible.

3. At the two major warehousing points, CARE retains its own personnel and records, thus completely controlling the food. Title to all commodities is retained by CARE until consumption.

G. Inland Transportation

1. There is ample truck and rail transport available for the primary distribution on main routes. For further distribution to recipient centers, many of difficult access, small trucks are frequently employed, but also local officials and administrators may rely on boats, horses/mules, and even human porters.

2. In the school feeding program, effective distribution is occasionally hampered by poor communication between the School Supervisors and the local officials and teachers who must collect the food, or by the timely availability of government funds budgeted for transportation.

H. Processing - Reprocessing - Packaging

1. CARE does not propose any further processing of Title II commodities, by contract or otherwise, unless it is to be incorporated in the preparation at the feeding center itself.

2. In both the MCH and the Food-For-Work dry ration distribution programs, repackaging of commodities into smaller containers for individual consumption will, of necessity, take place at each recipient center. Any such repackaging operation will follow established A.I.D. guidelines.

I. Financing

1. Funds are made available through SNAAN (Ministry of Education) and the Ministry of Health, and occasionally through local communities or institutions, to cover the costs of all food distribution.

2. Costs of administration and miscellaneous program expenses incurred by CARE are reimbursed by the Ministries of Education and Health. Costs for food preparation and serving are shared between the Ministries, institutions, and local organizations.

3. Neither CARE nor the respective Ministries have had any plan for the sale of commodity containers, heretofore. Paper containers are not salable. Others customarily have been used for the benefit of the destitute at recipient centers, as garment material or food containers. Feasibility of sale during FY 77 seems improbable.

J. Acceptability of Available Foods - Computation of Food Requirements

1. The acceptability and need for Milk, WSB, Bulgur, Wheat Flour, and Vegetable Oil in the MCH and Other Child Categories has been established by previous programming. During the first quarter of FY 1974, WSB was introduced as a replacement for NFDM in school feeding, and overall acceptability was noted. During this past school year, the WSB continued to be distributed in the school feeding program, and continued to be received well by the majority of the school children enrolled in the program.

2. The acceptability and importance for WSB, Wheat Flour, Oil, Rolled Oats, Rice, and Corn have already been demonstrated in CARE's FY 75 Emergency Food-For-Work Program. In the majority of cases these foods provided a major source of protein and caloric intake for

beneficiaries enrolled in the program. The commodities helped sustain rural families who awaited a harvest after having experienced destruction of their farmlands and crops by Hurricane Fifi.

3. How Food Requirements are Estimated:

   a. In APPENDICES "C" (1), "C" (2), and "C" (3) will be found a breakdown and description of the various recipient categories, showing number of centers, number of meals/snacks daily, feeding days per month, locations of feeding centers and approximate daily rations. APPENDICES "D77 and D78" give the projected level of beneficiaries and commodity requirements by category for the next two Fiscal Years.

K. Program Publicity

1. Information has been disseminated by GOH and CARE to the feeding centers and appropriate officials explaining the source of food and its use. There are also periodic meetings and demonstrations in which CARE participates to explain to responsible personnel these same things.

2. All media in Honduras have been freely available to CARE for publicizing its activities, and there is frequent and excellent exposure.

3. Instructional materials concerning rations and "how to" preparations of each commodity in the distinctive categories are distributed to the feeding centers periodically.

4. All receipts, as well as the packaging, indicate the source of the food.

5. Where repackaging of commodities will take place, sufficient verbal and written publicity will be provided in accordance with A.I.D. Manual instructions.

L. Estimate of Program Duration

1. Until recently, it was estimated that were Title II foods to become unavailable (for CARE's ongoing programs), Honduras might at best continue support of the programs at a fractional level due in part to the poor economic and agricultural position of the country. Indeed, in FY 75, CARE estimated that it would take a minimum of at least ten years for the GOH to support programming at current levels. This estimate was based upon attempts by the GOH to take steps toward self-sufficiency through, for example, the purchase of a food processing plant and equipment to process a mixture of soybeans, corn and bananas for distribution (gratis) to pregnant and lactating mothers and pre-school children.

However, as a result of Hurricane Fifi which struck Honduras in mid-September, 1974, the country's almost total economic dependence upon rural subsistance farming and rural infrastructure was pointedly substantiated.

Flood waters which raged through the northern and southern areas of the country caused tremendous devastation of farmlands and crops. The balance of rural subsistance farming in relation to the country's overall economic and agricultural structure was heavily affected and altered.

Apart from the blow sustained by the rural farming sector, flood waters and high winds created by the hurricane accounted for over 60 percent destruction of banana plantations, thus nulifying for at

least one year and possibly two the important revenues the GOH had been receiving as a result of a tax placed on the export of the fruit.

Estimates as to the recovery time needed for the Honduran economy to recoup losses have ranged up to ten years. International agencies and foreign governments have already granted the GOH millions of dollars in the form of loans and grants. And, at this writing, aid still continues to be provided in the form of clothing, food, money, and medicine.

It is difficult at this point in time to effectively analyze what the future state of the economy and the effects the new influx of capital play in the future development of the country. What is known, of course, is that Honduras remains one of the poorest countries in the Western Hemisphere. Malnutrition continues to be one of the largest precursors of death among children. Indeed, the INCAP survey published in 1969 revealed that almost three-fourths of the children of five years of age or under suffer some degree of protein--caloric deficiency.

Taking into account the elements necessary to influence an improvement in the present state of the economic and agricultural sectors, and assuming an overall improvement in the state of the economy is demonstrated over the next five years, an estimated fifteen years (and probably more) will be required for the GOH to support programming even at current levels.

II. PLANS OF OPERATION FOR PL 480 FEEDING PROGRAMS

A. For 17 years CARE in Honduras has concentrated its programming in the fields of Education and Health. The goal has been to increase the

physical, social, and economic potential of the human resources of Honduras, with major stress on young children.

From independent (non-U.S. Government) resources, CARE has extensively contributed to these fields through programs which include the following:

1. School Construction

The CARE-sponsored "Plan Pompilio Ortega", in partnership with the Ministry of Education, in the last nine years has constructed over 3,000 classroom units in more than 800 communities. CARE's input is exceeded by the combined value of the contributions from the GOH and communities, with construction performed on a self-help basis. No food input is required, except that where possible, children must be included in the feeding program when the schools (all primary) commence operation.

For FY 77, 479 units including some latrines are planned. The total number of units include school rooms also to be constructed under a new plan called "Plan Esteban Guardiola".

a. Thousands of school kits and library books have been donated by CARE as an adjunct to this program.

2. Paramedical Staff Training and Public Health

MEDICO, a service of CARE, since 1966 has been treating patients and training personnel at various medical sites in Honduras. 188 Auxiliary Nurses and 37 Nursing Assistants have received certificates from courses of instruction conducted by MEDICO personnel from North America and Canada. In the past, courses have been taught for the training of X-Ray technicians, anesthetists, and laboratory technicians.

a. For FY 77 CARE's medical programming will include:

i) Training of a minimum of 35 Auxiliary Nurses who will serve in hospitals and public health centers.

ii) Vaccination of 15,000 children against DPT, polio, measles and T.B.

iii) Nutrition and health education in public health centers of the Southern Health Zone.

b. Over the years, CARE's expenditures have been substantially augmented by the value of:

i) Medical and laboratory and dental supplies and equipment donated to the Ministry of Health.

ii) Services of over 100 specialist doctors, dentists and para-medical personnel for formal and informal (on-the-job) training programs in Honduras.

3. Rural Potable Water

In 1971, CARE commenced a partnership program with the Ministry of Health, implemented through SANAA (Water Resources Dept.), to install potable water systems in small rural communities, Now in its sixth contract year this program is expanding. CARE's input in materials for FY 77 will be exceeded by the value of SANAA and community contributions.

4. Low-Cost Housing

A three-year agreement signed with FEHCOVIL (Cooperative Housing Agency) in the first quarter of FY 1975 calls for the joint

implementation of a low-cost housing supervised loan to population groups in semi-urban areas, areas surrounding larger cities, or areas which for particular reasons are experiencing large population influx.

47 units were started during FY 1975, and more than 100 houses are planned for FY 76. The project seeks to build structures costing no more than $1,000 each.

The project will incorporate the self-help concept with recipient families contributing, where possible, to the actual construction of their own home.

5. The value of CARE, GOH and community inputs for CARE's school construction, rural aqueduct, medical program and housing program will exceed $1.5 million during FY 1977.

B. An obvious consequence of CARE's interest and work in these fields has been its equal interest in the operation of PL 480 feeding programs for school children, for pre-schoolers and mothers, and for families benefitting from the Food-For-Work program. Measured by value and effective reach, this is CARE's largest endeavor in Honduras.

Honduras continues to suffer from the consequences of a large undernourished population of pregnant/lactating mothers, pre-school and primary school age children. Frequent pregnancies and malnourished bodies result in high morbidity and mortality rates of mothers and newborn children. A large number of children die yearly from parasitic and childhood diseases. Other seriously malnourished children develop into lethargic and unresponsive adults, overburding their families and an already strained society. For FY 77, CARE will continue to utilize its resources to effectively employ PL 480 commodities in the MCH, school

feeding, other child feeding, and food-for-work programs. Emphasis will be placed upon the MCH category, the most vulnerable group, by greatly expanding the number of beneficiaries it will reach with PL 480 commodities, to keep pace with the country's progressive birth rate and to continue the attack against malnutrition.

1. The Ministry of Health recognizes undernourishment of mothers and children as a problem as demanding as any other health task in the country. It has proposed, encouraged, organized, and funded feeding programs for this category of beneficiary in MCH centers and hospitals. By supplying and expanding facilities, equipment, personnel, and funds, for this purpose, the Ministry has shown much evidence of a fixed commitment to relieving nutritional deficiencies. During FY 1977, the MOH will continue to contribute to the support of at least 40 pre-school child nutrition centers located throughout the country. Furthermore, the MOH plans to continue the expansion of the number of child nutritional rehabilitational centers (SERN) throughout the country. Existing SERN centers presently treat pre-schoolers and young children suffering from severe malnutrition.

   During FY 75, the MOH expanded its Department of Nutrition by employing three graduate nutritionists. Two of the nutritionists were assigned to work in rural areas of the country, and have done exceedingly well in helping to establish new MCH centers and at the same time, disseminate nutritional education. CARE has been in frequent contact with the nuttitionists and has consulted with them in program development.

2. The Ministry of Education has made a like commitment to alleviating hunger and malnourishment among primary school children. Difficult as it has been to fund and implement their plan, they have made

commendable strides in this direction, aided in no small part by Title II contributions through CARE. One of the GOH's major objectives of the school feeding program has been to increase considerably the child's daily protein and caloric intake. In order to try to successfully reach this objective GOH and CARE have, in the past, encouraged both local counterparts and communities to supplement the school snack program by adding locally acquired foods. Indeed, for the 1975 school year (February-November) SNAAN had informed CARE that it would manage its own school feeding programs in five Departments (States) and expected to reach approximately 60,000 children with a mid-morning and mid-afternoon snack of milk, sugar and WSB. Although the WSB was provided by CARE, it is important to note that SNAAN did take the initiative and has demonstrated a desire to establish a governmental-supported school feeding program.

3. During the FY 1975 period, CARE actively sought to further integrate and at the same time broaden its ongoing nutritional programs in conjunction with the Ministry of Health and Ministry of Education. As a result, a series of long term nutritional strategies have been formulated.

   Research and development of these nutrition intervention programs will represent the first phase in CARE's existing multi-year nutrition plan:

   a) Design of a complete set of nutritional educational materials which will, upon production and for the first time, be made available to the MOH for use in health centers, feeding centers, hospitals, etc., country wide.

      In addition, investigation into the possibility of creating a functional audio-visual unit within the MOH will be pursued.

As planned, the unit would provide the MOH and MOE with the means to produce all educational materials resulting in 1) immediate access to production facilities and 2) minimal production expenditure.

b) The training of all primary school teachers in nutrition education is a second goal to be developed. Although a Nutrition Education Handbook exists for teachers of primary school education, it has been determined that clarification of the materials combined with an effective method of presentation to primary school children will, of necessity, have to be provided in order to assure maximization of the available materials.

c) The training of auxiliary nurses in nutrition education combined with mass media represents yet a third goal. It is presently contemplated that the approach to this program will involve dissemination of nutritional/health information through the use of mass media. It would then become the responsibility of the auxiliary nurse/promotor to translate these messages into meaningful information (after proper training) utilizing their local health centers to 1) provide a place of instruction and 2) provide periodic family health checks, including statistical nutrition information on children.

4. The integrated nutritional developmental program is based upon full utilization of PL 480 commodities and is based upon CARE/Honduras' (five year) Multi-Year Plan (FY 1975 - FY 1979). Targets for supplementary feeding during the remaining period are:

FY	MCH	Food-For-Work (Families)	School Feeding*	Other Child	Total Beneficiaries
1976	40,000	3,500	235,000	4,000	282,500
1977	60,000	4,000	235,000	4,500	303,500
1978	80,000	4,500	235,000	4,700	324,200
1979	100,000	5,000	235,000	5,000	345,000

*Decreases may be necessary during these years if PL 480 food availability is restricted to accommodate food for increasing the MCH program.

C. Comments on Program Revisions

A comparison of the beneficiary targets and commodity requirements for the FY 76 AER and that proposed for FY 77 will reveal a substantial adjustment in the Mother/Child category. (Statistical Supplement for FY 77 included as APPENDIX "A").

1. For purposes of the AER all non-school beneficiaries have been grouped under "Maternal Child Health" (called Priority 1A) or "Other Child Feeding" (called Priority 1C). The components of these two categories are broken down and described in APPENDICES "C" (1) and "C" (2). An additional breakdown of recipients by commodity will be found in APPENDIX "H".

2. In FY 77, CARE proposes to reach a total of 60,000 MCH beneficiaries (Priority 1A), an increase of 20,000 recipients over the approved FY 76 level.

   This increase reflects an attempt on the part of the GOH and CARE to expand the program to include a larger segment of undernourished pregnant/lactating mothers and pre-school age children. Succeeding years will call for annual increases in the number of MCH

beneficiaries with a projected target of 100,000 recipients in this most vulnerable category to be reached by FY 1979. At many MCH distribution points to be included in the expanded program, commodities will be distributed bi-monthly in dry form to eligible mothers for home consumption. Until FY 1975, the MCH program had featured prepared food feeding at distribution centers with the result that the program had increased only slightly over the past years. CARE, in coordination with the MOH, will direct the expansion through health centers and other organized GOH and private centers where there exists a responsible staff which can provide nutrition and health education to the recipients.

3. The FY 1977 AER revises the school feeding program category upwards to reach 235,000 primary school children. An expected minimum enrollment of 550,000 primary school children for the 1976 school year is estimated. Consequently, it is anticipated that the school snack program, taking into account the increase in recipients, will reach approximately 40 percent of the total registered primary school age children in the country.

   Because of the tremendous impact of Hurricane Fifi, CARE-Honduras is requesting that the number of children to be reached in the school feeding program be reviewed and revised upwards to FY 1974 levels. As noted previously in this Program Plan, the level of malnutrition among children in Honduras has placed a tremendous burden upon the country's human resources at a time when it can be ill afforded. By continuing to provide a substantial feeding program in primary schools, not only will an incentive be provided for the creation of additional school lunch programs, thereby raising the nutritional intake levels of the children, but nutritional education, so sadly lacking at this point, can be given a new impetus in the rural primary schools.

During the first two quarters of FY 1974, WSB was introduced into the school program to be consumed as a substitute for NFDM. Although the conversion from a milk-only program to a non-milk program was introduced rather suddenly and with uncertainties as to the success of an immediate acceptance, reports from the field during the latter part of the 2nd FY 1974 quarter and during FY 1975 indicated that WSB attained substantial receptivity among the primary school children. During FY 76 SNAAN desires, as previously noted, to incorporate WSB into its own operational areas.

4. As a result of the hurricane, CARE-Honduras instituted an Emergency Food-For-Work Program during the third quarter of FY 1975 for 7,000 families. The demonstrated necessity of a continued FFW program prompted CARE to request that approval be granted for a continuation through normal PL 480 programming of the Food-For-Work Program during FY 76.

   CARE proposes then, to continue to institute the Food-For-Work Program to help stimulate rural development, and at the same time provide for an increase in the nutritional intake level of the rural populace who will be enrolled in the program.

III. CONTRIBUTIONS TO PROGRAM

A. In APPENDIX "F" will be found a table summarizing the actual and estimated inputs for FY 77 in cash, time and kind made by the national government, local governments, and people of Honduras. It demonstrates that this type of assistance, so urgently needed to improve nutritional standards for its children, is not accepted without substantial cost to its people.

IV. SUMMARY

The consequences of the apparent high degrees of malnutrition in Honduras are, of course, staggering. Debilitated by a lack of proper nutritional intake, a large number of children die yearly from parasitic and childhood diseases. Other seriously malnourished children who survive, develop into lethargic and unresponsive adults, thus over burdening their families and already strained society.

No one cause of malnutrition may be singled out. The problem is founded upon a series of complex cause and effect relationships which, in the end, must be overcome in order to significantly reduce the incidence of malnutrition.

- High prices of foods, low income, lack of education, and inadequate agricultural production have contributed to the inability of the majority of the population to provide itself with proper nutritional foods.

- Poor sanitary conditions, and the incapability of health services to reach a large portion of the population have resulted in the prevalence of infectious diseases.

- Stunted growth, increased susceptibility to infection and permanently impaired learning and behavior are all resultant effects of malnutrition.

A people so shackled have a dismal future, with little prospects of breaking out of the above enumerated cause and effects relationships unless a concerted effort is made to harness internal and external resources to treat the ills therein.

APPENDIX "A"

CARE-HONDURAS PROGRAM PLAN, FY 77

STATISTICAL SUPPLEMENT

I. MATERNAL/CHILD HEALTH

A. Number of Mothers Participating	20,000
B. Number of Children Participating (age 5 and under)	40,000
C. Number of Beneficiaries served prepared foods for consumption through MCH centers	30,000
D. Number of Beneficiaries served bulk or prepared commodities for home consumption through distribution centers	30,000

II. FOOD-FOR-WORK

A. Number of Families Participating	4,000
B. Number of Workers	4,000
C. Number of Dependents	16,000

III. SCHOOL FEEDING

Number of participants in:

A. Primary Schools	
Public	235,000
Private	NIL
B. Secondary Schools	
Public	NIL
Private	NIL
C. Boarding Schools	
Public	NIL
Private	NIL

IV. OTHER CHILD FEEDING (PRE-SCHOOL AGE)

A. Orphanages (75% Pre-School)	3,000
B. Child Care Centers (100% Pre-School)	1,500

V. FAMILY PLANNING

There are presently no family planning programs carried out by CARE.

APPENDIX "B"

CARE-HONDURAS STAFF

Program Plan FY 77

I. TEGUCIGALPA OFFICE (Headquarters)

Address: Cuesta La Leona #712
Apartado Postal 729

U.S. Representatives

J.S. Lewis	Director
Manuel Torres	Assistant Director
Louis Ziskind	Assistant Director
Michael Krajniak	Field Representative

Honduran Staff

Meneleo Bardales	Assistant Director for Food Programming
Manuel Portillo	Field Inspector
Félix Maldonado	Field Inspector
Saúl Contreras	Field Inspector
Edgardo Chavarría	Field Inspector
Aquiles Molina	Field Inspector
Enoe de Rodríguez	Accountant
Ana Chávez	Assistant Accountant
Alma Pérez	Bilingual Secretary
Mimí de Díaz	Bilingual Secretary
Emanuel Lagos	Office Assistant
Estanislao Cruz	Warehouseman
Carlos Lozano	Driver

II. SAN PEDRO SULA OFFICE (Branch)

Address: Banco de Honduras Bldg.
Room 305
Apartado Postal #87

U.S. Representative

Charles H. Kiser	Assistant Director

Honduran Staff

Arturo Santos	Field Inspector
Arístides Alvarenga	Field Inspector
Aquiles Márquez	Field Inspector
Herber Hernández	Field Inspector
Aníbal Morales	Field Inspector
Rafael Barrientos	Field Inspector
Zoila de Sandoval	Bilingual Secretary
Ricardo García	Administrative Assistant
Lawrence Carbajal	Warehouseman
Roberto Miyares	Port Representative (at Pto. Cortés)

III. CARE-MEDICO OFFICE IN CHOLUTECA

Denise Callghan	Registered Nurse
Sally Stuart	Registered Nurse (PCV)

Honduran Staff

Secretary

CARE-Honduras - Program Plan FY 77

BENEFICIARY CATEGORIES

REF. Group of Recipients	No. of Beneficiaries	No. of Feeding Sites	Feeding Days Per Month	Commodities	Rate per Day in Grams (app.)
(1) Mother/Child Health Centers	38,000	271	25	Bulgur; Oil WSB Flour	13 45 9
(2) Pre-School Feeding Centers	20,000	160	20	Bulgur; Oil WSB Flour	16 57 11
(3) Hospitals (Mother/Child	2,000 60,000	15	30	Bulgur; Oil WSB Flour	11 38 8
(4) Food-For-Work	4,000 Workers (16,000 Dependents)	80 (Estimated)	10 Working Days	Bulgur WSB Oil	75 75 9.1
(5) School Feeding	235,000	2,350	20	WSB	41*
(6) Children's Institutions	2,500	21	30	Bulgur WSB Oil; Flour	33 50 15
(7) Day Care Centers	2,000 4,500	14	25	Bulgur WSB Oil, Flour	40 60 16

CONTINUED ON APPENDIX "C" (2) --"Details on Recipient Groups"

* A possible increase in rations may result dependent upon future evaluations.

APPENDIX "C" (2)

CARE-Honduras - Program Plan FY 1977

Details on Recipient Groups - See APPENDIX "C" (1)

(1) WSB, combined with Bulgur to make a beverage drink and Wheat Flour and Vegetable Oil prepared in bread form will be served 6 days a week to mothers and pre-school children who will call at 271 Health Centers. The centers are part of the Health Ministry's medical service organization. At many of these centers there are available materials and services for health care, nutrition education, and family planning.

(2) Pre-School Feeding Centers consist of the following:

40 "Comedores" operated by JNBS, the Government subsidized national welfare service.

112 approved private feeding centers organized by Patronatos (Parents Committees) in urban and rural areas.

8 centers organized by the Health Ministry under SERN (Nutrition Recuperation and Educational Service) to treat children with severe malnutrition).

The rations requested for this category are high because their beneficiaries have been especially selected from the most severely deprived segments of the population and need more than the usual assistance. It is their plan to serve a full lunch plus a mid-morning or mid-afternnon snack.

(3) There are 15 government hospitals in this group which use CARE commodities to supplement two or even three meals every day for mother/child inpatients, as well as serving some outpatients. Hospital diets in Honduras are generally quite inadequate in nutritional benefit. As a MCH centers, information and services in health, nutrition, and family planning are obtainable through hospitals.

(4) Approximately 80 feeding sites will serve a total of 4,000 workers (16,000 dependents) in the Food-For-Work Program. Programs will be supervised directly by CARE personnel, while transportation, storage, and proper distribution of commodities will become the responsibility of each recipient group. A total of ten, eight-hour working days will be required for each recipient to receive the PL 480 commodities.

(5) A WSB beverage drink will be served to 235,000 primary school children in approximately 2,350 schools. Only children 6-12 years may benefit, and the special emphasis is on rural schools. Sugar, to be supplied by local community groups or families will increase the palatability and caloric value of the snack. In addition, communities are expected to provide for the addition of small amounts of local foods.

(6) Children's Institutions are 21 orphanages, sponsored by local agencies or organizations mostly with GOH subsidy. They serve cooked meals 3 times every day, which are supplemented by Title II foods. The beneficiaries are predominantly pre-schoolers.

(7) The 14 Child Care Centers are operated by government, semi-government or private agencies for the day care of pre-school children of mothers who must work for their support. Either two or three meals are prepared, with supplements from CARE rations.

CARE - HONDURAS PROGRAM PLAN
FISCAL YEAR 1977

LOCATION AND NUMBER OF
FEEDING CENTERS

CATEGORY

I. M C H

DEPARTAMENTS	No. Of CENTERS
1. Atlántida	10
2. Colón	5
3. Comayagua	40
4. Copán	12
5. Cortés	50
6. Choluteca	60
7. El Paraíso	54
8. Francisco Morazán	70
9. Gracias a Dios	4
10. Intibucá	12
11. Islas de la Bahia	2
12. La Paz	20
13. Lempira	8
14. Ocotepeque	4
15. Olancho	20
16. Santa Barbara	10
17. Valle	40
18. Yoro	25

II. School Feeding

DEPARTMENTS	No. Of Schools
1. Atlántida	100
2. Colón	85
3. Comayagua	95
4. Copán	175
5. Cortés	200
6. Choluteca	175
7. El Paraíso	160
8. Francisco Morazán	205
9. Gracias a Dios	40
10. Intibucá	95
11. Islas de la Bahia	25
12. La Paz	70
13. Lempira	160
14. Ocotepeque	85
15. Olancho	210
16. Santa Barbara	200
17. Valle	85
18. Yoro	175

III. Other Child

DEPARTMENTS	No. Of CENTERS
1. Atlántida	1
2. Colón	1
3. Comayagua	1
4. Copán	1
5. Cortés	7
6. Choluteca	1
7. El Paraíso	1
8. Francisco Morazán	15
9. Gracias a Dios	1
10. Intibucá	1
11. Islas de la Bahía	-
12. La Paz	1
13. Lempira	1
14. Ocotepeque	1
15. Olancho	1
16. Santa Barbara	1
17. Valle	1
18. Yoro	2

IV. Food For Work.

INFORMATION PRESENTLY UNAVAILABLE.

CARE-Honduras

PROGRAM REQUIREMENTS FOR FY 1977 (000 Lbs.)

CATEGORY	Beneficiaries	WSB	Bulgur	Flour	Oil
Mother/Child	60,000	1,800	504	360	504
Other Child Feeding	4,500	178	119	54	54
Primary School Feeding	235,000	2,538	-	-	-
Food-For-Work	4,000 Workers (16,000 dependents)	1,200	1,200	-	168
TOTALS (Line 8, AER)	319,500	5,716	1,823	414	726

CARE-Honduras

PROGRAM PROJECTION FOR FY 1978 (000 Lbs.)

CATEGORY	Beneficiaries	WSB	Bulgur	Flour	Oil
Mother/Child	80,000	2,400	672	480	672
Other Child Feeding	4,700	186	124	56	56
Primary School Feeding	235,000	2,538	-	-	-
Food-For-Work	4,500 workers (18,000 dependents)	1,350	1,350	-	-
TOTALS	342,200	6,474	2,146	536	917

APPENDIX "F"

CARE-Honduras Program Plan FY 77

Contributions to Program

(in U.S. Dollars)

TYPE OF CONTRIBUTION	National Local Governments	Indigenous Public Organizations (Junta, SNAAN)	Indigenous Private Associations	Community Self-Help Organizations	T O T A L S
Warehousing	33,940	7,986	-	17,393	59,319
CARE Office Rent	2,550	0	0	0	2,550
Transportation	51,909	33,940	726	10,437	97,012
Personnel and Administrative Services	448,469	91,839	1,730	53,240	595,278
Additional Local Purchases of Food	3,542	151,800	834	183,425	339,601
T O T A L S	540,410	285,565	3,290	264,495	1,093,760

CARE-Honduras

PROGRAM PROJECTION FOR FY 1978 (000 Lbs.)

CATEGORY	Beneficiaries	WSB	Bulgur	Flour	Oil
Mother/Child	80,000	2,400	672	480	672
Other Child Feeding	4,700	186	124	56	56
Primary School Feeding	235,000	2,538	-	-	-
Food-For-Work	4,500 workers (18,000 dependents)	1,350	1,350	-	-
TOTALS	342,200	6,474	2,146	536	917

APPENDIX "F"

CARE-Honduras Program Plan FY 77

Contributions to Program

(in U.S. Dollars)

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CARE Office Rent	2,550	0	0	0	2,550
Transportation	51,909	33,940	726	10,437	97,012
Personnel and Administrative Services	448,469	91,839	1,730	53,240	595,278
Additional Local Purchases of Food	3,542	151,800	834	183,425	339,601
T O T A L S	540,410	285,565	3,290	264,495	1,093,760

APPENDIX "G"

CARE-HONDURAS PROGRAM PLAN, FY 77

STATISTICAL SUPPLEMENT

1.	Total population of Honduras:	2.8 million
2.	Number of children age 5 and under:	678,000
3.	Number of children age 5 and under receiving Title II assistance:	40,000
4.	Number of primary school-age children:	600,000
5.	Total enrollment in primary schools:	550,000
6.	Number of primary school children receiving Title II assistance:	235,000
7.	Number of secondary school-age children:	N.A.
8.	Total enrollment in secondary schools and the number receiving Title II assistance:	N.A.

*NOTE: The above statistical information (Lines 1, 2, 4, and 5) is approximate as up-to-date data is presently not available.

CARE-Honduras - Program Plan FY 1977

Detail of Recipients by Commodity, Poundage

and Commodity Values

I. Sponsor's Name (CARE-Honduras)

A. Maternal and Child Health.....Total Recipients 60,000

No. of Recipients by Commodity	Name of Commodity	(Thousands) Pounds	Dollars
60,000	WSB	1,800	
60,000	Bulgur	504	
60,000	Flour	360	
60,000	Oil	504	
Total MCH		3,168	

B. School Feeding.....Total Recipients 235,000

No. of Recipients by Commodity	Name of Commodity	(Thousands) Pounds	Dollars
235,000	WSB	2,538	
Total School Feeding		2,538	

C. Other Child Feeding.....Total Recipients 4,500

No. of Recipients by Commodity	Name of Commodity	(Thousands) Pounds	Dollars
4,500	WSB	178	
4,500	Bulgur	119	
4,500	Flour	54	
4,500	Oil	54	
Total Other Child Feeding		405	

D. Food for Work.....Total Recipients 4,000 Workers (16,000 dependents)

No. of Recipients by Commodity	Name of Commodity	(Thousands) Pounds	Dollars
20,000	WSB	1,200	
20,000	Bulgur	1,200	
20,000	Oil	168	
Total FFW		2,568	

HONDURAS
(Country)

PL 480 Title II FY 77

II. Sponsor's Name (CARE-Honduras)

A. Maternal and Child Health..... Total Recipients 60

No. of Recipients by Commodity	Name of Commodity	(thousands) Pounds	Dollars
60	WSB	1,800	202
60	Bulgur	504	41
60	Flour	360	38
60	Oil	504	176
Total MCH		3,168	457

B. School Feeding..... Total Recipients 235* 150**

No. of Recipients by Commodity	Name of Commodity	(Thousands) Pounds	Dollars
235*	WSB	2,538*	285*
150**	WSB	1,620**	182**
Total School Feeding		1) 2,538* 2) 1,620**	1) 285* 2) 182**

C. Other Child Feeding..... Total Recipients 4,500

No. of Recipients by Commodity	Name of Commodity	(Thousands) Pounds	Dollars
4.5	WSB	178	20
4.5	Bulgur	119	10
4.5	Flour	54	6
4.5	Oil	54	19
Total Other Child Feeding		405	55

D. Food for Work..... Total Recipients 4,000 Workers (Thousands) (16,000 dependents)

No. of Recipients by Commodity	Name of Commodity	Pounds	Dollars
20	WSB	1,200	135
20	Bulgur	1,200	97
20	Oil	168	59
Total FFW		2,568	291

E. Other (Specify)..... Total Recipients _____ (Thousands)

* CARE Proposal
** USAID/H Recommendation

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT IDENTIFICATION DOCUMENT FACESHEET

TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE (X) APPROPRIATE BOX)
[X] ORIGINAL [ ] CHANGE
[ ] ADD [ ] DELETE

PID DOCUMENT CODE

2. COUNTRY/REGIONAL ENTITY/GRANTEE
HONDURAS

3. DOCUMENT REVISION NUMBER

4. PROJECT NUMBER
522-0120

5. BUREAU
A. SYMBOL: LA
B. CODE: 3

6. PROPOSED NEXT DOCUMENT
A. [ ] PRP [X] PP B. DATE MO. 12 YR. 76

7A. PROJECT TITLE - SHORT (STAY WITHIN BRACKETS)
Rural and Semi-Urban Low Cost Housing

8. ESTIMATED FY OF AUTHORIZATION/OBLIGATION
A. INITIAL FY 77 B. FINAL FY 79

7B. PROJECT TITLE - LONG (STAY WITHIN BRACKETS)

9. ESTIMATED COST (LIFE OF PROJECT)
($000 OR EQUIVALENT, $1 = 1.2)

PROGRAM FINANCING	AMOUNT
A. AID APPROPRIATED	
B. OTHER U.S.	15000
C. HOST GOVERNMENT	5000
D. OTHER DONOR(S)	
TOTAL	20000

10. ESTIMATED COSTS/AID APPROPRIATED FUNDS ($000)

A. APPROPRIATION (ALPHA CODE)	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE	FIRST YEAR D. GRANT	FIRST YEAR E. LOAN	ALL YEARS F. GRANT	ALL YEARS G. LOAN
		TOTAL				

11. OTHER U.S. ($000)

A. PROGRAM TYPE	B. FIRST YEAR	C. ALL YEARS
HIG	6000	15000
TOTAL	6000	15000

12. PROJECT GOAL (STAY WITHIN BRACKETS)

To increase the rural and semi-urban low-cost housing stock in Honduras.

13. PROJECT PURPOSE(S) (STAY WITHIN BRACKETS)

1. Increase the services of INVA to low-income clients.
2. Make INVA financially viable.

14. PLANNING RESOURCE REQUIREMENTS (STAFF/FUNDS)

1 month TDY from SER/Housing

15. ORIGINATING OFFICE CLEARANCE

SIGNATURE

TITLE Frank B Kimball
Director, USAID/Honduras

DATE SIGNED MO. 06 DAY 27 YR. 75

16. DATE RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION
MO. DAY YR.

AID 1330-2 (5-75)

I. Summary of the Problem and Response

1. A Housing Sector Analysis of Honduras, performed under the auspices of the Office of Housing in August, 1974, determined that a housing deficit in excess of 300,000 units existed as of that date in the country. This deficit is estimated to be growing at a rate of 4% per annum. As may be expected the overwhelming bulk of this shortage is being suffered by the poorest majority, and within that majority, the rural poor predominate. The goal of the proposal project, then, is to increase the stock of housing now available to Honduras low-income families. This is an adjunct, focussing on quality of life, to our rural development strategy.

   This project will increase the number of loans provided by INVA (National Housing Institute of Honduras) to low-income clients while assisting INVA to become a financially viable institution. While the actual number of houses built during the life of this project will not affect the achievement of the goal substantially, replicability is insured if the financial viability of INVA can be established.

2. Increased services and financial viability will be achieved by increasing the capacity of the INVA rural housing administrative unit. This is an embryonic unit

which was formed in order to implement the reconstruction loan program (522-W-028) and is currently receiving TA under the loan. Inputs will include 2-3 year of TA ($100,000 - $150,000) in such areas as management, accounting, and low-cost housing design and up to $15 million in HIG resources.

Project will be disbursed over 5 years in two tranches, i.e. two separate contracts for $6 and $9 million.

3. Major assumptions include: a) the establishment of a national secondary mortgage market (this has been charged to a newly established housing finance institution, Financiera Nacional de la Vivienda) and 2) the formulation of a satisfactory national housing policy that identifies and coordinates the resources and capabilities of the public and private sectors and rationalize their employment in a way conducive to the construction and finance of low-cost housing.

4. See PP 52-54 of Reconstruction Loan I CAP.

5. The major alternatives to a financially viable institution providing loans would be a government subsidezed program or self-help projects administered through PVO's. Replicability would not be very likely under either alternative.

6. The median housing loan amount is expected to be $1,500. The range will be between $700 and $3,000.
7. Spread effects are expected to be large if replicability can be assured by INVA's entrance into the secondary mortgage market.

II. Financial Requirements

1. Total project costs $20 million over 5 years.
2. AID share $15 million HIG resources.
3. GOH share $5 million.

   Capital contribution to INVA and INVA protfolio rollover.

III. Project Development

I MM TDY SER/H

It is felt that in view of the fact a Housing Sector Analysis has already been performed, and thatan AID loan-funded pilot project is presently underway, the PRP step can be eliminated and PP submitted during CY 76.

	INDICATORS	ASSUMPTIONS
Goal: Increase the rural and semi-urban low-cost housing stock of Honduras	Approximately 9,000 units in the $700 to $3,000 range houses built per year.	Demand Exists
Purpose: 1. Increased Services of INVA to low-income clients. 2. Make INVA financially viable.	EOPS: Approximately 9,000 loans to families with incomes in the lowest 50% of the population. 2.X houses constructed by 1980 3. Repayment rate acceptable 4. Sale of INVA securities in secondary mortgage market.	1. Promulgation of a national housing policy favorable to low cost housing construction and finance. 2. Establishment of national or regional secondary mortgage market.
Outputs: Increased capacity of INVA rural housing administrative unit.	1. X trained staff a. management b. accounting 2. Lending policy 3. Prototype house design 4. X budget	1. High enough salaries can be paid to retain employees.
Inputs: A.I.D. 1. TA to INVA 2. HIG of $15 M GOH 3. $5M contribution to lending capital	1. $ 100,000 - $150,000 2 - 3 years. 2. $15 M guaranty	

Summary Table

A.I.D. Financial Support for Private Voluntary Organizations*
($000)

HONDURAS

	FY 1976	IQ	FY 1977
1. Ongoing Grants			
A. Ongoing OPG	---	---	---
B. Non-OPG			
0105 Agriculture Cooperatives	118	57	-
Sub-Total	118	57	-
(of which: cooperatives)	(118)	(57)	-
2. New Grants			
A. OPGs			
0122 Yoro Rural Housing	50	---	---
0125 Nutrition & Health Promoters	77	---	308
0126 Health Services	100	30	170
0127 Expanding Income & Employ:	465	---	---
0128 Community Dev.: Pespire	50	25	50
Sub-Total	742	55	528
(of which: cooperatives)	(100)	(25)	(50)
B. Non-OPG	---	---	---
3. Loans	---	---	---
4. TOTAL	860	112	528

* All have development as primary project focus.