

**AGENCY FOR  
INTERNATIONAL  
DEVELOPMENT**



# **ANNUAL BUDGET SUBMISSION**

## **FY 1978**

## **HONDURAS**

**DEPARTMENT  
OF  
STATE**

JUNE 1976



TABLE OF CONTENTS

FY 1978 Annual Budget Submission

Honduras

	<u>Page</u>
I. Mission Certification of the DAP	1
II. Summary Table I	2
III. Summary Table II	3
IV. Long-Range Summary Table	5
V. Long-Range Projections - Comments	6
VI. Grant Narratives and Tables	
Agricultural Cooperatives - 0105	7
Core Services - 0118	9
Integrated Rural Health/FP Services - 0130	11
Non-Formal Rural Education - 0108	13
Special Development Activities - 0073	15
Expanding Income and Employment - 0127	16
Water Resources Management - 0134	18
Technical Support (FN) - 000.1	20
Technical Support (PH) - 000.2	25
Technical Support (EH) - 000.3	26
Technical Support (ST) - 000.4	29
VII. New Projects FY 1978 - Alternative Funding Levels	30
VIII. Mission Evaluation Schedule	32
IX. PL 480 Title I	35
X. PL 480 Title II	37
XI. PL 480 Title II - Rural Trails	56
XII. PVO Table	57
XIII. Contraceptive Supply Tables	59

TABLE OF CONTENTS

Page 2

	<u>Page</u>
XIV. Project Identification Documents (PIDs) - Introductory Note	64
Water Resource Development - 0136	65
Rural Trails - 0137	92
Rural Electrification - 0138	98
Agricultural Research - 0139	115
Small Farmer Organizations - 0140	122
Demographic Policy - 0141	128
Sites and Services Housing - 0142	134
XV. PVOs - Early Consultations	138
Agricultural Mechanization - 0143	139
Multi-Services Cooperatives - 0144	141
Paramedic Health - 0145	142
Direct Relief Health - 0146	143

USAID/Honduras FY 1978 ABS

STATEMENT ON DAP VALIDITY

The analytical and data base of the Honduras DAP has been steadily expanding. During FY 1976 significant additions were made in the form of a Nutrition Subsector Assessment and a Rural Education Sector Assessment. Also, a study of the role of women in Honduran development is now being carried out (target completion date July 1976) under a Mission contract and will become a part of the DAP. These analytical undertakings are a continuation of the process begun with the submission of the USAID/Honduras DAP and the subsequent Agriculture Sector Analysis in FY 1974. Thus, the DAP for Honduras was an initial step in a dynamic process.

New projects developed during FY 1976 and those to be prepared for FY 1977 and FY 1978 are firmly based on the aforementioned analytical endeavors. It is the Mission's opinion that the component parts of the Honduras DAP, as a result of continued analysis, are valid in terms of the content of USAID/Honduras' program now and for the period of the ABS. We do plan, however, to amend the Summary Strategy portion of the DAP in order to update our strategy, goals and projections of resource and manpower requirements through Fiscal Year 1980. In addition, the Mission will be analyzing, over the next several months, the role of PL 480 Title I in the AID Honduras program and will prepare a section of the DAP which reviews our analysis and outlines the strategy for its use. The Mission plans to prepare the amendment for submission to AID/Washington in early CY 1977. Mission staff will do the work for the most part, but the assistance of a macro-economist from AID/W or on contract may be required for three to four weeks in November-December, 1976. No other outside assistance is contemplated.

Country Program Honduras

Summary Table I

Funding Levels for FY 1976, IQ, FY 1977, FY 1978

	<u>FY 1976</u>	<u>Interim Quarter</u>	<u>FY 1977</u>	<u>FY 1978</u>
Food/Nutrition				
Grants	733	922	638	1,377
Loans	7,500	-	9,500	5,000
Population/Health				
Grants	145	45	267	614
Loans	-	-	-	-
(Population)				
(Grants)	(60)	(15)	(120)	(312)
(Loans)	-	-	-	-
(Health)				
(Grants)	(85)	(30)	(147)	(302)
(Loans)	-	-	-	-
Education				
Grants	293	347	534	796
Loans	2,000	-	7,500	-
Section 106				
Grants	455	614	573	1,383
Loans	-	-	-	12,500
Sub-total				
Grants	1,626	1,928	2,012	4,170
Loans	9,500	-	17,000	17,500
TOTAL	11,126	1,928	19,012	21,670
HIGs	-	-	1,400	-
PL 480				
Title I	2,200	-	2,760	2,760
Title II	2,204	550	2,045	4,228

AGENCY FOR INTERNATIONAL DEVELOPMENT		1. TRANSACTION CODE A = ADD C = CHANGE D = DELETE		2. ABS/CP DOCUMENT CODE 6	
ABS/CP SUMMARY - Page 1				A	
3. COUNTRY/ENTITY HONDURAS		4. DOCUMENT REVISION NO. □	5. OPERATIONAL YEAR FY 77	6. BUREAU/OFFICE A. SYMBOL LA B. CODE 05	
8. TYPE DATA 1 = ABS 2 = ABS REVISION 3 = CP 4 = CP NOTIFICATION			9. TYPE ASSISTANCE 1 = PROJECT 2 = PROGRAM		

10. PROJECT SEQUENCE NO.	11. PROJECT TITLE (40 CHARACTERS MAXIMUM)	12. QTR. FOR OBLN.	13. EST. FY. AUTH. DELE. FINAL	14. APPRO. PRIA. TION	15. PRIMARY PURPOSE CODE	16. LOAN/GRANT INDICATOR	17. BUDGETS (IN \$000)				
							AY	TQ	OY	BY	LOP
	<u>FOOD AND NUTRITION ONGOING</u>										
0105	Agr. Coops	-	TQ	FN	243B	GC	118	57	-	-	301
0118	Core Services	2	77	FN	284B	GC	407	103	205	-	1,599
0123	Sm. Farmer Techs.	2/1	79	FN	124B	GC	-	350	243	157	900
0123	Sm. Farmer Techs.	1	77	FN	124B	L	-	-	6,000	-	6,000
0124	Nutrition	-/1	79	FN	300B	GC	-	350	-	150	650
0124	Nutrition	1	77	FN	300B	L	-	-	3,500	-	3,500
0133	H RRII-Agr. Credit	-	76	FN	930B	L	5,000	-	-	-	5,000
0133	HRRII-Access Rds.	-	76	FN	930B	L	2,500	-	-	-	2,500
0000.1	Technical Support	-	Cont	FN	200B	GC	208	62	190	150	Cont
	<u>NEW</u>										
0139	Agr. Research (2)	1	80	FN	210B	GN	-	-	-	500	1,200
0140	Small Farmer Organs.(1)	1	80	FN	249B	GN	-	-	-	300	700
0140	Small Farmer Organs.(1)	1	78	FN	249B	L	-	-	-	5,000	5,000
0143	Agr. Mechanization (CRS-OPG) (4)	2	79	FN	240B	GN	-	-	-	70	170
0144	Multi-Service Coops (OPG) (3)	1	80	FN	240B	GN	-	-	-	50	200
	<u>POP. PLANNING AND HEALTH ONGOING</u>										
0130	Int. Rural Hlth/FP Servs.	1/1	80	PH	534/E 444 E	GC	120	30	240	344	1,434
0000.2	Technical Support	-	Cont	PH	599B	GC	25	15	27	25	Cont.
	<u>NEW</u>										
0141	Demographic Policy (1)	1	80	PH	419B	GN	-	-	-	140	350
0145	Paramedic Hlth. (Concern OPG) (2)	2	80	PH	500B	GN	-	-	-	75	200
0146	Direct Relief Hlth. (OPG) (3)	2	79	PH	500B	GN	-	-	-	30	80

18. DATE DOCUMENT RECEIVED IN AID/W				MM	DD	YY

AGENCY FOR INTERNATIONAL DEVELOPMENT		1. TRANSACTION CODE <b>A</b> A = ADD C = CHANGE D = DELETE		2. ABS/CP DOCUMENT CODE <b>6</b>	
ABS/CP SUMMARY - Page 2					
5. COUNTRY/ENTITY <b>HONDURAS</b>		4. DOCUMENT REVISION NO. <input type="checkbox"/>	5. OPERATIONAL YEAR FY <b>7   7</b>	6. BUREAU/OFFICE A. SYMBOL <b>LA</b> B. CODE <b>[05]</b>	7. GEOGRAPHIC CODE <b>[522]</b>
8. TYPE DATA <b>[1]</b> 1 = ABS 3 = CP 2 = ABS REVISION 4 = CP NOTIFICATION			9. TYPE ASSISTANCE <b>[1]</b> 1 = PROJECT 2 = PROGRAM		

10. PROJECT SEQUENCE NO.	11. PROJECT TITLE (40 CHARACTERS MAXIMUM)	12. DTR. FOR OBLN.	13. EST. FY AUTH. OBLN. FINAL	14. APPROPRIATION	15. PRIMARY PURPOSE CODE	16. LOAN INSTRUMENT	17. BUDGETS (IN \$000)							
							AY	TQ	OY	BY	LOP			
	<u>EDUCATION &amp; HUMAN RES. DEV.</u> <u>ONGOING</u>													
0108	Non-Formal Rural Ed.	-	TQ	EH	612B	GC	155	234	-	-	-	-	389	
0119	Rural Education	2/1	79	EH	600B	GC	-	-	97	353	-	-	750	
0119	Rural Education	2	77	EH	600B	L	-	-	5,000	-	-	-	5,000	
0121	Development Mgmt.	2/2	79	EH	664B	GC	-	80	357	363	-	-	1,000	
0121	Development Mgmt.	2	77	EH	664B	L	-	-	2,500	-	-	-	2,500	
0133	HRRII - Schools	-	76	EH	623B	L	2,000	-	-	-	-	-	2,000	
0000.3	Technical Support	-	Cont	EH	699B	GC	138	33	80	80	-	-	Cont	
	<u>SECTION 106</u> <u>ONGOING</u>													
0073	Special Dev. Activities	1/1	Cont	ST	700B	GC	50	25	50	50	-	-	Cont.	
0120	Agro-Indus. Exp. Dev.	3/2	79	ST	253B	GC	-	500	102	598	-	-	1,500	
0127	Expand Income & Employ (OPG)	2/1	79	ST	263B	GC	85	35	125	125	-	-	405	
0128	Finance & Mktg. Coop (OPG)	1/1	79	ST	132B	GC	-	22	56	56	-	-	190	
0134	Water Resources Mgmt.	-/1	78	ST	752B	GC	300	-	-	200	-	-	500	
0000.4	Technical Support	-	Cont	ST	799B	GC	20	32	90	90	-	-	Cont.	
	<u>NEW</u>													
0136	Water Resources Mgmt(3)	1	78	ST	752B	L	-	-	-	2,500	-	-	2,500	
0137	Rural Trails (2)	1	80	ST	132B	GN	-	-	-	134	-	-	400	
0138	Rural Electrification (1)	1	80	ST	200B	GN	-	-	-	80	-	-	250	
0138	Rural Electrification (1)	1	78	ST	200B	L	-	-	-	10,000	-	-	10,000	
0142	Sites and Servs. Housing (4)	2/1	78	ST	722B	GN*	-	-	150	50	-	-	200	
	*With HG Loan of \$1,400													
							18. DATE DOCUMENT RECEIVED IN AID/W					MM	DD	YY

Country Program Honduras

Long Range Program Plan  
(\$000)

	1978	1979	1980	1981	1982
<b>Food/Nutrition</b>					
Grants	1,377	1,485	1,100	1,400	1,400
Loans	5,000	15,000	15,000	16,000	12,000
<b>Population/Health</b>					
Grants	614	700	900	950	1,050
Loans	-	6,000	3,000	-	7,000
(Population)					
(Grants)	(312)	(355)	(460)	(510)	(610)
(Loans)	-	-	-	-	-
(Health)					
(Grants)	(302)	(345)	(440)	(440)	(440)
(Loans)	-	(6,000)	(3,000)	-	(7,000)
<b>Education</b>					
Grants	796	580	600	650	700
Loans	-	-	10,000	7,000	-
<b>Section 106</b>					
Grants	1,383	850	700	750	650
Loans	12,500	5,000	-	6,000	10,000
<b>Total</b>					
Grants	4,170	3,615	3,300	3,750	3,800
Loans	17,500	26,000	28,000	29,000	29,000
<b>PL 480 (non-add)</b>					
Title I	2,760	3,000	3,000	3,500	3,500
Title II	4,228	4,300	4,300	4,300	4,300
<b>HIGs (non-add)</b>	-	2,000	-	-	-

Country/Program Honduras

Long Range Projections - Comments

The overall level of A.I.D. assistance to Honduras is expected to rise over the next few years for at least three reasons. First, as one of the poorest countries in Latin America, the need for assistance is likely to continue to be great for many years to come. Second, several key GOH institutions are becoming stronger and will be able to absorb larger amounts of assistance. Third, the general political environment is expected to continue to support and emphasize national development programs with external assistance.

The Mission will continue to support GOH rural development programs in an effort to bring more people into the market economy, expand internal demand and improve the distribution of income and services. As other international donors are less concerned with confronting these problems directly, A.I.D. resources will continue to be an important element in promoting social as well as economic transformation.

No significant changes are foreseen in the Honduran political environment which would alter the USAID program significantly. While a return to democratic elections in 1979 has been announced, the Mission does not anticipate that the return to power of the traditional political parties (if that does occur) would result in drastic changes in national policy or direction.

Honduran leaders, civilian and military, have traditionally tended to be somewhat conservative and certainly more conservative in their actions than in their political rhetoric. Thus, the Mission expects that while the processes of social change will continue, there will not be any overnight societal transformation. A.I.D. and other donor programs will contribute to improving the well being of low-income Hondurans, but progress is likely to be halting and uneven.

A factor which could increase the levels of overall financial assistance from those projected is inflation. Over a five year time period, significant increases may be required beyond the amounts shown in Mission projections.

Narrative Progress Statement

PROJECT TITLE: Agricultural Cooperatives (522-0105)

There have been no changes in the level or composition of financing. However, as measured in terms of outputs and compared to the schedule programmed in the project paper (PROP), progress to date is somewhat behind schedule. This lag is the result of a combination of a delay in the initial allotment of funds for the project and an extended contracting process which required 6 months to bring technicians on board.

The development of the accounting system originally programmed for completion by October 1975 is well under way and is now scheduled for completion by July 1976. Development of training materials for the accounting and management courses is also in process and training courses scheduled to begin in January 1976 are now scheduled to start in September 1976. The training of DIFOCOOP personnel originally scheduled for December 1975 will occur in August and September 1976.

Field investigations being carried out under this project indicate that currently no small farmer organizations utilize adequate accounting and management practices. In fact, most appear to have no recognizable accounting system at all.

It is evident that the skills level and organizational structure of small farmer organizations are even more limited than anticipated at the time the project was designed. This has led to the conclusion that the needs for assistance are far beyond the level of resources programmed. The Mission is currently submitting a new PID (Small Farmer Organizations) to help fill this gap.

PROJECT NAME Agricultural Cooperatives  
 PROJECT NUMBER 522-0105  
 APPROPRIATION FN

INITIAL OBLIGATION FY 75 \_\_\_\_\_  
 FINAL OBLIGATION T.O. \_\_\_\_\_  
 TOTAL COST \$301

DATE PROP/REVISION March, 1975  
 DATE LAST PAR N.A.  
 DATE NEXT PAR July 76

U.S. DOLLAR COST (IN THOUSANDS)

	FY Obligs.	FY Expend.	Unliquidated as of:	FY 1977 and FY 1978 Obligations by Cost Component/MOI				Total
				Cost Component	Direct Aid	Contract	PASA	
Actual FY 1976	118	52	6/30/76 192	77	78	77	78	77
Estimated Interim Qtr.	57	72	9/30/76					
Estimated FY 1977	0	151	26 9/30/77					
Proposed FY 1978	0	26	0 9/30/78					

Contract/PASA Funding Periods

Name of Contractor	FY 1976 Obligations		Int. Qtr. Obligations		FY 1977 Obligations		FY 1978 Obligations		On Board Personnel			
	from	to	from	to	from	to	from	to	6/30 1976	9/30 1976	9/30 1977	9/30 1978
ACDI	\$80 1/77	1/78							2	2	2	-

FISCAL DATA  
ONGOING GRANT PROJECTS

Country/Program Honduras

PROJECT NAME Core Services  
PROJECT NUMBER 522-0118  
APPROPRIATION FN \_\_\_\_\_

INITIAL OBLIGATION FY 74  
FINAL OBLIGATION FY 77  
TOTAL COST \$1,599

DATE PROP/REVISION 2/3/75  
DATE LAST PAR 6/76  
DATE NEXT PAR 7/76

U.S. DOLLAR COST (IN THOUSANDS)

	FY Oblig.	FY Expend.	Unliquidated as of:	FY 1977 and FY 1978 Obligations by Cost Component/MOI					
				Cost Component	Direct Aid	Contract	PASA	Total	
Actual FY 1976	407	375	6/30/76 435	U.S. Tech. 77	77	78	77	77	78
Estimated Interim Qtr.	103	155	9/30/76 383	Local & Tcn. 47	69			69	
Estimated FY 1977	205	405	9/30/77 183	Participants 65				65	
Proposed FY 1978	0	183	9/30/78 0	Commodities 10				10	
				Other Costs 14				14	
				Total 89	116			205	

Contract/PASA Funding Periods

Name of Contractor	FY 1976 Obligations		Int. Qtr. Obligations		FY 1977 Obligations		FY 1978 Obligations		On Board Personnel				
	from	to	from	to	from	to	from	to	6/30 1976	9/30 1976	9/30 1977	9/30 1978	
1. MIT (ERTS Photo)	5/76	1/77											
2. Ray Waldron (Special Studies)	5/76	6/77											
3. INCAE (Study of Ag Services)	7/76	11/76											
4. IISE (Campesino Training)	3/76	2/77											
5. Auburn U. (Aquaculture)	7/76	10/77	\$9	6/77	\$36	6/77	12/78						
6. ATAC (Baseline Study)	6/76	4/77			\$5	8/77	9/77						
7. H. Stryker (Grain Storage)	7/76	9/76											

Direct Hire  
PASA  
Contract  
Participants

5  
10

6  
10

3  
16

1

ONGOING GRANT PROJECTS

PROJECT NAME Core Services DATE PROP/REVISION \_\_\_\_\_  
 PROJECT NUMBER 522-0118 DATE LAST PAR \_\_\_\_\_  
 APPROPRIATION \_\_\_\_\_ DATE NEXT PAR \_\_\_\_\_

U.S. DOLLAR COST (IN THOUSANDS)

	FY Oblig.	FY Expend.	Unliquidated as of:	FY 1977 and FY 1978 Obligations by Cost Component/MOI					
				Cost Component	Direct Aid	Contract	PASA	Total	
Actual FY 1976			6/30/76	77	78	77	78	77	78
Estimated Interim Qtr.			9/30/76						
Estimated FY 1977			9/30/77						
Proposed FY 1978			9/30/78						

Contract/PASA Funding Periods

Name of Contractor	FY 1976 Obligations		Int. Qtr. Obligations		FY 1977 Obligations		FY 1978 Obligations		On Board Personnel			
	from	to	from	to	from	to	from	to	6/30	9/30	9/30	
8. R. Santos (Project Monitor, PSC)	\$32	4/76	\$8	4/77	\$28	7/77			1976	1976	1977	9/30 1978
9. INFOP (In-service training)			\$15	10/76	\$35	1/77						
10. INCAE (Org. Dev.)			\$18	12/76	\$12	2/77						

Narrative Progress Statement

PROJECT TITLE: Integrated Rural Health/Family Planning (522-0130)

The project was authorized in May 1976 and a project agreement was signed with the Ministry of Health on May 28, 1976. As USAID expected the project to be authorized in January 1976, the scheduled completion of almost all outputs depending on A.I.D. bilateral financing will be delayed from 2 to 4 months.

However, due to arrangements made with a centrally funded contractor, this delay did not interfere with participant training plans for the first group of nurses who will be assigned as instructors of auxiliary nurses nor did it delay observational visits of six senior MOH officials to the Harbor General Hospital training facility. This part of the program remains on scheduled.

No changes in the level or composition of financing.

Country/Program Honduras

FISCAL DATA  
ONGOING GRANT PROJECTS

PROJECT NAME Integrated Rural Health/FP Services INITIAL OBLIGATION FY 76  
 PROJECT NUMBER 522-0130 FINAL OBLIGATION FY 80  
 APPROPRIATION PH TOTAL COST \$1434

DATE PROP/REVISION Jan 1976  
 DATE LAST PAR N/A  
 DATE NEXT PAR March 1977

U.S. DOLLAR COST (IN THOUSANDS)

	FY Obligs.	FY Expend.	Unliquidated as of:	FY 1977 and FY 1978 Obligations by Cost Component/MOI					Total				
				Cost Component	Direct Aid	Contract	PASA						
Actual FY 1976	120	0	6/30/76 120	77	78	77	78	77	78	77	78		
Estimated Interim Qtr.	30	62	88 9/30/76			25	33				25	33	
Estimated FY 1977	240	210	118 9/30/77										
Proposed FY 1978	344	320	142 9/30/78							25	33	209	301
												240	344

Contract/PASA Funding Periods

Name of Contractor	FY 1976 Obligations		Int. Qtr. Obligations		FY 1977 Obligations		FY 1978 Obligations		On Board Personnel								
	from	to	from	to	from	to	from	to	6/30 1976	9/30 1976	9/30 1977	9/30 1978	6/30 1976	9/30 1976	9/30 1977	9/30 1978	
1. A. Siegle (Project Monitor)	6/76	11/76			11/76	10/77	11/77	10/76									
2. To be selected (Health Evaluator)																	

Narrative Progress Statement

PROJECT TITLE: Non-Formal Rural Education (522-0108)

Due to the fact that authorization for this project from AID/Washington was not received until mid June 1976, the only activities which have taken place have been the preparation of a Project Agreement and the negotiation of a contract with the principal project advisor. The USAID is developing work plans and the preparation of project procurement documents.

Country/Program Honduras

FISCAL DATA  
ONGOING GRANT PROJECTS

PROJECT NAME Non-Formal Rural Education  
 PROJECT NUMBER 522-0108  
 APPROPRIATION EH  
 INITIAL OBLIGATION FY 76  
 FINAL OBLIGATION TQ  
 TOTAL COST \$389  
 DATE PROP/REVISION March, 1976  
 DATE LAST PAR N/A  
 DATE NEXT PAR July, 1977

U.S. DOLLAR COST (IN THOUSANDS)

	FY Obligs.	FY Expend.	Unliquidated as of:	FY 1977 and FY 1978 Obligations by Cost Component/MOI				
				6/30/76	Direct Aid	Contract	PASA	Total
Actual FY 1976	155	0	155	77	78	77	78	77
Estimated Interim Qtr.	234	50	339					
Estimated FY 1977	0	240	99					
Proposed FY 1978	0	99	9/30/78					
				Cost Component				
				U.S. Tech.				
				Local & Tcn.				
				Participants				
				Commodities				
				Other Costs				
				Total				

Contract/PASA Funding Periods

Name of Contractor	FY 1976 Obligations		Int. Qtr. Obligations		FY 1977 Obligations		FY 1978 Obligations		On Board Personnel				
	from	to	from	to	from	to	from	to	6/30 1976	9/30 1976	9/30 1977	9/30 1978	
1. J. Kelley (Project Monitor - PSC)	\$75	6/76											
2. To be selected (Ed. Research/Evaluation)	\$25	7/76	\$17	6/77									
3. To be selected (Media Instruc.)		2/77	\$35	6/76									
4. To be selected (Ag Education)			\$40	1/77									
5. To be selected (NFRE Design)			\$70	10/76									
				4/78									
									1	3	4	-	
									Direct Hire PASA Contract Participants				

Country/Program Honduras

FISCAL DATA

ONGOING GRANT PROJECTS

PROJECT NAME Special Development Activities  
 PROJECT NUMBER 522-0073  
 APPROPRIATION ST

INITIAL OBLIGATION FY 1966  
 FINAL OBLIGATION Cont  
 TOTAL COST Cont

DATE PROP/REVISION N/A  
 DATE LAST PAR N/A  
 DATE NEXT PAR N/A

U.S. DOLLAR COST (IN THOUSANDS)

	FY Obligs.	FY Expendts.	Unliquidated as of:	FY 1977 and FY 1978 Obligations by Cost Component/MOI					
				Cost Component	Direct Aid	Contract	PASA	Total	
Actual FY 1976	50	55	6/30/76	77	78	77	78	77	78
Estimated Interim Qtr.	25	25	38						
Estimated FY 1977	50	50	9/30/76						
Proposed FY 1978	50	50	38	50	50			50	50
			9/30/78	50	50			50	50

Contract/PASA Funding Periods

Name of Contractor	FY 1976 Obligations		Int. Qtr. Obligations		FY 1977 Obligations		FY 1978 Obligations	
	from	to	from	to	from	to	from	to
None								

On Board Personnel

	9/30 1976		9/30 1977		9/30 1978	
	Direct Hire	PASA	Contract Participants	None		

Narrative Progress Statement

PROJECT TITLE: Expanding Income and Employment  
(TECHNOSERVE OPG, 522-0127)

The TECHNOSERVE OPG was signed on March 8, 1976 and implementation began immediately. The project is on schedule at this time. However, some changes in the magnitude of output indicators are currently being considered and it is possible that the level of A.I.D. support will have to be re-negotiated during the fall.

The CORRAL activity under this OPG has undergone a major analysis with the result that TECHNOSERVE is negotiating with the Central District officials of Tegucigalpa to open the cattle auction next to the city operated slaughterhouse. This would almost double the size of the capital base of this activity (from L.85,000 to L.160,000). Fifty nine local butcher shops have expressed a desire to join in this activity.

The CAIHL activity has also received close scrutiny from TECHNOSERVE, with the result that the kiln operation may be separated from the woodworking coops within the next few months. Proposals to strengthen the coops by reviewing membership compliance and increasing managerial support are on-going at this time. TECHNOSERVE expects to have to continue close monitoring of this activity which is experiencing considerable difficulties.

The Mission has exchanged correspondence and entertained conversations with TECHNOSERVE on issues related to possible substantive changes in output indicators as a result of a determination by TECHNOSERVE that procedures and systems need to be monitored much more closely in the initial implementation of project activities. This correspondence is being copied to LA/MRSD.

The Mission expects that the first PAR (scheduled in March 1977) will give a more precise statement of any contemplated deviations from level or composition of financing, outputs or purposes.

FISCAL DATA  
ONGOING GRANT PROJECTS

Country/Program Honduras

PROJECT NAME Expanding Income & Employment  
 PROJECT NUMBER 522-0127  
 APPROPRIATION ST

INITIAL OBLIGATION FY 76  
 FINAL OBLIGATION FY 79  
 TOTAL COST \$405

DATE PROP/REVISION N/A  
 DATE LAST PAR N/A  
 DATE NEXT PAR March 1977

U.S. DOLLAR COST (IN THOUSANDS)

	FY Obligs.	FY Expend.	Unliquidated as of:	FY 1977 and FY 1978 Obligations by Cost Component/MOI				
				Cost Component	Direct Aid	Contract	PASA	Total
Actual FY 1976	85	25	6/30/76	77	77	78	77	78
Estimated Interim Qtr.	35	30	65					
Estimated FY 1977	125	130	9/30/76					
Proposed FY 1978	125	125	60	125				125
			9/30/77	125				125
			60					
			9/30/78					

Grant Funding Periods

Name of Contractor	FY 1976 Obligations		Int. Qtr. Obligations		FY 1977 Obligations		FY 1978 Obligations		On Board Personnel				
	from	to	from	to	from	to	from	to	6/30	9/30	9/30	9/30	
TECHNOSERVE (OPG)	3/76	12/76	12/76	3/77	3/77	3/78	3/78	3/79		6/30	9/30	9/30	9/30
									Direct Hire	1976	1976	1977	1976
									PASA				
									Contract Participants:				

Narrative Progress Statement

PROJECT TITLE: Water Resources Management - (522-0134)

This grant project was authorized in June 1976. A project agreement has been drafted and will be signed before the end of the fiscal year.



FISCAL DATA  
ONGOING GRANT PROJECTS

Country/Program Honduras

PROJECT NAME Technical Support INITIAL OBLIGATION FY 74 DATE PROP/REVISION N/A  
 PROJECT NUMBER 522-000.1 FINAL OBLIGATION Cont DATE LAST PAR N/A  
 APPROPRIATION FN TOTAL COST N/A DATE NEXT PAR N/A

U.S. DOLLAR COST (IN THOUSANDS)

	FY Obligs.	FY Expend.	Unliquidated as of:	FY 1977 and FY 1978 Obligations by Cost Component/MOI					
				Cost Component	Direct Aid	Contract	PASA	Total	
Actual FY 1976	208	145	6/30/76	U.S. Tech. Participants	77	77	77	77	78
Estimated Interim Qtr.	62	65	9/30/76	Local & Tcn. Commodities					
Estimated FY 1977	190	202	9/30/77	Other Costs	15			15	15
Proposed FY 1978	150	150	9/30/78	Total	15	15		15	15

Contract/PASA Funding Periods

Name of Contractor	FY 1976 Obligations		Int. Qtr. Obligations		FY 1977 Obligations		FY 1978 Obligations		On Board Personnel			
	from	to	from	to	from	to	from	to	6/30	9/30	9/30	9/30
1. P. Lucas (Cadaster)	\$41	6/76			\$45	7/77	\$50	7/78	2			
2. U. Eckroad (Nutrition)	\$14	8/75										
3. A. Flint (Nutrition)	\$13	8/75										
4. INTECH (Nutrition)	\$21	11/75										
5. Coopers Lybrant (BNF Controls)	\$29	1/76			\$20	1/77						

ONGOING GRANT PROJECTS

PROJECT NAME Technical Support  
 PROJECT NUMBER 522-000.1  
 APPROPRIATION \_\_\_\_\_

INITIAL OBLIGATION \_\_\_\_\_  
 FINAL OBLIGATION \_\_\_\_\_  
 TOTAL COST \_\_\_\_\_

DATE PROP/REVISION \_\_\_\_\_  
 DATE LAST PAR \_\_\_\_\_  
 DATE NEXT PAR \_\_\_\_\_

U.S. DOLLAR COST (IN THOUSANDS)

	FY Obligs.	FY Expend.	Unliquidated as of:	FY 1977 and FY 1978 Obligations by Cost Component/MOI					
				Cost Component	Direct Aid	Contract	PASA	Total	
Actual FY 1976			6/30/76	U.S. Tech.	77	77	77	77	77
Estimated Interim Qtr.			9/30/76	Local & Tcn.					
Estimated FY 1977			9/30/77	Participants					
Proposed FY 1978			9/30/78	Commodities					
				Other Costs					
				Total					

Contract/PASA Funding Periods

Name of Contractor	FY 1976 Obligations		Int. Qtr. Obligations		FY 1977 Obligations		FY 1978 Obligations		On Board Personnel			
	from	to	from	to	from	to	from	to	6/30 1976	9/30 1976	9/30 1977	9/30 1978
6. T. Paul Dwyer (Grain Silos)	4/76	6/76										
7. Ramey (Small Farmer Tech)	5/76	5/76										
8. ITDG (Small Farmer Tech)	5/76	5/76										
9. EAP (Small Farmer Tech)	5/76	7/76										
10. To be selected (Nut Planning)			7/76	8/76								

FISCAL DATA  
ONGOING GRANT PROJECTS

Country/Program Honduras

PROJECT NAME \_\_\_\_\_  
 PROJECT NUMBER 522-000.1  
 APPROPRIATION \_\_\_\_\_

INITIAL OBLIGATION \_\_\_\_\_  
 FINAL OBLIGATION \_\_\_\_\_  
 TOTAL COST \_\_\_\_\_

Technical Support  
 DATE PROP/REVISION \_\_\_\_\_  
 DATE LAST PAR \_\_\_\_\_  
 DATE NEXT PAR \_\_\_\_\_

U.S. DOLLAR COST (IN THOUSANDS)

	FY Obligs.	FY Expend.	Unliquidated as of:	FY 1977 and FY 1978 Obligations by Cost Component/MOI				Total
				Cost Component	Direct Aid	Contract	PASA	
Actual FY 1976			6/30/76	77	78	77	78	77
Estimated Interim Qtr.			9/30/76	U.S. Tech. Local & Tcn. Participants				
Estimated FY 1977			9/30/77	Commodities				
Proposed FY 1978			9/30/78	Other Costs				
				Total				

Contract/PASA Funding Periods

Name of Contractor	FY 1976 Obligations		Int. Qtr. Obligations		FY 1977 Obligations		FY 1978 Obligations		On Board Personnel				
	from	to	from	to	from	to	from	to	6/30 1976	9/30 1976	9/30 1977	9/30 1978	
11. Daniel (BNF Credit Adv.)			\$10	7/76	10/76								
12. To be selected (Grain Silo Follow-up)			\$10	8/76	9/76								
13. To be selected (Ag Research PRP and PP Devel)			\$15	8/76	9/76	various							
14. To be selected (Small Farmer Org; PRP & PP Devel)			\$15	8/76	9/76	various							

PROJECT NAME Technical Support DATE PROP/REVISION \_\_\_\_\_  
 PROJECT NUMBER 522-000.1 DATE LAST PAR \_\_\_\_\_  
 APPROPRIATION \_\_\_\_\_ DATE NEXT PAR \_\_\_\_\_

U.S. DOLLAR COST (IN THOUSANDS)

	FY Obligs.	FY Expend.	Unliquidated as of:	FY 1977 and FY 1978 Obligations by Cost Component/MOI				
				Cost Component	Direct Aid	Contract	PASA	Total
Actual FY 1976			6/30/76	77	78	77	78	77
Estimated Interim Qtr.			9/30/76	U.S. Tech.				
Estimated FY 1977			9/30/77	Local & Tcn.				
Proposed FY 1978			9/30/78	Participants				
				Commodities				
				Other Costs				
				Total				

Contract/PASA Funding Periods

Name of Contractor	FY 1976 Obligations		Int. Qtr. Obligations		FY 1977 Obligations		FY 1978 Obligations		On Board Personnel				
	from	to	from	to	from	to	from	to	6/30 1976	9/30 1976	9/30 1977	9/30 1978	
15 To be selected (Evaluations Core Agric. Coops. Service)			\$10.	7/76									
16. To be selected (FY 79 & 80 Project Develop)					\$40	Various	\$80	Various					
17. USDA (Agr Marketing)					\$6	1/77 3/77							
18. To be selected (Survey Capacities GOH Agr. Res. Service)					\$8	1/77 3/77							
19. To be selected (DAP update)					\$6	1/77							

ONGOING GRANT PROJECTS

PROJECT NAME Technical Support DATE PROP/REVISION \_\_\_\_\_  
 PROJECT NUMBER 522-000.1 DATE LAST PAR \_\_\_\_\_  
 APPROPRIATION \_\_\_\_\_ DATE NEXT PAR \_\_\_\_\_

U.S. DOLLAR COST (IN THOUSANDS)

	FY Obligs.	FY Expend.	Unliquidated as of:	FY 1977 and FY 1978 Obligations by Cost Component/MOI					
				Cost Component	Direct Aid	Contract	PASA	Total	
Actual FY 1976			6/30/76	77	78	77	78	77	78
Estimated Interim Qtr. Estimated FY 1977			9/30/76	U.S. Tech. Local & Tcn. Participants Commodities Other Costs					
Proposed FY 1978			9/30/78	Total					

Contract/PASA Funding Periods

Name of Contractor	FY 1976 Obligations		Int. Qtr. Obligations		FY 1977 Obligations		FY 1978 Obligations		On Board Personnel				
	from	to	from	to	from	to	from	to	6/30 1976	9/30 1976	9/30 1977	9/30 1978	
20. St IAS in Agr, Nutrition and PL 480 Title I					\$20 Various		\$20 Various		Direct Hire PASA Contract Participants				

FISCAL DATA  
ONGOING GRANT PROJECTS

Country/Program Honduras

PROJECT NAME Technical Support INITIAL OBLIGATION FY 74 \_\_\_\_\_ DATE PROP/REVISION N/A  
 PROJECT NUMBER 522-000.2 FINAL OBLIGATION Cont \_\_\_\_\_ DATE LAST PAR N/A  
 APPROPRIATION PH TOTAL COST N/A DATE NEXT PAR N/A

U.S. DOLLAR COST ( IN THOUSANDS )

	FY Obligs.	FY Expend.	Unliquidated as of:	FY 1977 and FY 1978 Obligations by Cost Component/MOI				
				Cost Component	Direct Aid	Contract	PASA	Total
Actual FY 1976	25	0	6/30/76	77	78	77	78	77
Estimated Interim Qtr.	15	10	9/30/76					
Estimated FY 1977	27	50	9/30/77					
Proposed FY 1978	25	25	9/30/78					

Contract/PASA Funding Periods

Name of Contractor	FY 1976 Obligations		Int. Qtr. Obligations		FY 1977 Obligations		FY 1978 Obligations		On Board Personnel			
	from	to	from	to	from	to	from	to	6/30 1976	9/30 1976	9/30 1977	9/30 1978
1. To be selected (PL 480 II Eval)	7/76	4/77										
2. To be selected (Demography PP Devel)			9/76	12/76								
3. To be selected (Study Reorganization (MOH))			11/76	3/77						1		
4. To be selected (Project Devel)					\$15		\$15					
5. To be selected (Misc Studies)					Various		Various					

Country/Program Honduras FISCAL DATA  
ONGOING GRANT PROJECTS

PROJECT NAME Technical Support DATE PROP/REVISION N/A  
 PROJECT NUMBER 522-000.3 DATE LAST PAR N/A  
 APPROPRIATION EH DATE NEXT PAR N/A

U.S. DOLLAR COST (IN THOUSANDS)

	FY Obligs.	FY Expendts.	Unliquidated as of:	FY 1977 and FY 1978 Obligations by Cost Component/MOI					
				6/30/76	9/30/76	9/30/77	9/30/78	Total	
Actual FY 1976	138	102	36	77	78	77	78	77	78
Estimated Interim Qtr.	33	53	16						
Estimated FY 1977	80	86	8	15	15			15	15
Proposed FY 1978	80	80	8	15	15			15	15
				Cost Component	Direct Aid	Contract	PASA	Total	
				U.S. Tech.					
				Local & Tcn.					
				Participants	15			15	15
				Commodities					
				Other Costs					
				Total	15	15		15	15

Contract/PASA Funding Periods

Name of Contractor	FY 1976 Obligations		Int. Qtr. Obligations		FY 1977 Obligations		FY 1978 Obligations		On Board Personnel				
	from	to	from	to	from	to	from	to	6/30 1976	9/30 1976	9/30 1977	9/30 1978	
1. R. Baum (Recon I)	\$22	7/75	6/76						Direct Hire PASA	5	1	-	-
2. A.E.D. (Prelim study NFE)	\$13	8/76	11/76						Contract Participants				
3. Martinez (Women study)	\$1	6/76	7/76										
4. To be selected (Dev Management)	\$5	6/76	7/76										
5. M. Brandt (CONSUPLANE)	\$5	3/76	5/76										

PROJECT NAME Technical Support INITIAL OBLIGATION \_\_\_\_\_ DATE PROP/REVISION \_\_\_\_\_  
 PROJECT NUMBER 522-000.3 FINAL OBLIGATION \_\_\_\_\_ DATE LAST PAR \_\_\_\_\_  
 APPROPRIATION EH TOTAL COST \_\_\_\_\_ DATE NEXT PAR \_\_\_\_\_

U.S. DOLLAR COST (IN THOUSANDS)

	FY Oblig.	FY Expend.	Unliquidated as of:	FY 1977 and FY 1978 Obligations by Cost Component/MOI					
				Cost Component	Direct Aid	Contract	PASA	Total	
Actual FY 1976			6/30/76	77	78	77	78	77	78
Estimated Interim Qtr.			9/30/76						
Estimated FY 1977			9/30/77						
Proposed FY 1978			9/30/78						

Contract/PASA Funding Periods

Name of Contractor	FY 1976 Obligations		Int. Qtr. Obligations		FY 1977 Obligations		FY 1978 Obligations		On Board Personnel				
	from	to	from	to	from	to	from	to	6/30 1976	9/30 1976	9/30 1977	9/30 1978	
6. Malone (Dev Management)	\$4	10/75		11/75									
7. AED (Ed. Assess)	\$64	3/76		7/76									
8. L. Merck (Ed Assess)	\$4	4/76		5/76									
9. INFOP (ANACH training)	\$7	6/76		8/76									
10. To be selected (Ed Economist)	\$8	7/76		9/76									

PROJECT NAME Technical Support  
 PROJECT NUMBER 522-000.3  
 APPROPRIATION FH

INITIAL OBLIGATION \_\_\_\_\_  
 FINAL OBLIGATION \_\_\_\_\_  
 TOTAL COST \_\_\_\_\_

DATE PROP/REVISION \_\_\_\_\_  
 DATE LAST PAR \_\_\_\_\_  
 DATE NEXT PAR \_\_\_\_\_

U.S. DOLLAR COST (IN THOUSANDS)

	FY Obligs.	FY Expend.	Unliquidated as of:	FY 1977 and FY 1978 Obligations by Cost Component/MOI					
				Cost Component	Direct Aid	Contract	PASA	Total	
Actual FY 1976			6/30/76	77	78	77	78	77	78
Estimated Interim Qtr)			9/30/76	U.S. Tech.					
Estimated FY 1977			9/30/77	Local & Tcn. Participants					
Proposed FY 1978			9/30/78	Commodities					
				Other Costs					
				Total					

Contract/PASA Funding Periods

Name of Contractor	FY 1976 Obligations		Int. Qtr. Obligations		FY 1977 Obligations		FY 1978 Obligations		On Board Personnel				
	from	to	from	to	from	to	from	to	6/30 1976	9/30 1976	9/30 1977	9/30 1978	
11. A.E.D. (Rural Education PP Devel.)			\$20	9/76	11/76	\$50	Various	\$50	Various				
12. To be selected (Project Development)						\$15	Various	\$15	Various				
13. To be selected (Evaluation and Misc. in Educ.)													

Direct Hire  
 PASA  
 Contract  
 Participants

Country/Program Honduras

FISCAL DATA

ONGOING GRANT PROJECTS

PROJECT NAME Technical Support  
 PROJECT NUMBER 522-000.4  
 APPROPRIATION ST

INITIAL OBLIGATION FY 74  
 FINAL OBLIGATION Cont  
 TOTAL COST N/A

DATE PROP/REVISION N/A  
 DATE LAST PAR N/A  
 DATE NEXT PAR N/A

U.S. DOLLAR COST (IN THOUSANDS)

	FY Obligs.	FY Expend.	Unliquidated as of:	FY 1977 and FY 1978 Obligations by Cost Component/MOI						
				Cost Component	Direct	Aid	Contract	PASA	Total	
Actual FY 1976	20	8	6/30/76 12	U.S. Tech.	77	78	77	78	77	78
Estimated Interim Qtr:	32	29	9/30/76 15	Local & Tcn.						
Estimated FY 1977	90	95	9/30/77 10	Participants	10				10	10
Proposed FY 1978	90	90	9/30/78 10	Commodities						
				Other Costs						
				Total	10	10			10	10

Contract/PASA Funding Periods

Name of Contractor	FY 1976 Obligations		Int. Qtr. Obligations		FY 1977 Obligations		FY 1978 Obligations		On Board Personnel				
	from	to	from	to	from	to	from	to	6/30 1976	9/30 1976	9/30 1977	9/30 1978	
1. A. Williams (Ag-Ind PP Devel)	5/76	9/76											
2. NRECA (Rural Elect.)			7/76	9/76	2/77	3/77							
3. To be selected (Rural Trails PP)													
4. To be selected (Small Ind. Survey)			1/77	1/77									
5. To be selected (Water Mgt. Monitor PSC)			8/76	10/76									
6. To be selected (FY 79 Proj Devel)					10/76	9/77	10/77	7/78					
7. To be selected (Misc. Studies)					Various	Various	Various	Various					

Country/Program:Honduras

Proposed New Projects - FY 1978 Alternative Funding Levels 1/

<u>Project</u>	<u>(Alternative A)</u>		<u>(Alternative B)</u>		<u>(Alternative C)</u>	
	<u>Full Funding Level</u> <u>Months</u> <u>from Date</u>	<u>Dollars</u> <u>of Obligations</u>	<u>Forward Funding</u> <u>According to</u> <u>A-368</u>	<u>Dollars</u>	<u>Mission Alternative</u> <u>if Grant Resources</u> <u>Curtailed</u>	<u>Months from</u> <u>Date of</u> <u>Obligation</u>
<u>Food and Nutrition</u>						
0139 Agr. Research	18	500	500	500	500	18
1040 Small Farmer Organs.	18	300	300	300	300	18
<u>Pop. Planning and Health</u>						
0141 Demographic Policy	36	350	140	140	140	12
<u>Section 106</u>						
0136 Water Resources Mgmt.	18	300	300	300	300	18
0137 Rural Trails	36	400	134	134	134	12
0138 Rural Electrification	12	80	80	80	80	12
0142 Sites and Services	24	200	150	150	150	18

1/ OPG's not included due to preliminary nature of the proposals. It is expected that small projects (under \$150) would be financed for life-of-project.

Country/Program Honduras

FY 78 Alternative Funding Levels

Food and Nutrition

No benefits are perceived from deviations to current funding patterns.

Pop. Planning and Health - Demographic Policy (0141)

Life of project funding is preferable because: 1) a single consulting organization will probably provide most of the required technical services and 2) while the project comprises several small studies, its impact will be enhanced by integrating them to show to larger implications of the demographic problem. and to suggest a coherent set of national policies.

Section 106

Life of project funding is preferable for the Rural Trails and Sites and Services projects because there are no separable stages. After establishing operating procedures, disbursement for the construction of rural trails and bridges could proceed as fast as requests for assistance are approved. The Sites and Services project would provide technical assistance in only one field and over a relatively short period of time, 2 years.

## Country Program Honduras

## Evaluation Schedule, Grants FY 77-78

Project Title and Number	Last Evaluation Submission Date	Number of Last PAR	Submission FY 77 and/or FY 78 Evaluation	Date of Submission FY 77 and/or FY 78 Evaluation	Period Covered Next Evaluation	Remarks
522-0053 Export Promotion	Nov 75	Special 1/	December 1976	December 1976	1971-EOP	
522-0073 Special Development Activities	N/A	N/A	November 1976 2/	November 1976 2/		
522-0105 Agricultural Coops	Rescheduled, July 1976		July 1977	July 1977	1974-EOP	
522-0108 Non-Formal Rural Ed.	N/A	N/A	July 1977	July 1977	June 76-June 77	
522-0118 Core Services	June 76	75-2	September 1977	September 1977	June 76-Aug 77	
522-0119 Rural Education	N/A	N/A	September 1977	September 1977	Sept 76-Aug 77	
522-0120 Agro-Industrial Export Development	N/A	N/A	October 1977	October 1977	Sept 76-Sept 77	
522-0121 Development Management	N/A	N/A	January 1978	January 1978	Jan 77-Feb 78	
522-0123 Small Farmer Technology	N/A	N/A	September 1977	September 1977	Oct 76-Sept 77	
522-0124 National Nutrition Plan.	N/A	N/A	August 1977	August 1977	Aug 76-July 77	
522-0127 TECHNOSERVE	N/A	N/A	March 1977	March 1977	March 76 - April 77	
522-0130 Integrated Rural Health Family Planning Services	N/A	N/A	March 1977	March 1977	June 76-June 77	
522-0134 Water Resources Mngt.	N/A	N/A	July 1977	July 1977	June 76-July 77	

1/ Agro-Industrial Export Promotion; Appendix B. to PRP

2/ Review of Project selection criteria; Evaluation of individual self-help projects unnecessary.

Country Program Honduras

Evaluation Schedule, Grants FY 77-78

Project Title and Number	Last Evaluation Submission Date	Number of Last PAR	Date of Submission FY 77 and/or FY 78 Evaluation	Period Covered Next Evaluation	Remarks
PL 480 11	N/A	N/A	November 1977 <u>3/</u>		IQC Necessary
AIFLD	March 1976	76-1	March 1977	March 76-April 77	

3/ Evaluation of Nutrition Impact

Country Program Honduras

Evaluation Schedule, Loans FY 77-78

Project Title and Number	Date Last Completed Evaluation	Identifying Data	Date Next Evaluation FY 77	Date Next Evaluation FY 78	Months Covered FY 77	Months Covered FY 78
L - 017 Secondary Ed.	April 74*	-	Dec. 76**	-	32	-
L - 018 Ag. Credit & Storage	July 74*	-	Aug. 76**	-	6	-
L - 020 Student Loan Fund	April 75*	-	Aug. 76**	-	8	-
L - 021 Grain Marketing Project	Feb. 75	Mathia/Curtis Files Memos Jan-Feb.	Dec. 76**	-	10	-
W - 022 Municipal Development Bank	June 75*	-	Oct. 76	Oct. 77	16	12
W - 023 Housing Bank	-	-	July 76	July 77	16	12
T - 024 National Cadaster	March 76	-	Dec. 76	Dec. 77	9	12
T - 025 Ag. Sector	Dec. 75	-	Dec. 76	Dec. 77	12	12
T - 026 Farm Credit and Grain Marketing	Dec. 75	Letter from BNF	July 76	July 77	6	12
V - 027 Primary School Const.	Dec. 75	Letter from Min. of Ed.	July 76	July 77	6	12
W - 028 Rural Shelter Recons.	-	-	July 76	July 77	17	12
RR II	-	-	-	Dec. 77	12	12
Rural Education	-	-	-	Dec. 77	12	12
Nutrition	-	-	-	Oct. 77	12	12
Small Farmer Technology	-	-	-	Dec. 77	12	12
PL 480 I	-	-	-	Aug. 77	-	12

\* Denotes Audit in place of evaluation

\*\* Denotes end of project report

PL 480 Title I

The Mission plans to request priority designation as a Core Country in the allocation of PL 480 Title I commodities. Linkages between PL 480 Title I and development in Honduras are direct. PL 480 Title I generated local currency has already begun to contribute to significant rural development undertakings of the GOH. The Mission's full Title I proposal will be submitted prior to August 15, 1976, and further analysis will commence shortly which will lead to an amendment of the USAID/H DAP strategy to be submitted early in CY 1977. The Mission proposal will include an FY 1978 request for 20,000 metric tons of wheat valued at \$2.76 million.

PL 480 Title I proceeds will continue to be used for a program of self help measures with specific emphasis on contributing directly to development progress in poor rural areas and on enabling the poor to participate actively in increasing agricultural production.



PL 480 TITLE II

CARE - HONDURAS

I. BACKGROUND

CARE has long experience in development assistance programs in Honduras, and has made some progress in integrating the use of Title II foods with other development assistance resources. In line with this, CARE has developed and given more attention to programs which follow more closely both GOH and Mission priorities.

The following list illustrates some of the CARE programs that are development-oriented. Many are integrated with Honduran government development resources.

A. Production

1. Supervised credit for small scale irrigation is carried out in cooperation with the Ministry of Natural Resources.
2. Community and school vegetable and soy bean production gardens (ad-hoc.)
3. Credit for artisan coastal fishermen for improved boat construction and purchase of motors and equipment (ad-hoc.)
4. Swine projects.
5. Irrigation canal construction and repair is carried out under food for work programs.

B. Integrated Rural Development and Health Improvement Programs

1. Feeder road construction is coordinated with the Ministry of Public Works.
2. Rural aqueduct construction is implemented in collaboration with the National Water and Sewage System (SANAA).
3. Potable water hand pump installation in collaboration with the Ministry of Health.
4. House construction is carried out with the Federation of Housing Cooperatives.
5. Latrine installations at primary schools (Ministry of Education).

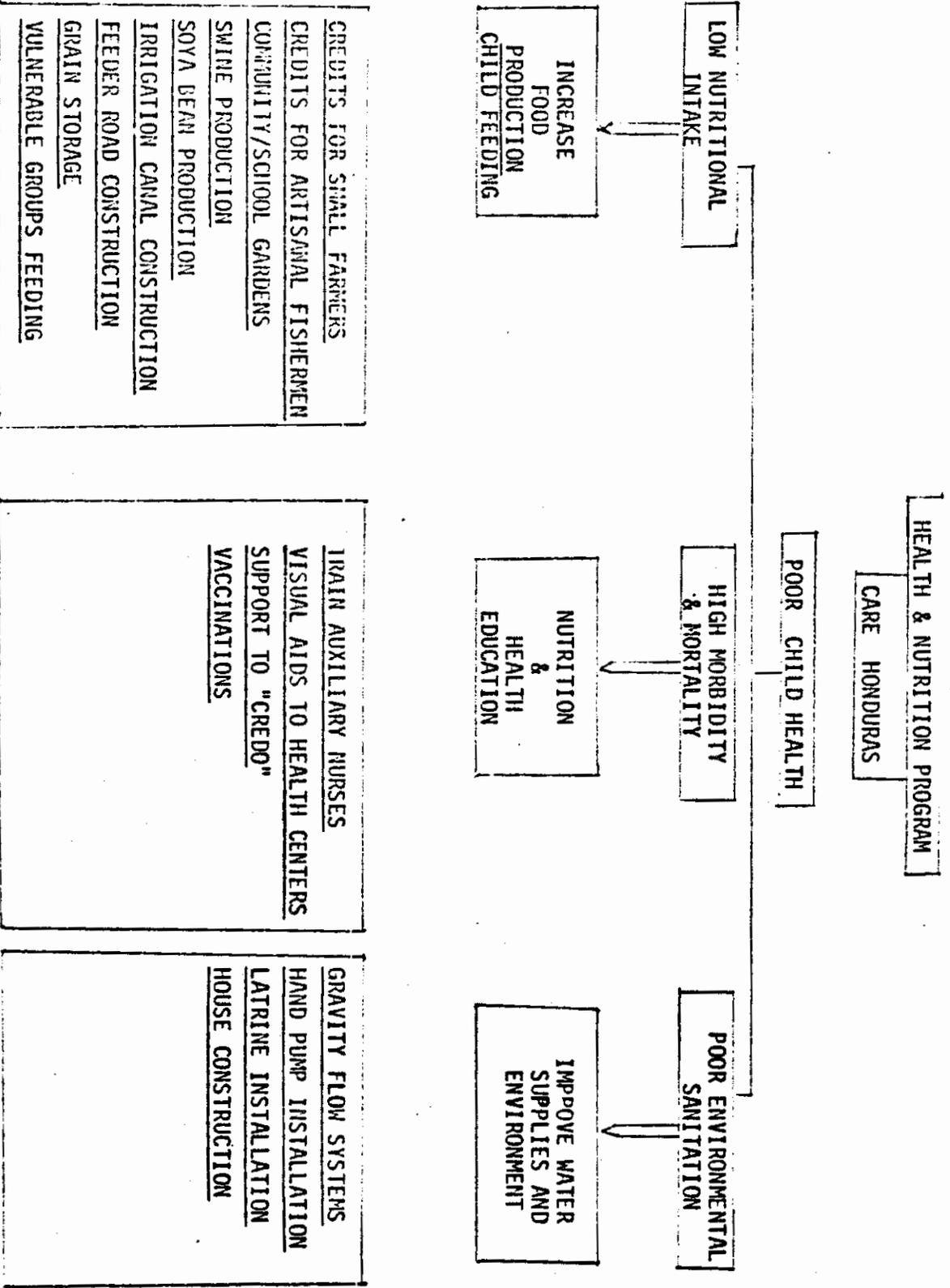
6. Support to vaccination programs (Ministry of Health).

C. Nutrition Education

1. Training of auxiliary nurses for health posts (Ministry of Health).
2. Introduction of soy beans in home diets.
3. Provision of nutrition and health education visual aids to health posts. (Ministry of Health).
4. Support to CREDO (Regional Development Committee) pilot project, San Lorenzo (Ministry of Health and Ministry of Education.)

D. Nutritional Feeding Programs

1. Implement food delivery system for primary schools, health centers, day care centers, malnutrition recuperation centers and other child care institutions (Ministry of Health, Ministry of Education, National Social Welfare Board - JNBS-).
2. Distribution of nutritious foods for nursing and pregnant women and pre-school age children in prepared food and dry distribution programs. See diagram on next page regarding the CARE Health and Nutrition Program.



## II. MANAGEMENT - TITLE II PROGRAM - CARE

### A. Care Staff - Tegucigalpa

Headquarters are located in Tegucigalpa. The staff is composed of the following U. S. citizens: one Director, 2 Assistant Directors, and one field representative.

The Honduran staff consists of one Assistant Director for Food Programming, five Field Inspectors, one Accountant, one Assistant Accountant, 2 Bilingual Secretaries, one Office Assistant, one Warehouseman and a driver.

### B. CARE Staff - Field

A branch office located in San Pedro Sula is headed by a U. S. Assistant Director, and a Honduran Staff of 6 Field Inspectors, one Bilingual Secretary, one Administrative Assistant, one Warehouseman, and one Port Representative at Puerto Cortes.

To backstop the health and nutrition programs, the CARE-Medic Program has an office in Choluteca with two registered nurses (one of whom is a Peace Corps Volunteer) and a Secretary.

### C. Operations - Receipt - Storage - Control - Research

CARE carries out PL 480 Title II food distribution programs throughout most of the departments of Honduras.

PL 480 Title II commodities are received at Puerto Cortes, the Caribbean port on the North Coast which has excellent facilities. Minimal losses and damage to Title II food have been encountered there.

Offloading of all PL 480 shipments is supervised by an independent surveyor who is a representative of Lloyds of London. Appropriate outturn reports are provided for each shipment.

Storage facilities are maintained in two major locations -San Pedro Sula and Tegucigalpa. While these two locations are considered to have good warehousing facilities, other storage spaces in areas where commodities are kept for food for work, school feeding, and feeding centers programs, do not meet adequate warehousing standards. Although these storage facilities are all provided free of charge, CARE, in collaboration with the GOH should make an effort to improve present storage and/or obtain the facilities which are most suitable for the storage of PL 480 Title II commodities.

Control of the PL 480 Title II foods is maintained through a receipting system at the port, the principal warehouses, other smaller storage facilities,

and finally, at the ultimate recipient level. A recent end-use check carried out by the USAID indicates that once the commodities leave the two principal warehouses, control and record keeping are inadequate. Improved control systems need to be established beyond the principal warehouses. The USAID has discussed the inadequacies with CARE and will follow up to ensure corrective measures are adopted.

Monthly reports of Title II receipts and distributions, including inventory balances, are submitted to CARE Headquarters in Tegucigalpa by the field offices. These reports serve as the basis for preparation of the CRS & RSR and the monthly loss and/or damage reports which are prepared by the national office and submitted to the USAID. One of the problems encountered with the Commodity and Recipient Status reports prepared by CARE concerns the reliability of the information contained therein. For example, reporting of actual commodity distributions to recipients were not being properly entered into the RSR. However, CARE is now aware of this and is trying to improve the reporting system.

#### D. Implementation -By Recipient Category

1. Maternal Child Health - Future plans for strengthening the effectiveness and providing more services under this category include increasing the number of recipients from 60,000 in FY 1977 to 80,000 beneficiaries in FY 1978; 100,000 in FY 1979; and 110,000 in FY 1980. These increases are in line with the multi-year projections which are listed on p. 89 of the FY 1977 Annual Budget Submission.

In developing the expansion of this category from the authorized level of 20,000 in FY 1975 to 40,000 in FY 1976, CARE has begun to and will continue to collaborate with the Ministry of Health. CARE's Title II food distributions under this category are and will be carried out through existing MCH centers, hospitals, health centers and other clinics which are scheduled to be constructed over the next three years under an Interamerican Development Bank loan which has been approved recently. The Mission plans to monitor carefully the development of the expanded MCH programs. Also, CARE will continue to provide assistance to the Servicio de Educacion y Recuperacion Nutricional (SERN), which provides in-patient care to severely malnourished children. Along with the nutritional impact which these centers provide, nutrition education and family planning guidance are given to mothers.

2. Other Child Feeding - This category provides Title II food assistance to children mostly one to five years of age in orphanages, day care centers, and some lunch centers located in rural areas.

The number of children in this category has changed very little and has been maintained at a low level, principally because physical facilities are not available to accommodate more children. The Central Government needs to place more emphasis on meeting some of the unmet crucial demands, especially in the case of orphanages.

Where lunch centers for this category are operating, distribution of foods is considered to be adequate. These centers are organized through parents' committees who assist in their operation.

For multi-year purposes the number of beneficiaries projected is as follows: (a) 4,600 recipients for FY 1978; (b) 4,700 for FY 1979; and (c) 4,800 for FY 1980.

3. Food for Work - CARE's involvement in food for work programs became a necessity after Hurricane Fifi. As a result of this experience and the great need in rural Honduras for the kind of community infrastructure which can result from well-thought-out FFW activities, regular food for work activities were proposed by CARE in its FY 1976 program submission and were approved by both the Mission and AID/W.

In general, the Mission believes CARE has been successful in implementing adequate food for work projects. While complete information is not available at this writing on the total number of Food for Work projects, the following is a list of those projects and the quantifiable data which has been provided by CARE to date.

C A R E

FOOD FOR WORK PROJECTS

FY 1976

<u>DESCRIPTION OF PROJECTS</u>	<u>ACHIEVEMENTS (EST.)</u>
1. Construction and repair of roads	150 Kilometers
2. Construction of retaining walls	100 Meters
3. Agricultural Programs:	
a. Fencing	Installation of 2062 posts.
b. Canals	Opening of 4512 meters.
4. Construction and extension of potable water systems	14 Systems
5. Construction of water wells and pumps	13 Systems
6. Installation of water pipe	1500 Meters
7. Construction of latrines	757 Units
8. Construction of drainage ditches (Agricultural)	1450 Meters
9. Construction of houses	360 Units
10. Construction of schools	15 Schools
11. Construction of school desks	150 Units
12. Construction of Health Centers	4 Centers
13. Construction of Communal Centers	18 Centers
14. Construction of pre-school feeding centers	4 Centers
15. Construction of grain silos	4 Silos
16. Planting of:	
a. Corn	2000 manzanas
b. Beans	60 manzanas
c. Rice	35 manzanas
d. Vegetable Gardens	18 gardens

NOTE: 1 acre = 1.74 manzanas

The method of managing this Title II category in the ensuing years will be essentially the same as outlined on p. 76 of the FY 1977 ABS. We plan a multi-year program of 17,500 recipients in FY 1978; 20,000 in FY 1979; and 22,500 in FY 1980.

4. School Feeding - In discussions with CARE, they have advised the Mission that they believe the school feeding program should continue at a rate of 180,000 recipients from FY 1978 through 1980. While supporting increases in CARE's other categories, particularly MCH, the Mission cannot agree with the CARE proposal for School Feeding.

The Mission's position and rationale concerning the gradual phase out of Title II in the School Feeding category and the assumption of responsibilities by the GOH was clearly indicated in the FY 1977 ABS and in a letter dated January 12, 1976 from the USAID Mission Director to the CARE Director. The USAID posture is further substantiated by the GOH/AID/INCAP Nutrition Assessment Paper, the USAID/H Nutrition Interim Report (March 1976) and the USAID/H Nutrition Project Paper. The magnitude of the problem of the high rate of malnutrition that exists in Honduras, particularly for children five years of age and under, has clearly been stated in each of the above-mentioned papers. This has further led and convinced the USAID to believe that the MCH category should be given considerable and priority attention by the GOH and Mission and CARE. Mission and CARE support of this priority can clearly be seen in the proposed 5 fold increase in CARE's MCH Program over the period FY 75 to FY 79 (20,000 to 100,000 recipients) with further increases expected thereafter. Also see TOAID A-38 dated 3/2/76 in which the Mission recommends that a plan be agreed upon by AID, MOE and CARE for phasing over the school feeding program to the GOH over the next few years. The Mission continues to maintain this position and recommends something along the lines of the following schedule for the phase out.

FY 1977	180,000 (approved)
FY 1978	150,000
FY 1979	100,000
FY 1980	50,000

### III. OTHER COMMENTS

A. Rations - Table IV shows a breakdown by category and by commodity of the daily amount of calories per capita provided by the PL 480 Title II supplemental diet. As can be seen, the calories provided are low. Although complete information is not available concerning local inputs for the various programs in which Title II commodities are used, there are a few centers for which some information is available. For example, some of the day care centers in Tegucigalpa which are operated by the National Social Welfare Board have weekly planned

menus which include local commodities. In the "Los Dolores" Center the average weekly calories provided per capita is 1286. In the Day Care Center operated by the Ministry of Labor (Guardería Infantil No. 3) the average calories input per capita is 1188. These centers are by no means a representative sample of the rest of the centers that use PL 480 Title II foods. We have inadequate information on GOH caloric inputs to the various program categories in which Title II foods are also a part of the menu, and plan to make efforts to obtain better data.

The most recent source containing general information concerning per capita calories intake for Honduras is the GOH/AID/INCAP Nutrition Assessment done in 1975. See Volume I, p. 21, Table No. 5 of the Assessment.

B. Evaluation - USAID/H is issuing a PIO/T for a contract with a qualified organization to evaluate the impact of and efficiency of all bilateral PL 480 Title II activities in Honduras. We expect this evaluation to be accomplished between August, 1976 and February, 1977.

C. Rural Trails Project - In FY 1978 USAID proposes to initiate a new grant project to improve the accessibility of isolated rural communities. The project will support the use of intensive labor to construct all-weather trails including foot bridges and drainage ditches. FFW/proposed as a part of the project probably through the National Social Welfare Board (JNBS) which is expected to be the GOH implementing agency. The JNBS has experience with FFW projects. An alternative possibility is FFW through a U. S. VolAg. The issue will be resolved as the project is developed over the next year.

PL 480 TITLE II

FY 1978

I. COUNTRY - HONDURAS

Sponsor's name - CARE ( Grand Total Recipients - 252,100 )

A. Maternal & Child Health - Total Recipients 80,000

<u>No. of Recipients by Commodity</u>	<u>Commodity</u>	<u>K G S</u> (000)	<u>Dollars</u>
80,000	NFDM	435.5	527.9*
80,000	WSB	653.2	174.2
80,000	BULGUR	304.8	62.2
80,000	FLOUR	217.7	42.8
	TOTAL MCH	<u>1916.0</u>	<u>988.5</u>

B. School Feeding - Total Recipients 150,000

<u>No. of Recipients by Commodity</u>	<u>Commodity</u>	<u>K G S</u> (000)	<u>Dollars</u> (000)
150,000	NFDM	1360.8	1646.0*
150,000	WSB	1360.8	363.0
	TOTAL SCHOOL FEEDING	<u>3265.8</u>	<u>2009.0</u>

C. Other Child Feeding - Total Recipients 4,600

<u>No. of Recipients by Commodity</u>	<u>Commodity</u>	<u>K G S</u> (000)	<u>Dollars</u> (000)
4,600	NFDM	24.9	30.0*
4,600	WSB	49.9	13.3
4,600	BULGUR	37.6	7.7
4,600	FLOUR	24.9	4.9
4,600	OIL	24.9	14.8
	TOTAL OTHER CHILD FEEDING	<u>162.2</u>	<u>70.7</u>

D. Food for Work - Total Recipients 17,500

<u>No. of Recipients by Commodity</u>	<u>Commodity</u>	<u>K G S</u> (000)	<u>Dollars</u> (000)
17,500	WSB	476.3	127.0*
17,500	BULGUR	476.3	97.1
17,500	OIL	66.7	39.7
	TOTAL FOOD FOR WORK	<u>1019.3</u>	<u>263.8</u>
	GRAND TOTAL	<u>6363.3</u>	<u>3332.0</u>

\* Calculated at  
\$.55 per pound.

PL 480 TITLE II

FY 1979

I. COUNTRY - HONDURAS

Sponsor's name - CARE

A. Maternal & Child Health - Total Recipients 100,000

<u>No. of Recipients by Commodity</u>	<u>Commodity</u>	<u>K G S (000)</u>	<u>Dollars (000)</u>
100,000	NFDM	544.8	658.0*
100,000	WSB	816.5	217.8
100,000	BULGUR	381.0	77.7
100,000	FLOUR	272.2	53.5
100,000	OIL	381.0	226.8
	<b>TOTAL MCH</b>	<u>2395.0</u>	<u>1233.8</u>

B. School Feeding - Total Recipients 100,000

<u>No. of Recipients by Commodity</u>	<u>Commodity</u>	<u>K G S (000)</u>	<u>Dollars (000)</u>
100,000	NFDM	907.2	499.0*
100,000	WSB	907.2	242.0
	<b>TOTAL SCHOOL FEEDING</b>	<u>1814.4</u>	<u>741.0</u>

C. Other Child Feeding - Total Recipients 4,700

<u>No. of Recipients by Commodity</u>	<u>Commodity</u>	<u>K G S (000)</u>	<u>Dollars (000)</u>
4,700	NFDM	25.4	31.0*
4,700	WSB	51.3	13.7
4,700	BULGUR	38.6	7.9
4,700	FLOUR	25.4	5.0
4,700	OIL	25.4	15.1
	<b>TOTAL OTHER CHILD FEEDING</b>	<u>166.1</u>	<u>72.7</u>

D. Food for Work - Total Recipients 20,000

<u>No. of Recipients by Commodity</u>	<u>Commodity</u>	<u>K G S (000)</u>	<u>Dollars (000)</u>
20,000	WSB	544.3	145.2*
20,000	BULGUR	544.3	111.0
20,000	OIL	76.2	45.4
	<b>TOTAL FOOD FOR WORK</b>	<u>1164.8</u>	<u>301.6</u>

**GRAND TOTAL** 5540.3 2349.0

**GRAND TOTAL RECIPIENTS - 224,700**

\* Calculated at \$.55 per pound.

PL 480 TITLE II

FY 1980

I. Country - Honduras

Sponsor's Name - CARE

A. Maternal Child Health - Total Recipients 110,000

<u>No. of Recipients by Commodity</u>	<u>Commodity</u>	<u>KGS.</u> (000)	<u>Dollars</u>
110,000	NFDM	598.7	724.0*
110,000	WSB	898.1	239.6
110,000	BULGUR	419.1	85.5
110,000	FLOUR	299.4	58.9
110,000	OIL	419.1	249.5
TOTAL MCH		<u>2,634.4</u>	<u>1,357.5</u>

B. School Feeding - Total Recipients 50,000

<u>No. of Recipients by Commodity</u>	<u>Commodity</u>	<u>KGS.</u> (000)	<u>Dollars</u>
50,000	NFDM	453.6*	549.0
50,000	WSB	453.6	121.0
TOTAL - School Feeding		907.2	670.0

C. Other Child Feeding - Total Recipients 4,800

<u>No. of Recipients by Commodity</u>	<u>Commodity</u>	<u>KGS</u> (000)	<u>Dollars</u>
4,800	NFDM	26.3	32.0
4,800	WSB	52.2	13.9
4,800	BULGUR	39.0	8.0
4,800	FLOUR	26.3	5.2
4,800	OIL	26.3	15.7
Total Other Child Feeding		<u>170.1</u>	<u>74.8</u>

\* Calculated at \$.55 per pound

D. Food for Work - Total Recipients 22,500

<u>No. of Recipients by Commodity</u>	<u>Commodity</u>	<u>KGS</u>	(000) <u>Dollars</u>
22,500	WSB	612.4	163.4
22,500	BULGUR	612.4	124.9
22,500	OIL	85.7	51.0
Total Food for Work		<u>1310.5</u>	<u>339.3</u>
GRAND TOTAL		5022.2	2441.6
GRAND TOTAL RECIPIENTS	177,300		

PL 480 TITLE II

FY 1976-FY 1977

<u>M C H</u>	<u>PER CAPITA INTAKE OF CALORIES</u>	
	<u>FY 1976</u>	<u>FY 1977</u>
WSB	162.0	162.0
Bulgur	46.6	46.6
Flour	30.0	30.0
Oil	115.0	115.0
Milk	<u>177.0</u>	<u>-</u>
TOTAL	530.6	353.6
<u>Pre School Feeding</u>		
WSB	205.2	205.2
Bulgur	57.4	57.4
Flour	36.6	36.6
Oil	141.4	141.4
Milk	<u>177.0</u>	<u>-</u>
TOTAL	517.6	440.6
<u>School Feeding</u>		
WSB	<u>162.0</u>	<u>162.0</u>
TOTAL	162.0	162.0
<u>Food for Work</u>		
WSB	270.0	270.0
Bulgur	269.2	269.2
Oil	<u>80.4</u>	<u>80.4</u>
TOTAL	619.6	619.6

PL 480 TITLE II

CRS/HONDURAS

I. BACKGROUND

For purposes of the FY 1978 ABS, the essential elements and plan of operation for Catholic Relief Services/CARITAS will be similar to those contained in the FY 1977 ABS. CARITAS has just completed naming a new board of directors which had its first board meeting on June 2, 1976 to discuss the PL 480 Title II program and other matters. During part of this meeting Mr. Francis Valva, Director CRS/Honduras, discussed with the board members the policies for and responsibilities of PL 480 Title II cooperating sponsors, and PL 480 Title II programming. As a result of this meeting, the diocesan directors will be looking more closely at the needs of the program and means by which the Title II program can be more closely integrated with other development resources and in consonance with GOH priorities, AID objectives, and other development programs of CARITAS itself.

Because of the short time available prior to the ABS submission, the CRS representative felt that there was not sufficient time to prepare a multi-year program submission. (The FY 1978 Title II guidance instructions were received by USAID/Honduras on May 25, 1976. These instructions were passed on to the VolAgs on the same date.) For this reason, only Table I, showing the FY 1978 estimate of requirements (provided by CARITAS) and dollar value of commodities, is being submitted at this time. More details will be submitted when CRS/CARITAS has other information available. Mission comments follow on other aspects of the CRS/CARITAS Title II program.

II. MANAGEMENT - TITLE II PROGRAM

A. Staff

The staff essentially remains the same as listed on pp. 50-51 of the FY 1977 ABS, with the exception of the change in the CRS Director, and the transfer of the CRS Program Assistant. At the present time the Program Assistant position remains vacant.

B. Controls - Records

During a recent end-use check made by the USAID Multi-Sector Office of the CRS/CARITAS PL 480 Title II program, it was found that controls and record keeping procedures were in need of substantial improvement. Some of the areas where the CARITAS Title II food distribution controls and records were particularly weak are El Progreso, Sonaguera, La Ceiba, and Santa Rosa de Copán.

One of the issues discussed at the recent CARITAS board meeting was records and control procedures at the diocesan level. As a result of these discussions it was decided that a National Supervisory Department for the food program would be organized. This Department is expected to begin actual operations

sometime during the Transition Quarter. The USAID will follow its progress and keep AID/W advised.

Warehousing facilities were found to be inadequate at La Ceiba, Sonaguera, and Santa Rosa de Copán. However, it was observed that following the Latin America Food Storage Seminar held in San Pedro Sula in January the warehouses at San Pedro Sula, Santa Rosa de Copán and El Progreso were cleaned and fumigated. CRS/CARITAS is now sensitive to the inadequacies, and the Mission expects continued improvement over the next several months.

During the past few months the Mission has been working closely with CRS/CARITAS concerning the Commodity and Recipient Status Reports, particularly with regard to the continuing (though somewhat fewer) discrepancies in those reports. Problems arose because reporting of large quantities of commodities disbursed for the drought program was commingled with reporting on regular programs. As a result, reconciliation of food distributions was difficult to achieve. The CRS Director has been meeting regularly with CARITAS personnel to work out solutions and provide instructions on how to improve their reporting and accounting procedures.

### C. Implementation - Recipient Category

1. Maternal Child Health. CRS/CARITAS continues to use the infrastructure of the Farmers' Housewives Clubs to reach this category of recipients. For a description of the Housewives clubs see AIDTO CIRC A-14, dated March 7, 1975 (CRS - FY 1976 PL 480 Title II Program Plan and AER). The fundamental nature of the Clubs has not changed notably since that time although their rate of growth has not been as rapid as anticipated.

In connection with the current MCH programs, the Mission is exploring alternatives and the means by which the voluntary agencies can integrate more Title II resources with the Mission's Integrated Health and Family Planning Services program, and with the Nutrition Project recently submitted to AID/W.

2. Food for Work. The Food for Work projects involve rural low income families with special emphasis on persons who are unemployed or underemployed and communities most in need of the benefits of simple infrastructure which can be built through FFW projects.

During the past two years, and until recently, CRS/CARITAS has been operating at levels beyond their ability to implement and monitor the programs effectively. This was due to (1) the large quantities of food made available after Hurricane Fifi to fill critical needs growing out of the national emergency; (2) additional emergency feeding programs implemented in response to a prolonged drought in several regions of the country; and (3) insufficient capable personnel to handle the food distribution program. As these emergencies have subsided, the CRS/CARITAS Food for Work program is now returning to levels which they are capable of handling. While the Mission believes that programming of additional FFW activities is justified in terms of need, it is still too early to recommend significant increases which imply more management burden for CRS and CARITAS.

The Food for Work development projects which have been undertaken have benefitted the rural poor. PL 480 Title II commodities have supported activities which are consonant with host government and Mission strategy plans. Following is a partial list of Food for Work projects which were implemented by CRS/CARITAS during FY 1976 (as more complete data becomes available from CRS, the Mission will provide it to AID/W):

- 78 - Projects of direct assistance to drought victims (continuation of emergency aid)
- 237 - Vegetable gardens
- 119 - Projects of Agricultural Cooperatives - Basic grains
- 12 - Bridges
- 67 - Schools (construction and/or repair)
- 108 - Community centers (construction)
- 76 - Potable water projects
- 105 - Road improvement projects
- 1 - Fishpond project
- 6 - Retaining wall projects
- 4 - Irrigation canal systems
- 229 - Adult education courses
- 1 - Henhouse
- 20 - Latrine projects
- 27 - Child feeding centers (construction and/or repair)
- 98 - Housing projects (construction)
- 100 - Beehives
- 28 - Manual arts education projects

### III. FINANCING - PL 480 TITLE II

Support for inland transportation and storage purposes is provided by the GOH Ministry of Public Health. The amount of US\$50,000 provided yearly has remained unchanged for the past few years. According to CARITAS, this has been one of the reasons why an increase of food distributions to a larger number of recipients has not been possible. The USAID is encouraging CRS to seek additional support from the GOH in coming years so that key programs can be expanded.

### IV. AUDITS

At present there are no outstanding audit recommendations regarding the CRS program. During the past year CRS carried out one audit of the CRS/CARITAS program in Honduras. The recommendations made in this audit have been cleared by CRS.

FY 1978

I. COUNTRY - HONDURAS

Sponsor's Name - Catholic Relief Services (CRS)

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

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>K G S (000)</u>	<u>Dollars (000)</u>
30,000	Milk	196	237.6*
30,000	CSB	163	40.5
30,000	SF. R. Oats	163	41.3
30,000	Oil	<u>163</u>	<u>97.0</u>
	TOTAL MCH	<u>685</u>	<u>416.4</u>

B. Food for Work - Total Recipients 25,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>K G S (000)</u>	<u>Dollars (000)</u>
25,000	CSB	680	169.0
25,000	Wheat Flour	544	107.0
25,000	Oil	136	81.0
25,000	Bulgur	<u>680</u>	<u>138.7</u>
	TOTAL FOOD FOR WORK	<u>2040</u>	<u>495.7</u>

\* Calculated at \$.55 per pound

PL 480 TITLE II  
CATHOLIC RELIEF SERVICES

CALORIES SUPPLIED BY TITLE II FOODS

<u>MCH</u>	<u>(PER CAPITA)</u>	
	<u>FY 1977</u>	<u>FY 1978</u>
CSB	67	67
Rolled Oats (SF)	70	70
Vegetable Oil	159	159
Milk	<u>    </u>	<u>79</u>
TOTAL	<u>196</u>	<u>375</u>
 <u>FOOD FOR WORK*</u>		
CSB	419	419
Wheat Flour		320
Oil	194	194
Bulgur	<u>431</u>	<u>431</u>
TOTAL	<u>1044</u>	<u>1364</u>

\* Based on 20 work days.

Calculations on calories based on AIDTO CIRC A-478

PL 480 TITLE II  
FOOD FOR WORK AS PART OF  
RURAL TRAILS PROJECT  
(Project No. 522-0137)

<u>No. of Recipients by Commodity</u>	<u>Commodity</u>	<u>Kgs.</u>	<u>Dollars</u>
600	Wheat Flour	49,000	\$ 9,634.00
600	Bulgur	49,000	9,990.00
600	Rolled Oats	30,000	7,452.00
600	WSB	30,000	7,840.00
600	Oil	18,000	7,000.00
	T O T A L	<u>176,000</u>	<u>\$41,916.00</u>

Country/Program Honduras

Support to Private Voluntary Organizations and to Developing Country Cooperatives(\$000)

<u>Ongoing</u>	<u>FY 77</u>	<u>FY 78</u>	<u>Functional Account</u>
A. OPGs			
Expand Income & Employ	125	125	ST
Finance & Mktg Coop	56	56	ST
Subtotal	<u>181</u>	<u>181</u>	
of which technical assistance to cooperatives <sup>1/</sup> (non-add)	(87)	(87)	
B. Non-OPGs			
Core Services	205	-	FN
Sm Farmer Techs.	243	157	FN
Nutrition	-	150	FN
Integrated Rural Hlth/FP Services	240	344	PH
Rural Education	97	353	EH
Development Mgmt	357	363	EH
Special Dev. Activities	50	50	ST
Agro-Indus. Exp. Dev.	102	598	ST
Water Resources Mgmt.	-	200	ST
Subtotal	<u>1294</u>	<u>2215</u>	
Coops	(341)	(557)	
 <u>New</u>			
A. OPGs			
Agr. Merchanization		70	FN
Multi-Service Coop.		50	FN
Paramedic Hlth		75	PH
Direct Relief Hlth		30	PH
Subtotal		<u>225</u>	
Coops		(120)	

<sup>1/</sup> Intent of project design is to help coops and pre-coops specifically.

	<u>FY 77</u>	<u>FY 78</u>	<u>Functional Account</u>
B. Non-OPGs			
Agr. Research		500	FN
Small Farmer Organs.		300	FN
Demographic Policy		140	PH
Rural Trails		134	ST
Rural Electrification		80	ST
Sites and Servs, Housing	<u>150</u>	<u>50</u>	ST
Subtotal	<u>150</u>	<u>1204</u>	
Coops	(0)	(380)	

Loans

Nutrition	3500		FN
Development Mgmt	2500		EH
Rural Ed.	5000		EH
Small Farmer Tech.	6000		FN
Small Farmer Organs.		5000	FN
Water Resources Mgmt.		2500	ST
Rural Electrification		10000	
Subtotal	<u>17000</u>	<u>17500</u>	
Coops	(6400)	(5000)	

Contraceptive Supply Tables - Introduction

Tables I, II and III which follow have been carefully prepared to reflect fully the needs of the Mission's growing bilateral family planning activities. Table I was developed by Mission staff to be used in lieu of the format provided with the population portion of the ABS guidance which proved to be unsuitable for planning and budgeting purposes. The data presented in Table I projects substantial increases in the capacity of contraceptive delivery systems resulting from new initiatives with the Honduran Social Security Institute and a new project supporting the GOH Rural Penetration Program (RPP).

Honduras does not now support a policy for achieving replacement growth rates in five years -- or during any specified time frame. (USAID is proposing to assist the GOH, under a new project, to acquire the capability to analyze its demographic characteristics for the purpose of establishing the bases for national policies with respect to population growth.) Until a population policy has been adopted by the GOH, USAID considers it to be inappropriate to invest bilateral programs with planning or designs that are not fully subscribed to by the GOH. Contraceptive tables projecting supply requirements that may appear to be based on premises that are not accepted by the GOH could be construed as constituting bad faith on the part of the USAID.

It is also inappropriate to overload distribution systems with contraceptives which even the most optimistic projections would indicate are unrealistic. In preparing its estimates, the USAID has made mildly optimistic assumptions about program expansion and has provided for substantial reserves.

The following notes are keyed to and explain the data contained in Table I:

I. A. Projected number of active users in MOH integrated family planning program -- including two Honduran Family Planning Association (AHPF) clinics.

B. Projected number of active users in rural penetration program. Figures from Project Paper.

II. The Social Security Institute has presented a proposal to its Board of Directors for introduction of family planning services as part of its basic services package. All indications are that approval will be forthcoming shortly. ISS provides services to a total of 168,000 members and their dependents. Figures for projected family planning users are suppositional -- as is the rate of program increase. Assumptions are based on a cohort of 16,000 women in fertile ages

eligible for services with 25 percent new acceptors for first year and a 10 percent rate of increase in subsequent years. The ISS is already offering surgical contraception to its members for health reasons at its headquarters in Tegucigalpa.

III. Total active users in bilateral programs.

IV. Morris and Heiby (Communicable Disease Center, Atlanta, Ga.), indicate that 80.9 percent of new family planning admissions in the combined MOH/AHPF program in 1974 used oral contraception, while 16.7% accepted placement of IUDs. Other methods, including sterilization accounted for 2.3 percent. While sterilization is expected to increase in popularity, it is impossible at this time to say what percentage it will assume in the total program. However, the anticipated increase in sterilizations plus the MOH interest in placing greater emphasis on IUDs (evidenced by recent directives authorizing local training for registered nurses in the rural penetration program in IUD placement) argues for a gradual decrease in the relative position of oral contraception in the total mix. For this reason the usage factor represented by "y" of 81% in 1976 is successively decreased in succeeding years as indicated in each cell.

V. At the present time the experience of both the MOH and the AHPF is that condoms are acceptable to very few Hondurans and are not yet a practicable modality in FP programs. USAID observation confirms this perception. Plans are being made to assist the AHPF through World Education, Inc. to mount an education program directed at increasing the use of condoms for family planning purposes. Until this campaign can be implemented and its effectiveness demonstrated, the USAID will continue to exercise proper caution to assure that the overall effort to expand the availability of family planning is not prejudiced by the intrusion of methods of contraception and redundant supplies of contraceptives which may be inherently objectionable to users and, therefore, counter-productive to program objectives.

For planning and budgeting purposes a ratio of one percent (1%) of condoms to other means of contraception has been postulated, although this figure would appear to be large in terms of actual program experience -- see Heiby and Morris, Resource Support Services Department, Honduras, January 12-27, 1976, Table 5. In succeeding years the percent of usage-to-other-means-factor is increased by one half of one percent in 1977 to 1.5%, to 2% in 1978 and to 2.5% in 1979 and 1980. USAID reserves the option to limit or halt provision of supplies of condoms should it appear that efforts to promote the use of this modality are unsuccessful.

T A B L E I

HONDURAS BI-LATERAL CONTRACEPTIVE SUPPLY REQUIREMENTS

ORALS AND CONDOMS - ALL FIGURES 000

	1976	1977	1978	1979	1980
Total Women in Fertile Ages (15-44)	648	671	694	719	744
I. MOH/AHPF (A) Integrated Program	42	46	50	54	59
MOH/RPP (B)	17	34	49	58	69
II. Social Security Institute	4	4	5	5	6
III. Total Active Users Bilateral (000s)	63	84	104	118	135
IV. ORALS - total expected use by year	660	873	1,041	1,151	1,246
III x y x 13 = cycles	y = .86	y = .80	y = .77	y = .75	y = .71
V. CONDOMS - total expected use by year	63	126	198	298	336
III x y x 100 = cycles	y = .01	y = .015	y = .02	y = .025	y = .025

Table 2  
AID Bilateral Logistic and Financial Analysis  
of Orals

A. AID Inventory Analysis	Calendar Year				
	1976	1977	1978	1979	1980
1. Beginning of year stock	93	628	495	574	621
2. Add: Scheduled deliveries (See Annex B)	1,195	740	1,069	1,195	1,281
3. Less: Expected Use	660	873	990	1,148	1,242
4. End of Year Stock	628	495	574	621	660

To be completed by AID/Washington

B. Financial Analysis (FY 77)

1. CY 1978 deliveries (Line A 2 above)
2. Estimated cost per unit in FY of purchase
3. Estimated total cost for FY 77 (to be determined by AID/W)

C. Financial Analysis (FY 78)

1. CY 1979 deliveries (Line A 2 above)
2. Estimated cost per unit in FY of purchase (To be determined by AID/W)
3. Estimated total cost for FY 1978 (To be determined by AID/W)

Table 3

AID Bilateral Logistic and Financial Analysis  
of Condoms ( In pieces thousands )

A. AID Inventory Analysis	Calendar Year				
	1976	1977	1978	1979	1980
1. Beginning of year stock	24	37	99	147	168
2. Add: Scheduled deliveries (See Annex B)	76	188	246	315	359
3. Less: Expected Use	63	126	198	294	336
4. End of year stock	37	99	147	168	190

To be completed by AID/Washington

B. Financial Analysis (FY 77)

1. CY 1977 deliveries (Line A 2 above)
2. Estimated cost per unit in FY of purchase
3. Estimated total cost for FY 77 (to be determined by AID/W)

C. Financial Analysis (FY 78)

1. CY 1978 deliveries (Line A 2 above)
2. Estimated cost per unit in FY of purchase (to be determined by AID/W)
3. Estimated total cost for FY 1978 (To be determined by AID/W)

Project Identification Documents (PID)

The Honduran government's planning office has recently indicated its desire to study some additional project ideas (not included in this package) in areas of mutual interest. While the Mission expects to receive these proposals within the next few days, it may not be possible to process these ideas before the June 30 deadline.

If the proposals are sound in terms of A.I.D. policy and technical feasibility, we will submit them, using the PID format, in early July for inclusion in the ABS.

AGENCY FOR INTERNATIONAL DEVELOPMENT <b>PROJECT IDENTIFICATION DOCUMENT FACESHEET</b> TO BE COMPLETED BY ORIGINATING OFFICE				1. TRANSACTION CODE <input type="checkbox"/> A = Add <input type="checkbox"/> C = CHANGE <input type="checkbox"/> D = DELETE		PID 2. DOCUMENT CODE 1																				
3. COUNTRY/ENTITY HONDURAS				4. DOCUMENT REVISION NUMBER <input type="checkbox"/>																						
5. PROJECT NUMBER (7 DIGITS) <input type="checkbox"/> 522-0136 <input type="checkbox"/>		6. BUREAU/OFFICE A. SYMBOL LA		B. CODE <input type="checkbox"/> 05 <input type="checkbox"/>		7. PROJECT TITLE (MAXIMUM 40 CHARACTERS) <input type="checkbox"/> WATER RESOURCE DEVELOPMENT <input type="checkbox"/>																				
8. PROPOSED NEXT DOCUMENT A. <input type="checkbox"/> 3    2 = PRP <input type="checkbox"/> 3    3 = PP				B. DATE MM YY 1 0 7 7		10. ESTIMATED COSTS (\$000 OR EQUIVALENT, \$1 = 2.00 Lempiras)																				
9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION a. INITIAL FY <input type="checkbox"/> 7 <input type="checkbox"/> 8    b. FINAL FY <input type="checkbox"/> 8 <input type="checkbox"/> 0				<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th colspan="2">FUNDING SOURCE</th> <th>BASE\$</th> </tr> <tr> <td colspan="2">A. AID APPROPRIATED</td> <td></td> </tr> <tr> <td>B. OTHER U.S.</td> <td>1.</td> <td>2,500</td> </tr> <tr> <td></td> <td>2.</td> <td></td> </tr> <tr> <td colspan="2">C. HOST COUNTRY</td> <td>850</td> </tr> <tr> <td colspan="2">D. OTHER DONOR(S)</td> <td></td> </tr> <tr> <td colspan="2" style="text-align: right;">TOTAL</td> <td>3,350</td> </tr> </table>		FUNDING SOURCE		BASE\$	A. AID APPROPRIATED			B. OTHER U.S.	1.	2,500		2.		C. HOST COUNTRY		850	D. OTHER DONOR(S)			TOTAL		3,350
FUNDING SOURCE		BASE\$																								
A. AID APPROPRIATED																										
B. OTHER U.S.	1.	2,500																								
	2.																									
C. HOST COUNTRY		850																								
D. OTHER DONOR(S)																										
TOTAL		3,350																								
11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$000)																										
A. APPROPRIATION		B. PRIMARY PURPOSE CODE		C. PRIMARY TECH. CODE		E. FIRST FY <sup>78</sup>		LIFE OF PROJECT																		
				C. GRANT		D. LOAN		F. GRANT																		
								G. LOAN																		
								H. GRANT																		
								I. LOAN																		
(1) ST		752B				876		2,500																		
(2)																										
(3)																										
(4)																										
						TOTAL		2,500																		
								2,500																		
12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)																										
13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)									14. SECONDARY PURPOSE CODE																	
15. PROJECT GOAL (MAXIMUM 240 CHARACTERS) TO IMPROVE THE QUALITY OF LIFE FOR FOR ALL HONDURANS THROUGH THE PRESERVATION AND DEVELOPMENT OF WATER RESOURCES																										
16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS) TO ASSIST THE GOH IN DEVELOPING CAPABILITIES IN WATER RESOURCE MANAGEMENT																										
17. PLANNING RESOURCE REQUIREMENTS (staff/funds) PP - NONE																										
18. ORIGINATING OFFICE CLEARANCE Signature: <i>Frank B Kimball</i> Title: DIRECTOR, USAID/HONDURAS Date Signed: MM DD YY 6 21 76								19. DATE DOCUMENT RECEIVED OR AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION MM DD YY																		

WATER RESOURCE DEVELOPMENT PID

I. Problem Summary

In Honduras, water is an abundant natural resource with the potential of high economic and social impact, but periodic floods and droughts wreak havoc on the urban areas as well as the rural lands. The cycles of overabundance of water alternating with droughts has seriously damaged the prospects of all farmers and undermined Honduras' efforts to become self-sufficient in food production.

The rivers of Honduras discharge an estimated total volume of 100 billion cubic meters per year, which, on an equivalent area basis, exceeds that of the rivers draining the continental United States. Stream flow discharge combined with the steep topography of the country is capable of generating a practical average hydropower potential of 35 million kilowatt hours, only about 5% of which is presently used.

The known groundwater reserves of Honduras have a safe yield of 9 billion cubic meters per year, and the greater part of these reserves are located in areas amenable to irrigation. These ground water reserves are virtually untapped.

There is an estimated 800,000 hectares of first and second class lands in the country, much of which may be economically irrigated to sustain continuous crop production throughout the year. Only about 50,000 hectares are presently irrigated including 35,000 hectares of bananas for export. Excluding bananas and sugar cane, there exists only small irrigation works.

Under the best conditions, seasonal differences in stream discharge would be expected in Honduras because of annual rainfall patterns. However, this natural situation has been aggravated by the misuse of lands. Shifting agriculture, over-grazing, unregulated logging of forests, slash-and-burn agricultural practices and casual burning of rangelands have produced severe erosion problems in some of the upland areas.

Land misuse in the uplands directly affects the lowlands due to the loss of natural regulatory functions of the upland watershed - retaining water and redistributing it over a period of time. Unregulated flows of water flood productive lowlands and cause build-up of silt and sediments in the stream beds, thus increasing the dangers of flooding.

The seasonal distribution of rainfall leaves otherwise productive agricultural lands idle up to six months of the year. With irrigation, even small scale systems will allow productive use of these lands year round. However, without water storage structures, the low flows during the dry seasons limit the availability of surface water. Irrigation from rivers with sufficient annual flow for year-round water supply has not been fully explored, nor has the use of groundwater for irrigation.

This great source of renewable wealth has, until recently, been largely ignored. The disastrous Hurricane of 1974 with accompanying flooding followed by droughts brought into sharp focus the need to develop and conserve water resources.

Developing water resource potential requires a coordinated approach to the multiple aspects of the problems of water conservation and use.

Traditionally, management of water resources in Honduras has been divided among several agencies. The ENEE manages water for power generation. Potable water and sewerage systems are managed by SANAA. Industrial uses are essentially unrestricted. With the exception of a few irrigation districts and limited technical assistance to individual farms from the Ministry of Natural Resources, water for irrigation is left primarily in the hands of the private sector.

Honduras has not yet formulated a water law, although several drafts of water bills have been proposed. The latest bill would create a National Water Commission as the agency charged with the responsibility to propose, coordinate and regulate the use of water resources according to the social interests and the development needs of the country.

#### A. Project Purpose

The project purpose is to assist the GOH in developing capabilities in water resource management for productive purposes.

#### B. Project Description

The A.I.D. response to the development of experience and technical capability in carrying out sound water development strategies is to provide assistance in two stages. The first stage has been approved by AID/Washington as a Grant project funded for \$450,000 to provide (a) consultant services and other related costs in connection with the collection and analysis of water and water-related land resources data and the execution of up to 12 feasibility studies; and (b) academic and management training, locally and in the United States, in subjects germane to the identification selection, design and execution of specific water projects.

This project will focus on the second stage of the development process through the design and execution of pilot projects with specific water and land-use problems. The estimated cost of the pilot projects program is \$3,350,000 of which A.I.D. will provide a \$2,500,000 Loan with a three year disbursement period.

The pilot projects will have been identified during the Grant funded stage with feasibility studies and cost/benefit analyses completed prior to the submission of the Project Paper (October, 1977).

During the already approved Grant phase of the broad program the following will have been accomplished:

- 68 -

(1) An inventory and analysis of the information presently available on Honduran water resources (their extent, interrelationships and use), and the identification of fundamental water problems and specific project possibilities related to these problems. All available information on current water use will be collected, and the competing demands for water catalogued, including demands by projects scheduled for implementation over the next 3 years.

(2) The formation and training of a Water Committee headed by a full time Project Director, the Committee operating as a part of the GOH Agriculture Sector Coordinating Committee (COCO).

Training for the staff of the Water Committee and personnel of other GOH agencies involved in water resource development will include short courses in Honduras given to over 100 recipients by U.S. specialists. The courses will cover such topics as integrated management of land and water resources, methodology of planning, upstream watershed protection and development, water requirements for cropping, irrigation scheduling, and land preparation. Additional management training will be provided to at least four members of the Committee Staff through observation of U.S. water management agencies.

Long-term training (one or two years) will be necessary for specific aspects of water resource development. The Grant phase will include eleven Master degree programs in Water Systems Management, Sedimentation and Erosion Control, Range Management, and Watershed Hydrology.

(3) Up to 12 feasibility studies will have been completed for water-related land-use projects. The execution of formal feasibility studies, with the participation of the consulting groups will provide intensive training of GOH personnel in the analysis, design and appraisal of water resource development projects.

#### 1. Project Outputs

The major output of this second stage in developing water management capabilities is practical experience through the analysis, design and execution of a series of water resources development pilot projects.

The pilots will be designed under the following criteria:

(a) They will be multi-objective, and include the interest of more than a single water user. Insofar as possible, they will be microcosms of larger systems, or representative of systems with similar problems elsewhere in the country. (b) They will be located in areas of high agricultural use or with high agricultural potential, and (c) will have a continuing utility after this Project.

In addition to demonstrating solutions to land use problems for technical training, the pilots will also serve as an arena for exercising the coordinative capability of the Water Committee. They will be used to train MNR extension agents and will provide demonstrations for local farmers. They will also have

direct benefits for a limited number of producers. This will include small farmers with an emphasis on agrarian reform settlements or cooperatives. The relationship of the pilot projects to water resource development problems is given in Annex 1. A tentative list of possible pilot projects follows in Annex 2. A more detailed description of each pilot is attached in Annex 3. The final selection of pilots to be carried out under this project will be made by the Water Committee with the help of the project advisors, and submitted to the USAID for funding approval.

## 2. Technical and Physical Resources Required

It is expected that the Water Committee formed under the grant and the consulting team will be responsible for the analysis, selection, design, and evaluation of the pilot water resources projects.

Because of the large number of agencies involved in water resource use, the GOH proposes to coordinate all water matters through a special Water Committee headed by a full time Project Director from the Ministry of Natural Resources. Other National agencies to be involved in the pilot projects include the National Planning Council (CSPE), the Ministry of Natural Resources (MNR), the Forestry Development Commission (CODEHFOR), the Ministry of Transportation, Communications and Public Works (MTCOP), the Water and Sewerage Agency (SANAA), the Electrical Energy Agency (ENEE), and the National Agrarian Institute (INA).

## 3. Estimated Disbursement Period

Loan funds are to be committed early in FY'78 and initial disbursements to be made by the end FY'78 with major disbursements in FY'79 and FY'80.

### C. Major Assumptions

There are three assumptions pertinent to this proposed project's success:

1. The training program for GOH personnel under the AID Grant funded project for Water Resources Management will assure that the Water Committee can capably execute and manage the pilot projects.
2. The GOH interest in water resources development and management will maintain a high priority among GOH programs.
3. No natural disasters, hurricanes, severe floods, droughts or earthquakes will overwhelm or divert GOH efforts.

### D. Other Activities in Water Resources Development

For a list of other activities related to Water Resources Development in Honduras, see attached Annex 4.

### E. Project Alternatives

To achieve the purpose of developing capabilities in Water Resource Management

two alternatives to the pilot project approach, were considered:

(1) additional academic and theoretical training and (2) a single, integrated Water Resource Project.

- (1) Although formal training is essential to the development of managing capabilities, practical application of acquired knowledge is also a requisite. Participation in actual projects provides incentives and a sense of accomplishment.
- (2) A single, integrated pilot project could serve as a model to the country as well as providing a direct productive output to the economy. However, with the wide range of water resource problems and development opportunities in Honduras, no single model project could address a majority of the problems.

The multiple pilot project concept emerged from, first, identifying the problems, and, second, developing projects specifically related to those problems.

#### F. Direct and Indirect Beneficiaries

In a narrow sense the beneficiaries from a series of pilot projects are not easily defined since the benefits are indirect. On a long-range basis all Hondurans will benefit from a well developed Water Resources program guided by trained and experienced personnel. Ultimately, rural families will benefit with stable water supply, flood control, new sources of energy, preservation of top soils, water for irrigation, reclamation of some lands, new cropping patterns, and increased agricultural production. Obviously, the target group includes all Honduran, but the greatest impact will be felt by the rural population whose lives are dependent upon the land and water.

#### G. Spread Effect

The spread effect of this project will show increased training, research and planning for large scale water resources development and management.

In solving various water problems on the pilot model scale, the solutions to these problems can be replicated throughout the country.

## II. Financial Requirements and Plans

The best estimate of the project cost is approximately \$3,350,000 with 75% financing through an A.I.D. loan of \$2,500,000.

FINANCING PLAN

(\$000)

	<u>GOH</u>	<u>A.I.D. Loan</u>	<u>TOTAL</u>
3 Project Advisors - 3 years		\$ 225	\$ 225
Project Manager		75	75
Project Accountant		30	30
Short term consultants		70	70
Vehicles (12) and operating Costs		125	125
Construction		1,700	1,700
Contingencies		250	250
Evaluation		25	25
GOH Technical Staff (20)	600		600
In-Country Travel	150		150
Office Space & Equipment	25		25
Support Staff	50		50
Technical equipment	25		25
	<u>\$ 850</u>	<u>\$ 2,500</u>	<u>\$ 3,350</u>

### III. Development of the Project

Prior to the preparation of the Project Paper studies of the proposed pilot projects (Annex 1) will be undertaken with the collaboration of the Water Committee, the Ministry of Natural Resources, the National Planning Council and USAID/Honduras with the advice of consultants available under the Grant funded management project.

Since the design of the project is sufficiently well-developed and elements of the proposed Loan project are dependent upon the feasibility studies to be made under the Grant Project, the Mission considers that the PRP stage is unnecessary and proposes to go directly to the Project Paper for submission in October of 1977.

Due to the presence of a team of water resources experts under the Grant Water Resources Management Project, no AID/W TDY requirements are anticipated for the PP.

### IV. Issue

1. The GOH has yet to formulate policies on water and land usage, and to establish priorities in water resources development.

RELATIONSHIP OF PILOTS TO WATER RESOURCE PROBLEM AREAS

<u>PROBLEM AREA</u>	<u>APPROACH</u>	<u>PILOT PROJECTS</u> <sup>1/</sup>
1. Irregular stream flow	1. Improved upland farming practices, reforestation, plant cover conversions, fire control, improved range management, stream channel improvements, small dams, upland cover crops.	1., 2., 4., 5., 6.
2. Erosion	2. Forest and range improvement, erosion control structures, improved upland farm practices, land treatment (e.g. terracing, furrowing, fertilization) fire control upland crops.	1., 3., 4., 12.
3. Sedimentation	3. Desilting structures, stream bank stabilization.	1., 2., 5.
4. Insufficient water for agricultural lowlands	4. Alternative irrigation systems, water storage, land leveling, farm management, multiple cropping.	3., 7., 8., 9., 10., 11., 12.
5. Excessive water on agricultural lowlands	5. Drainage, adaptable crops, stream channel improvement, water management.	2., 3., 5., 6., 7.

---

<sup>1/</sup> See Annex 2

DESCRIPTION OF ILLUSTRATIVE PILOT PROJECTS

1. Small Experimental Watersheds
2. Demonstration watershed
3. Water Use Requirements of Agricultural crops
4. Demonstrative Multipurpose Small Dam
5. Reclamation of Wetlands and Flood Control Dikes
6. Irrigation and Flood Protection
7. Land Reclamation, Salinity Problems
8. Improved Irrigation Efficiency, Block Farming
9. Overnight Storage
10. Hydroelectric Generation and Irrigation
11. Irrigation With Groundwater
12. Dryland Agriculture: Soil Water Conservation and Water Harvesting

Title

Pilot 1. Small Experimental Watersheds (countrywide)

Objective: To test and demonstrate the effects of land management practices on erosion, sedimentation, and stream flow regulation that would benefit both upstream and downstream farmers. (\$150,000)

Duration: 24 months, including 3 months for preparation of experimental plots and 21 months for experimentation.

Pilot 2. Demonstration Watershed (North Coast)

Objective: To develop a large watershed (50 to 100 km<sup>2</sup>) located in a flood prone area for maximum on-site use of water for the production of food, fiber and wood and for flood and erosion control. (\$200,000)

Duration: 24 months, including 8 months of construction.

Pilot 3. Water Use Requirements of Agricultural Crops (countrywide)

Objective: To determine and demonstrate the water requirements and adaptability of important food plants in the climate and soils of Honduras. (\$120,000)

Duration: 24 months, including 3 months preparation and 21 months experimentation.

Pilot 4. Demonstrative Multipurpose Small Dam (North Coast)

Objective: To demonstrate the benefits of small, multipurpose, low cost water impoundment structures including possibilities of power generation, flood control, stream regulations, and aquaculture. (\$550,000)

Duration: 12 months, including 8 months construction and 4 months demonstration.

Pilot 5. Reclamation of Wetland and Flood Control Dikes (North Coast)

Objective: To demonstrate the techniques and benefits of reclaiming wetlands for agricultural production. (\$800,000)

Duration: 18 months, with construction and demonstration running concurrently.

Pilot 6. Irrigation and Flood Protection (North Coast)

Objective: To demonstrate techniques in flood control methods, protection of farm lands, and irrigation. (\$250,000)

Duration: 15 months, including 6 months of construction and 9 months for demonstration.

Pilot 7. Land Reclamation, Salinity Problems (Central)

Objective: To study the effects of poor drainage and methods of reclaiming land for productive use. (\$80,000)

Duration: 12 months, including 3 months for construction and 9 months for test and demonstration.

Pilot 8. Improved Irrigation Efficiency; Block Farming (Central)

Objective: To gauge the acceptability and demonstrate the advantages of consolidating small, irrigated farms with block farms. (\$100,000)

Duration: 18 months, including 3 months for construction and 9 months for test and demonstration.

Pilot 9. Overnight Storage (Central)

Objective: To maximize the quantity of water available for irrigation in an existing irrigation system with low cost storage facilities and demonstrate management techniques to effectively use the additional water. (\$300,000)

Duration: 18 months, including 6 months of construction and 12 months for demonstration.

Pilot 10. Hydroelectric Generation and Irrigation (Central)

Objective: To test and demonstrate the benefits of hydroelectric power generation on small streams to drive pumps for irrigation in areas where the topography precludes other types of water delivery. (\$80,000)

Duration: 6 months, including 2 months for installation and 4 months for demonstration.

Pilot 11. Irrigation with Groundwater (South Coast)

Objective: To explore the potential of known groundwater deposits in water short areas and demonstrate test techniques to determine aquifer yield for irrigation. (\$100,000)

Duration: 14 months, including 4 months drilling time, 4 months test and analysis and 6 months demonstration.

Pilot 12. Dryland Agriculture: Soil-Water Conservation and Water Harvesting (South Coast)

Objective: To test and demonstrate dryland farming techniques combining soilwater conservation methods with water harvesting and storage in areas where conventional irrigation is not feasible. (\$100,000)

Duration: 24 months, including 3 months for construction and 21 months for cultivation and demonstration.

1. Small Experimental Watersheds (Nationwide)Objective:

To test and demonstrate the effects of land management practices on erosion, sedimentation, and stream flow regulation that would benefit both upstream and downstream farmers. (\$150,000).

Approach

Monitor sedimentation and runoff characteristics of small watersheds (2 to 5 ha) under a variety of land use practices, both common and improved. Paired experimental and control plots will be established.

<u>Land Use</u>	<u>Treatments</u>
Upland Farming	Row planting/fertilization, mechanical treatment, barrier strips.
Range	Controlled grazing, improved range.
Pine Forest	Harvesting method, silvicultural practice.
Brush lands	Conversion, utilization.

Studies should be replicated on at least 2 soil types or slopes for a minimum number of 26 small watersheds.

Expected Results:

1. Experience of GCH personnel in the installation, maintenance and use of experimental/demonstration watersheds.
2. Experience in hydrologic data collection and analysis.
3. Knowledge of the hydrologic behavior of present land uses.
4. Knowledge of the hydrologic effects of improved land practices.
5. A basis for recommending large scale remedial programs in up-land water resource development for flood control, erosion control and optimum on-site use of water.

Personnel:

Watershed Hydrologist  
Forester  
Range Manager  
Agronomist

Estimated Costs:

Equipment	\$ 65,000
Personnel	75,000
TOTAL	<u>\$ 150,000</u>

Duration:

24 months, including 3 months for preparation of experimental plots and 21 months for experimentation.

2. Demonstration Watershed (North Coast)

Objective:

To develop a large watershed (50 to 100 km<sup>2</sup>) located in a flood prone area for maximum on site use of water for the production of food, fiber and wood and for flood and erosion control. (\$200,000).

Approach:

The project will use the best information available to initiate improved land use practices in upland farming, grazing and forestry. Labor intensive erosion control techniques will be implemented and structures erected. At least one small desilting-flood control dam will be installed.

Initially major emphasis will be on soil and water conservation structures (eg small dams, gully plugs, diversions, and wildland erosion control treatments). Simple soil conservation practices will be demonstrated to the hill farmers. Later, as credibility develops, more sophisticated techniques will be introduced.

Expected Results:

1. Increased production by hill farmers.
2. Reduction in erosion and sedimentation.
3. Reduction in flood hazard.
4. Improved stream flow regime.
5. Demonstrate and test integrated upland water resource development for production gains and maintenance of the watershed.

Personnel:

Watershed Hydrologist  
 Soil scientist  
 Range manager  
 Forester  
 Civil Engineer

Estimated Costs:

Personnel	\$ 100,000
Equipment	25,000
Construction	75,000
TOTAL	\$ 200,000

Duration:

24 months, including 8 months of concurrent construction activity.

3. Water Use Requirements of Agricultural Crops (country wide)

Objective:

To determine and demonstrate the water requirements and adaptability of important food plants to the climate and soils of Honduras (120,000).

Set up experimental plots in the principal climate zones of the country and determine the water requirements of agricultural crops under conditions found in Honduras.

Expected Results:

1. Information on crop water requirements.
2. A basis for determining adaptability of food crops to adverse sites.
3. Data needed for efficient irrigation management.

Personnel:

1 Agronomist

Estimated Costs

Personnel	\$ 50,000
Construction	20,000
Equipment	50,000
TOTAL	<u>\$120,000</u>

Duration:

24 months, including 3 months preparation and 21 for experimentation.

4. Demonstrative Multipurpose Small Dam (North Coast)

Objective:

To demonstrate the benefits of small, multipurpose, low cost water impoundment structures including possibilities of power generation, flood control, stream regulations, and aquaculture. (500,000)

Approach:

To select a flood prone area which lacks electricity and has irregular stream flow. A reservoir management program will be developed which minimizes the inherent conflicts of multipurpose water use.

One small earth dam will be constructed. The reservoir management program will emphasize flood control and hydropower generation to provide a cheap power source for farms in the area.

Expected Results:

1. Decreased flooding.
2. Acquire experience and knowledge in the management and use of small earth made multipurpose dams.

Personnel:

Small dams engineer  
Hydrologist  
Electrical engineer

Estimated Costs:

Personnel	\$ 50,000
Equipment	100,000
Construction	350,000
TOTAL	<u>500,000</u>

Duration:

12 months, including 8 months construction and 4 months demonstration.

5. Reclamation of Wetlands and Flood Control Dikes (North Coast)

Objective:

To demonstrate the techniques and benefits of reclaiming wetlands for agricultural production. (800,000).

Approach:

The project is planned for the lower region of the Rio León and has a potential reclamation of 2,000 ha. of land. Approximately 3 kilometers of the river will be streightened and a main drainage canal will be constructed. Dikes will be built for protection. Field drains will be placed in only a small area, say 20 hectares of land. The rest of the area can be drained as a follow-on to the pilot. Technical assistance will be provided to farmers in water management practices.

Expected Results:

1. Experience in land reclamation techniques.
2. Reduction in flood hazard.
3. Open new lands for Agrarian Reform Activities.
4. Increased production.

Personnel:

Civil Engineer  
Dredging Engineer  
Hydrologist  
Agronomist

Estimated Costs:

Personnel	\$ 120,000
Construction	680,000
TOTAL	\$ 800,000

Duration:

18 months, with construction and demonstration running concurrently during the entire period.

6. Irrigation and Flood Protection (North Coast)

Objective:

To demonstrate techniques in flood control methods, protection of farm lands, and irrigation. (\$250,000).

Approach:

The area selected has flooding, drainage, and water scarcity problems. Old canals and dikes (formerly banana land abandoned because of Panama disease) will be rehabilitated and new structures erected where needed. Land shaping may be required as part of a program to instruct farmers (agrarian reform farms) in on-farm water management.

Expected Results:

1. Experience in construction techniques of canals and dikes.
2. Reduced crop losses due to floods.
3. Experience in improved water use on farms.

Personnel:

Watershed Hydrologist  
Soil Scientist  
Agricultural Engineer

Estimated Costs:

Personnel	\$ 50,000
Construction	<u>200,000</u>
TOTAL	\$ 250,000

Duration:

15 months, including 6 months of construction and 9 months for demonstration.

7. Land Reclamation, Salinity Problems (Central)

Objective:

To study the effects of poor drainage and methods of reclaiming land for Productive use. (\$80,000).

Approach:

The results of poor drainage in an irrigation district (Comayagua) will be studied by GOH technicians. Methods for reclamation of the land and return to productive use will be demonstrated. After initial studies of the affected area, land reclamation will begin. Land shaping and installation of field drains will be carried out, followed by flushing the soil. After these initial steps crop production will start anew. Farmers and GOH technicians will be instructed in proper irrigation procedures to prevent a reoccurrence.

Expected Results:

1. Knowledge and experience in land reclamation.
2. Knowledge of improved irrigation and drainage techniques.

Personnel

Agricultural Engineer  
Agronomist

Estimated Costs:

Personnel	\$ 25,000
Construction	55,000
TOTAL	\$ 80,000

Duration:

12 months, including 3 months for construction and 9 months for test and demonstration.

8. Improved Irrigation Efficiency, Block Farming (Central)

Objective:

To gauge the acceptability and demonstrate the advantages of consolidating small, irrigated farms with block farms. (\$100,000).

Approach

A number of contiguous small farms (approximately 100 hectares and 40-50 farms) would be selected. Demonstration of the benefits from this type of block farming would lead to expanded programs.

The selected farms would be leveled and drainage and irrigation structures erected. Agronomists and irrigation specialists would work with farmers to improve water management and determine the crop mix.

Expected Results:

1. Knowledge of farmer attitudes toward block farming.
2. Knowledge and experience in improved irrigation practices.
3. Demonstration of higher economic return for participating farmers.
4. A basis for replication of project in similar areas.

Personnel:

Agricultural Engineer  
 Agricultural Economist  
 Agronomist

Estimated Costs:

Personnel	\$ 30,000
Construction	70,000
TOTAL	<u>\$ 100,000</u>

Duration:

18 months, including 4 months of concurrent construction activity.

9. Overnight Storage (Central)

Objective:

To maximize the quantity of water available for irrigation in an existing irrigation system with low cost storage facilities and demonstrate management techniques to effectively use the additional water. (\$300,000)

Approach:

Presently, irrigation in the Salguap Irrigation District in the Comayagua Valley is limited by storage capacity. Construction of night time storage ponds will enable more lands to be brought under irrigation during the entire dry season. Additionally, some canals will be enlarged and feeder canals improved. Land leveling in selected areas will be carried out and technical assistance provided to farmers.

Expected Results:

1. Experience of GOH personnel in proper management of an irrigation system.
2. Demonstrate potential increases in agricultural output gained from minor changes in existing structures.
3. Improved farming practices

Personnel:

Civil Engineer  
Irrigation systems manager  
Agronomist

Estimated Costs:

Personnel	\$ 100,000
Construction	<u>200,000</u>
TOTAL	\$ 300,000

Duration:

18 months, including 6 months for construction and 12 months for demonstration.

10. Hydroelectric Generation and Irrigation (Central)

Objective:

To test and demonstrate the benefits of hydroelectric power generation on small streams to drive pumps for irrigation in areas where the topography precludes other types of water delivery. (\$100,000).

Approach:

To develop integrated systems of power generation to drive electrically powered pumps to irrigate individual farmers in water mangement.

A small hydroelectric power station will be constructed along the course of a tributary of the Choluteca river. Power lines will be extended to farms to power low lift pumps. Technical assistance will be promoted to farmers on the proper use of water.

Expected Results:

1. Experience in the installation, maintenance and management of small hydroelectric power stations.
2. Knowledge of farmers' requirements for water and irrigation practices.
3. A basis for recommending similar types of systems in other areas.

Personnel:

System Engineer  
 Agronomist  
 Technician

Estimated Costs

Equipment	\$ 70,000
Personnel	15,000
Construction	15,000
TOTAL	\$ 100,000

Duration:

6 months, including 2 months for installation and 4 months for demonstration.

11. Irrigation With Groundwater (South Coast)

Objective:

To explore the potential of known groundwater deposits in water short area and demonstrate test techniques to determine aquifer yield for irrigation. (\$100,000)

Approach:

Drill test wells and perform pumping tests. If aquifer yield is found adequate, small irrigation plots will be developed using the test wells. Tests will be made at different times of the year to determine the amount of water that can be withdrawn without depleting the water resource. Cholulteca and Comayagua, both with high groundwater potentials, are suitable.

Expected Results:

1. Experience in groundwater analyses.
2. Knowledge of potential of ground water for irrigation.

Personnel

Groundwater Hydrologist  
Agronomist

Estimated Costs:

Personnel	\$ 40,000
Equipment and materials	15,000
Construction	45,000
TOTAL	\$ 100,000

Duration:

14 months, including 4 months drilling time, 4 months for tests and analyses and 6 months demonstration.

12. Dryland Agriculture: Soil Water Conservation and Water Harvesting (South Coast)

Objective:

To test and demonstrate dryland farming techniques combining soil-water conservation methods with water harvesting and storage in areas where conventional irrigation is not feasible. (\$100,000)

Approach:

This project will be located in a water scarce area where ground or surface water is not available. The approach will be to extend the period of soil water availability for short periods to facilitate a second crop or improved grasslands. Experiments with ground covers, planting techniques, mulching, and short-term storage ponds will be conducted. Farmers will be advised in appropriate methods of cultivation and range management for dry areas. Beginning from a base of about 200 hectares, the project area will be expanded as experience is acquired.

Expected Results:

1. Knowledge and experience in dryland farming techniques.
2. Experienced technicians.
3. Improved pasture management.
4. Improved cropping practices.

Personnel:

Range Management  
Agronomist  
Civil Engineer

Estimated Costs

Personnel	\$ 75,000
Construction	25,000
TOTAL	<u>\$ 100,000</u>

Duration:

24 months, including 3 months for construction and 21 months for cultivation and demonstration.

CSPE WATER PROJECT SURVEY

P R O Y E C T O S	ETAPA	COSTO	FINAC.	EJECUTOR
Expansión Proyecto Hidro-Eléctrico Yure-Tepemechín	Ejecución	L 73.4	BIRF	ENEE
Proyecto Hidroeléctrico El Cajón	Negociación	L 630.0	BIRF BID BCIE	ENEE
Proyecto Hidroeléctrico Naranjito	Pre-Fact.	L 167.0	BIRF	ENEE
Reforestación Cuencas	Idea	L 1.5(anual)	Municip. S.P.S.	Mismo
Sistema Riego Valle Quimistán	Pre-fact.	L 10.0	BID	M.R.N.
Protección Inundaciones Valle de Sula	Ejecución	L 9.0	BCIE	Municip. S.P.S.
Tercera Etapa Proyecto Hidroeléctrico Río Lindo	Estudio	L 50.0	Unknown	ENEE
Control Inundaciones Valle de Sula	Pre-Fact.	L 30.0	BID	M.R.N. SECOPT
Sistema Riego Valle Cuyamapa	Pre-Fact.	L. 10.0	BCIE	M.R.N.
Sistema Riego Valle Talanga	Pre-Fact.	L. 10.0	BCIE	M.R.N.
Sistema Riego Valle Siria	Pre-Fact.	L. 8.0	BCIE	M.R.N.
Sistema Riego Florida La Entrada	Pre-Fact.	L 7.7	BID	M.R.N.
Sistema Riego Jesús de Otoro	Pre-Fact.	L 10.0	Unknown	M.R.N.
Sistema de Riego Nacaome	Fact.	L 10.0	Unknown	M.R.N.

P R O Y E C T O S	ETAPA	COSTO	FINANC.	EJECUTOR
Desarrollo Integral Valle de Comayagua	Fact.	L 28.5	BIRF	M.N.R.
Canalización Ríos Zona Norte (Control Inundaciones)	Constr.	L 10.0	GOH	SECOPT
Resources Inventory Morquitia	Fact.	L 1.0	UNDP	CONSUPLAN
Integral Development of Aguan Valley plan	Fact.		UNDP	INA-MRN
Sula Valley Watershed Rehabilitation	Const.	L 0.6	UNDP	CODEHFOR
Sula Valley Flood Warning	Negotiation	L 0.8	UNDP	M.R.N.
Choluteca Region Agric. Development		L 2.0	UNDP	M.R.N.

AGENCY FOR INTERNATIONAL DEVELOPMENT <b>PROJECT IDENTIFICATION DOCUMENT FACESHEET</b> TO BE COMPLETED BY ORIGINATING OFFICE				1. TRANSACTION CODE <input type="checkbox"/> A = ADD <input type="checkbox"/> C = CHANGE <input type="checkbox"/> D = DELETE		PID 2. DOCUMENT CODE 1					
3. COUNTRY/ENTITY HONDURAS				4. DOCUMENT REVISION NUMBER <input type="checkbox"/>							
5. PROJECT NUMBER (7 DIGITS) <input type="checkbox"/> 522-0137 <input type="checkbox"/>		6. BUREAU/OFFICE A. SYMBOL LA      B. CODE <input type="checkbox"/> 05 <input type="checkbox"/>		7. PROJECT TITLE (MAXIMUM 40 CHARACTERS) <input type="checkbox"/> Rural Trails <input type="checkbox"/>							
8. PROPOSED NEXT DOCUMENT A. <input type="checkbox"/> 3      2 = PRP      3 = PP B. DATE <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/> 7				10. ESTIMATED COSTS (\$000 OR EQUIVALENT, \$1 = ) FUNDING SOURCE      BASE OF							
9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION a. INITIAL FY <input type="checkbox"/> 7 <input type="checkbox"/> 8      b. FINAL FY <input type="checkbox"/> 8 <input type="checkbox"/> 0				A. AID APPROPRIATED      400 B. OTHER U.S. 1.      2. C. HOST COUNTRY      120 D. OTHER DONOR(S)      190 TOTAL      710							
11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$000)											
A. APPROPRIATION		B. PRIMARY PURPOSE CODE		C. GRANT		D. LOAN		E. FIRST FY <u>78</u>		LIFE OF PROJECT	
(1) ST		132 B		061				100		400	
(2)											
(3)											
(4)											
								TOTAL 100		400	
12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)											
13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH) LAB      BR										14. SECONDARY PURPOSE CODE	
15. PROJECT GOAL (MAXIMUM 240 CHARACTERS) Increase income of rural poor of Honduras											
16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS) Provide increased and safer access to isolated communities in order to facilitate communications, deliver more produce to markets, and provide more services to the communities.											
17. PLANNING RESOURCE REQUIREMENTS (staff/funds) PP: 1 MM TDY 1 MM, Engineer - \$5											
18. ORIGINATING OFFICE CLEARANCE Signature: <i>[Signature]</i> Title: Director, USAID/Honduras Date Signed: MM DD YY <input type="checkbox"/> 6 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 7 <input type="checkbox"/> 6								19. DATE DOCUMENT RECEIVED 1: AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION MM DD YY			

## PROJECT IMPLEMENTATION DOCUMENT (PID)

### Rural Trails

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

The mountainous areas of western Honduras are extensive. This rugged terrain is dotted with small communities of people living at subsistence levels. 1974 census figures show that no less than 25% of the Honduran population live in these isolated mountain communities. The only means of communication to the valleys below are over very narrow, steep and severely eroded foot trails. It is thus very difficult to reach these areas which are least developed and do not have proper schools and health centers, not to mention extension services and other technical assistance. The inhabitants of these areas exist on the meagerest of incomes and depend largely on agriculture for their survival.

These areas will be the very last to be reached by public roads because the terrain would make access road construction very expensive and probably prohibitive — the estimated cost of simple design access roads for vehicles on mountainous terrain is \$40,000.00 per kilometer.

This project will construct or improve rural trails with intensive use of local labor and community cooperation, supervised by officials of the Junta Nacional de Bienestar Social (JNBS), a semi-autonomous Government agency. The trails will follow the contours of the land, and will be designed using topographical maps or aerial photographs with a minimum of design and engineering. These trails will have easy to negotiate curves (switch backs), a maximum of 1 to 1 back slope, will not exceed 6 feet in width (to accommodate pack animals), will have loose rock type retaining walls, sufficient drainage and cross drainage, foot bridges across streams, and not more than a 15% incline or grade. With supervision by the Junta Nacional de Bienestar Social and intensive hand labor from the communities, these trails can be constructed for an estimated \$2,500.00 per kilometer.

#### II. Project Purpose

The project purpose is to initiate a pilot program to increase access to isolated communities, providing safer means of transporting produce to market and supplies and services to the communities, and in general, facilitating communications between the isolated residents of mountain-top communities and government officials who are reluctant to travel difficult mountain trails.

**III. Project Outputs - FY 78-81**

The estimated project outputs necessary to the achievement of the project purpose are as follows:

1. Construct or improve approximately 267 Kms. of rural trails.
2. Construct a to be determined number of small foot bridges to traverse streams and ravines.

**IV. The estimated kinds and amounts of technical and physical resources required:**

1. The Mission will provide one (1) qualified construction expert to work with engineers of the Junta Nacional de Bienestar Social to pre-inspect the projects to determine:
  - a. The most practical routes by comparing distances and areas most economical to construct the trails.
  - b. The general design of the trail sketched on an overlay of topographical maps or aerial photographs.
  - c. The number and design of simple foot bridges.
  - d. Drainage requirements.
2. The engineering commodities (hand levels, topographical maps, aerial photographs) will cost an estimated \$4.00 per kilometer. (This cost is included under Supervision and Engineering in the budget).

**V. The estimated disbursement period of this pilot project is three years; FY 78 - FY 81**

**VI. The major assumption pertinent to project success:**

The communities will participate in the construction of rural trails by providing 40 percent of the necessary hand labor on a self-help basis.

**VII. GOH Activities in the Area**

There are no known host-government agencies or other donors working

on activities similar to this proposal. With regard to project implementation, the JNBS has the experience and management capability required. The Junta would also provide:

- a. Food for Work for the project. (See Footnote 1 page 4)
- b. Some local materials such as cement and lumber.
- c. Supervision of the project.
- d. Inventory control, distribution and collection of hand tools.
- e. A simple agreement negotiated with each community for each project.

The costs to the JNBS is estimated at \$450 per kilometer. This would be the first project of this type in Honduras.

#### VIII. Realistic Alternative

The project assumes community participation to provide extensive hand labor under minimal supervision with simple engineering. Due to the topography over which these rural trails will pass, there is no viable alternative which would be economically feasible. A project designed to provide even a minimum road over which vehicles could pass would require heavy construction equipment and skilled labor, and would reduce the community participation element.

In sum, this project design has been selected because it is the only economically feasible method of improving the transportation links between isolated communities and the municipalities to which they belong.

#### IX. Intended Beneficiaries

The intended beneficiaries are identified as isolated, rural, low income farm families. The average annual income of these target beneficiaries is less than \$250 due to their isolation.

Mission analysis of transportation costs per ton per kilometer show that the savings to the small farmer can be readily quantified when improvements to the method of transportation are made. Under this project, the improved rural trails are expected to provide for increased utilization of pack animals, which would represent a savings of \$4.25/ton/Km. compared to the cost of hand-carrying the products.

X. Spread Effect

Mission experience with projects financed under the Special Development Activities Project over the past five years has provided ample evidence that the success of small projects which directly benefit the low-income groups is communicated by word of mouth. It is believed that the success of the proposed project will generate interest in many other communities. The Honduran Government and other international development organizations do have the means to replicate this project once it has been demonstrated that it can be successfully accomplished.

XI. Financial Requirements

A. The very preliminary estimate of the cost per kilometer for this project is \$2,500, not including unskilled labor provided by the communities.

	<u>A.I.D.</u>	<u>Comm.</u>	<u>GOH</u>
Cement and rebars	\$ 228.60	\$ .00	\$ .00
Drainage pipe	280.00	.00	.00
Hand tools	151.40	.00	.00
Clearing	40.00*	30.00*	.00
Excavation	500.00*	375.00*	.00
Compaction	50.00*	37.50*	.00
Retainer walls	100.00*	75.00*	.00
Supervision & engineering	150.00	.00	150.00**
Transportation	.00	.00	300.00***
	<u>\$1,500.00</u>	<u>\$517.50</u>	<u>\$450.00</u>

\*A portion of A.I.D.'s contribution will be \$1 per man per 8 hr. day. This is equally to 4/7s of the Honduran minimum wage.

\*\*Includes topographical maps and aerial photos.

\*\*\*Includes transportation of all supplies furnished by either A.I.D. or JNBS, including the food-for-work commodities.

B. Estimated Disbursement Period (U.S. Thousands)

	<u>Total</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 79</u>
U.S. Grant	400.	133.5	133.5	133.0
Community	138	46.	46.	46.
GOH (JNBS)	120	40.	40.	40.
Food-for-Work <sup>1/</sup>	52.4	17.5	17.5	17.4
	<u>710.4</u>	<u>237.0</u>	<u>237.0</u>	<u>236.4</u>

<sup>1/</sup>FFW may be provided through a U.S. Volag, a government-to-government program the JNBS or directly through the JNBS from the World Food Program.

## XII. Development of Project

The Mission has available some staff time in the Capital Development Engineering Section and Public Administration Division. However, at least two man months will be required to assist in making preliminary site surveys and writing up the Project Paper. These two man months can be provided by either TDY personnel from AID/W or by contract personnel. One man month of contract services has been budgeted at \$5,000. We anticipate the analysis could be carried out in early CY 1977 and the paper submitted by June 1977.

AGENCY FOR INTERNATIONAL DEVELOPMENT <b>PROJECT IDENTIFICATION DOCUMENT FACESHEET</b> TO BE COMPLETED BY ORIGINATING OFFICE	1. TRANSACTION CODE <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-right: 5px;">A</div> A = ADD C = CHANGE D = DELETE	PID 2. DOCUMENT CODE 1
---	--	------------------------------

3. COUNTRY/ENTITY HONDURAS	4. DOCUMENT REVISION NUMBER <div style="border: 1px solid black; width: 20px; height: 15px; display: inline-block;"></div>
5. PROJECT NUMBER (7 DIGITS) <div style="border: 1px solid black; padding: 2px;">522-0138</div>	6. BUREAU/OFFICE A. SYMBOL LA      B. CODE 05
7. PROJECT TITLE (MAXIMUM 40 CHARACTERS) <div style="border: 1px solid black; padding: 2px;">Rural Electrification</div>	

8. PROPOSED NEXT DOCUMENT A. <div style="border: 1px solid black; padding: 2px;">2</div> 2 = PRP 3 = PP	B. DATE <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>MM</td><td>YY</td></tr><tr><td>10</td><td>76</td></tr></table>	MM	YY	10	76
MM	YY				
10	76				

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION a. INITIAL FY <div style="border: 1px solid black; padding: 2px;">78</div> b. FINAL FY <div style="border: 1px solid black; padding: 2px;">80</div>	10. ESTIMATED COSTS (\$000 OR EQUIVALENT, \$1 = )
FUNDING SOURCE	
A. AID APPROPRIATED	10250
B. OTHER U.S. 1.	
2.	
C. HOST COUNTRY	3500
D. OTHER DONOR(S)	
<b>TOTAL</b>	<b>13750</b>

11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$000)							
A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY <u>78</u>		LIFE OF PROJECT	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1) ST	200 B	062	062	80	10000	250	10000
(2)							
(3)							
(4)							
<b>TOTAL</b>				80	10000	250	10000

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)	
13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)	14. SECONDARY PURPOSE CODE

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)

To improve the quality of life for the rural population through new or improved electric service.

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)

To assist the GOH through the Empresa Nacional de Energia Electrica (ENEE) in providing electric service to selected rural areas.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)

PRP - 1 Man Month TDY AID/W      International Travels Orders \$3,000  
 3 Man Months NRECA Engineers - \$17,000 (Technical Support, ST)

18. ORIGINATING OFFICE CLEARANCE	19. DATE DOCUMENT RECEIVED FOR AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION						
Signature:	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td>MM</td><td>DD</td><td>YY</td></tr> <tr><td>16</td><td>23</td><td>76</td></tr> </table>	MM	DD	YY	16	23	76
MM		DD	YY				
16	23	76					
Title: Director, USAID/Honduras	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td>MM</td><td>DD</td><td>YY</td></tr> <tr><td> </td><td> </td><td> </td></tr> </table>	MM	DD	YY			
MM	DD	YY					

## RURAL ELECTRIFICATION PID

### I. Problem Summary

The last two GOH administrations have had as one of the major social goals "to improve the quality of life for the rural population", a goal which was re-emphasized by Chief of State Melgar in his 1976 New Year's address and by actions which have reinforced this stated policy. In its efforts to improve the life of rural families, the GOH considers rural electrification as an integral part of the rural infrastructure program.

The Empresa Nacional de Energía Eléctrica (ENEE) has primary central stations in Tegucigalpa, San Pedro Sula and other large towns. Service, however, is extended to only 20% of Honduras' total population. Less than 5% of the rural population has access to central station service.

The long term benefits of rural electrification are substantial. A dependable, economical power source can be a factor in increased agricultural production through power for irrigation, crop drying, grain storage, produce preservation and processing; rural electrification contributes to improved health by providing power for pressure water systems, health centers, and refrigeration for preserving foods; electricity in rural schools permits adults, as well as children, to participate in rapidly expanding non-formal education through night classes; and an economical power source provides opportunity for the development of small rural industries, thus increasing employment in the farm areas.

### A. Project Purpose

To provide electric service to selected rural areas.

### B. Project Description

Guided by the GOH long range plans for extension of electric services, the proposed project of \$13,500,000 would include \$10,000,000 in A.I.D. Loan financing of network transmission lines, primary distribution systems and private line connections in one or more of the GOH priority areas. The attached maps illustrate existing power sources and transmission lines, Map A, and Map B shows areas of the GOH highest priorities in rural electric development.

Generating capacity already exists to serve additional networks of the size contemplated under this program, and the National Electric Company expects to have sufficient capacity to cover system expansion for several years in the future. Within the proposed project areas are some villages with small generators providing 4 or 5 hours electric service each day. These villages would be incorporated in the rural electric network.

Rural electrification projects can be justified economically only on a long-term basis. The capital investment per rural consumer is substantially higher than for the urban consumer and it follows, then, that in order to obtain a reasonable rate of return on investment a considerable demand must exist in the target area or the financing terms must be on concessional terms. In the United States 2% & 3 % interest loans were necessary to develop its rural electrification system, and an undeveloped country cannot be expected to make extensive capital investments in such rural programs with high interest rates.

ENEE now has a small program for rural electrification using operating profits and the two-step differential from an IDA loan. The IDA program provides approximately \$300,000 annually in rural electrification projects. The proposed AID Loan will enable ENEE to expand these rural electrification programs into those rural areas which have been identified as priority areas by the GOH and ENEE.

The National Electric Company has centralized its organization assuming full control in the areas of planning, management, technical services, and residential and commercial sales. In Honduras it is generally conceded that ENEE is one of the best, if not the best, managed of the National Agencies. ENEE officials feel that through the Company's ongoing training program for technicians and managers, this proposed project could be absorbed in the central organization.

ENEE is resistant to rural electric cooperative experimentation although electric cooperatives have never been tried in Honduras. Citing the lack of technical and managerial expertise in the rural areas, the Company doubts that electric cooperatives could function as efficiently as the Central Management.

Before completion of the Project Review Paper, the issue of whether to test the cooperative method of rural electric management will be decided. In making this decision, ENEE has agreed to consider all of the relative merits of cooperative management and to observe on a first hand basis a number of functioning rural electric cooperatives in the United States and other Central American countries. As another basis for the decision, ENEE will also review recent cooperative development in Honduras. If the decision is made to use a cooperative approach, a Grant of \$250,000 is proposed to finance the Technical Assistance necessary for the development and implementation of a pilot rural electric cooperative project.

#### 1. Project Outputs

During the first ten years of this project approximately 150,000 people can be directly benefited with new or improved electric service. This service can be available for irrigation, crop drying, refrigeration, pressure water systems, schools, health facilities, and rural industries.

With the proposed \$10,000,000 loan funds approximately 2,100 kilometers of primary and secondary distribution lines can be built to serve some 25,000 families in the foreseeable future.

Experiences in other developing countries indicate that certain indirect benefits can be expected with rural electrification, such as, increased employment opportunities, extension of hours available for education, a tendency for birth rates to decrease, and increased effectiveness of other development activities in improving the lives of the rural poor.

## 2. Technical and Physical Resources Required

It is expected that the Empresa Nacional de Energía Eléctrica (ENEE), an autonomous agency of the Honduran Government, can provide the greater part of the technical and physical resources necessary for the project execution.

Founded in 1957, ENEE operates as a business, receiving no government subsidies, reinvesting profits in expansion programs, and is operating with a 1976 budget of \$45,000,000.

For the past five years ENEE has been executing a limited rural electrification program using its own engineering staff and force account construction. In the Division of Engineering and Planning, permanent staff personnel includes five electrical and mechanical engineers, six civil engineers, seven draftsmen, and in the construction unit, forty skilled laborers (linesmen, etc.). Unskilled labor is hired as needed.

In practice, ENEE has used force account construction for distribution lines and has contracted some of the 69 KV and higher voltage lines.

For this project it is proposed that high voltage transmission lines would be contractor built and the distribution system would be constructed by ENEE's personnel or by contractor depending upon the scope of work in the areas chosen for rural electrification. If additional Company staffing is required for a program of this magnitude, the Chief Engineer for ENEE is of the opinion that local engineers and skilled labor are available.

ENEE has adequate generating capacity to serve its existing interconnected system and capacity to cover several years expansion. In 1974 the installed capacity was 133,680 KW against a peak demand of 74,800 KW. Within the last six months ENEE completed the tie-line for interchange of power with neighboring Nicaragua further insuring that power is available for system growth. The Company's long range planning includes one or more major hydro-electric plants currently in the planning or feasibility stage.

If it is decided to form a pilot rural electric cooperative, NRECA would provide the necessary technical assistance to design and implement a pilot project. It is proposed that this technical assistance be Grant funded.

### 3. Estimated Disbursement Period

It is assumed that Loan funds would be committed early in FY'78 and initial disbursements would be made by the end of FY'78 with major disbursements in FY'79 and '80.

#### C. Major Assumptions

There are three major assumptions pertinent to this proposed project's success:

1. Power rates from ENEE will be favorable for the rural consumer.
2. Rural electric development will be supported by the GOH and ENEE.
3. Rural people will support rural electric development as consumers.

#### D. Other Activities in Rural Electrification

Over the past five years World Bank loans have funded a series of five small rural electrification projects, located in the Central and Southern areas of Honduras. The Fifth Project of this series will be completed by the end of 1976 which includes 150 Kms. of 34.5 KV subtransmission/distribution lines. A follow-on Sixth Project will begin in 1977 with a budget of \$1.15 million of which \$600,000 is to be World Bank funded. It is estimated that this series of six projects will provide power to approximately 1-1/2% of the rural population now without electric service.

The current limited rural electrification activities by ENEE are being financed by ENEE operating profits, the World Bank, and the proceeds from the interest rate spread on an IDA two-step loan. The World Bank requires that electrification projects demonstrate a rate of return of 10%, and will not finance electrification systems to marginal rural areas. The proposed AID project would address those marginal rural areas for which financing is not now available.

#### E. Project Alternatives

To achieve the project purpose of providing electric service to selected rural areas, three alternatives were considered: (1) Development of several small hydroelectric facilities, (2) Construction of diesel power plants at key sites, and (3) Expansion of the National Electric Grid.

(1) The mountainous terrain of Honduras contains probably a hundred potential sites for small hydro-electric plants. However, investigations show that in the United States small hydraulic machines have not been manufactured for many years. At one time there were a dozen manufacturers, now that a number has been reduced to one.

Leffel and Co., the manufacturer, quotes \$8,600 for a small 10 KW unit which can

supply power to a village of about 10 families.

Larger machines are being made but these entail expensive engineering plans and studies plus an operations crew. The management staff and operation crews required by a small to medium size units cannot be economically supported by scattered rural populations. Latin America has hundreds of small hydro plants which have been abandoned for lack of management and maintenance, including some in Honduras.

(2) Many small towns and large farms in Honduras have privately owned diesel powered generator plants for the provision of electric service. Beyond the initial cost of generator purchase, increasingly expensive diesel fuel must be imported into Honduras, which in turn has substantially raised consumer rates and seriously affected the balance of payments.

(3) The expansion of the National Electric Grid appears to be the most practical method to bring service to a large number of people at the most economical long-term cost. As Map A illustrates, existing transmission lines run within a reasonable distance of the proposed project areas, and the generating capacity of the ENEE is capable of supplying the expanded Grid proposed under this Project.

#### F. Direct and Indirect Beneficiaries

The target beneficiaries are the rural families living in the small towns served by the proposed transmission lines and those farm families living along the connecting line. It is expected that a high percentage of the rural people will purchase power as it is made available. Neighboring Nicaragua reports that a high percentage of the families living along the electric network are taking service from the recently completed rural electrification systems.

ENEE has established a single country-wide rate for all consumers subscribing to the National network system; in effect, the urban consumer subsidizes the higher-cost rural consumer. The minimum charge of \$1.75 per month for 20 KWH (sufficient to light a small rural house) is considered to be within reason for the majority of rural families living in the proposed project areas. At the present time rural families purchase energy in the form of kerosene for lighting, cooking and water pumps. The replacement of electric energy for petroleum energy is not expected to significantly increase homeowners expenses.

In addition to those house-holds directly benefited by rural electrification, entire communities profit through installation of pressure water systems, street lighting, electric service in schools and health centers, and the potential for new business and industry.

#### G. Spread Effect

The primary spread effect of the proposed project of rural electrification will be to create a country-wide demand for rural electric service. A

Trickle Down effect will occur as fuel generators now located in small villages will be moved to even more remote areas as villages in the project area are connected to the National Network.

II. Financial Requirements and Plans

A. Project Cost Estimate

The best estimate of the project cost is approximately \$13.5 million with 75% financing through an A.I.D. loan of \$10 million. This proposed project, quadrupling the current rural electrification program, will approach the upper limit of ENEE's technical resources and counterpart funds for Transmission and Distribution systems during the life of the project.

The estimated construction costs are:

900 Kms. 34.5 KV, 3 Ø, Trans. & Distribution, \$5,000/Km.	\$4,500,000
777 Kms. 19.0 KV, 1 Ø, Distribution, \$3,600/Km.	2,800,000
400 Kms. Secondaries, \$3,000/Km.	1,200,000
25,000 Services at \$60 each	1,500,000
25,000 KVA Transformers, \$40/KVA	1,000,000
Two Storage Facilities, \$150,000 each	300,000
Engineering and Administration at 10%	1,100,000
Contingencies, 10%	1,100,000
	<hr/>
TOTAL	\$ 13,500,000

Financing Plan

(\$000)

	ENEE	A.I.D.		TOTAL
		Loan	Grant	
Imported Materials		\$3,700		\$3,700
Locally Procured and CACM Materials		2,000		2,000
Construction Costs	2,600	3,000		5,600
Engr. & Administ.	900	200		1,100
Contingencies		1,100		1,100
Technical Assistance if needed for cooperative development			250	250
	<hr/>	<hr/>	<hr/>	<hr/>
TOTALS	\$3,500	\$10,000	250	\$13,750

Additionally, U.S. and Third Country training might be arranged at a cost of \$30,000 with the GOH or ENEE bearing a portion of the costs.

### Project Viability

The classic economic justifications through cost/benefit ratios on a short-term basis cannot be applied to isolated projects of rural electrification. This proposed project must be viewed on a long-term basis and as an integral part of the Honduran Electric Network. The long-term economic benefits depend upon consumer usage, price for wholesale power, density of consumers, construction costs and retail rates.

A study of the long-range economic projections of this project, as a part of an interconnected power system, will be undertaken prior to the submission of the Project Review Paper (PRP).

### III. Development of the Project

#### A. Implementation of Documents and Studies

Prior to the preparation of the Project Review Paper (PRP), detailed studies of the proposed project will be undertaken with the collaboration of USAID/Honduras and ENEE using the assistance of an engineer from NRECA. These studies will define the project areas, give detailed estimates of construction costs, and projected operating income and expense statements.

If the determination is made to form an electric cooperative, Technical Assistance from NRECA may be Grant funded. Additionally, with Invitational Travel Funds, ENEE and GOH officials may visit successful United States or Latin American rural electric cooperatives for an unbiased look at such cooperatives.

#### B. Project Development Schedule and Manpower Requirements

1. Project Identification Document (PID) due in Washington, July 1, 1976
2. Project Review Paper, due October 31, 1976
  - a. ENEE will supply preliminary plans for areas to be served by the project with consumer estimates, cost estimates and inventory of existing facilities. (See ANNEX 1).
  - b. Contract for NRECA consulting services by July 15, providing for an engineer to arrive August 15 for two months. (See ANNEX 2).
  - c. Request AIL/Washington assistance by providing an economist for 15 days beginning September 15, and an Electrical Engineer for 10 days beginning September 20, 1976.
  - d. Draft of the Project Review Paper for GOH and Mission review, October 10, 1976.
3. Project Paper (PP) (Loan Application Document) due Washington, May 1, 1977.
  - a. December 1, 1976, Mission will review with ENEE the comments

and suggestions of AID/Washington on the Project Review Paper as presented.

- b. Plan for additional assistance from NRECA and AID/W as needed to be scheduled for February 1, 1977.
- c. Review all plans, estimates, February, 1977; Complete all feasibility studies, March 1977, and resolve all project issues, March 1977.
- d. Draft Project Paper completed for Mission and GOH review, April 1, 1977.
- e. Project Paper due in AID/Washington, May 1, 1977.

#### IV. Issues

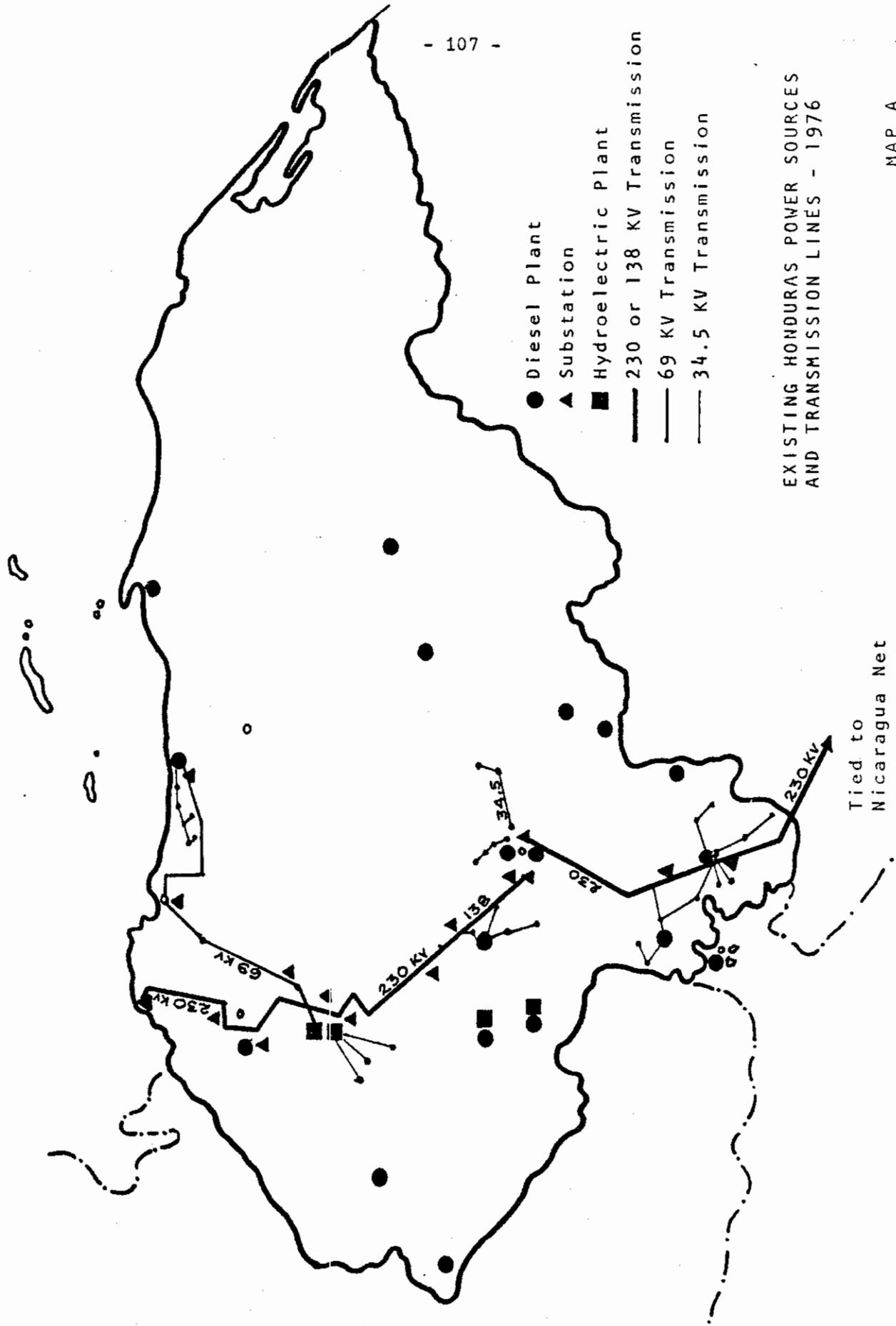
##### 1. Service to the rural poor

ENEE has historically operated as a commercial enterprise with financing from the World Bank and the Central American Bank. This has required careful management and conservative extension policies in order to provide electric service at reasonable rates.

With USAID's objective in providing benefits to the rural poor, some differences exist in defining the target groups. ENEE might be inclined to provide service to larger towns and farms, services that would project a more favorable rate of return on the investment; USAID would like to see maximum efforts made to extend service to the rural poor with physical access to the new systems. ENEE will be asked to guarantee service to the maximum number of small towns and low income families consistent with fiscal responsibility.

##### 2. The use of Rural Electric Cooperatives

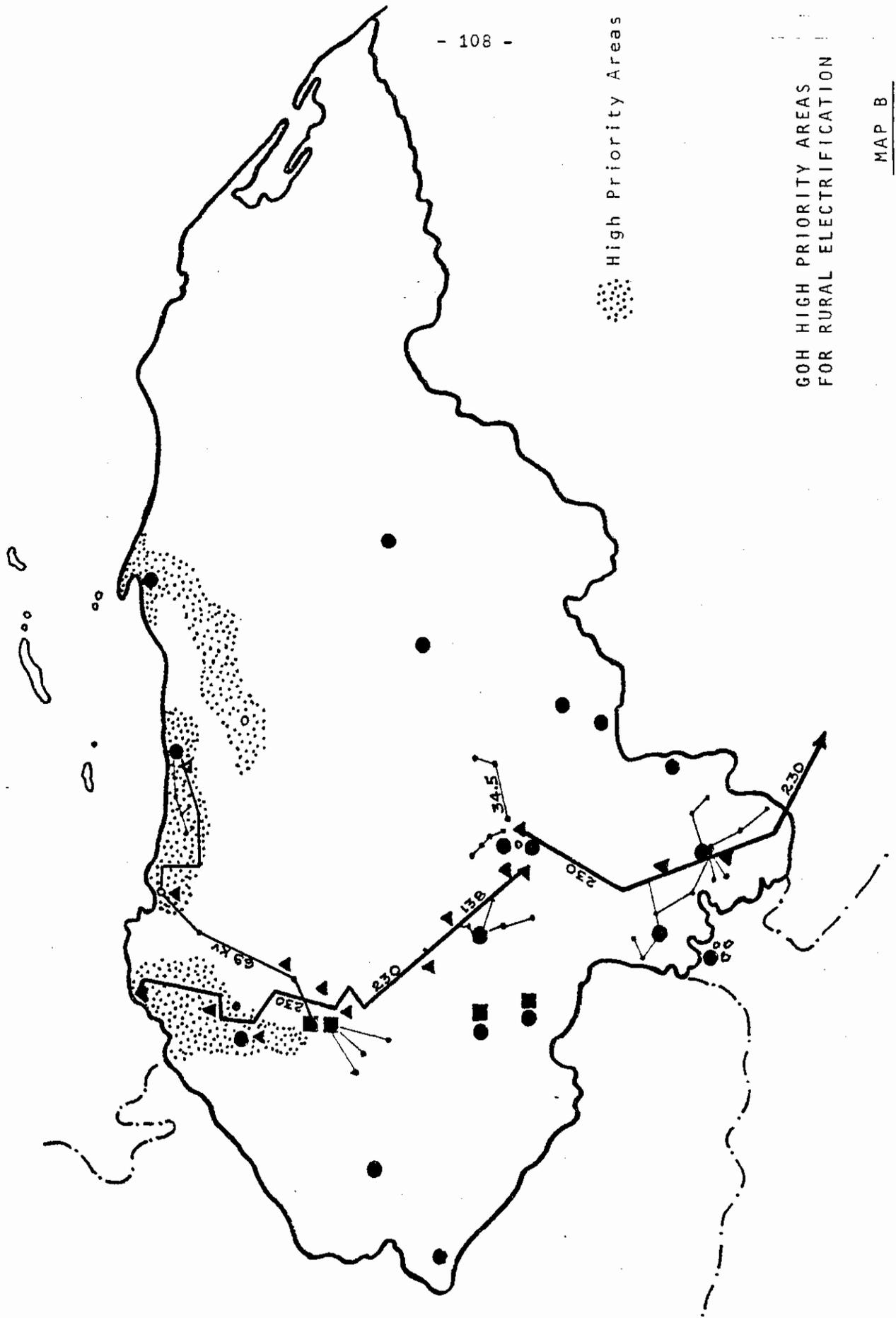
ENEE has reservations about the use of cooperatives for the development of rural electrification. The Company has agreed to study the feasibility of one or more pilot cooperative projects which might be included in the loan.



EXISTING HONDURAS POWER SOURCES  
AND TRANSMISSION LINES - 1976

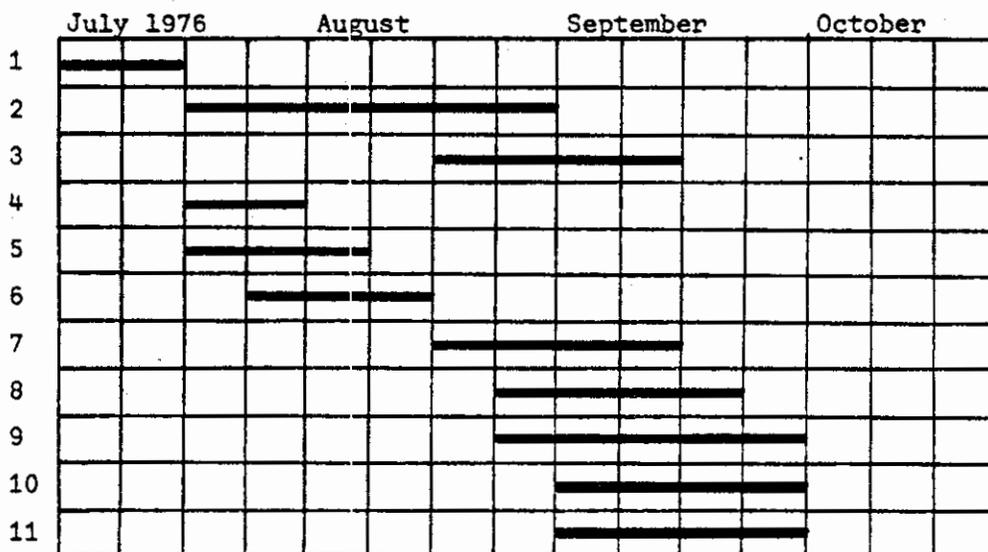
MAP A

Tied to  
Nicaragua Net



ENEE INPUT REQUIREMENTS FOR THE PROJECT REVIEW PAPER

1. Decision on areas to be served.
2. Preliminary plans and drawings.
3. Cost estimates in some detail based on preliminary plans.
4. Inventory of existing facilities for tie-line.
5. Estimated number of consumers in the project area.
6. Per capita income of potential new consumers.
7. Statistical estimates in relation to KW demand in the project area for residential, commercial and industrial usage.
8. Demand projections for 5 years:
  - a. Country-wide
  - b. Proposed project area
9. Planned sources of power for 10 years:
  - a. Type
  - b. Time schedule
  - c. Financing
10. Budget projections over next 5 years:
  - a. For new project area
  - b. Budget projections of new project in relation to total budget.
11. Policy resolution on cooperative issue



AID 1350-1 (7-71)	DEPARTMENT OF STATE AGENCY FOR INTERNATIONAL DEVELOPMENT	1. Cooperating Country	Page 1 of 5 Pages			
PIO/T	PROJECT IMPLEMENTATION ORDER/TECHNICAL SERVICES	2. PIO/T No.	3. <input checked="" type="checkbox"/> Original or Amendment No. _____			
		4. Project/Activity No. and Title  Rural Electrification Technical Support (Pro-forma)				
DISTRIBUTION	5. Appropriation Symbol	6.A. Allotment Symbol and Charge	6.B. Funds Allotted to: <input type="checkbox"/> A.I.D./W <input type="checkbox"/> Mission			
		7. Obligation Status <input type="checkbox"/> Administrative Reservation <input type="checkbox"/> Implementing Document	8. Funding Period (Mo., Day, Yr.) From <u>8/15/76</u> To <u>6/30/77</u>			
		9.A. Services to Start (Mo., Day, Yr.) Between <u>8/1/76</u> and <u>8/15/76</u>	9.B. Completion date of Services (Mo., Day, Yr.)			
10.A. Type of Action <input checked="" type="checkbox"/> A.I.D. Contract <input type="checkbox"/> Cooperating Country Contract <input type="checkbox"/> Participating Agency Service Agreement <input type="checkbox"/> Other						
10.B. Authorized Agent AID/W						
		Estimated Financing	(1)	(2)	(3)	(4)
		\$1.00= 2.00 Lempiras	Previous Total	Increase	Decrease	Total to Date
11.		Maximum A.I.D. Financing	A. Dollars	17,000		17,000
			B. U.S.-Owned Local Currency			
12.		Cooperating Country Contributions	A. Counterpart			
			B. Other			
13. Mission References	14. Instructions to Authorized Agent  Negotiate contract with National Rural Electric Cooperative Association, 2000 Florida Ave. N.W., Washington, D.C. to provide services described herein. he					
15. Clearances - Show Office Symbol, Signature and Date for all Necessary Clearances.						
A. The specifications in the scope of work are technically adequate			B. Funds for the services requested are available			
C. The scope of work lies within the purview of the initiating and approved Agency Programs			D.			
E.			F.			
16. For the cooperating country: The terms and conditions set forth herein are hereby agreed to		17. For the Agency for International Development		18. Date of Signature		
Signature and date:		Signature: Frank B. Kimball				
Title:		Title: USAID/Honduras				

AID 1350-1 (9-70)	Cooperating Country HONDURAS	PIO/T No.	Page 2 of 5 Pages
	Project/Activity No. and Title RURAL ELECTRIFICATION TECHNICAL SUPPORT		

SCOPE OF WORK

19. Scope of Technical Services

A. Objective for which the Technical Services are to be Used

Assist Empresa Nacional de Energía Eléctrica, ENEE, and USAID in preparation of Project Review Paper and Project Paper for rural electrification projects.

B. Description

1. Assist in engineering studies, cost analyses and feasibility study of the projects.
2. Assist in retail rate studies.
3. Assist in preparation of projected operating statements for the first, third and fifth years of operation.
4. Assist in making cost estimates of building and material requirements and determine method of construction whether force account or contract and prepare supporting information for the selection.
5. Assist in other necessary studies to insure orderly and satisfactory organization and operation of the project.

C. Technicians

(1) (a) Number	(b) Specialized Field	(c) Grade and/or Salary	(d) Duration of Assignment (Man-Months)
1	Rural Electric Engineer	\$100/day	3 MM

(2) Duty Post and Duration of Technicians' Services

Tegucigalpa, Honduras - 3 months

(3) Language requirements

None.

(4) Access to Classified Information

No access required.

(5) Dependents  Will  Will Not Be Permitted to Accompany Technician

D. Financing of Technical Services

(1) By AID - \$ 17,000

(2) By Cooperating Country -

AID 1350-1 (D-70)	Cooperating Country HONDURAS	PIO/T No.	Page 3 of 5 Pages
PIO/T	Project/Activity No. and Title RURAL ELECTRIFICATION TECHNICAL SUPPORT		

20. Equipment and Supplies (Related to the services described in Block 19 and to be procured outside the Cooperating Country by the supplier of these services)

A. (1) Quantity	(2) Description	(3) Estimated Cost	(4) Special Instructions
	Miscellaneous bulletins and Engineer Supplies	\$100	None

B. Financing of Equipment and Supplies

(1) By AID - \$ 100

(2) By Cooperating Country - N/A

21. Special Provisions

- A. This PIO/T is subject to AID (contracting) ~~(AID/contracting)~~ regulations.
- B. Except as specifically authorized by AID, or when local hire is authorized under the terms of a contract with a U.S. Supplier, services authorized under this PIO/T must be obtained from U.S. sources.
- C. Except as specifically authorized by AID/W, the purchase of commodities authorized under this PIO/T will be limited to the U.S. under Geographic Code 000.
- D. Other (specify):

AID 1350-1 (9-70)	Cooperating Country <b>HONDURAS</b>	PIO/T No.	Page 4 of 5 Pages
PIO/T	Project/Activity No. and Title <b>RURAL ELECTRIFICATION TECHNICAL SUPPORT</b>		

22. Reports by Contractor or Participating Agency (Indicate type, content and format of reports required, including language to be used if other than English, frequency or timing of reports, and any special requirements)

1. Contractor will provide an interim report in English after 50 days in country for Mission review. Final report in English 10 copies will be due within 45 days after completion of work in Honduras.

23. Background Information (Additional information useful to Authorized Agent and Prospective Contractors or Participating Agency; if necessary cross reference Block 19.C(4) above.)

1. Phase I Report. Alexander, NRECA. Rural Electrification Country Survey. Task Order 45 Contract AID/csd 225. Report dated 12-31-65.
2. Project Initiation Document - Rural Electrification prepared by USAID June, 1976.
3. Files at NRECA.
4. Files of Capital Development Office, USAID/Honduras.

24. Relationship of Contractor or Participating Agency to Cooperating Country and to AID

A. Relationships and Responsibilities

Will work closely with officials of ENEE and USAID assisting in preparation of PRP and PP for Rural Electrification.

B. Cooperating Country Liaison Official

Chief, Division of Engineering and Planning, Empresa Nacional de Energía Electrica.

C. AID Liaison Officials

Capital Development Officer, USAID/Honduras.

AID 1350-1 (9-70)	Cooperating Country HONDURAS	PIO/T No.	Page 5 of 5 Pages
PIO/T	Project/Activity No. and Title RURAL ELECTRIFICATION TECHNICAL SUPPORT		

LOGISTIC SUPPORT

25. Provisions for Logistic Support	In Kind Supplied By		From Local Currency Supplied By	
	AID	Cooperating Country	AID	Cooperating Country
A. Specific Items (Insert "X" in applicable column at right. If entry needs qualification, insert asterisk and explain below in C. "Comments")				
(1) Office Space		X		
(2) Office Equipment		X		
(3) Housing and Utilities				
(4) Furniture				
(5) Household Equipment (Stoves, Refrig., etc.)				
(6) Transportation in Cooperating Country		X		
(7) Interpreter Services		X		
Other: (8)				
(Specify) (9)				
(10)				
(11)				
(12)				
(13)				
(14)				
(15)				

B. Additional Facilities Available From Other Sources

C. Comments

Illustrative Budget

Salaries: 72 man days field specialists at 100*	\$7,200
10 man days home office at 130	1,300
Travel and Transportation, including US travel, 2 RT to Honduras, excess baggage some travel in Honduras	1,500
Allowances: 90 days per diem at 35	3,150
Other Direct Expense	1,300
Overhead: 30% x 9300	2,550
	<hr/>
	\$17,000

\*Contractor may be reimbursed for 6 day work week when actually worked.

AGENCY FOR INTERNATIONAL DEVELOPMENT <b>PROJECT IDENTIFICATION DOCUMENT FACESHEET</b> TO BE COMPLETED BY ORIGINATING OFFICE				1. TRANSACTION CODE <input type="checkbox"/> A = ADD <input type="checkbox"/> C = CHANGE <input type="checkbox"/> D = DELETE		PID 2. DOCUMENT CODE 1																			
3. COUNTRY/ENTITY HONDURAS				4. DOCUMENT REVISION NUMBER <input type="checkbox"/>																					
5. PROJECT NUMBER (7 DIGITS) <input type="checkbox"/> 522-0139 <input type="checkbox"/>		6. BUREAU/OFFICE A. SYMBOL LA      B. CODE 05		7. PROJECT TITLE (MAXIMUM 40 CHARACTERS) <input type="checkbox"/> Agricultural Research <input type="checkbox"/>																					
8. PROPOSED NEXT DOCUMENT A. <input type="checkbox"/> 2 = PRP      B. DATE <input type="checkbox"/> 1 <input type="checkbox"/> 0 <input type="checkbox"/> 7 <input type="checkbox"/> 6 <input type="checkbox"/> 3 = PP				10. ESTIMATED COSTS (\$000 OR EQUIVALENT, \$1 = )																					
9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION a. INITIAL FY <input type="checkbox"/> 7 <input type="checkbox"/> 8      b. FINAL FY <input type="checkbox"/> 8 <input type="checkbox"/> 0				<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th colspan="2">FUNDING SOURCE</th> <th>PAGE OF</th> </tr> <tr> <td>A. AID APPROPRIATED</td> <td></td> <td>1200</td> </tr> <tr> <td>B. OTHER U.S.</td> <td>1. _____ 2. _____</td> <td></td> </tr> <tr> <td>C. HOST COUNTRY</td> <td></td> <td>400</td> </tr> <tr> <td>D. OTHER DONOR(S)</td> <td></td> <td></td> </tr> <tr> <td colspan="2" style="text-align: right;">TOTAL</td> <td>1600</td> </tr> </table>				FUNDING SOURCE		PAGE OF	A. AID APPROPRIATED		1200	B. OTHER U.S.	1. _____ 2. _____		C. HOST COUNTRY		400	D. OTHER DONOR(S)			TOTAL		1600
FUNDING SOURCE		PAGE OF																							
A. AID APPROPRIATED		1200																							
B. OTHER U.S.	1. _____ 2. _____																								
C. HOST COUNTRY		400																							
D. OTHER DONOR(S)																									
TOTAL		1600																							
11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$000)																									
A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY 78		LIFE OF PROJECT																			
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN																		
(1) FN	210B	968		500		1200																			
(2)																									
(3)																									
(4)																									
TOTAL				500		1200																			
12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)																									
13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)																									
R/AG	968																								
14. SECONDARY PURPOSE CODE																									
15. PROJECT GOAL (MAXIMUM 240 CHARACTERS) Honduran Farmers producing greater variety of higher yield crops.																									
16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS) To strengthen the agricultural research capacity of Honduras																									
17. PLANNING RESOURCE REQUIREMENTS (staff/funds) PRP and PP - 6 man months from TAB and contractors; estimated cost is \$25,000																									
18. ORIGINATING OFFICE CLEARANCE Signature: <i>Frank B. ...</i> Title: Director, USAID/Honduras						19. DATE DOCUMENT RECEIVED FOR AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION MM DD YY      MM DD YY   6   2   13   7   6																			

HONDURAS Agricultural Research - 522-0139

I. Summary of Problem and Proposed Response

The proposed project will address a problem complex which can be characterized as an inadequate technical base to support reasonable development of the agricultural sector in Honduras. The problem complex has several components: (a) lack of technology caused by inadequate investment in research, (b) an inability to take advantage of the world stock of technology, (c) inadequate numbers of trained personnel, and (d) deficient institutional capability to expand research and development activities to include the development of technological packages which are suitable for small farmers or multi-family farming enterprises under Honduran conditions.

In Honduras there has been a disproportionate investment in land and capital associated with land, in comparison to investment in agronomic and technological research and human resources to perform research and development tasks. To date, the Research Division of the Ministry of Natural Resources has only a limited ability to perform agricultural research or to adapt research from other countries to satisfy Honduran conditions. Part of the problem has been an inadequate supply of equipment and facilities for the agricultural research stations, but an equally important constraint is that the number of trained personnel is small compared to the job to be done. Further, the limited resources available have tended to be focused on traditional lines of agricultural research when they might better have been used to study practical problems and resolve them by adapting technology developed in other countries.

This project proposes to provide technical assistance and participant training which will help the Ministry of Natural Resources to resolve a critical part of the above-mentioned problem complex.

1. a. Project Purpose

The purpose of this project is to strengthen the agricultural research capacity of Honduras. Specifically, the project will support practical adaptive research and preparation of a pool of human resources who can develop suitable agronomic production recommendations to guide Honduran farmers in their choice of economic enterprises.

Human competence--skills, knowledge, understanding of important phenomena, and attitudes regarding all these--is perhaps the single most important determinant of development. This is the factor which solves problems and directs the other determinants. Thus, a significant part of this project to develop suitable agricultural technology

directly addresses the problems of insufficient and inadequate human resources dedicated to adaptive research.

Programs of agricultural credit, use of water resources, appropriate mechanization of farm enterprises and export marketing will be more effective if (a) better technological possibilities exist and (b) there is an improved understanding of these technological possibilities by program administrators as well as implementors.

1. b. Description of Proposed Project

(1) Output - The major output for this project will be a more effective and functional Research and Development unit in the Ministry of Natural Resources capable of adapting technology from the world stock of agronomic information, and delivering that information to the next user in the system.

(2) Disbursement Period and Resources Required

There are two major components: technical assistance and foreign country training. The following estimates are based on a three-year project. However, it is possible that more than 3 years will be required. This will be studied during the project development process.

(a) Technical Assistance---AID grant funds will finance contracts between the Ministry of Natural Resources and scientists who will either be personal services contractors or personnel from appropriate consultant companies or from U.S. Universities to work on specific research projects to adapt world technology to Honduras' conditions. Up to \$200,000 per year for three years will provide for an estimated 12 man-years of effort over the three year period. The Ministry of Natural Resources presently has a limited contract arrangement with the Servicio Interamericano de Asistencia Tecnica, S.A. (SIATSA) to carry on not only certain specific agricultural research projects, but also to take the responsibility for administration of the experiment stations. The personnel of SIATSA are the research scientists who formerly worked in the agricultural research units of United Brands in Central America. They have a high level of professional talent, plus many years of experience, working in the Central American environment. The Mission and the Ministry of Natural Resources consider SIATSA to be highly qualified as a contractor to achieve the project purpose in the time frame which is available. Nevertheless, other potential contractors will be considered during the PRP review.

(b) Foreign Country Training-- AID grant funds will finance advanced training for approximately 30 Hondurans in the US or Latin

America. Most scholarships will be for two years, but some may be for a longer period. Scholarship funds will be disbursed through a contract between the Ministry of Natural Resources and EDUCREDITO in the same manner as is now used in the agriculture sector loan. A student signs a loan to cover his graduate education and portions of the loan are cancelled on satisfactory completion of study, further portions are cancelled as student works for the Ministry of Natural Resources in research. Administrative costs are borne by the student and are repaid during his employment. While the Agriculture Sector Loan will provide some training benefits to the Research Service, a significant human gap remains. This project, with its training funds in conjunction with TA propelled research, seeks to fill that gap in a short time frame.

1. c. Major Assumptions

1. Growing GOH support of research
2. Coordination among the research service, Escuela Agricola Panamericana (EAP) and other national entities.

1. d. Related Activities

Research and Development components are included in at least two other Mission Projects: Water Resources Development and Small Farmer Technology. The decision has been made to use the Panamerican Agricultural School as the implementing agency for the Small Farmer Technology Project, in part because it was recognized that the Research Division of the Ministry of Natural Resources had neither the personnel nor the physical facilities to perform the additional research and experiments involved in what is essentially a search for appropriate mechanization of farm production enterprises. The Small Farmer Technology project will provide the systems approach to efficient performance of the agronomic practices to be developed by the Research Division of the Ministry of Natural Resources. The Water Resources Development Project is designed to work towards the rational use of water resources and the development of an institutional capability to deal with water use and conservation problems. Personnel trained under that project will become a part of the personnel available to augment the general R and D capacity of Honduras.

Research in soybean and sorghum, contemplated in the Nutrition Loan will be implemented by MNR. Honduras has activity with CIAT, CYMMYT, and CATIE, in rice, yuca, corn and multiple cropping. Currently these are separated activities but would contribute to the development of the total R and D institution.

Both the World Bank and IDB have or have had projects in technology

and research development, especially in providing facilities, equipment and assistance in livestock improvement. Yet the effort has not been complete, in that R and D and training activities either have been specific assistance projects, or they have been partial, addressing only parts of the problem.

The International Group for Agricultural Development (IGAD, GIAD in Spanish) is now in the process of program development (5/7/76). It is contemplating emphasizing research and training in its program. The tripartite group for Central America will soon initiate a study of research in Central America. CATIE, (Centro Agrícola Tropical para Investigaciones y Enseñanza) is attempting to find a role for itself in Central America. It has been spun off as a separate entity by IICA and is working on farming systems for small farmers, especially multi-cropping to improve efficiency in the use of land and labor.

1. e. Alternatives

The Government of Honduras is strongly signalling by its budget that it intends to spend heavily to develop its agriculture. Other donors and lenders are demonstrating a strong interest in the aspirations of Honduras. All of those plans and aspirations will be frustrated unless built on an adequate technological base which requires trained personnel deployed efficiently in a well-organized and well-managed system.

1. f. Beneficiaries.

The direct beneficiaries of this project will be the personnel of the technology innovation (research) institution. They will receive greater job security, improved working conditions, and training. Also benefitting directly will be those to be employed by this institution to the degree it expands.

Indirectly all clientele groups of the public agencies working in agriculture will benefit, but these benefits should not lag significantly. Some will benefit by the "retail" operations of agencies such as extension. Other will benefit by improved operating norms of such institutions as the Banco Nacional de Fomento.

Per se an R and D institution is neutral in its impact on small or large farmers. The extent to which the small farm operator and the asentamientos will benefit depends on (a) the program orientation of the delivery groups and (b) the types of technological problems addressed by the R and D operations. Since the delivery agencies are largely oriented to asentamientos and small farmer operations,

and since they are being expanded in their capacity to serve them, it is logical to expect that the R and D will reflect these factors.

1. g. Spread Effect

The development of a technology strategy, selecting those technologies for attention that (a) will have the most impact if successful (b) have the broadest range of adaptation and (c) appear to be most amenable to developmental efforts, will insure that the project has a spread effect.

2. Financial Requirements

2. a. Cost to Honduras

Estimates at this point must be crude. In 1976, the GOH reports an operating budget for research of L. 825,000 per year. Research workers earn from L.750 to 1,300 per month. The professional salary bill is L.630,000 (assuming an average salary of L.1,050/mo X 12 X 50 workers). A rule of thumb is that the salary should be about 1/2 total cost of researcher if he is well supported. At this rate the research budget should be L.1,260,000 increasing to 2,016,000 by end of project for a staff of 80 workers.

2. b. AID Share

The U.S. dollar cost will be \$1,200,000 over a 3 year period, \$500,000 in FY 1978, \$500,000 in FY 1979 and \$200,000 in FY 1980.

3. Development of the Project

3. a. Studies needed

A fairly good study of the MNR research system has been begun with TAB assistance.

Some other analysis will be needed. One is an analysis that gives some sort of expectation of the size R and D establishment that Honduras needs and can afford.

Another is a study of conditions within Honduras that will give some idea of the most urgent training needed and the make up of the first team of expatriates to be fielded.

Up to 6 man months of short term assistance from outside contractors and TAB may be required to develop the PRP and the PP.

3. b. Schedule:

PRP - Oct. 1976

PP - March, 1977

AGENCY FOR INTERNATIONAL DEVELOPMENT <b>PROJECT IDENTIFICATION DOCUMENT FACESHEET</b> TO BE COMPLETED BY ORIGINATING OFFICE	1. TRANSACTION CODE <div style="border: 1px solid black; display: inline-block; padding: 2px;">A</div> A = ADD C = CHANGE D = DELETE	PID 2. DOCUMENT CODE 1
---	---	------------------------------

3. COUNTRY/ENTITY HONDURAS	4. DOCUMENT REVISION NUMBER <input type="checkbox"/>
-------------------------------	---

5. PROJECT NUMBER (7 DIGITS) <input type="checkbox"/> 522-0140 <input type="checkbox"/>	6. BUREAU/OFFICE A. SYMBOL: LA    B. CODE: 05	7. PROJECT TITLE (MAXIMUM 40 CHARACTERS) <input type="checkbox"/> Small Farmer Organizations <input type="checkbox"/>
--	--	--

8. PROPOSED NEXT DOCUMENT

A.  2 = PRP      B. DATE: MM YY  1  0  7  6  
 3 = PP

10. ESTIMATED COSTS (\$000 OR EQUIVALENT, \$1 = 2 Lempiras)

FUNDING SOURCE	BASE \$
A. AID APPROPRIATED	5,700
B. OTHER U.S.	1,900
C. HOST COUNTRY	1,900
D. OTHER DONOR(S)	
<b>TOTAL</b>	<b>7,600</b>

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION

a. INITIAL FY  7  8      b. FINAL FY  8  0

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

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY 78		LIFE OF PROJECT	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1) FN	249B	031	041	300	5,000	700	5,000
(2)							
(3)							
(4)							
TOTAL				300	5,000	700	5,000

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

--	--	--

13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)	14. SECONDARY PURPOSE CODE				
<table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:25%; border: 1px solid black;">BF</td> <td style="width:25%; border: 1px solid black;">COOP</td> <td style="width:25%; border: 1px solid black;">DEL</td> <td style="width:25%; border: 1px solid black;"></td> </tr> </table>	BF	COOP	DEL		
BF	COOP	DEL			

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)

Increase income of rural poor of Honduras

Sub-goal: Increase utilization of unemployed land and labor.

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)

To improve the financial, administrative and managerial capabilities of small farmer organizations so they can operate their farm businesses effectively, increasing productivity and net income.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)

PRP: 2 MM TDY AID/W; 2 MM, Rural Capital Mkt specialist \$10.  
 PP : 3 MM, \$15.

18. ORIGINATING OFFICE CLEARANCE	19. DATE DOCUMENT RECEIVED BY: AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION
Signature: <i>Frank B. Kimball</i> Title: Director, USAID/Honduras	Date Signed: MM DD YY <input type="checkbox"/> 6 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 7 <input type="checkbox"/> 6

PROJECT IDENTIFICATION DOCUMENT

I. SUMMARY OF THE PROBLEM AND PROPOSED RESPONSE

A. Problem and Project Purpose

Small farmers and agricultural laborers who aspire to be farmers find it is virtually impossible on an individual basis to obtain adequate access to land, credit, technical assistance, markets, health services, education facilities and public utilities. The perceived solution to the problem in Honduras is to organize the rural residents into groups. The social, political and economic pressures which can be generated by such organizations can result in improved access to public services and production and market facilities.

The stated policy of the GOH is that it wishes to promote the formation of small farmer organizations. The reasoning behind the policy is to improve the efficiency in the delivery of credit, technical assistance and essential government services. Attainment of this efficiency depends almost entirely upon the capabilities of the organizations and the people who are members of the organizations, and the services which the organizations are able to provide. Among the requisites for successful organizations are:

- a. a need for the organization to exist;
- b. active participation of members in the establishment of objectives, policies, distribution of duties and resulting benefits;
- c. inspired, highly motivated leaders in the community participating in the organizational process;
- d. the ability of the organizations to deliver the services for which the organization was created;
- e. the ability of the organization to generate or attract resources necessary to sustain itself.

There are a number of organizations in Honduras whose function is to organize rural residents. The principal organizations are ANACH, UNC, and FECORAH representing approximately 100,000 farm families. The resources of these agencies are used to identify needs of their members and potential members, to find community leaders and inspire them to acquire a following, to train these community leaders in the techniques of group organization, and to obtain the resources needed to command the goods and services which their members require.

Other organizations such as the National Institute for Professional Training (INFOP), the rural schools, the agricultural schools undertake training programs which are directed toward improving the skills of campesino

- 124 -

groups. These include training in the production processes, marketing and financial skills.

The purpose of the project is to provide small farmer organizations with a financial facility and resources with which to meet the credit needs of their members, and to improve the administrative and managerial capabilities of small farmer organizations and their members to enable them to operate their organizations more effectively.

B. Project Outputs FY78 - FY80

1. Development of a financial facility to provide credit to small farmers through their campesino organizations.
2. Provision of INFOP training activities to be sponsored by Campesino Organizations for their members.
3. Development of a larger group of Honduran instructors able to conduct courses related to small farmer needs.
4. Development and maintenance of a training needs survey for farmer groups.

C. Estimated Disbursement Period (Total project cost in \$ mill)

	<u>TOTAL</u>	<u>FY1978</u>	<u>FY1979</u>	<u>FY1980</u>
Credit Facility	6.2	1.7	3.0	1.5
Training Program	<u>1.4</u>	<u>.4</u>	<u>.6</u>	<u>.4</u>
	<u>7.6</u>	<u>1.1</u>	<u>3.6</u>	<u>1.9</u>

D. Major Assumptions

Campesino organizations will support project.

E. Other Activities in Proposed Project Area

To our knowledge there are no activities by the GOH or other donors in providing credit directly to campesino organizations. The Banco de Fomento offers production credits to individuals and small farm groups who may be members of the ANACH, UNC, or FECORAH, but does not normally use the organizations as a conduit for placement of farm credit to their members.

INFOP, the proposed organization for administering the training program was created by Decree Law #10 of December 28, 1972. The Institute began operations in May 1973; through December 1975, INFOP has provided 899 courses for 11,166 participants. Of this latter number, 2,776 participants

- 125 -

were from the agricultural sector. Resources to carry out this training are gathered from a payroll tax of 1/2% from government institutions and 1% from autonomous institutions and private companies. Some technical assistance has been provided to INFOP by the International Labor Organization. In 1974, INFOP made the policy decision that 60% of all participants will be from the agricultural sector and 40% from the business sector. While most INFOP courses devote portions of time to theory and general character formation, recent emphasis has been on practical skills, especially for those courses concerning the agricultural sector. This has resulted in an increasing number of courses such as rural construction, tractor operation, agricultural marketing, agricultural production, and farm business administration.

INFOP using its own resources would contribute \$500,000 for costs of instructors' salaries, per diems, and transportation, course supervision, and INFOP administrative expenses.

It should be pointed out that preliminary analysis of INFOP revenues show an annual income of approximately L 3,000,000. Approximately 30% of this is spent on INFOP overhead; the remaining 70% financed approximately 5,000 courses per year. INFOP projections show that this covers only about 11% of the training needs of the agriculture, business, and services sectors.

#### F. Alternatives

1. Continue to provide credits to public sector organizations for lending to individual small farmers and small farmer groups.

#### G. Intended Beneficiaries

The intended beneficiaries of the project outputs are the small farmer members of the large campesino organizations. Their membership in these organizations is evidence that they meet the target group designated by the U.S. Congressional mandate.

#### H. Spread Effect

The benefits of the credit portion of the proposed project should have a spread effect by demonstrating that membership in a Campesino Organization will enable farmers to obtain production financing and some degree of management and authority over the institution which is the source of the credit. This should provide the incentive to those small farmers not now members of organizations to align themselves with an organized effort to obtain essential services and training.

A substantial diffusion of the Project training results is expected throughout rural areas. By working primarily with small farmer group leaders and managers, the training effects could be replicated within the groups after training of the participants and their subsequent activities in respective organizations. Moreover, by working with INFOP promoters assigned to groups, substantial participation by campesino wives is expected.

- 126 -

In addition, INFOP policy is to sign operating agreements with the organization with which training is being implemented. These agreements contain a standard clause specifying that the organization (i.e. ANACH, FECORAH, UNC) must establish a permanent training unit. It is possible that the small farmer organizations will need capital assistance to establish the permanent training units mentioned above. In the course of development of the proposed project, it will become more clear what is meant by a "permanent training unit" in terms of size and level of activity. The resources needed to establish such units, and alternative sources, will be determined. Appropriate projects will be suggested to respond to needs. The units will continue training courses after INFOP has executed direct courses with the unit receiving assistance from INFOP after conclusion of the operating agreement. This procedure promotes establishment of an ongoing training capacity in the campesino organizations; and will help to insure a wide spread effect resulting from the project.

It should be noted that this project also follows recent AID policy to work directly with the small farmer, thus avoiding the "trickle down" approach. INFO has established a policy of providing its course in situ and avoids giving courses in larger population centers. Therefore we believe the spread effect will be considerable as courses will be given directly to small farmer groups which will involve active participation of the campesinos at their own farms.

#### I. Financial Requirements and Plans

Estimated Project cost: (In \$ Millions)

	INFOP	AID LOAN	AID GRANT	CAMPESINO ORGANIZATIONS	TOTAL
Financial/Credit Facility		5.0	.2	1.0	6.2
Training Program	.5		.5	.4	1.4
	<u>.5</u>	<u>5.0</u>	<u>.7</u>	<u>1.4</u>	<u>7.6</u>

#### J. Project Development

Mission proposes to provide \$5.0 Million in loan funds as initial capitalization for a credit facility that will serve the three large campesino organizations in the country, ANACH, FECORAH, UNC, with the organization providing \$1.0 Million in capitalization. These three groups now have no financial capacity with which to meet the production credit demands of their members. By having the resources to service their member credit requirements, the organization will expand their capacity to meet the needs of their members and thereby strengthen their ability to further attract rural residents to their organizations.

- 127 -

During the PRP stage of project development, the Mission, working with representatives of the three large campesino organizations will explore the various alternatives for developing their capability. Among the possibilities that may be considered are:

1. Organization and capitalization of a "Campesino Bank" with capital inputs from the campesino organizations and the AID loan. Ownership and management would be vested with the organizations.
2. A credit line or revolving fund placed with the Banco Central from which commercial banks could draw funds for loans to Campesino Organizations for their sub-lending to members.
3. A Cooperative Bank or Mutual Bank with membership limited to members of selected campesino organizations. The AID loan would provide debt financing for initial capitalization with member deposits providing long-term equity.

A Grant of \$200,000 will provide the technical assistance necessary to the campesino organizations in establishing the credit facility and developing the administrative capacity to manage a credit program.

Ground work has been prepared for the training element type of the project during FY76 by INFOP and the Honduran Campesino Association, ANACH. INFOP made a preliminary survey of ANACH training needs for campesinos who would participate in the newly created Production and Service Center Cooperatives. A breakdown was made for the number of participants to be trained as well as various training needs. To date courses in Basic Grains and for Tractor Operators have been given. ANACH members' reaction has been most enthusiastic to these practical skills type courses given in the rural area.

Building on this type of training plus the courses to be given during the rest of CY 76, we believe the training element will prove feasible. The Mission has available some staff time in the Rural Development and Public Administration Divisions who are available to help analyze and plan the project. However, at least two man months of TDY from AID/W will be required to perform investigation and analysis of the INFOP organization of its capacity to carry out the project.

#### K. Issues

1. Administrative Capacity of Campesino Organizations to manage a credit program with their members.
2. Whether the Campesino Organizations can work together effectively to coordinate the management of a joint credit facility.
3. Whether INFOP will support an expansion of their present activities to the level proposed by the project.

AGENCY FOR INTERNATIONAL DEVELOPMENT <b>PROJECT IDENTIFICATION DOCUMENT FACESHEET</b> TO BE COMPLETED BY ORIGINATING OFFICE	1. TRANSACTION CODE <input type="checkbox"/> A = ADD <input type="checkbox"/> C = CHANGE <input type="checkbox"/> D = DELETE	PID 2. DOCUMENT CODE 1
---	---	------------------------------

3. COUNTRY/ENTITY HONDURAS	4. DOCUMENT REVISION NUMBER <input type="checkbox"/>
-------------------------------	---

5. PROJECT NUMBER (7 DIGITS) <input type="checkbox"/> 522-0141 <input type="checkbox"/>	6. BUREAU/OFFICE A. SYMBOL LA    B. CODE Q5	7. PROJECT TITLE (MAXIMUM 40 CHARACTERS) <input type="checkbox"/> Demographic Policy <input type="checkbox"/>
--	--	--

8. PROPOSED NEXT DOCUMENT

A.  2 = PRP     3 = PP

B. DATE 

MM	YY
3	77

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

FUNDING SOURCE		PAGES OF
A. AID APPROPRIATED		350
B. OTHER U.S.	1.	
	2.	
C. MOST COUNTRY		120
D. OTHER DONOR(S)		
TOTAL		470

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION

a. INITIAL FY  7  8    b. FINAL FY  8  0

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

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY <sup>78</sup>		LIFE OF PROJECT	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1) PH	419B	420		140		350	
(2)							
(3)							
(4)							
TOTAL				140		350	

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

--	--	--

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

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)

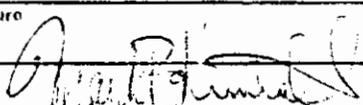
Reduce population pressure on Honduran development strategies and programs.

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)

Increase the awareness of GOH policy makers of the implications of national demographic trends for GOH development programs and the implications of GOH programs for national demographic trends.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)

PP: Demographer, 2 MM, \$10  
 Pre-project Participant Training, \$5.

18. ORIGINATING OFFICE CLEARANCE Signature:  Title: Director, USAID/Honduras Date Signed: MM DD YY <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>MM</td><td>DD</td><td>YY</td></tr><tr><td>6</td><td>23</td><td>76</td></tr></table>	MM	DD	YY	6	23	76	19. DATE DOCUMENT RECEIVED BY: AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>MM</td><td>DD</td><td>YY</td></tr><tr><td> </td><td> </td><td> </td></tr></table>	MM	DD	YY			
MM	DD	YY											
6	23	76											
MM	DD	YY											

## I. The Problem to be Addressed

Honduras has:

- a. The second highest rate of natural increase in L.A. Components of this situation are a birth rate of 49 per 1000 people per year - the highest in L.A. - and an annual death rate of 14 per 1000, yielding a rate of natural increase of 3.5% per year\*;
- b. a dependency ratio (children under 15 years of age as a percentage of the total population) of approximately 48%;
- c. One of the lowest per capita incomes in the hemisphere; and
- d. no institution-public or private-charged with, or capable of analyzing and evaluating demographic data: (i) for the purpose of developing a national demographic policy; and (ii) for planning for the expansion of public services and development programs based on projections of future demands.

The GOH has been expanding significantly its services in agriculture, education and health to the rural poor. Many programs such as agricultural extension and credit, primary education, health and family planning services are being or will be supported by USAID/Honduras. The question is whether the GOH can provide services to an increasing percentage of the population (assumed to be a necessary condition for rapid development) while faced with high population growth rates.

## II. Proposed Response

### A. Project Purpose

If the GOH is to continue to provide services to an increasing percentage of the population, it must take measures to reduce the population growth rate and allocate its resources wisely. As a first step in this direction, GOH policymakers must be provided with a picture of the trade-offs inherent in their policy choices.

The purpose of this project is twofold: 1) to increase the awareness of GOH policymakers of the implications of national demographic trends for the development of socio-economic programs; and 2) to increase the awareness of GOH policymakers of the implications of GOH programs for national demographic trends.

A study of the implications of national demographic trends for GOH programs will point up the magnitude of future investments which will be required to reach stated GOH goals for expansion of basic services in education,

---

\*World Population Growth and Response Population Reference Bureau  
April, 1976.

agriculture and health. An expected result of this exercise is the perception on the part of a large segment of GOH policymakers of the need for developing a national demographic policy.

An analysis of the implications of GOH programs on demographic trends would show the likely effect of investment in specific sectors on population growth rates and on migration patterns. This should promote a better allocation of investment resources in the medium term.

The project reflects the necessity to reduce the rate of growth of future demands on GOH services. Its goal is to reduce population pressure on development strategies and programs.

Obviously, this project will play but a small part in the achievement of the goal. Success will depend in large measure upon the efficacy of the GOH planning process, becoming stronger each year, and the rapid expansion of family planning services.

#### B. Project Description

It is proposed that this project will provide over a three year period technical assistance, principally expert consultant services and training under contract with some such prestigious organization as the 1) Community and Life Studies Institute of the University of Chicago; 2) The Institute for Population and Urban Research (IPUR) of the University of California (Berkeley); (3) the Princeton University Office of Population Research; (4) the Smithsonian Institution - International Program for Population Analysis (IPPA); 5) the Population Council; or 6) the Communicable Disease Center of the U.S. Public Health Service. Technical assistance would be composed of one long-term advisor-coordinator and short-term consultants in demographic specialties.

The contractor would provide the following services (outputs):

1. Prepare in collaboration with a suitable Honduran institution - possibly the National Economic Planning Council (CONSUPLANE) - a number of brief studies on the existing population dynamic of Honduras. These studies might be directed to projections of:
  - a. the ratios of dependent to productive population at 5 year intervals for the next 25 years.
  - b. the investment requirements to reach GOH goals for expanded services in education, agriculture and health over the next 5 to 10 years.
  - c. the implications for budget requirements for such services over the next 5 to ten years.
  - d. the need for job creation on a yearly basis to accomodate the expanding labour force.
  - e. rates of urbanization for Tegucigalpa and San Pedro Sula.

f. rates of population growth as a result of investment in health programs.

g. the sensitivity of above analyses to alternative population growth rates.

2. In conjunction with the counterpart agency, the contractor would arrange or assist in arranging for a series of presentations on the Honduran population dynamic and its implications for governmental and private organizations, with a view to stimulation of further study and development of a national demographic policy.

3. Arrange for establishment within CONSUPLANE of a continuing capability concerned with analysis of demographic data. Arrange and provide technical and participant training in demography and the legal aspects appropriate to preparation of a national population plan of action.

#### C. Assumption

Honduras is a signatory of the World Population Plan of Action, adopted at the II UN Conference on Population. As such the GOH has and will continue to have - the intention of "...adopting population policies, within the framework of socio-economic development, which are consistent with basic human rights and national goals and values."

#### D. Other Related Activities

USAID/H has supported, under the National Data Systems project (FY72-75), the development of a Demographic Module within the GOH office of Statistics and Census. This has provided a demographic data base in addition to specific information on the GOH family planning program. Therefore, solid demographic data on the size of the population and its geographic distribution and socio-economic characteristics as well as population growth rates and migration patterns are available for analysis for the first time.

There is a proposal to include demography within the purview of the AID-LDB - IBRD (Tripartite) study. While the scope of work covers some of the areas outlined in this PID, it is not clear when, how or if the studies will be carried out. The tripartite and Mission proposals appear to differ in the following respects: 1) the tripartite study will "suggest in broad indicative terms the implications of the projected demographic phenomena for public investment in social services" while the Mission proposal calls for detailed projections in, at least, the education, health and agricultural sectors and 2) the Mission proposal calls for substantially more host country participation.

The Mission would appreciate AID/W assistance in obtaining a detailed proposal from the IDB (Mr. Bob Fox) so that duplication can be avoided and coordination can be maximized.

### E. Alternatives

One alternative to this project would be to simply continue efforts to expand the delivery system for family planning services. The project as proposed postulates that unless more GOH policy-makers perceive the current population growth rate to be a problem, rapid expansion of family planning delivery services will not occur.

Given the need to sensitize GOH policymakers to population concerns, another alternative would be to sensitize GOH officials using data and studies from other countries. The Mission feels that the Honduran reaction would be that such conclusions are not generalizable from other countries. The GOH needs to go through the exercise themselves.

### F. Beneficiaries

The direct beneficiaries will of course be CONSUPLANE and the individuals trained under the project. Indirect beneficiaries will be the Honduran rural poor (see discussion on page 32 of Project Paper-Honduras Integrated Rural Health/Family Planning Services).

### G. Spread Effect

The success of this project depends to a large degree on the emergence of an interest group which will promote the development of a national demographic policy. Therefore, project design must explicitly deal with spread effects. Care will have to be taken in the choice of the counterpart institution (CONSUPLANE appears to be the most likely candidate) and the participants from outside of this institution to insure inclusion of key policymakers. The format and substance of sensitization seminars must also be carefully planned.

## III. Financial Requirements

A. Estimated total project cost: \$470,000

B. Estimated A.I.D. contribution: \$350,000 Grant

C. Estimated GOH contribution: \$120,000

1. Office space and secretarial support for Demographic Unit, including establishment of a library or reference center.

2. Salaries of counterpart personnel and for participant trainees.

3. Computer time.

D. Project duration: 3 years FY 1978-1980

## E. Illustrative Budget (\$000)

A. <u>AID Inputs</u>	FY			Total
	1978	1979	1980	
<u>Technical Assistance</u>				
Advisor-coordinator	55	55	0	110
Short-term consultants	35	35	40	110
<u>Participants</u>				
Long-term	25	25	5	55
Short-term	15	15	15	45
<u>Commodities</u>				
Books, computer software	10	10	10	30
	140	140	70	350
B. <u>GOH Counterpart</u>				<u>120</u>
C. Total Project Cost				\$470

IV. Development of Project

## Resources Required

A. Expert Consultancy to:

1. Evaluate and define the structural requirements of the proposed institutional capability to generate, analyze and evaluate demographic data, direct studies, and recommend programs and policies for addressing national demographic imperatives. \$5,000 for 1 man month.

2. Assist with preparation of PP. \$5,000 for one man month.

B. Pre-project Participant Training:

Assist with pre-project familiarization and orientation of appropriate GOH officials including provision of short term US and/or 3rd. country training. \$5,000 Technical Support.

Time Frame: PP March 1977

V. Issues

What should the degree of US involvement be in areas of a potentially sensitive nature, i.e. demographic policy.



SITES-and- SERVICES, HOUSING

I. Summary of the Problem to be Addressed and the Proposed Response to the Problem

Tegucigalpa is afflicted by housing problems similar to those experienced in most large cities in developing countries, though not to the degree they exist in some cities. 20% of the population or about 10,000 families live in slums. Another 7,000 families live in roominghouses with inadequate sanitary facilities.

The city is growing at the rate of about 5.5% per year, which means an annual increase of 15,000 persons or 2,500 families. A large number of these families do not have the resources to buy housing on the private market, or to pay the inflated rents in the rooming houses. As a consequence, there is a constant and increasing pressure to occupy underdeveloped lands. The police have, in a number of instances, evicted groups of families from land they have occupied illegally.

The present administration is concerned about the problem of housing for low-income families in the city, not only from humanitarian and legal standpoints (i.e. to provide an alternative to illegal occupation of land) but also, from the practical point of view. When invasions occur without pre-planning and without consideration for topography or building or zoning regulations, it is very expensive to install the necessary street and utilities at a later date.

The Consejo del Distrito Central has therefore requested A.I.D. technical and financial assistance in the development of a sites-and-services project which would provide building sites with services on which low-income families could build houses within their financial means.

The proposed A.I.D. response is a Housing Guaranty Loan which would provide long-term financing for a pilot program covering both a sites-and-services project and an improvement project in an existing slum area. The experience with these programs will enable the D.C and the GOH to proceed with larger projects of a similar nature, utilizing A.I.D. or other financing. This project is presented in the Honduran ABS as an alternative to a possible ROCAP/CABEI sites and services project which may be proposed to test sites and services HG programs in 2 or 3 countries in Central America.

It is estimated that a serviced lot with sanitary care, can be provided in Tegucigalpa for about \$1000. Monthly payments for a loan of this amount, assuming 11% interest and a 20-year period would be \$10.32. This would enable families with income as low

as \$50 per month, the 20th percentile income in Tegucigalpa, to participate in the program.

The project would include 500 sites-and-services lots at \$1000 each and a modest urban improvement project, for which \$500,000 is budgeted, for a total HG loan of \$1,000,000. It is also contemplated that grant-funded technical assistance will be required to help develop the necessary expertise within the Distrito Central, the self-help procedures and the social organization to carry out the program. \$200,000 has been budgeted for this purpose.

There has been no experience heretofore in Honduras with sites and services programs, and the traditional government housing organizations have expressed no interest in participating in them. This expression of interest by the Distrito Central is the first in this area, and it is believed that A.I.D. should respond positively. The immediate beneficiaries will be 500 families between the 20th and the 50th income percentiles in the sites and services project and an estimated 1000 families between the 10th and the 50th income percentiles in the urban improvement project. If the project is successful, it can be expected that larger, similar projects will follow, with local and external financing, benefiting larger numbers of families. Furthermore, it could test the hypothesis that HG loans can be a resource that is applicable to lower income LDC families.

## II. Financial Requirements and Plans

A \$1,400,000 project is proposed, \$1,200,000 to be financed from a Housing Guaranty Loan and \$200,000 from A.I.D. grant funds. The GOH will provide \$70,000 in the form of a project team. Due to the low income strata of the beneficiaries, no down payment requirement is completed. Hopefully, the project will be self-perpetuating, but the source of funds for future projects is unknown at this time.

## III. Development of the Projects

Sufficient background data already exist, from the 1974 Census, the 1974 Shelter Sector Analysis, the recently completed physical plan for Tegucigalpa and the National Housing Policy currently in preparation. The staff of RHIDD/ROCAP, based in Tegucigalpa, will provide the bulk of the expertise required by the USAID/Honduras to prepare the PRP and the PP. However, this will have to be supplemented by special expertise in community development and aided self-help organization, available from the Foundation for Cooperative Housing, probably funded by the recently executed DPG. A total of one man-

month of TDY assistance should be programmed.

Assuming expeditious approval of the PID, it is anticipated that the PRP will be submitted by September 1976 and the PP by December 1976.

IV. Location of the Project

USAID/Honduras has briefly discussed this PID with ROCAP. We understand that ROCAP may submit a PID which would provide for such an activity in one or more CA countries through a HG loan to CABEI. If the ROCAP PID is submitted and approved and includes this Tegucigalpa sites and services proposal, a bilateral project would be duplicative. This PID is submitted to cover the eventuality of this not happening and to insure the project's inclusion.

OPERATIONAL PROGRAM GRANTS

While the following four OPGs are presented for FY 78 funding, one or more of them may be ready to present for funding during FY 1977. The Mission will submit in FY 1977 any of these proposals it considers ready for AID/Washington review.

Early Consultation - OPG

Project Title: Agricultural Mechanization, (0143)

In the department of Santa Rosa de Copan, the National Agrarian Institute (INA), under the agrarian reform program, has made available an average of 7.5 acres (5 manzanas) of land per family. The land has generally been given to groups sponsored by the National Campesino Union (UNC) or the Honduran National Association of Campesinos (ANACH) and is worked communally. These groups need assistance in bringing the land into production.

CARITAS of Santa Rosa de Copan proposes the following activities:

1. Services through the formation of a motor pool consisting of eight tractors to plow and harrow the newly acquired land of recipient settlement groups. It is estimated that some 10,200 acres (6,000 manzanas) of new land, serving approximately 1,500 rural families will be brought under production in an eight month agricultural cycle.
2. Irrigation projects where possible and feasible will be offered to settlements.
3. Agricultural credit for the purchase of seeds, fertilizers, insecticides, and mechanization services will be made available to all groups participating in the program.
4. Training of the small farmer in the use of new agricultural methods, fertilizers, hybrid seeds, and use and maintenance of equipment.
5. Organization of communal work groups, irrigation maintenance committees, project supervisors, and agricultural promoters.
6. Marketing and transportation services to all participant groups through the Regional Consumer Cooperative.

The project contemplates a direct impact on:

- Raising the standard of living of the rural poor.
- Opening up new land for cultivation.
- Increasing agricultural production.
- Increasing the small farmer's economic capacity.
- Improving the implementation of the Agrarian Reform program.
- Formation or support of regional agricultural service institutions.

Beneficiaries of the project will be those small rural farmers who have received land under the agrarian reform program and are in search of resources to develop and cultivate the land.

The program is basically supporting the GOH's Agrarian Reform program. Both the Ministry of Natural Resources and INA have demonstrated preliminary interest in the project.

There are some studies available concerning social development activities in the area of Santa Rosa. The Ministry of Natural Resources is considering specific feasibility studies for the irrigation component of the project.

Project financial requirements for A.I.D. funding are estimated to be:

Equipment	\$86,000	
Maintenance	10,000	
Salaries	20,000	
Administration	10,000	
Training	14,000	
Irrigation	<u>30,000</u>	\$170,000

The life of the project is estimated at three years. Service charges will be fixed for the mechanization activity of the project thereby assuring project continuity and eventual self financing.

Other inputs from private sources such as Cáritas, CRS, Consumer Cooperative, National Development Foundation, and Agricultural Promoter Program are many times higher than the financial requirements requested from A.I.D.

Early Consultation - OPG

Project Title: Multi-Services Cooperatives, (0144)

The Pre-Federation of Consumer and Multiple Services Cooperatives of Honduras proposes to create an alternative distribution system for agricultural products produced by the low-income rural population. This activity will address the specific problems of grain processing, drying, storage and marketing. Facilities and organizations to handle and manage the grain crops of the low-income rural farmer are sorely lacking in Honduras. By utilizing the already existing organization of the Consumer and Multiple Service Cooperatives which includes at least 220 branch offices around the country, the Pre-Federation expects to exert a considerable influence over the marketing of basic grains in those areas where the project is implemented. It is the intention of the Pre-Federation to be able to motivate the cooperative members to diversify their grain production once the grain handling and marketing systems are in successful operation.

The major beneficiaries of this program will be the low-income rural farm families who have been at the mercy of traditional economic influences over which they have no control, and which have not permitted the development of economic systems in which the labor and products of this target population have received equitable returns.

At this time, the Mission is unable to state the host-country's interest in the proposal. It can be said, however, that the Pre-Federation of Consumer and Multiple Services Cooperatives is recognized by the government, and that the proposal is in accordance with the primary goals of the government to assist the low-income rural family to obtain an improved standard of living.

The proposal contains eleven appendices and fifteen tables, covering the needed background information, studies, and analyses which the Pre-Federation has compiled or researched in preparing the project proposal.

The project proposal seeks funding for implementation in the North and West of Honduras. The Mission impression is that this is perhaps too ambitious, and that implementation could begin in one area only. The cost of implementation in one area would be approximately \$200,000, A.I.D. would provide about 50% of total project costs or between \$100,000 and \$200,000. The time table for implementation should coincide with the harvest of 1977, giving a minimum of six months project preparation after approval of grant funding by A.I.D.

The major inputs contemplated include land, buildings and complementary installations of drying, cleaning, testing, weighing and other processing equipment as well as office equipment and two trucks. Training of personnel (accountants, storage facilities managers) will also be inputs to the project.

Early Consultation - OPG

Project Title: Paramedic Health (0145)

Project Concern proposes the training of paramedics in nutrition, environmental sanitation, public health education and family planning. Whether the operation would be an appendage of the Ministry of Health's national training capacity for the National Rural Health Penetration program or would be more of a self-contained program in an area not served by the MOH remains to be established after further communication between Project Concern and the Ministry. In any case, a Project Concern activity must be carefully coordinated with the MOH national plan and must meet their established minimum norms for training paramedic personnel. At this time, the Mission estimates OPG costs of \$75,000 for the first year, \$75,000 for the second year, and \$50,000 for the third year.

Early Consultation - OPG

PROJECT TITLE: Direct Relief Health (0146)

The Direct Relief Foundation (DRF) has visited Honduras under a DPG for the purpose of investigating medical needs in rural areas, and the programs currently being implemented by the Ministry of Health and other medically-oriented development organizations. The DRF concept is "Health Resources Centers", and it is the Mission's understanding that DRF will return to Honduras shortly to further develop their plans to implement this concept. DRF offers medical personnel, technical services, and medical supplies. They expect to train Honduran in a wide range of medical skills, and eventually see their program integrated into the Ministry of Health. Additionally, DRF offers an intensified garden-farming program, which they feel is essential to rural health programs which are directed towards the problems of environmental sanitation, nutrition, and health education in general.

The Mission is not able to provide further details on DRF's proposal at this time. We tentatively suggest an \$80,000 OPG budget level for FY 78. DRF plans to be in Honduras in early July, and after more substantive talks with them, the Mission will be able to submit further details of project design and estimated costs.