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UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington, D. C. 20523

GUATEMALA
PROJECT PAPER
SMALL FARMER DEVELOPMENT
(AMENDMENT)

DLC/P-2137/1

Project Number: 520-0233
Loan Number: 520-T-026-A

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PROJECT DATA SHEET

1. TRANSACTION CODE

C A = Add
C = Change
D = Delete

Amendment Number

1

DOCUMENT CODE

3

2. COUNTRY/ENTITY
GUATEMALA

3. PROJECT NUMBER

520-0233

4. BUREAU/OFFICE

LATIN AMERICA/CARIBBEAN

05

5. PROJECT TITLE (maximum 40 characters)

Small Farmer Development

6. PROJECT ASSISTANCE COMPLETION DATE (PACD)

MM DD YY
09 03 84

7. ESTIMATED DATE OF OBLIGATION
(Under 'B.' below, enter 1, 2, 3, or 4)

A. Initial FY 76

B. Quarter 1

C. Final FY 83

8. COSTS (\$000 OR EQUIVALENT \$1 = 01)

A. FUNDING SOURCE	FIRST FY 76			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	743		743	15,175	2,700	17,875
(Grant)	(470.2)	()	(470.2)	(1,875)	()	(1,875)
(Loan)	(272.8)	()	(272.8)	(13,300)	(2,700)	(16,000)
Other U.S.	1.					
	2.					
Host Country		222.6	222.6		15,982	15,982
Other Donor(s)						
TOTALS	743.0	222.6	965.6	15,175	19,682	33,857

9. SCHEDULE OF AID FUNDING (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) FN	210	210		1,875		-		1,875	
(2) FN	210		210		13,000				13,000
(3) FN	260		060				3,000		3,000
(4)									
TOTALS				1,875	13,000	-	3,000	1,875	16,000

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)

11. SECONDARY PURPOSE CODE

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)

A. Code

B. Amount

13. PROJECT PURPOSE (maximum 480 characters)

Increase agricultural productivity and create alternative employment opportunities in rural areas by increasing the productive capacity of small farmer land resources. opening new lands for settlement by small farmers and landless poor; expanding the farm-to-market transportation infrastructure and strengthening the capacity of public agricultural sector organizations.

14. SCHEDULED EVALUATIONS

Interim MM YY MM YY Final MM YY
0 7 8 4

15. SOURCE/ORIGIN OF GOODS AND SERVICES

000 941 Local Other (Specify)

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a 19 page PP Amendment.)

This amendment is to add \$3.0 million in loan funds to the labor intensive access roads component of the project, thereby financing the construction of about 130 additional kilometers of access roads during an eighteen month project extension.

17. APPROVED BY

Signature

Charles E. Costello

Title

Director
USAID/Guatemala

Date Signed

MM DD YY
03 14 83

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

MM DD YY

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UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D C 20523

LOAN AUTHORIZATION

(Amendment No. 1)

Name of Country: Guatemala
Name of Project: Small Farmer Development
Number of Projects: 520-0233
Number of Loan: 520-~~T~~-026 A

1. Pursuant to Section 103 of the Foreign Assistance Act of 1961, as amended, the Small Farmer Development Project for Guatemala was authorized on April 8, 1976 ("the Authorization"). That Authorization is hereby amended as follows:

A. The loan amount is increased by Three Million United States Dollars (U.S. \$3,000,000) to Sixteen Million United States Dollars (U.S. \$16,000,000); the allocation for the Access Roads Activity is increased to Seven Million United States Dollars (U.S. \$7,900,000).

B. Interest and terms of repayment for the Three Million United States Dollars (U.S. \$3,000,000) increase in loan funding shall be as follows:

The Government of Guatemala ("the Borrower") shall repay the \$3 million increase in the loan to A.I.D. in United States dollars within forty (40) years from the date of the first disbursement of the \$3 million increase, including a grace period of not to exceed ten (10) years. Borrower shall pay to A.I.D. in United States dollars interest at the rate of two percent (2%) per annum during the grace period and three percent (3%) per annum thereafter on the disbursed balance of the \$3 million increase and on any due and unpaid interest.

C. Prior to the first disbursement of the \$3 million added to the project by this amendment, or to the issuance of any commitment document thereunder, the Borrower will submit to A.I.D., in form and substance satisfactory to A.I.D., evidence that an environmental assessment of the road construction program has been undertaken and that road construction methods and selection criteria have been reviewed and modified, if need be, to improve environmental control of A.I.D.-financed road construction activities.

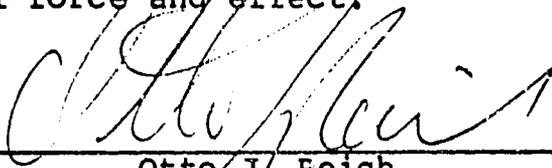
3X

D. Prior to the disbursement or to the issuance of any commitment document in excess of \$1 million of the \$3 million additional funds, the Borrower shall submit to A.I.D., in form and substance satisfactory to A.I.D., evidence that an impact evaluation has been completed and that the selection criteria for road construction has been re-examined and modified, if necessary, in light of the results of the evaluation.

E. Borrower shall covenant to initiate a program to maintain all labor intensive roads financed with project funds.

F. The \$3 million added to the Project hereby shall be applicable to costs of Access Road segments which are constructed under the Project subsequent to January 1, 1983.

2. Except as expressly modified or amended hereby, the Authorization remains in full force and effect.



Otto J. Reich
Assistant Administrator
Bureau for Latin America
and the Caribbean

April 9, 1983
Date

Clearances:

GC/LAC:RBMeighan: ~~RM~~ date 4/6/83
LAC/DR:DBJohnson: ~~DB~~ date 4/12/83
LAC/CEN:GAdams: ~~GA~~ date 4/7/83

GC/LAC:PGJohnson: ecm: 4/6/83: 632-3272



SMALL FARMER DEVELOPMENT (520-0233)
PROJECT PAPER AMENDMENT No. 1
OUTLINE

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I. Summary

In summary, the proposed project paper amendment is designed to provide an additional \$3.0 million in loan funds to the Labor Intensive Access Roads Component of the on-going Small Farmer Development Project (520-0233) in order to provide rural farmers with access to the national transportation system. Associated with the increased activities, an extension of the project Terminal Disbursement Date (TDD) is required for this component from April 8, 1983 to September 30, 1984. Roughly 130 kilometers of access roads are to be constructed in Guatemala's Altiplano and will provide about 25,000 rural inhabitants with year-round access to the national road network, as well as providing about \$1.5 million directly to the rural laborers who will be paid for their approximately 660 person years of labor to construct these roads. At the same time, the Guatemalan implementing agency the Departamento de Caminos Rurales (DCR) within the Dirección General de Caminos (DGC) of the Ministry of Communications and Public Works, will provide about \$8.0 million to construct approximately 400 kilometers of additional access roads.

II. Background

A. Small Farmer Development Project Activities

1. General

On April 8, 1976, the Government of Guatemala and USAID signed a \$13,000,000 loan agreement for the Small Farmer Development Project (520-0233). This project consisted of four components including: 1) New Lands Settlement (\$5.6 million), 2) Labor Intensive Access Roads (\$4.9 million), 3) Land Resources Improvement (\$880,000) and 4) Human Resources Development (\$1.62 million). By the Terminal Disbursement Date (TDD) of April 8, 1983, all remaining outstanding project activities are scheduled to be completed and all loan funds disbursed. Complementing this effort, a companion grant agreement was signed on June 29, 1978, to provide \$1,875,000 in technical assistance to all but the access roads component. The Project Activity Completion Date (PACD) for this grant expired on April 8, 1982.

2. Labor Intensive Access Roads Component

The design of this component in the original Project Paper contemplated the establishment of a program to finance the construction of approximately 280 kilometers of access roads located in the highlands, the oriente and the northern lowlands regions. The roads to be constructed ranged from 2 to 23 kilometers in length and were categorized into three groups:

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Type I A minimum standard all-weather road which in most cases was to replace foot trails into remote and isolated areas (at a cost of between \$32,000 and \$48,000 per kilometer in 1980 dollars depending on the terrain).

Type II The upgrading of existing service tracks and feeder roads to all weather tertiary road standards (at a cost of between \$15,000 to \$22,000 per kilometer in 1980 dollars).

Type III Minor upgrading and the elimination of particular bottlenecks on existing service tracks so that tracks could serve as year-round farm-to-market feeder roads (at a cost of between \$9,000 to \$13,000 per kilometer in 1980 dollars).

Roads were selected by the project implementing unit, the Departamento de Caminos Rurales (DCR) within the Dirección General de Caminos (DGC), based on a weighted criteria checklist. In summary, after having received a request from an interested village or group of individuals, the selection criteria included a study of the following factors:

1. The provision of adequate access to concentrations of small farmers.
2. The location of projects so that they could be constructed to the maximum extent practicable with locally available excess labor.
3. Excess population density.
4. Insufficient income levels.
5. Isolation from existing road network.
6. Land use and potential.
7. The number of rural poor per unit of cultivated land.

The financing required for this experimental project was originally estimated to be about \$6.99 million. Loan funds of \$4.9 million were to finance construction supervision (\$330,000) and construction (\$4.57 million) which included a little over \$2.0 million for the purchase of equipment and materials for six labor intensive construction units (or crews). The GOG was to provide funds up to \$2,090,000 to finance required project engineering (\$150,000), administration (\$260,000) as well as part of the construction (\$1.68 million).

Loan-financed construction under the labor intensive access roads component began in January of 1978 and ended in July 1982 when all of the loan funds committed for this activity had been spent. During the 3-1/2 year period the Dirección General de Caminos was able to construct or improve 58 roads for a total length of 325 kilometers (or an average of 5.6 kilometers per road segment) at an average cost of \$20,100 per kilometer. Seventy percent of these roads were Type II improvements and thirty percent were Type I new construction. Exhibit A of Annex II includes a further breakdown by each road segment. This represents an increase of 45 kilometers of access roads above what was originally planned. In addition there was an accompanying increase in GOG financing from the original \$2.09 million to \$3.42 million, an increase of \$1.33 million which demonstrates the GOG's commitment to provide access roads to needy farmers. On a per kilometer basis the \$20,100 was distributed as given in Table I,

Table I

Labor	\$11,397	(56.7%)
Supervision and Administration	3,779	(18.8%)
Construction Materials	2,653	(13.2%)
Heavy Equipment and Machinery and Costs	1,889	(9.4%)
Handtools	382	(1.9%)
	<u>\$20,100</u>	

These 325 kilometers of access roads have connected 230 communities to the existing major road networks in the Departments of Guatemala, Jalapa, Chimaltenango, Sololá, El Quiché, Quetzaltenango, San Marcos, El Progreso, and Huehuetenango, benefiting a total rural population of 59,800 people. In addition, the \$3.675 million used to finance the labor intensive portions of the road construction provided on the average \$190 per month per participating family (over 1,600 person years of labor). In total 1,025,000 person days of local labor, representing an average of 730 laborers per day, to complete these roads. In 1982 at the height of project activities when 130 kms. of AID financed roads were completed in one year 2,450 laborers worked on 32 roads at one time.

B. Current Dirección General de Caminos Activities

During 1982 the Departamento de Caminos Rurales (DCR) undertook three different projects in a continued effort to

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increase rural Guatemalan farmers' access to the national economy through the use of labor intensive construction methods.

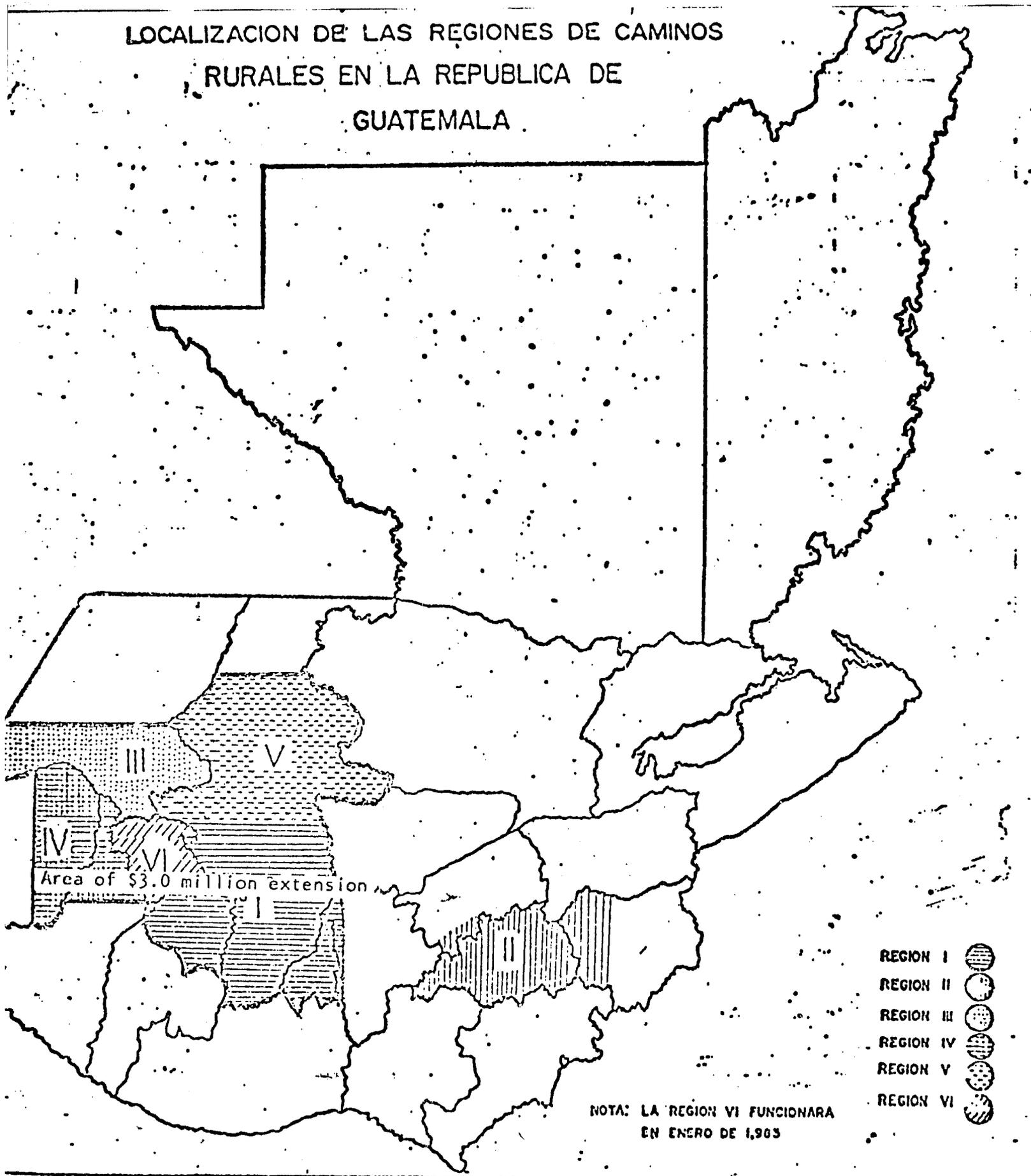
The first of these activities was the completion of the access roads component of the Small Farmer Development Project including the disbursement of the remaining \$231,000 in loan funds. All remaining road construction financed under this loan component was completed by July 31, 1982, and the engineering consulting firm submitted their final report to the DCR. Upon the completion of this activity, DCR shifted personnel to other portions of their labor intensive access roads program.

During 1982, the Departamento de Caminos Rurales (DCR) received Q2.1 million from the Government of Guatemala to continue building labor intensive access roads in 1982 in regions where loan financed road construction activities had occurred in the past. This Program, commonly called Phase II (Small Farmer Development road construction being Phase I) is concentrating its efforts in Region I (Chimaltenango, Quiche, Guatemala, Baja Verapaz, Solola & Sacatepequez), Region II (Jalapa, Jutiapa, El Progreso), Region III (Huehuetenango) and Region IV (Quetzaltenango and part of Quiche). By the end of 1982, 17 rural roads were completed for a total of 110 kilometers. (Map on page 7 indicates DCR regions of work effort). Exhibit B of Annex 2 provides additional information on these access roads.

In addition to this Phase II program, the DCR also received Q1.4 million in Government of Guatemala funds to initiate a new program in Region V (Sacapulas and Uspantán areas within El Quiche). The Q1.4 million is to be used for the construction of new access roads as well as for the improvement of secondary roads. Heavy equipment required for this mixed program is supplied by the Dirección General de Caminos. Thirty kilometers of access roads were completed by December 31, 1982 to bring the total amount of access roads completed by the DCR in 1982 to 270 kilometers.

The Dirección General de Caminos requested a budget for the DCR activities in 1983 which included funds for the continuation of "Phase II" with expansion into a newly created Region VI (Totonicapán and San Marcos) for a total of 506 kilometers of roads and for increased activities in Region V which as previously mentioned includes a mixed access road construction (74 kilometers) and secondary road improvement (241 kilometers) program. (See Annex 2 Exhibits C and D). The Ministry of Finance has approved a 1983 budget level of \$8.0 million which would support the construction of approximately 400 kilometers of access roads. Based on its 1982 performance, completing about 270 kilometers of roads in 12 months, the DCR feels that it has the capacity to construct at least 500 kilometers of roads per year for the next three to five years.

LOCALIZACION DE LAS REGIONES DE CAMINOS
RURALES EN LA REPUBLICA DE
GUATEMALA



NOTE: The \$3.0 million in AID funds will finance access road construction in the Highlands only. Activities in Region II will be financed exclusively with GOG funds.

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C. Other Donor Activities

At the present time two other donors have active road construction projects in Guatemala. The Inter-American Development Bank (IDB) is financing a \$25.0 million Earthquake Road Reconstruction Program due to terminate in December 1982. The International Bank for Reconstruction and Development (IBRD) is also financing activities related to road construction in its \$17 million loan for highway maintenance which should be completed by December 1985. Both of these efforts involve the construction and improvement of larger volume, higher classification roads than those currently being built by the Departamento de Caminos Rurales.

The Inter-American Development Bank is currently providing \$570,000 in technical assistance to study the feasibility of financing 100 kilometers of secondary roads and 400 kilometers of access roads based on the methods established within AID's Small Farmer Development Project. The follow-on loan for labor intensive road construction in the Altiplano is tentatively programmed for 1984. In addition IDB has tentative plans for a Phase IV roads program in 1985. Also, Venezuela has expressed interest in financing a \$28.0 million loan for access road construction program with the DCR in the near future.

USAID has a small ongoing Title II program with Catholic Relief Service (CRS) to provide "Food for Work" for the self-help construction of a number of small public works projects including rural access roads in the Department of San Marcos. This program, initiated about 15 years ago, provided until 1982, on an average annual basis, slightly less than \$200,000 worth of foodstuffs. About one third is used for the rural access road program in San Marcos. Due to the CRS's reduction of its program in the region, the Food for Work project has been cut back to less than \$100,000 in FY 83 which directly affects the amount of funding available for access roads construction activities.

In addition, USAID Guatemala is in the process of designing an Altiplano Agricultural Development Project to be initiated later in FY 1983 which contemplates the financing of a labor intensive access roads maintenance program .

D Analysis of Progress to Date

Two progress evaluations of the Labor Intensive Access Roads Program were undertaken in October of 1980 and May of 1981 to determine implementation bottlenecks and provide recommended corrective actions. Based on these two evaluations and analysis of the completed project, it can be seen that within the Small Farmer Development Labor Intensive Access Road Component, 325 kilometers,

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instead of the initially programmed 280 kilometers were built, directly impacting on 230 communities or a rural population of almost 60,000 Guatemalans. This program has also benefitted unemployed or underemployed rural laborers with direct payments for labor provided for road construction in the amount of \$3.675 million. And, in the less than 4 years that the DCR has been implementing its labor intensive access roads campaign, it has completed more than 400 kilometers of access roads. It has built up its staff from 7 people to almost 300 and increased its annual budget from zero prior to 1978 to a \$8.0 million budget for 1983.

The AID-financed Access Roads component of the Small Farmer Development Project has been a success. It has built more kilometers of roads than originally planned and hence benefitted more rural Guatemalans than anticipated, and still kept the cost of access road construction down to a reasonable \$20,100 per kilometer. In addition, the payment of rural labor for access road construction addresses the need to employ rural unemployed and underemployed Guatemalans.

Based on the rate of construction the DCR experienced during the last year of the Small Farmer Development Project, the Department requested an increase over their 1982 budget level in order to complete about 300 kilometers of roads. However, due to the publicity that their successes received and due to the fact that the program provided a means for employing unemployed and underemployed rural labor, the President of Guatemala encouraged a more ambitious program for 1983. The Ministry of Finance has budgeted funds for a \$8.0 million 1983 access roads program construction of 300 kilometers of access roads.

Two problem areas exist that require further attention: 1) the maintenance of both newly built roads and heavy equipment, and 2) insufficient maintenance equipment. The DCR is aware of these two problem areas and is seeking alternative solutions to insure the long term success of their labor intensive access roads programs. The Dirección General de Caminos and AID are developing a program to address these concerns with FY 83 funds.

III. Project Description

A. Rationale for the proposed project

The original project focused on relieving the land constraint and improving the productive base in the most densely populated areas of the country. Over the past twenty-five years most of the funds for transportation infrastructure have been applied to the upgrading and paving of major arterials. Thus, the primary highways can provide at reasonable cost inter-regional

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transportation for agricultural sector activities. However, they are still not supported by a sufficient secondary, tertiary and farm-to-market feeder road system which can maximize their utility for accelerating general rural development and increasing agricultural productivity.

The original project paper identified the need to upgrade at least 15,000 kilometers of foot paths and seasonable trails or roads to all weather access roads to provide additional transportation capacity needed by the rural poor (almost 5.0 million rural inhabitants) and support the movement of small farmers into the production of higher value crops. While the expansion of the rural road network is not in itself a sufficient input to increase productivity and net incomes, it is a necessary element and contributes towards these objectives in the following ways:

- a. By improving farmer's access to and the availability of necessary agricultural inputs,
- b. By allowing an increase in area coverage by various public and private sector technical/development extension support services,
- c. By improving the regional mobility of excess rural labor resources, and
- d. By increasing short-term employment opportunities and cash incomes for landless and needy rural poor by constructing these improvements using labor intensive methods.

During the initial four years of the access roads program, over 400 kilometers of access roads were completed by the end of 1982. The labor intensive nature of the program did in fact provide temporary off-farm employment opportunities in rural areas as well as increase the resident's access to productive inputs. However, only 3% of the total requirement for upgrading was met and a vast number of trails and paths still requires improvement.

Guatemala's small farmers urgently need an outside source of income to supplement their meager annual farm income as well as to expand the agricultural production of higher value crops. The Government of Guatemala is aware of the situation and has pledged to increase its support to the labor intensive access roads program by approving \$8.0 million in 1983 for the program at a time when other government ministries are being requested to reduce their budgets. The GOG is encouraging the development of other donor activities within this area to help finance the growing need to provide meaningful work opportunities in rural Guatemala.

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The Mission is cognizant of the fact that Guatemala's rural poor continue to remain outside of the economic mainstream partly as a result of lack of adequate access. This economic and social isolation has helped to create the current political turmoil. The Mission believes that by providing financial support for the construction of better access roads, the standard of living of the target group will rise in the longer term, and thus reduce causes of rural instability. In the shorter term the direct payment to rural laborers will provide a critical source of emergency employment for those rural inhabitants most in need.

In order to address the immediate rural needs as rapidly as possible, the Mission is proposing this amendment to the Rural Roads Component of the Small Farmer Development Project in lieu of developing a new project to focus on a short-term problem. Both AID's lengthy project preparation process and the Government of Guatemala's approval process can be significantly reduced, thereby making funds available to the target group in a shorter-time frame.

B. Mission Strategy

As stated in the Mission's 1984 CDSS submission, the main emphasis of the Guatemala economic aid program over the next few years is directed to assisting the Government of Guatemala to develop local institutional capacity, in both the public and private sectors, to carry out activities which provide direct and tangible benefits to the poor. This strategy supports the GOG's emergency plan to improve the economy and develop the poorer regions of the country. The GOG short-term plan focuses both on providing social services to the rural poor and on reducing unemployment and underemployment in the rural areas which combined has reached approximately 47% of the population.

The Mission believes it is important to improve the economic situation in the Altiplano. The proposed project amendment for access roads provides the basis for long-term growth, while addressing immediate needs in the Highlands such as income and employment opportunities. Financing an expansion to a successful component within its current portfolio during FY 1983 permits such accelerated implementation to address the urgent need for emergency employment of rural Guatemalans as well as developing the supporting infrastructure for longer-term economic gains by the same group. In developing this strategy, the Mission has noted that the successful labor intensive access roads program has not been significantly affected by the political turmoil and it is an ideal type of project to implement within the current Guatemalan Highlands environment.

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As also indicated in the 1984 CDSS, the Mission is planning an Altiplano Agricultural Development Project in FY 1983 which will focus on highlands infrastructure. USAID plans to incorporate a labor intensive access roads maintenance program into this new project, thus correcting deficiencies previously identified above.

C. Proposed Project

The goal of the proposed project paper amendment remains, as given in the original project paper, to improve the incomes of rural Guatemalans through increased on-farm productivity and through the creation of alternative employment opportunities in the rural areas. The purposes of the amendment to increase funds for the Labor Intensive Access Roads Components are to, 1) improve the farmer's access to agricultural inputs and provide him with the means to market his produce, and 2) provide temporary employment for unemployed and underemployed rural laborers in the construction of access roads as well as to improve the regional mobility of excess rural labor resources.

Specifically, the increased funds will finance two related activities. The bulk of the available funding will finance labor intensive construction of access roads in Guatemala's Altiplano. During 1983 the DCR plans to build roughly 500 kilometers of access roads utilizing the same selection criteria and construction specifications as for Phase I AID financed access roads. \$2.7 million in loan funds will be reserved to reimburse the DCR for at least 130 kilometers of these roads at \$20,100 per km. within the Altiplano areas (DCR regions I, III, IV, V & VI). A portion of these funds will be used for direct labor payments of \$1.5 million for almost 430,000 person days of rural labor supplied by the roughly 25,000 beneficiaries living within the area of these new roads. These beneficiaries will continue to supply laborers through the community construction system previously established. Exhibits C, D, and E of Annex II provide lists of over 600 kilometers of potential access roads for construction within the DCR's 1983 work plan out of which AID financed roads will be selected.

In conjunction with the construction, loan funds will also finance the procurement of technical assistance to provide supervision of construction activities. This technical assistance will also provide guidance in the general planning, development, and administration of Guatemala's labor intensive access roads program. Tentatively \$300,000 has been reserved for the extension period to provide assistance to both supervise the construction effort and provide technical expertise in the areas of long term planning and administration.

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D. Financial Plan and Analysis

The Small Farmer Development extension requires an AID input of \$3.0 million to complement the GOG's 8.0 million budgeted for the DCR's 1983 program in labor intensive access roads construction (see Table II). Both AID and GOG funding for this proposed amendment will finance activities to be undertaken during fiscal years 1983 and 1984. However, the GOG has indicated its interest in continuing and expanding the road construction program in future years utilizing a mix of GOG and other donor funds. Although the cost of road construction can be viewed as a one time input, to maintain or improve each road segment built requires commitment of future year funds. The GOG is aware that the commitment of funds on a yearly basis to provide for routine preventive maintenance greatly reduces the need for major improvements later on. Therefore the GOG and AID are developing an improved maintenance program which will be initiated in late 1983 utilizing a mix of GOG and AID funds.

Table II
Financial Plan
(\$000)

	<u>USAID</u>	<u>GOG</u>
I. <u>Extension</u>	<u>3,000</u>	<u>8,000*</u>
Road Construction	2,700	8,000
Technical Assistance	300	-
II. <u>Original Program</u>	<u>4,900</u>	<u>3,442</u>
Total	7,900	11,442**

Table II indicates that \$2.7 million in Loan funds will finance the construction of over 130 kilometers of access roads at an average cost of about \$20,000 per kilometer. The Mission will reimburse the Dirección General de Caminos for direct costs related to the construction of each road segment up to a maximum of \$20,000 per kilometer. The Mission Engineering Staff will undertake field inspections prior to approving each road segment for loan funding and upon completion for certification purposes prior to processing reimbursable claims for final payment. Unfinished road segments begun on or after January 1, 1983 will be considered eligible for financing since road construction is on going under the current

*GOG CY 1983 funding only.

**Cumulative GOG funding through CY 1983 only.

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program up through the TDD and beyond. The remaining \$300,000 is reserved to finance a USAID direct contract for construction supervision services estimated to be approximately \$200,000 per year.

D. Implementation Plan

1. AID/W review and approval of Project Paper Amendment - by March 31, 1983.
2. Mission receipt of Loan Authorization Amendment extending TDD to September 30, 1984 and adding \$3.0 million in loan funds - by April 8, 1983.
3. GOG signing of loan agreement amendment - by April 30, 1983.
4. USAID direct contracting of consulting engineering services by June 1, 1983.
5. End of Extension period - September 30, 1984

IV. Economic Analysis

The economic analysis that was undertaken for the original project paper found the construction of rural feeder roads to be economically justified. Based on calculations of costs and benefits of both labor-intensive road construction and additional market activities on the part of small farmers along the roads, it was determined that the overall economic rate of return would vary between 24% and 32%. Under a sensitivity calculus -- where costs and benefits were adjusted by as much as 10% -- the internal rate of return varied between 22% and 29%. These numbers are well above the opportunity cost of capital in the Guatemalan economy.

It is felt that the conclusion of the analysis is valid for a similar project undertaken today. There have been both inflation and relative price changes since 1975. But inflation affects both the cost and the benefit streams so as to cancel each other out and leave the IRR only slightly changed. Relative price changes -- for example between the cost of capital and the cost of labor -- over the past seven years have been small enough to safely ignore.

Rural road construction will have considerable employment effects in a region where unemployment and underemployment are having serious political repercussions. In 1980, 47% of the agricultural labor force in Guatemala was in a state of underemployment. For a more detailed picture of what this statistic means, a 1976 survey attempted to measure the seasonal

changes in small farm employment. Employment in agricultural activities on small farms, i.e., 0-1 hectares, never accounts for more than 19% of total labor time available, even at the height of the harvest season in December. During the period between planting and harvest, small farm employment falls to about 7%. Of course, employment -- and thus incomes -- on small farms is often supplemented by artisan activities and by seasonal wage employment in commercial agriculture such as in the coffee and cotton sectors. However, due to low world prices, labor demand in commercial agriculture is not strong and political violence in the Altiplano often prevents seasonal migration to the south coast. For these reasons, the extent of underemployment among the small farm families along the rural feeder roads encompassed by this project is probably little different from that indicated by the 1976 survey.

With such a high rate of unemployment and underemployment, any additional employment will have a significant impact on the incomes of the rural families living along the roads. Based on the results of Phase I activities it is projected that approximately 25,000 people (or 5,000 families) in the small farm sector will be directly affected by the construction of these 130 kilometers of rural feeder roads. Since these families with about two working members per family will provide the labor force for road construction, about 10,000 unemployed or underemployed workers will be employed during the one-year construction period. With \$1.5 million to be disbursed in wages at the rate of Q3.50 per day (Guatemala's minimum wage), about 428,600 person-days of labor will be paid, or about 43 days of labor per worker for that year. These 43 days of labor will almost double the employment and the cash income of these 5,000 farm families.

V. Institutional Analysis

For the effective implementation of the proposed one year extension to the Labor Intensive Access Roads Component of the Small Farmer Development Project three types of organizations need to work together in a coordinated fashion. They include the Departamento of Caminos Rurales within the Dirección General de Caminos of the Ministry of Communications and Public Works, community access roads construction committees, and USAID.

This analysis reviews the capacity of the first two organizations to carry out the proposed project activities.

A. Department of Caminos Rurales

Table III indicates the location of the DCR within the Dirección General de Caminos. The DCR is further broken down into

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a central office in Guatemala City and six regional offices as shown in Table IV. At each regional office there is a warehouse for materials and spare parts and a mechanic's garage to service the heavy equipment. Each regional office is managed by a resident engineer who reports directly to the central office in Guatemala. The current staff of almost 300 (up from 7 in 1978) was able to complete about 270 kilometers in 1982.

At its present staff level the DCR has been very effective in implementing the \$4.9 million AID financed Phase I with its counterpart contribution of 3.4 million in addition to two CY82 programs for \$2.1 million (Phase II) and \$1.4 million (Region VI) for a total of almost \$12.0 million over the last 3-1/2 years (over \$4.0 million in 1982 alone). Because of its demonstrated capability to implement road construction activities, its CY 1983 budget has been increased to a \$8.0 million construction program not including the proposed \$3.0 million add-on to the Small Farmer Development Project. The DCR has also demonstrated to AID its seriousness in achieving its objectives by continuing this activity even without other donor financing. Therefore the Mission is confident that the DCR can utilize the \$3.0 million amendment as a complement to their \$8.0 million 1983 program.

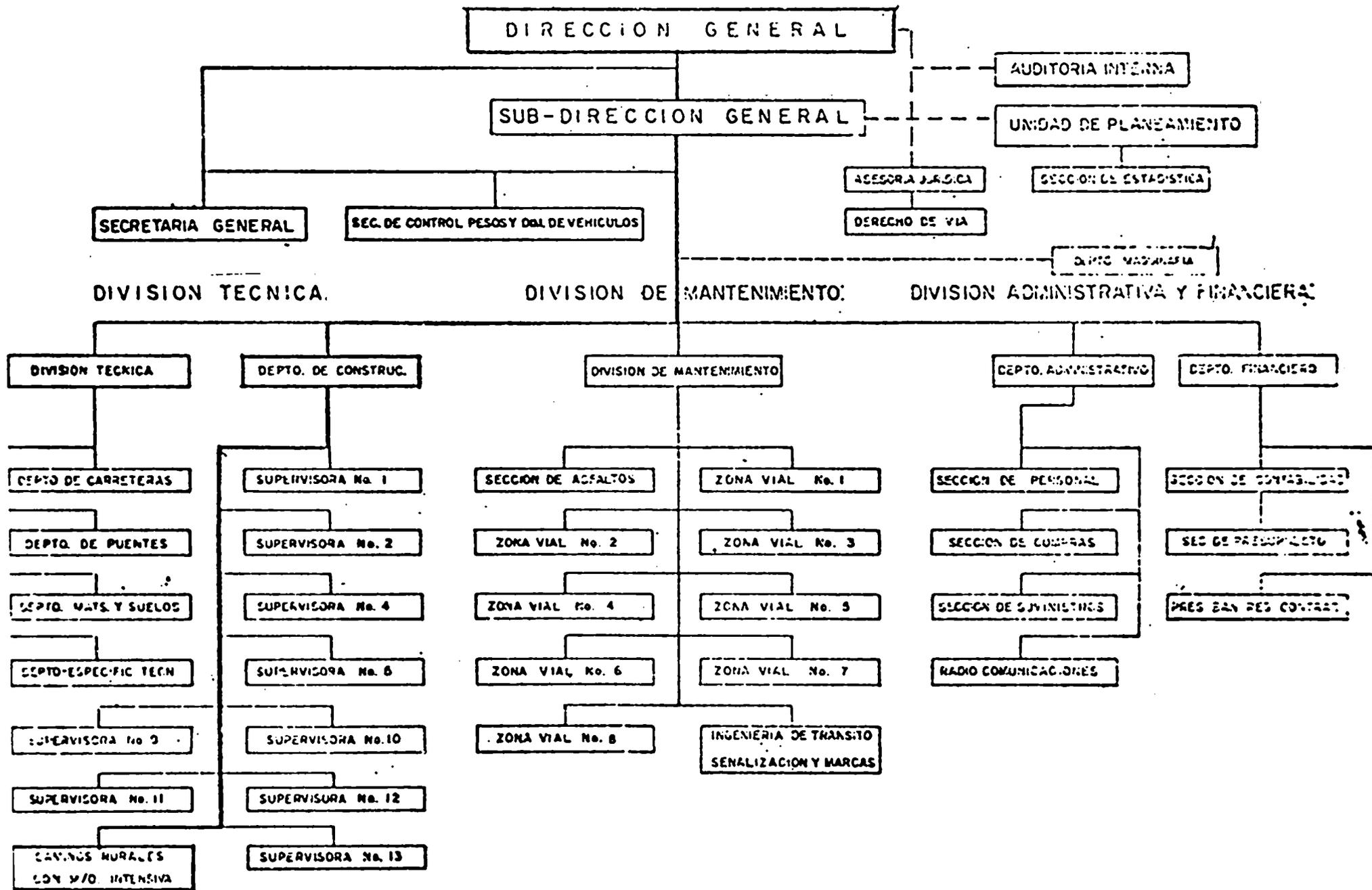
B. Community Access Roads Construction Committees

During the course of the 3-1/2 year AID-financed Phase I program, 230 community committees organized over 1,000,000 person days of rural labor for the construction effort. These committees initiated the road selection process within the Dirección General de Caminos by sending the Dirección a letter officially requesting the construction of an access road. Once the Dirección inspected and approved the road section in question, the Community Access Roads Committee and the DCR signed a joint agreement (see Exhibits F and G of Annex 2) where the community agreed to provide laborers for road construction and maintenance while the DCR was to provide materials and equipment necessary to build the road. In general this arrangement proved successful during the life of the project with two exceptions.

Due to political instability in one of the regions where the roads were to be built, the laborers who had originally agreed to provide their services left the areas when the turmoil intensified, resulting in insufficient workers to complete the road scheduled. With the continuation of the current stabilizing trend this problem should diminish. In fact, the DCR reports that now, due to the current poor economic situation in the rural areas there are more than enough willing and able laborers working within the program and recruitment has not been a problem.

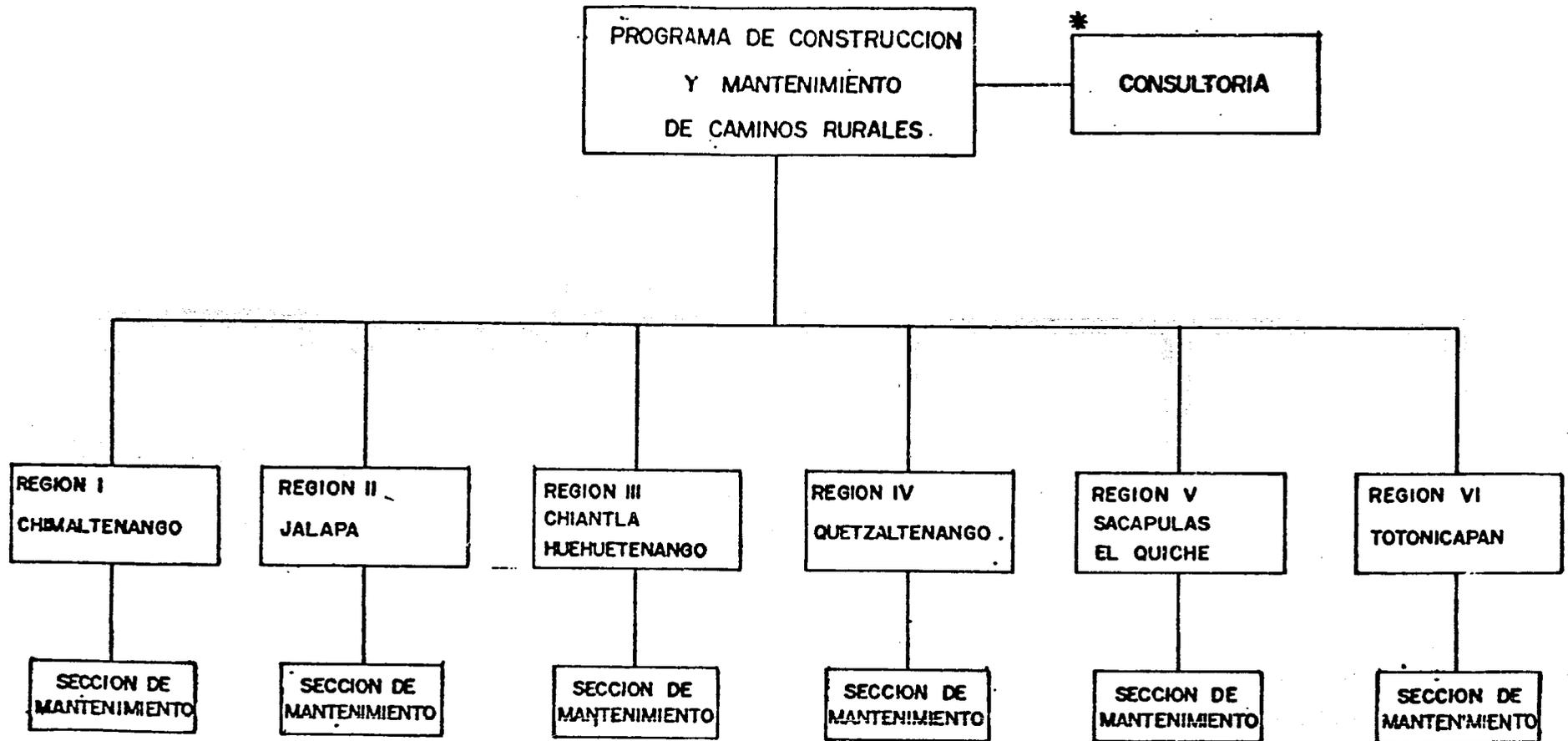
The second problem identified, that of providing voluntary maintenance of the previously built roads, still exists. Ideally, recipient communities would be willing to provide free labor to maintain roads which directly benefit them. However, this program, as with similar access roads programs in other parts of the world, has experienced a lack of beneficiary maintenance initiative. Communities only provide maintenance when the road becomes impassable. The Mission in discussions with the DCR, has suggested that the problem might be solved by paying the beneficiaries a small amount for routine maintenance as mentioned in USAID's "AID Program Evaluation Discussion Paper No. 2", March 1979. The DCR has expressed initial interest in this approach and wishes to further study its feasibility. The DCR and USAID will address this problem in the upcoming FY 83 Altiplano Agriculture Development Project.

ORGANIGRAMA DE LA DIRECCION GENERAL DE CAMINOS



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ORGANIGRAMA DEL PROGRAMA DE CAMINOS RURALES



* CONSULTORIA UNICAMENTE EN LOS CASOS EXIGIDOS EN CONVENIOS DE PRESTAMOS.

TABLE IV

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PHASE II 1982 PROGRAM
 MINISTERIO DE COMUNICACIONES Y OBRAS PÚBLICAS
 DIRECCIÓN GENERAL DE CAMINOS

PROGRAMA DE CAMINOS RURALES CON USO INTENSIVO DE MANO DE OBRA
 2a. Etapa con Fondos Nacionales.
 PROGRAMA DE TRÁNSITO PARA 1982.

D E P A R T A M E N T O	K m s .	Importe 0. (Miles).	M E S E S															
			ene	feb	mar	abr	may	jun	jul	ago	sep	oct	nov	dic				
Departamento de Guatemala (2 Caminos)	9.0	227.3	X	X	X	X	X	X	X	X								
Departamento de Chimaltenango (3 Caminos)	19.6	495.0				X	X	X	X	X	X	X	X	X	X	X	X	X
Departamento de Jutiapa (2 Caminos)	7.0	176.8				X	X	X	X	X	X							
Departamento de Jalapa (2 Caminos)	23.0	580.9	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Departamento de Huehuetenango (2 Caminos)	21.0	530.4				X	X	X	X	X	X	X	X	X	X	X	X	X
Departamento de Quetzaltenango (5 Caminos)	25.1	615.8	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Departamento de San Marcos (1 Camino)	5.0	126.3			X	X	X	X	X									
S U M A:	109.7	2,747.9																
						152.5												
						152.5												
						222.7												
						320.1												
						319.5												
						268.3												
						268.3												
						232.6												
						212.4												
						400.0												
						200.0												

EXHIBIT II
1982 PHASE II PROGRAM

EL COORDINADOR

David Lopez Solórzano
 Ing. David Lopez Solórzano.



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A N N E X E S

1. Letter of Application
2. Technical Data
3. Environmental Assessment (to be completed by 4/22/83)
4. Draft Project Authorization
5. Revised Project Checklist
6. 611 (e)
7. DAEC Review Cable & Mission Response

ANNEX 1

LETTER OF APPLICATION

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MINISTERIO DE
FINANZAS PUBLICAS

GUATEMALA, C. A.

B. 20100001-1-781 M.

VDSO

01746

1o. de diciembre de 1982

Señor Director
Agencia para el Desarrollo Internacional -AID-
Dr. Peter Kolar
Ciudad.

Señor Director:

Tengo el agrado de dirigirme a usted, para hacer referencia al Oficio No. 01758 del 1o. de septiembre del corriente, mediante el cual este Despacho presentó solicitud de asistencia financiera a AID, por un monto de Q 2 623 500.00, para ser destinados a la continuación del Programa "Caminos Rurales con Mano de Obra Intensiva", como una ampliación del Convenio de Préstamo AID-520-T-026.

De acuerdo con lo informado por la Dirección General de Caminos, Unidad Ejecutora del mencionado Programa, en pláticas posteriores con funcionarios de la Misión AID-Guatemala, se arribó a un monto de Q. 3.0 millones, con lo cual no sólo se financiaría la construcción de los caminos propuestos, con una longitud de 106 Kms., sino también un componente de asistencia técnica para supervisar dicha construcción y la realización de un estudio de factibilidad sobre un programa de mantenimiento de los caminos rurales a desarrollarse en el futuro.

En virtud de lo anterior, por este medio se reitera la solicitud de financiamiento por US\$ 3 000 000.00 (Tres Millones de Dólares), para cubrir el mencionado programa y los dos componentes adicionales a que se hace referencia.

En espera de una resolución favorable, aprovecho la oportunidad para suscribirme de usted, con toda deferencia.



[Handwritten Signature]
Sr. Carlos Enrique Villalón
Ministro de Finanzas

c. c.: Sr. Ministro de Comunicaciones y O. P.
LEDG/mwdez.

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A N N E X 2

TECHNICAL DATA

- EXHIBIT A - PHASE I PROGRAM (1978-1982)**
- EXHIBIT B - PHASE II PROGRAM (1982)**
- EXHIBIT C - PHASE II PROGRAM (1983-PROPOSED)**
- EXHIBIT D - MIXED PROGRAM (1983-PROPOSED)**
- EXHIBIT E - ROADS IDENTIFIED FOR ORIGINAL
REQUEST FOR ADDITIONAL AID
ASSISTANCE**
- EXHIBIT F - STANDARD VILLAGE/DCR CONSTRUCTION
AGREEMENT**
- EXHIBIT G - STANDARD VILLAGE/DCR MAINTENANCE
AGREEMENT**
- EXHIBIT H - LIST OF AID-FINANCED HEAVY EQUIPMENT
PURCHASED FOR LABOR INTENSIVE ACCESS
ROADS CONSTRUCTION**

EXHIBIT A
 PHASE I (026)
 1978-1982

CAMINOS PROGRAMADOS Y TERMINADOS SEGUN REGIONALIZACION

REGION I

No.	Nombre del Camino	Long.	Depto.	Fecha		Habitantes Beneficiados
				Inicio	Terminación	
1.	Chichicastenango-Saquiyá	5.6	Quiché	ene/78	feb/80	1,500
2.	Saquiyá-Xepocol	3.2	Quiché	nov/79	mar/80	1,350
3.	Saquiyá-Saquiyá II	2.0	Quiché	jun/78	mar/80	942
4.	Saquiyá-Kelbaquiej	4.0	Quiché	oct/79	mar/80	556
5.	Xelbaquiej-Paxot-Tzamixnam	10.0	Quiché	dic/79	ene/82	1,246
6.	Camanibal-Yabillaguach	6.7	Quiché	ene/78	dic/80	1,804
7.	Yabillaguach-Chuchipacá	2.2	Quiché	oct/79	mar/80	1,339
8.	Entronque (Yabillaguach-Chuchipacá)-Lacamá	3.5	Quiché	ene/80	mayo/81	600
9.	Chuchipacá-Chumanzana	4.7	Quiché	abr/79	mar/80	505
10.	Chumanzana-C.A. 1	1.8	Quiché	mar/79	mar/80	701
11.	Sn. Andrés Itzapa-Xeparquiy	4.0	Chimaltenango	ene/80	Pendiente	400
12.	Xeparquiy-Panimoquín	4.9	Chimaltenango	ene/80	Pendiente	845
13.	Parramos-Parrujas	5.8	Chimaltenango	feb/80	sept/80	500
14.	Comalapa-Simajuleu	10.0	Chimaltenango	jun/79	mar/81	1,400
15.	Simajuleu-Agua Caliente	3.5	Chimaltenango	ene/80	dic/80	228
16.	Tecpán-Chuatzunuj	9.2	Chimaltenango	ene/80	dic/80	748
17.	Sn. José Poaquil-Patio Bolas	8.7	Chimaltenango	ene/80	dic/80	1,026
18.	Los Yaxones-Xaquijyá	4.7	Sololá	abr/80	agos/80	350
19.	Sn. Marcos-Sta. Cruz	3.2	Sololá	agos/80	mar/82	800
20.	Sn. Pablo-Sn. Marcos	3.0	Sololá	abr/81	mar/82	300
21.	Pachalí-Pasajoc	6.9	Guatemala	abr/80	mar/81	1,500
22.	Montúfar-Los Pirir	2.3	Guatemala	abr/80	agos/80	900
23.	Cerro Alto-Los Ajvix	3.0	Guatemala	abr/80	mar/81	1,115
24.	Cerro Alto-Los Patzanes	3.5	Guatemala	abr/80	mar/81	925
51.	Chichicastenango-Xeabaj II	12.7	Quiché	may/81	abr/82	807
52.	Xepatán-Xejolón	4.0	Chimaltenango	jun/81	nov/81	1,720
53.	Sn. Juan Sacatepequez-Los Yax	4.6	Guatemala	may/81	sep/81	1,026

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REGION II

No.	Nombre del Camino	Long.	Depto.	Fecha		Habitantes
				Inicio	Terminación	Beneficiados
25.	Arenal-Sashico	9.4	Jalapa	ene/79	jun/80	1,201
26.	Sashico-Sansurutate	6.9	Jalapa	abr/79	mar/80	1,375
27.	Sashico-Sanyuyo	9.8	Jalapa	abr/79	may/80	1,450
28.	El Rodeo-Entronque	2.4	Jalapa	Nov/79	abr/80	998
29.	Sansurutate-Los Izotes	1.6	Jalapa	jun/79	abr/80	1,809
30.	Los Izotes-El Carrizal	2.6	Jalapa	jul/79	may/80	1,105
31.	El Progreso-Tierra Blanca	2.9	Progreso	ene/80	oct/80	880
32.	Tierra Blanca-Los Morales	2.8	Progreso	mar/80	oct/80	900
33.	El Duraznal-San Francisco	11.7	Jalapa	mar/80	ene/81	1,896
34.	Lafuneta-Duraznito	1.7	Jalapa	mar/80	dic/80	1,780
35.	Volcán-Talquezal	11.8	Jalapa	feb/80	oct/80	1,200
36.	Sanyuyo-Sampaquisoy	6.4	Jalapa	mar/80	abr/81	1,441
34.	La Toma-El Mirador	2.6	Jalapa	may/81	Dic/81	1,012
55.	El Mirador-Araizapo	6.8	Jalapa	may/81	jul/82	1,901
56.	Palo Verde-Lagunilla	3.0	Jalapa	may/81	nov/81	1,506

REGION III

38.	Río Blanco-Pueblo Viejo	3.0	Sn.Marcos	feb/80	dic/80	1,090
40.	Sn.Juan Ostuncalco-La Victoria	6.5	Quetzalten.	ene/80	mar/80	1,005
41.	Aguacatán-Tuixcox	8.5	Huehuetgo.	ene/80	jun/82	998
42.	Sn. Pedro Necta-Los Alisos	4.7	Huehuetgo.	ene/80	nov/81	806
43.	Sn.Pedro Necta-Santiago Chimaltenango	15.0	Huehuetgo.	jun/80	jul/82	698

REGION IV

<u>No.</u>	<u>Nombre del Camino</u>	<u>Long.</u>	<u>Depto.</u>	<u>Fecha</u>		<u>Habitantes</u> <u>Beneficiados</u>
				<u>Inicio</u>	<u>Terminación</u>	
44.	Uspantán-El Desengaño	9.5	Quiché	Feb/80	Pendiente	278
45.	Calanté-Ojo de Agua	9.5	Quiché	mar/80	Pendiente	376
46.	Chiutal-El Caracol	4.6	Quiché	abr/80	Pendiente	400
47.	Uspantán-Xola	3.5	Quiché	jun/80	mar/81	556
48.	Chicamán-El Pinal	11.5	Quiché	jun/80	dic/81	608
49.	El Pinal-El Soch	12.0	Quiché	jun/80	jun/82	1,075
50.	San Antonio-Los Planes	7.0	Quiché	jun/80	jun/82	335
57.	Río Blanco-El Durazno	2.8	Sn. Marcos	may/81	jun/82	485
58.	San Marcos-Las Barrancas	2.9	Sn. Marcos	may/81	jun/82	1,700
37.	R.N.1-San Ramón	4.0	Sn. Marcos	ene/81	jun/82	1,508
39.	Río Blanco-Cabricán	9.1	Sn. Marcos	jul/81	may/82	1,405
GRAN TOTAL						58,900

RELACION DE OBRA TERMINADA Y ENTREGADA A LAS COMUNIDADES

REGION I	Longitud (Kms)	FECHAS		Cantidad de obras de drenaje	C O S T O		Jornales	Promedio de traba- jadores ocupados por día.
		Inicio	Terminación		Por Km.	Total		
1. Chichicastenango-Saquiyá	5.6	ene/78	feb/80	25	26,100	146,195	45,748	184
2. Saquiyá-Xepocel	3.2	nov/79	mar/80	9	7,300	23,516	7,358	29
3. Saquiyá-Saquiyá II	2.0	jun/78	mar/80	14	24,900	49,860	15,602	63
4. Saquiyá-Xelbaquiej	4.0	oct/79	mar/80	18	20,700	82,612	25,851	104
5. Xelbaquiej-Paxet-Tzaminam	10.0	dic/79	ene/82	52	22,600	226,465	21,700	33
6. Camanibal-Xabiyaguach	6.7	ene/78	dic/80	45	26,800	179,318	40,560	65
7. Xabiyaguach-Chuchipaca	2.2	oct/79	mar/80	10	19,000	41,702	13,050	53
8. Entronque (Xabiyaguach-Chuchipa- cá)-Lacaná	3.5	ene/80	may/81	13	20,700	72,316	14,280	35
9. Chuchipaca-Chumanzana	4.7	abr/79	mar/80	21	22,600	106,201	33,219	134
10. Chumanzana-C.A.1	1.8	mar/79	mar/80	8	20,500	36,857	11,533	46
11. San Andrés Itzapa-Xeparquiy **	4.0	sep/79	susp. jun/81	12	18,000	72,070	7,378	14
12. Xeparquiy-Fanimaquín **	4.9	ene/80	susp. jun/81	15	17,700	86,907	8,897	21
13. Parramos-Parrojes	3.3	feb/80	sep/80	8	18,700	71,192	6,496	29
14. Comalapa-Simajuleu	10.0	jun/79	mar/81	65	20,700	206,617	21,112	58
15. Simajuleu-Agua Caliente	3.5	nov/79	mar/81	20	20,700	72,316	14,664	47
16. Tecpán-Chuantzunuz	9.2	ene/80	dic/80	50	18,700	172,359	21,216	68
17. San José Poaquil-Patio Bolas	8.7	ene/80	abr/81	45	20,700	179,757	17,940	46
18. Los Yaxones-Xaquijyá	4.7	abr/80	ago/81	28	20,900	98,116	10,920	25
19. San Marcos-Santa Cruz	3.2	ago/80	mar/82	15	22,600	72,476	6,344	14
20. San Pablo-San Marcos	3.0	abr/80	mar/82	14	22,600	67,939	6,510	11
21. Pachalí-Pasajoc	6.9	abr/80	mar/81	40	20,700	142,566	5,148	18
22. Montájar-Los Pirir	2.3	abr/80	ago/80	12	18,700	43,090	4,430	32
23. Cerro Alto-Los Ajvix	3.0	abr/80	mar/81	20	20,700	61,935	4,576	22
24. Cerro Alto-Los Patzanes	3.5	abr/80	mar/81	25	20,700	72,316	6,240	24
31. Chichicastenango-Xeabaj II	12.7	may/81	abr/82	54	20,100	255,605	43,830	155
52. Xepatán-Xejolón	4.0	jun/81	nov/81	18	22,600	90,596	8,680	58
53. San Juan Sacatepéquez-Los Yax	4.6	may/81	sep/81	26	21,200	97,527	9,982	80
T O T A L E S	135.7			685	20,800	2'828,466	433,964	54

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REGION II	Longitud (Kms.)	FECHAS		Cantidad de obras de Drenaje	C O S T O S		Jornales	Promedio de tra- bajadores ocupa- dos por día
		Inicio	Terminación		Por Km.	Total		
25. Arenal-Sashico	9.4	ene/79	jun/80	34	19,300	131,138	56,648	185
26. Sashico-Sansurutate	6.9	abr/79	may/80	27	19,300	132,963	40,848	136
27. Sashico-Sanyuyo	9.8	abr/79	may/80	43	19,300	188,846	58,016	193
28. El Rodeo-Entronque (Sashico- Sansurutate	2.4	nov/79	abr/80	10	19,300	46,248	14,208	47
29. Sansurutate-Los Izotes	1.6	Jun/79	abr/80	8	19,300	30,832	9,472	33
30. Los Izotes-El Carrizal	2.6	jul/79	may/80	15	19,300	50,102	15,392	51
31. El Progreso-Tierra Blanca	2.9	ene/80	oct/80	16	18,700	54,331	9,576	38
32. Tierra Blanca-Los Morales	2.8	mar/80	oct/80	20	18,700	52,457	10,080	45
33. El Duraznal-San Francisco	11.7	mar/80	ene/81	15	23,300	273,055	34,606	121
34. Laguneta-Duraznito	1.7	may/80	dic/80	7	23,300	39,675	7,904	39
35. Volcán-Talquezal	11.8	feb/80	oct/81	36	26,000	306,225	25,606	49
36. Sanyuyo-Sampaquisoy	6.4	mar/80	abr/81	27	20,700	132,235	27,040	80
54. La Toma-El Mirador	2.6	may/81	dic/81	13	22,600	58,880	5,642	26
55. El Mirador-Arcimpo *	6.8	nov/81	Jul/82	30	23,000	156,515	14,756	74
56. Palo Verde-Lagunilla	3.0	may/81	nov/81	7	26,000	77,854	6,510	37
T O T A L E S	82.4			308	21,600	1'781,356	335.304	77

REGION III	Longitud (Kms.)	FECHAS		Cantidad de obras de Drenaje	C O S T O S		Jornales	Promedio de tra- bajadores ocu- dos por día
		Inicio	Terminación		Por Km.	Total		
38. Rfo Blanco-Pueblo Viejo	3.0	feb/80	dic/80	21	18,700	56,204	15,730	55
40. Sn. Juan Ocuilcalco-La Victoria	6.5	ene/80	mar/80	20	23,300	151,697	13,650	35
41. Aguacotán-Tuixcox *	8.5	ene/80	jul/82	33	23,300	195,644	18,445	25
42. San Pedro Necta-Los Alisos	4.7	ene/80	nov/81	20	26,000	121,971	10,199	19
43. San Pedro Necta-Santiago chi- mitlanango * *	15.0	abr/80	jul/82	59	23,000	345,253	32,550	40
T O T A L E S	37.7			165	23,100	870,764	70,574	31

REGION IV	Longitud (Kms)	FECHAS		Cantidad de Obras de - Drenaje	C O S T O S		Jornales	Promedio de bajadores o dos por :f.
		Inicio	Terminación		Por Km.	Total		
44. Uspantán-El Desemgaño **	9.5	jun/80	Susp. ene/82	32	18,600	176,642	16,926	34
45. Calanté-Ojo de Agua **	9.5	jul/80	Susp. ene/82	26	15,700	149,466	14,322	32
46. Chiutal-El Caracol **	4.6	ago/80	Susp. ene/82	12	14,300	65,675	6,293	15
47. Uspantán-Kola	3.5	jun/80	mar/81	25	24,400	85,430	7,280	28
48. Chicamán-El Pinal *	11.5	jun/80	dic/81	60	22,600	260,434	24,955	52
49. El Pinal-El Soch *	12.0	jun/80	jul/82	47	23,000	276,203	26,040	42
50. San Antonio-Los Planes *	7.0	sep/80	jul/82	28	23,000	161,118	15,190	27
37. R.N. 1-San Ramón *	3.0	ene/80	jul/82	13	23,000	69,051	6,510	9
39. Río Blanco-Cabricán	9.1	jul/80	may/82	32	21,100	192,405	31,486	60
57. Río Blanco-El Durazno	2.8	jun/81	may/82	10	20,100	56,354	9,660	22
58. San Marcos-Las Barrancas	2.9	jul/81	jun/82	11	23,000	66,749	6,293	21
T O T A L E S	75.4			296	20,700	1'559,527	164,955	21
GRAN TOTAL	331.2			1,452	21,300	7'040,118	1'024,797	59

* = Caminos terminados en julio

** = Caminos suspendidos que por diferentes razones no se terminaron.

Saldo de maquinaria por amortizar \$55,452

TOTAL PRESTAMO

Q.7'895,570.00

33X

EXPANSION OF THE LABOR INTENSIVE ACCESS ROADS PROGRAM

ORDER	NAME OF ROAD	LENGTH	INHABITANTS	CROPS	MUNICIPALITY	DEPARTMENT
1.	Suacite-Los Guates	6.0	2,078	Corn & Beans	San Juan Sacatepéquez	Guatemala
2.	Los Chorros-Pie del Cerro	6.0	304	" " "	Palencia	Guatemala
3.	Palencia-Lo de Silva	6.0	270	" " "	Palencia	Guatemala
4.	Jalapa-El Lazareto	2.5	321	" " "	Jalapa	Jalapa
5.	San Pedro Pinula-Santo Domingo	12.0	1,214	" " "	San Pedro Pinula	Jalapa
6.	La Toma-Guacamayas	5.0	750	Beans & Fruits	Jalapa	Jalapa
7.	Zapotitlan-San Luis Ilopango	4.5	588	" " "	Zapotitlan	Jutiapa
8.	Villa Linda-El Salto del Arenal-Encino Gacho	7.0	2,998	" " "	Jutiapa	Jutiapa
9.	Monrovia-Los Mendoza	3.0	1,500	" " "	San Juan Ostuncalco	Quetzaltenango
10.	Interamericana-Buena Vista	8.0	700	" " "	San Juan Ostuncalco	Quetzaltenango
11.	Zapotitlan-Papaturre	10.0	819	" " "	Jutiapa	Jutiapa
12.	Totonicapan-Chicaxtum	8.0	676	Beans, Fruits & Wheat	Totonicapán	Totonicapán
13.	La Toma-El Durazno	10.0	345	" " " "	Río Blanco	San Marcos
14.	San Lorenzo-El Porvenir- Sabalique	12.0	5,125	" " " "	Comitancillo	San Marcos
15.	Sochel-Tutuapa	<u>6.0</u>	<u>3,074</u>	Beans & Fruits	Concepción Tutuapa	San Marcos
	TOTAL	<u>106.0</u>	<u>20,762</u>			

EXHIBIT E
 Roads for the Original
 Request for Additional AID Assistance

24

A C T A C O N S T I T U T I V A

ACTA NUMERO: _____

LOCALIDAD: _____

MUNICIPIO: _____

DEPARTAMENTO: _____

ACTA CONSTRUCTIVA DEL COMITE PRO-CONSTRUCCION Y MANTENIMIENTO DEL
CAMINO _____

En el poblado de: _____ Municipio de:

_____ Departamento de _____

Siendo las _____ horas del día _____ del mes

de: _____ del año de mil novecientos _____

_____ en el local que ocupa la _____

se reunieron los CC. _____ Autoridad

Municipal _____

Delegado Residente del Programa de Caminos Rurales de la Dirección
General de Caminos, así como la mayoría de los jefes de familia de la
población, con el propósito de constituir un Comité Pro-Construcción
y Mantenimiento del camino _____

_____ para cooperar, en la medida de sus posibilidades, a
la realización de las Obras que comprende la construcción y posterior
mantenimiento del camino mencionado. El C. Delegado Residente proce-
dió a informar a los presentes, que de acuerdo con las instrucciones
del Gobierno, se está llevando a cabo un Programa de asistencia a las
comunidades rurales del país que deseen realizar Obras materiales
tendientes a mejorar sus condiciones de vida y a través de acciones
capaces de establecer la infraestructura económica y social que pro-
porcione ocupación masiva y productiva a la fuerza de trabajo. Con-
tinuó diciendo que el atán de superación de los habitantes de esta
comunidad quedará demostrada al llevar a cabo la construcción de las
Obras mencionadas. Para conseguir lo anterior, se requiere que auto-
ridades y Jefes de familia de la localidad, así como todas aquellas

35x

personas que aspiren a recibir los beneficios de estas Obras cooperen con su propio esfuerzo y colaboren en la forma que a continuación se expresa:

1. Aportar la Mano de Obra en la cantidad suficiente para que la Obra se realice en el menor tiempo posible.
2. Proporcionar sin costo para la Obra el permiso para la extracción de los Materiales que se requieran
3. Gestionar la disponibilidad de la superficie necesaria para la ubicación de las Obras.
4. Colaborar con las autoridades en la resolución de los problemas que se llegaran a presentar durante la ejecución de los trabajos.

Por otra parte, la Dirección General de Caminos se compromete a operar lo siguiente:

1. La Ingeniería necesaria del camino.
2. La Supervisión y Administración de la Construcción del camino.
3. La Herramienta para la Construcción del camino.
4. Maquinaria y Equipo Auxiliar donde sea necesario.
5. Materiales extra locales y elaborados como cal, cemento, hierro.
6. Una ayuda económica que se basará en el procedimiento y pago conocido como pago por destajo, que consiste en pagar por trabajo realizado. Se aclara que la D.G.C. reconocerá al personal de la comunidad unicamente el servicio de I.G.S.S. cuando sea necesario no así cualquier otra clase de prestaciones, por no ser personal de la D.G.C.

Interesados los presentes de lo expresado por el C. Delegado Residente, con la intervención de éste en calidad de moderador, deciden construir un Comité Pro-Construcción y Mantenimiento de Caminos Rurales, presidida por un Comité Ejecutivo, cuyo funcionamiento se sujetará a las siguientes:

C L A U S U L A S

PRIMERA.-El Comité Pro-Camino se denominará COMITE PRO-CONSTRUCCION Y MANTENIMIENTO DEL CAMINO

SEGUNDA.-El Comité Pro-Camino, tendrá como objetivo construir las Obras a que se hace referencia en la Cláusula Primera y en las cuales

participará con Mano de Obra Campesina de la Region, miembros del Comité Pro-Camino.

TERCERO.- El Comité Pro-Camino podrá solicitar del Gobierno Central, del Gobierno Departamental, del Municipio ó de particulares, la cooperación para llevar a cabo las Obras y en particular, gestionará Técnica y Supervisión de las mismas, a cuyo efecto celebrarán el convenio correspondiente.

CUARTA.-El domicilio oficial del Comité Pro-Camino, se fija en el poblado de _____ Municipio de _____ Departamento de _____.

QUINTA.-El órgano, directivo del Comité Pró-Camino será un Comité Ejecutivo, integrado por un Presidente, Un Vice Presidente, Un Secretario, Un Tesorero y Tres Vocales.

El Comité Ejecutivo tendrá como asesores a los representantes de los Gobiernos Central y Departamental y el C. Delegado Residente del Programa de Caminos Rurales.

El número de integrantes del Comité Ejecutivo no podrá ser alterado y sus cargos no serán renumerables.

Las Decisiones del Comité se tomarán por votación de la mayoría absoluta de sus integrantes.

El Comité será electo en Asamblea General, durando en su cargo el tiempo que dura la construcción del camino.

Para el mantenimiento del camino se podrá ratificar los cargos a los integrantes del Comité Ejecutivo o bien elegir nuevos elementos en una asamblea popular.

SEXTA.-El Presidente tendrá la representación del Comité Pro-Camino ante toda clase de autoridades, organismos, persona física o moral, siempre que sea necesario para el cumplimiento de los compromisos del Comité Pro-Camino.

SEPTIMA.-El Secretario tendrá a su cargo el archivo de la documentación correspondiente así como recibir y contestar toda clase de correspondencia.

OCTAVA.-El Tesorero Controlará los fondos que para el cumplimiento de sus fines recabe el Comité Pro-Camino.

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37 ✓

NOVENA.-Los Vocales Tomarán parte en las asambleas con voz y voto, en las resoluciones del Comité Ejecutivo.

DECIMA.-La Asamblea General es la maxima autoridad del Comité Pro-Camino y para convocar a asambleas, se requiere la solicitud de diez ó más asociados ó a juicio del Comité Ejecutivo cuando existan puntos importantes que tratar, siendo necesario que asistan los integrantes del Comité Ejecutivo y la mayoría de los miembros del Comité Pro-Caminos. Las decisiones de las Asambleas se tomarán por mayoría de votos. Las actas de cada Asamblea serán firmadas por los miembros del Comité Ejecutivo los asistentes.

DECIMA PRIMERA.-El Comité Pro-Camino dejará de existir por disposición de la Asamblea, cuando no sea posible la realización de la Obra. En este acto los comparecientes celebran su primera Asamblea General, en la cual se designa el Comité Ejecutivo que presidirá el Comité Pro-Camino. Por último, una vez aprobadas las proposiciones, se llevó a cabo la votación para nombrar el Comité Ejecutivo y fueron electas las siguientes personas:

- _____ PRESIDENTE.
- _____ VICE PRESIDENTE.
- _____ SECRETARIO.
- _____ TERSORERO.
- _____ PRIMER VOCAL.
- _____ SEGUNDO VOCAL.
- _____ TERCER VOCAL.

Leída que les fue el Acta, los representantes del poblado o integrantes del Comité Ejecutivo, acepten nombramiento y tomar posesión del cargo para lo cual firman de conformidad;

PRESIDENTE

VICE PRESIDENTE

SECRETARIO

TESORERO

PRIMER VOCAL

SEGUNDO VOCAL

TERCER VOCAL

AUTORIDAD MUNICIPAL

AUTORIDAD MUNICIPAL

A S I S T E N T E S

39 X

CONVENIO QUE CELEBRAN POR UNA PARTE LA DIRECCION GENERAL DE CAMINOS DEL MINISTERIO DE COMUNICACIONES Y OBRAS PUBLICAS, REPRESENTADA POR EL COORDINADOR GENERAL DE CAMINOS RURALES INGENIERO _____ Y POR LA OTRA EL COMITE PRO CONSTRUCCION Y MANTENIMIENTO DEL CAMINO _____ REPRESENTANDO POR SU PRESIDENTE.

Para los efectos de este Convenio, las partes se denominarán la Dirección y el Comité Pro-Camino respectivamente.

DECLARACIONES :

- 1a. El Comité Pro-Camino manifiesta que se encuentra constituido para llevar a cabo la construcción y mantenimiento de obras de desarrollo rural en beneficio de su comunidad y que ha solicitado la cooperación de la Dirección General de Caminos para llevar a cabo los trabajos a que se refiere el Acta Constitutiva anexo de este convenio.
- 2a. La Dirección declara que entre las finalidades de su Programa de Caminos Rurales Con Mano de Obra, está el de proporcionar dirección técnica, equipo y otros servicios a las comunidades que se lo soliciten para estar en la posibilidad de llevar a cabo obras de interés común en beneficio de las mismas; por lo que considera factible proporcionar dicha cooperación al Comité Pro-Camino para el desarrollo de sus trabajos.

De acuerdo con lo anterior, las partes celebran el presente Convenio para establecer las bases conforae a las cuales la Dirección proporcionará al tenor de las siguientes:

C L A U S U L A S

PRIMERA.-El Comité Pro-Camino con Mano de Obra de sus asociados realizará los trabajos de terracerías, drenaje y capa de rodadura o empedrado del camino a que alude Declaración Primera. Esos trabajos serán ejecutados de acuerdo con el proyect, Programa y especificaciones que señale la Dirección.

SEGUNDA.-Conforme a lo solicitado por el Comité Pro-Camino la construcción de las obras de que se trata, se llevará a cabo con la Supervisión Técnica de la Dirección, la que colaborará además en la forma en que se detalle en el Acta Constitutiva que debidamente firmada se acompaña de éste documento

TERCERA.-Las partes convienen en que la colaboración en efectivo que resulta en los términos de la Cláusula Segunda, se entregará quincenalmente a el Comité Pro-Camino, en proporción a los trabajos ejecutados, según lo establecido en el Acta Constitutiva.

CUARTA.-El Comité Pro-Camino manifiesta que los campesinos de la Región que colaborarán en estos trabajos son miembros de aquél y por lo tanto, atenderá las reclamaciones que dichos asociados pudieran llegar a presentar por cualquier concepto.

QUINTA.-El Comité Pro-Camino acepta que si por cualquier motivo decide no realizar alguno de los trabajos programados, éste quedará automáticamente excluido del presente Convenio y como consecuencia, no registrá respecto a el la colaboración de la Dirección. En el supuesto de que llegare a suspenderse definitivamente la construcción del camino, el presente Convenio dejará de surtir efecto para ello, bastará con que los trabajos han quedado suspendidos, lo comuniqué a el Comité Pro-Caminos y le exprese la decisión tomada.

El presente Convenio se firma en _____
a los _____ días del mes de _____
del año de mil novecientos _____

41x

POR LA DIRECCION:

Page 8 of 8
POR EL COMITE PRO-CAMINO

ING.

**COORDINADOR GENERAL DE CAMINOS
URALES CON MANO DE OBRA.**

SEÑOR:

PRESIDENTE DEL COMITE.

DIRECCION GENERAL DE CAMINOS

PROGRAMA DE CAMINOS RURALES CON MANO DE OBRA INTENSIVA

ACTA DE ENTREGA DE CAMINOS RURALES A
LAS COMUNIDADES RURALES

EN EL LUGAR QUE OCUPA: _____
 SIENDO LAS _____ HORAS DEL DIA _____ DEL MES DE _____
 DE MIL NOVECIENTOS _____ EN LA COMUNIDAD
 DE _____, EL MINISTERIO DE
 COMUNICACIONES Y OBRAS PUBLICAS, A TRAVES DE LA DIRECCION GENERAL DE
 CAMINOS REPRESENTADA POR _____
 Y EN PRESENCIA DE, SUS AUTORIDADES _____
 _____; HACE ENTREGA A LOS HABITANTES DEL CAMINO RURAL
 TERMINADO, QUE COMUNICA A ESTA COMUNIDAD CON _____
 Y QUE TIENE UNA LONGITUD TOTAL DE _____ KILOMETROS.
 EL CAMINO FUE CONSTRUIDO HASTA LA FASE DE CAPA DE RODADURA Y LOS
 TRABAJOS FUERON EJECUTADOS CON EL EMPLEO DE OBRA DE LA PROPIA
 COMUNIDAD, REALIZADO GRACIAS AL ESFUERZO CONJUNTO DEL COMITE
 PRO-CAMINO Y DE SUS REPRESENTADOS, HABIENDOSE INICIADO EN _____
 _____ Y TERMINADO EN _____
 POR MEDIO DE LA PRESENTE ACTA, LOS MIEMBROS DE ESTA COMUNIDAD SE
 HACEN RESPONSABLES DEL MANTENIMIENTO MENOR QUE POR USO NORMAL DEL
 CAMINO, SERA NECESARIO PROPORCIONAR DE CONSTANTE, CON EL OBJETO DE
 QUE EL CAMINO SE ENCUENTRE EN BUENAS CONDICIONES DE TRANSITO DURANTE
 TODAS LAS EPOCAS DEL AÑO.

R E C I B E :
 POR EL COMITE PRO-CAMINO

E N T R E G A :
 POR EL MINISTERIO DE COMUNICACIONES
 Y OBRAS PUBLICAS, DIRECCION GENERAL
 DE CAMINOS, EL SUB DIRECTOR DE
 CAMINOS

Ing. David López Solórzano.

I T E R V I E N E N

AUTORIDAD LOCAL

AUTORIDAD LOCAL

5
1

PHASE II 1983 PROGRAM

FORM. D.T.P. No. 7-82 PROYECTO 1712

MINISTERIO DE FINANZAS PUBLICAS - DIRECCION TECNICA DEL PRESUPUESTO				1. CODIGO PRESUPUESTARIO						
DETALLE DEL PROYECTO				AÑO	PROYECTO	TIPO DE PROYECTO	SECTOR	PROGRAMA	ACTIVIDAD	UNIDAD
				83	1303	3	092	04	01	
2. INSTITUCION MINISTERIO DE COMUNICACIONES Y OBRAS PUBLICAS. 3. DEPENDENCIA ADMINISTRATIVA DIRECCION GENERAL DE CAMINOS. 4. PROGRAMA SECTORIAL TRANSPORTE POR CARRETERA. 5. SUBPROGRAMA SECTORIAL CAMINOS DE PENETRACION.				6. PROYECTO ESTUDIO, CONSTRUCCION Y SERVICIO DE CAMINOS RURALES CON USO DE MANO DE OBRA INTERMITENTE. - - 7. UNIDAD EJECUTORA DEL PROYECTO DEPTO. DE CONSTRUCCION, D.D. 8. ASIGNACION SOLICITADA G. 9,000,000.00 9. ASIGNACION DEFINITIVA (PARA USO D.T.P.) G.						
10. DESCRIPCION DEL PROYECTO (UBICACION, CARACTERISTICAS, METAS Y OBJETIVOS GENERALES) Este proyecto comprende la construcción de caminos rurales con uso de mano de obra intensiva, proporcionada por las comunidades campesinas beneficiadas, construyendo un camino transitable en toda época del año. Seleccionándose todos los caminos a construir dentro de las solicitudes presentadas a la Dirección General de Caminos constantemente. La construcción pueda ejecutarse sólo con mano de obra o bien apoyarla con maquinaria cuando la topografía y tipo de terreno lo ameriten. Los principales objetivos del proyecto son: - Utilizar mano de obra campesina. - Integrar socialmente a las comunidades campesinas. - Apoyar la producción tanto agrícola como ganadera, artesanal e industrial. - Facilitar la introducción de servicios complementarios como aulas escolares, agua potable, drenajes, puestos de salud, -				11. METAS DE EJECUCION EN 1983 Se construirán 505 kilómetros en los siguientes departamentos de la República: <u>DEPARTAMENTO DE JALAPA, 88.0 kilómetros,</u> 1). Aurora-El Carrizalito, 5.0 kilómetros. 2). San Francisco-Pasa Verde, 2.0 kilómetros. 3). Laguneta-El Fojon, 2.0 kilómetros. 4). Guacamayas-El Aguacate Dulce, 3.0 kilómetros. 5). Los Llanitos-Loma Escudada, 4.0 kilómetros. 6). Potrero Cerrillo-Inhigua, 6.0 kilómetros. 7). La Soledad-Buena Vista, 5.0 kilómetros. 8). La Toma-Guacamayas, 5.0 kilómetros. 9). Sampaquisoy-Agua Saliente, 5.0 kilómetros. 10). Soledad Grande-San Antonio las Flores-Los Magueyes, 14.0 kilómetros. 11). San Pedro Pinola-Las Agujitas, 10.0 kilómetros.						
12. EJECUCION DEL PROYECTO										
COSTO TOTAL		CALENDRARIO		AVANCE FISICO (%)			AVANCE FINANCIERO (G)			
INICIAL	ACTUALIZADO	INICIACION	TERMINACION APROXIMADA	HASTA 31/12/82	PROGRAMADO 1983	PENDIENTE	HASTA 31/12/82	PROGRAMADO 1983	PENDIENTE	
7,800,000.00	N.D.	Enero 1,978.	N.D.	N.D.	N.D.	N.D.	10,300,000.	9,000,000.00	N.D.	

NOTA: Todo Proyecto deberá estar integrado al Plan de Inversiones Públicas.

EXHIBIT C
PHASE II 1983 PROGRAM

PLAN DE INVERSIONES PUBLICAS

43X

MINISTERIO DE FINANZAS PÚBLICAS - DIRECCION TÉCNICA DEL PRESUPUESTO				1. CODIGO PRESUPUESTARIO					
DETALLE DEL PROYECTO				AÑO	Institucional	Tipo de Programa	Sector y Programa	Sub-Programa	
				83	1303	3	092	04	
2. INSTITUCION MINISTERIO DE COMUNICACIONES Y OBRAS PÚBLICAS. 3. DEPENDENCIA ADMINISTRATIVA DIRECCION GENERAL DE CAMINOS. 4. PROGRAMA SECTORIAL TRANSPORTE POR CARRETERA. 5. SUBPROGRAMA SECTORIAL CAMINOS DE PENETRACION.				6. PROYECTO ESTUDIO, CONSTRUCCION Y SUPERVISION DE CAMINOS RURALES CON USO DE MANO DE OBRA INTEREQUIVA. 7. UNIDAD EJECUTORA DEL PROYECTO DEPTO. DE CONSTRUCCIONES. 8. ASIGNACION SOLICITADA Q. 9,000,000.00 9. ASIGNACION DEFINITIVA (PARA USO D.T.P.) Q.					
10. DESCRIPCION DEL PROYECTO (UBICACION, CARACTERISTICAS, METAS Y OBJETIVOS GENERALES) electrificación, evitando de esta manera la emigración de campesinos a la ciudad capital.				11. METAS DE EJECUCION EN 1983 12). Alzate-Ayerza. 15.0 Kilómetros. 13). Interamericana-Santo Domingo. 12.0 Kilómetros. DEPARTAMENTO DE QUEZALTEANGO. 14). San Juan Cotunculco-Los Barrancos. 18.0 Kilómetros. 15). Quezaltenango-Centón Viejo. 8.0 Kilómetros. 16). Monrovia-Los Perceps. 3.0 Kilómetros. 17). Interamericana-Suena Vista. 6.0 Kilómetros. 18). La Cienega-Sacucob. 10.0 Kilómetros. 19). La Grandeza-Chorjele. 2.0 Kilómetros. 20). Agua Tibia-El Molino. 1.0 Kilómetros. DEPARTAMENTO DE GUAMASTENANGO. 21). San Andrés Itzapa-Xeparquiy. 5.0 Kilómetros. 22). Xeparquiy-Panizacufe. 5.0 Kilómetros.					
12. EJECUCION DEL PROYECTO									
COSTO TOTAL		CALENDARIO		AVANCE FISICO (%)			AVANCE FINANCIERO (Q)		
INICIAL	ACTUALIZADO	INICIACION	TERMINACION APROXIMADA	HASTA 31/12/82	PROGRAMADO 1983	PENDIENTE	HASTA 31/12/82	PROGRAMADO 1983	PENDIENTE
7,800,000.00	N.D.	Enero 1, 978.	N.D.	N.D.	N.D.	N.D.	10,300,000.00	9,000,000.00	N.D.

*NOTA: Todo Proyecto deberá estar integrado al Plan de Inversiones Públicas.

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CODIGO PRESUPUESTARIO.

83-1303-3,092-04-02.

— Continuación Departamento de Chimaltenango.

23).	San Andrés Itzapa-Chicasanga.	6.0 Kilómetros.
24).	Chimaltenango-San Jacinto.	5.0 Kilómetros.
25).	Patzún-El Sitio.	2.0 Kilómetros.
26).	Chimaltenango-San Marcos Pacoc.	5.0 Kilómetros.
<u>DEPARTAMENTO DE GUATEMALA.</u>		<u>24.0 KILOMETROS.</u>
27).	San Juan Sacatepéquez-Loma Alta.	9.0 Kilómetros.
28).	Pochol Chiquito-Comunidad Zet.	4.0 Kilómetros.
29).	Fesuj-San Matías.	5.0 Kilómetros.
30).	Suacilé-Los Guates.	6.0 Kilómetros.
<u>DEPARTAMENTO DE SAN MARCOS.</u>		<u>127.0 KILOMETROS.</u>
31).	Río Blanco-Rancho de León.	8.0 Kilómetros.
32).	Rancho de León-La Felicidad.	9.0 Kilómetros.
33).	San Antonio Sacatepéquez-Candelaria.	10.0 Kilómetros.
34).	La Felicidad-Santo Domingo.	8.0 Kilómetros.
35).	San Antonio Sacatepéquez-Las Escobas.	5.0 Kilómetros.
36).	Ruta Nacional 1-Santa Irene-San Miguel de los Altos.	6.0 Kilómetros.
37).	San Miguel Ixtahuacán-San Ixchil.	12.0 Kilómetros.
38).	La Loma-El Durazno.	8.0 Kilómetros.
39).	San José la Paz-Tajumulco.	7.0 Kilómetros.
40).	San Lorenzo-El Porvenir.	17.0 Kilómetros.
41).	Sochel-Tatuepa.	7.0 Kilómetros.
42).	Candelaria-San José Ixtal.	8.0 Kilómetros.
43).	Calepté-Exchiguán.	6.0 Kilómetros.
44).	Santo Domingo-San Antonio Sacatepéquez.	5.0 Kilómetros.
45).	Potrerrillos-Río Blanco.	5.0 Kilómetros.
46).	San Antonio Sacatepéquez-Tajchín.	3.0 Kilómetros.
47).	San Antonio Sacatepéquez-Santa Rosa de Lima.	5.0 Kilómetros.

<u>DEPARTAMENTO DE NUEVELEZACA.</u>		<u>71.0 KILOMETROS.</u>
48).	El Piedra-Casa Grande.	13.0 Kilómetros.
49).	Plaza del Potrillo-San Andrés.	6.0 Kilómetros.
50).	Interamericana-Llano de las Flores.	12.0 Kilómetros.
51).	Acobila-El Rancho.	5.0 Kilómetros.
52).	Las Maracas-Salpetra.	5.0 Kilómetros.
53).	San Juan Jacoy-San Pedro Dolores.	10.0 Kilómetros.
54).	San Rafael la Independencia-Ixtinabajab.	7.0 Kilómetros.
55).	San Ramón-Nubla.	6.0 Kilómetros.
56).	Rancho Viejo-Mojaya.	6.0 Kilómetros.
57).	Tuxtil-Sacital.	5.0 Kilómetros.

<u>DEPARTAMENTO DE TOTONICAPÁN.</u>		<u>70.0 KILOMETROS.</u>
58).	Totonicapán-Pacapox.	5.0 Kilómetros.
59).	Capech-Nahualá.	8.0 Kilómetros.
60).	Paxán-Chuarroral.	12.0 Kilómetros.
61).	Chicaxtón-Rancho de Teja.	15.0 Kilómetros.
62).	Totonicapán-Chicaxtón.	5.0 Kilómetros.
63).	Tierra Blanca-Coxón.	6.0 Kilómetros.
64).	Chuculjuyup-Chuisuc.	4.0 Kilómetros.
65).	Izamal-Sacul.	15.0 Kilómetros.

<u>DEPARTAMENTO DE SINTIAPA.</u>		<u>21.0 KILOMETROS.</u>
66).	El Adelanto-El Cañón.	6.0 Kilómetros.
67).	San Luis Ilopango-El Grandillo.	5.0 Kilómetros.
68).	Cerro Redondo-Papaturro.	10.0 Kilómetros.

<u>DEPARTAMENTO DE BAJA VERAPAZ.</u>		<u>27.0 KILOMETROS.</u>
69).	Granados-Llano Grande.	7.0 Kilómetros.
70).	Llano Grande-Ixel.	20.0 Kilómetros.

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REGION V - MIXED PROGRAM

FORM. D.T.P. No. 7-82 PROYECTO 1/12

MINISTERIO DE FINANZAS PUBLICAS - DIRECCION TECNICA DEL PRESUPUESTO				1. CODIGO PRESUPUESTARIO					
DETALLE DEL PROYECTO				AÑO	Institucional	Tipo de Programa	Sector y Programa	Sub-Programa	Proy.
				2. INSTITUCION MINISTERIO DE COMUNICACIONES Y OBRAS PUBLICAS. 3. DEPENDENCIA ADMINISTRATIVA DIRECCION GENERAL DE CAMINOS. 4. PROGRAMA SECTORIAL TRANSPORTE POR CARRETERA. 5. SUBPROGRAMA SECTORIAL CAMINOS DE PENETRACION.				6. PROYECTO REGION V, CAMINOS RURALES Y AMPLIACION Y MEJORAMIENTO DE CAMINOS EN EL ALTIPLANO. 7. UNIDAD EJECUTORA DEL PROYECTO DEPARTAMENTO DE CONSTRUCCIONES, I 8. ASIGNACION SOLICITADA Q. 7.375,000.00 9. ASIGNACION DEFINITIVA (PARA USO D.T.P.) Q.	
10. DESCRIPCION DEL PROYECTO (UBICACION, CARACTERISTICAS, METAS Y OBJETIVOS GENERALES) <u>CAMINOS RURALES:</u> Este proyecto esta destinado a la construcción de caminos con uso intenso de mano de obra, la cual será proporcionada por las comunidades involucradas en este tipo de programa, construyendo un camino transitable en toda época del año, y contribuyendo así a combatir el desempleo en el área rural. Los caminos fueron seleccionados por la Presidencia de la República para lograr por medio de estas obras introducir el desarrollo integral a esta zona del país, pues es por medio del camino que podrán otras instituciones del Estado entrar a proporcionar sus servicios tales como salud, educación, vivienda, agua potable, etc. La construcción de estos caminos puede hacerse usando unicamente la mano de obra campesina, pero en algunos casos cuando la topografía del terreno lo amerite la mano de obra deberá ser apoyada por el uso de maquinaria de construcción. Los principales objetivos de este proyecto son los siguientes: 1). Proporcionar empleo al utilizar la mano de obra campesina.				11. METAS DE EJECUCION EN 1983 <u>AMPLIACION Y MEJORAMIENTO:</u> 1). Santa Cruz de El Quiché-Sacapulas. 50 kilómetros. Ruta 15. 2). Huehuetenango-Aguacatán. 24 kilómetros. Ruta 7V. 3). Sacapulas-Cunén. 17 kilómetros. Ruta 7V. 4). Cunén-San Miguel Uspantán. 19 kilómetros. Ruta 7V. 5). San Miguel Uspantán-Puente Chixoy. 35 kilómetros. Ruta 7V. 6). Puente Chixoy-San Cristóbal Verapas. 33 kilómetros. Ruta 7V. 7). Boquerón-Mebaj. 18 kilómetros. Ruta 3. 8). Mebaj-Pulay. 9 kilómetros. Ruta 3. 9). Pulay-Chajúl. 10 kilómetros. Ruta 3. 10). Pulay-Cotzal. 11 kilómetros. Ruta 6. 11). Cotzal-San Francisco. 15 kilómetros. Ruta 6. TOTAL MEJORAMIENTO: 291 KILOMETROS. <u>CAMINOS RURALES:</u> 1). San Miguel Uspantán-San Francisco. 15 kilómetros. 2). Cunén-Cotzal. 20 kilómetros.					
12. EJECUCION DEL PROYECTO									
COSTO TOTAL		CALENDARIO		AVANCE FISICO (%)			AVANCE FINANCIERO (%)		
INICIAL	ACTUALIZADO	INICIACION	TERMINACION APROXIMADA	HASTA 31/12/82	PROGRAMADO 1983	PENDIENTE	HASTA 31/12/82	PROGRAMADO 1983	PENDIENTE
.8.875,000.00	8.875,000.00	15 agosto/82.	31 diciembre/82	16.90	83.10	-	1.500,000.00	7.375,000.00	-

NOTA: Todo Proyecto deberá estar integrado al Plan de Inversiones Públicas.

EXHIBIT D
1983 MIXED PROGRAM

MINISTERIO DE FINANZAS PUBLICAS - DIRECCION TECNICA DEL PRESUPUESTO				1. CODIGO PRESUPUESTARIO					
DETALLE DEL PROYECTO				AÑO	Institucional	Tipo de Programa	Sector y Programa	Sub-Programa	Pro.
2. INSTITUCION MINISTERIO DE COMUNICACIONES Y OBRAS PUBLICAS. 3. DEPENDENCIA ADMINISTRATIVA DIRECCION GENERAL DE CAMINOS. 4. PROGRAMA SECTORIAL TRANSPORTE POR CARRETERA. 5. SUBPROGRAMA SECTORIAL CAMINOS DE PENETRACION.				6. PROYECTO REGION V, CAMINOS RURALES, Y AMPLIACION Y MEJORAMIENTO DE CAMINOS EN EL ALTIPLANO. 7. UNIDAD EJECUTORA DEL PROYECTO DEPARTAMENTO DE CONSTRUCCIONES, 8. ASIGNACION SOLICITADA Q. 9. ASIGNACION DEFINITIVA (PARA USO D.T.P.) Q.					
10. DESCRIPCION DEL PROYECTO (UBICACION, CARACTERISTICAS, METAS Y OBJETIVOS GENERALES) 2). Al comunicar poblaciones que se encuentran aisladas estas serán integradas socialmente al resto del país. 3). Apoyar de esta manera la producción agrícola, ganadera y artesanal. 4). Facilitar la introducción de servicios complementarios tales como: - escuelas, puestos de salud, agua potable, electrificación, drenajes, etc. Con lo cual se está combatiendo la emigración de campesinos a la capital. La localización de los caminos rurales a construirse con el uso intensivo de mano de obra se encuentra en el Departamento de El Quiché, en los municipios de San Miguel Uspantán, San Juan Cotzal, Chajúl y Cudón. <u>MEJORAMIENTO DE LAS CARRETERAS DEL ALTIPLANO:</u> Este programa incluye en su etapa de construcción todo lo relacionado con el mejoramiento de las carreteras que comunican las poblaciones de la Región Ixil lo cual al ser complementado por los caminos rurales vendrán a ser el inicio del desarrollo de las poblaciones interconectadas por estas				11. METAS DE EJECUCION EN 1983 3). Cotzal-Chajul. 8 kilómetros. 4). Bebej-Aguacatán. 31 kilómetros. TOTAL CONSTRUCCION: <u>70 KILOMETROS.</u>					
12. EJECUCION DEL PROYECTO									
COSTO TOTAL		CALENDARIO		AVANCE FISICO (%)			AVANCE FINANCIERO (Q)		
INICIAL	ACTUALIZADO	INICIACION	TERMINACION APROXIMADA	HASTA 31/12/82	PROGRAMADO 1983	PENDIENTE	HASTA 31/12/82	PROGRAMADO 1983	PENDIENTE
8.875,000,00	8.875,000,00	15 agosto/82.	31 diciembre/83	16.90	83:10	:	1.500,000.00	7.375,000.00	-

NOTA: Todo Proyecto deberá estar integrado al Plan de Inversiones Públicas.

MINISTERIO DE FINANZAS PÚBLICAS - DIRECCION TECNICA DEL PRESUPUESTO				1. CODIGO PRESUPUESTARIO					
DETALLE DEL PROYECTO				ANO	Institucional	Tipo de Programa	Sector y Programa	Sub-Programa	Proye
2. INSTITUCION MINISTERIO DE COMUNICACIONES Y OBRAS PUBLICAS. 3. DEPENDENCIA ADMINISTRATIVA DIRECCION GENERAL DE CAMINOS. 4. PROGRAMA SECTORIAL TRANSPORTE POR CARRETERA. 5. SUBPROGRAMA SECTORIAL CAMINOS DE PENETRACION.				REGION V, CAMINOS RURALES, Y AMPLIACION Y MEJORAMIENTO DE CAMINOS EN EL ALTIPLANO. 6. PROYECTO DE CAMINOS EN EL ALTIPLANO. 7. UNIDAD EJECUTORA DEL PROYECTO DEPARTAMENTO DE CONSTRUCCIONES, DO 8. ASIGNACION SOLICITADA Q. 9. ASIGNACION DEFINITIVA (PARA USO D.T.P.) Q.					
10. DESCRIPCION DEL PROYECTO (UBICACION, CARACTERISTICAS, METAS Y OBJETIVOS GENERALES) vías de comunicación incorporando al desarrollo total del país a un gran número de guatemaltecos que hasta hoy se encontraban olvidados. Para la ejecución de los trabajos en estas carreteras será necesario contar con la maquinaria y equipo de construcción pues por ser tramos muy largos y ser carreteras en uso al público, la construcción deberá hacerse con celeridad. Dentro de los objetivos que se persiguen tenemos los siguientes: 1). Mejorar las condiciones para el tránsito de vehículos. 2). Proporcionar mayor seguridad al usuario pues debe caminar en una carretera de mejor alineamiento y con más amplitud. 3). Salida adecuada a los productos agrícolas de la Región Ixil. 4). En el tiempo de construcción de los caminos proporcionará a muchos de ellos trabajo, combatiendo el desempleo imperante en la zona.				11. METAS DE EJECUCION EN 1983					
12. EJECUCION DEL PROYECTO									
COSTO TOTAL		CALENDARIO		AVANCE FISICO (%)			AVANCE FINANCIERO (Q)		
INICIAL	ACTUALIZADO	INICIACION	TERMINACION APROXIMADA	HASTA 31/12/82	PROGRAMADO 1983	PENDIENTE	HASTA 31/12/82	PROGRAMADO 1983	PENDIENTE
8.875,000.00	8.875,000.00	15 agosto/82.	31 diciembre/83	16.90	83.10	-	1.500,000.00	7.375,000.00	-

NOTA: Todo Proyecto deberá estar integrado al Plan de Inversiones Públicas.

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A N N E X 2

EXHIBIT H

LIST OF AID-FINANCED HEAVY EQUIPMENT PURCHASED
FOR LABOR INTENSIVE ACCESS ROADS CONSTRUCTION

- | | |
|---------------------------------|--------------------------------|
| 1. Tractors X 9 | 9. Water Pumps X 4 |
| 2. Front End Loaders X 3 | 10. Welding Machines X 3 |
| 3. Large Vibrating Rollers X 2 | 11. Lubricant Trucks X 2 |
| 4. Medium Vibrating Rollers X 8 | 12. Dump Trucks X 24 |
| 5. Concrete Vibrators X 2 | 13. Sheep Foot Compactors X 2 |
| 6. Concrete Mixers X 6 | 14. Chainsaws X 4 |
| 7. 4 WD Pick-Ups X 18 | 15. Water Sprinkler Trucks X 2 |
| 8. Compressors X 3 | 16. Agriculture Tractors X 2 |

ANEX 3

ENVIRONMENTAL ANALYSIS
RURAL ACCESS ROAD PROJECT
(520-0233)

by

Marko Ehrlich

Prepared for the United States
Agency for International Development
Guatemala City, Guatemala, C. A.

April 1983

Summary Assessment

This environmental analysis refers to rural access road projects in the Western Highlands of Guatemala. In this region, the need for improved access, better infrastructure and incentives for increased agricultural productivity is paramount. Land settlement patterns and resource use methods typical of these mountainous areas have been studied in order to evaluate the long-term effect of rural road improvement. It is a strong belief of the analyst that the cause-effect relationship between access roads and patterns of resource exploitation produces the greatest environmental impact as well as the most significant social and economic impact.

Within this framework, given the socio-economic conditions of the highland region of Guatemala and the likelihood that changes in land use practices will eventually be directed towards conservation of the resource base and sustainable resource exploitation methods, the environmental analysis concludes that:

1. Rural access roads (as specified in the Project Paper) be built using labor intensive methods and applying reasonable safeguards to protect the engineering works as well as the vegetative cover along the road corridor.
2. Coordination be achieved at the project level (e.g. Region I-DIGESA) by means of simple cartographic techniques in order to realize the synergetic effect of combined project implementation.

3. Integration of complementary development projects (e.g., soil conservation, small irrigation, rural roads and agricultural diversification) be achieved at the planning and design stages (USAID) and made effective by means of adequate project management (on-site supervision and coordination).
4. Specifically, the technical assistance coordinator for Project 520-0255) based in Quetzaltenango should attempt to integrate to the greatest extent possible, the agricultural diversification aspects of the project with the soil conservation, small irrigation and rural roads development projects located in the same region.
5. Eventually, it would be extremely appropriate to establish a forest resource management project (e.g., watershed protection, fuel wood production, agro-forestry) to be closely linked with the above mentioned projects in order to achieve gradually an integrated small-scale farming system in the highlands of Guatemala. Such a farming system should effectively integrate within the same unit of production crop cultivation (food and cash crops), animal husbandry (Milk and meat) and forest product extraction (fuelwood, timber and wildlife).
6. For this purpose, the analyst strongly recommends that the GOG institutions in charge of forest resource (INAFOR) and renewable natural resource (DIRENARE) receive support on a pilot project basis aimed at strengthening their capacity to design and implement forest resource management methods appropriate to the ecologic, socio-cultural and economic conditions of the Altiplano of Guatemala.

CHAPTER I

Background

This environmental assessment refers specifically to an amendment to the on-going Small Farmer Development Project (520-0233). This Project consists of four components: 1) New Lands Settlement, 2) Human Resources Development, 3) Labor Intensive Access Roads and 4) Land Resources Improvement. The amendment however, will provide \$ 3.0 million in additional loan funds only to the Labor intensive Access Road component of the above mentioned Project.

With these funds approximately 130 kilometers of access roads, mostly in the Western Altiplano of Guatemala are to be built. The roads to be built follow old horse trails or disabled tertiary roads, therefore major land clearing for road construction will not be required. Moreover, given the labor intensive method applied in the reconstruction of these roads, earth movement and changes in road alignment will be kept to a minimum.

This environmental assessment is based upon the analyst's field work during his stay in Guatemala (see Appendix A) and upon extensive discussion with technicians and administrators involved in the project.

Conceptual Framework

Environmental analysis of rural development projects is not meant to oppose or complicate social and economic development of rural areas. It is instead designed to increase the feasibility, durability and effectiveness of specific development efforts by exposing the interactions and

interdependencies that link social, economic and ecologic elements of the rural system upon which development is to be based. Increased awareness of the interactions that characterize the rural system enable the targeting of development efforts to achieve the greatest development impact, to sustain it over time and to use each unit of development investment in the most efficient way.

Rural System and Rural Economy

It must be noted that the concept of rural system is here closely linked with that of rural economy and by definition, with rural development. The rural system is in fact understood as the interaction between the natural resources of rural areas (i.e., soils, water, forests) and the rural population, within a complex system regulated by ecologic, socio-cultural and economic processes. The environmental impact of rural roads is therefore understood as the effect of the road upon the combined ecologic, socio-cultural and economic processes of rural areas. Consequently, if rural development is understood as the improvement of the well being of the rural population by means of improving the rural economy (e.g. better infrastructure, increased productivity, etc.) then the development process has to take into consideration the rural system upon which the rural economy ultimately depends.

In fact, the development of rural areas depends upon the sustained utilization (management) of such natural resources as soils, water and forests. If a road affects the existence of such resources by for example promoting deforestation and erosion, or by altering the processes that regulate the ecologic system (ecologic processes), then the road has an impact upon the viability and sustainability of the economic system of rural areas as well.

A road that comes as an isolated investment in rural infrastructure and is not supported by complementary development efforts such as agricultural extension, credit and appropriate resource use methods will most likely accelerate the deterioration of the resource base by means of inadequate land use practices and undermine the development potential of rural areas.

Integrated Approach

The issue of the environmental impact of rural roads is a complex one. In most cases the problem lies not in what the road does, but in what it doesn't. It is the absence of complementary development projects that enables inadequate resource exploitation patterns to have a detrimental impact upon the environment, and ultimately upon the rural economy.

The road is a critical rural development input and figuratively, it is the road upon which goods and services travel to eventually improve living standards in rural areas. If production of goods and services is based upon inadequate resource utilization methods then, increased production will probably result in short-term gains, but long-term loss of agricultural productivity and depletion of the natural resources of the area.

Instead if increased production does not occur at the expense of the natural resources of an area and not at the expense of ecologic processes critical for sustained production (i.e., hydrological and nutrient cycles), then the road upon which production travels is certainly a vehicle for resource-based development.

However, in order to be able to minimize detrimental effects of increased agricultural activity (including timber extraction, fuelwood gathering and grazing) the road must become a vehicle for agricultural extension and used to implement sustainable farming systems, adequate forest management practices and appropriate livestock management technologies.

Environmental Impacts of Rural Roads

In general rural roads have direct, indirect, short-term and long-term impact upon the rural environment.

Direct environmental impacts are those directly originating from construction activities such as earth-movements, longitudinal and transversal drainages, clearing of the vegetative cover, temporary and traffic-related pollution, etc.

Indirect environmental impacts are those that result from economic activities, land use patterns and resource exploitation methods that are affected by improved access into rural areas. These types of impacts include the effects upon the natural environment resulting from increased economic activity (i.e., farming, grazing, fuelwood gathering spurred by more efficient access to markets, improved educational and health service and agricultural credit. Although not all of these changes might take place, improved access to markets (i.e., lower transportation costs, reduced produce spoilage) usually by itself triggers increased farming, grazing and wood gathering activities.

Short-term environmental impacts are those that only last a short time (usually during road construction) and that cease after some time or

evolve into long-term environmental impacts. Such effects include erosion of slopes exposed by road construction, noise and air pollution during construction, siltation of small streams near the construction site, etc. Usually such environmental effects can be minimized effectively by applying appropriate engineering measures (i.e., revegetation of slopes, check-dams on silt-laden streams).

Long-term environmental impacts are those that result from changes in the economic activities in the road influence areas and changes in land use and settlement patterns. These effects include deforestation as a result of expansion of agricultural activities, erosion as a result of more intensive farming practices, loss of habitat and deterioration of ecologic processes (nutrient cycle, hydrological cycle) resulting from removal of natural vegetative cover for farming, grazing or wood gathering.

Given the extreme need to conserve the remaining natural resource of Guatemala and in order to retain and protect rural development options, this environmental analysis will emphasize indirect and long-term environmental impacts of rural road construction.

It cannot be overstated that rural roads are just one of the many inputs in the rural development process. The developmental impact of rural roads is not however, automatic, but dependent upon complementary inputs such as agricultural extension and credit, (to improve productivity and profitability), health and educational facilities (to improve the human resource potential).

Unless supporting and complementary development programs and strategies are forcefully implemented in the areas served by the new roads, socio-economic expectations (i.e., investments, rural employment, improved productivity) may be frustrated.

CHAPTER II

In this Chapter, based upon the conceptual framework presented earlier an Environment/Road Development Strategy (ERDS) will be developed. Such a strategy in turn represents the framework within which specific recommendations will be presented in Chapter III.

Environment / Road Development Strategy (ERDS)

Consistent with the conceptual framework presented in Chapter I, the Project Paper (520-0233) specifically calls for the coordination and integrated implementation of all components of the Small Farmer Development Project. Most importantly, the Small Irrigation Systems and Soil Conservation Practices (subcomponents of Land Resources Improvement) are considered key complementary projects of the Rural Road Component. The environmental strategy developed in this report will specifically explore the linkage between rural roads and small irrigation and soil conservation projects. Such an environmental strategy arises from the analysis of the events that follow the improvement of access roads into rural areas. Improved access in most cases generates two kinds of exploitative pressures upon the natural resource of rural areas:

- a) expansion of agricultural activities (e.g., farming, grazing, fuelwood gathering) into areas previously not exploited, and
- b) intensification of agricultural practices on lands previously used for farming, ranching or forestry activities.

The direction and intensity of these exploitative pressures is determined by the ecologic, socio-cultural and economic variables that are characteristic of the rural system affected by the road project. For example, topographic and climatic limitations can lead towards intensification of land use practices rather than development of new lands previously forested or undeveloped.

Factors that are external to the rural system can also determine the direction and intensity of exploitative pressures in rural areas. Such factors include for example, the introduction of appropriate technologies (e.g. new crops, irrigation), the improvement of traditional land use practices (through agricultural and forest extension service) and adequate health and educational infrastructure that raise living standards in rural areas. These and other factors can directly determine the course and intensity of resource exploitation patterns in a way as to assure their sustainability and their effectiveness in improving the well being of the rural population.

According to this framework, improved access into rural areas, does not by itself determine the direction nor the intensity of exploitative pressures upon the resources of rural areas which are instead affected primarily by factors intrinsic to the rural system and secondarily, by factors external to it. (e.g., complementary development investments).

In reality, land use practices in rural areas of the tropics are based upon the exploitation of the soil productivity of previously forested lands and upon the regeneration of soil fertility by the forest vegetation. This establishes slash-and-burn-cultivation and fallow cycle typical of many region of the tropics where nutrients are stored in the vegetive cover rather

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than in the soil. Where soil is more fertile (e.g. volcanic ashes) land use practices are more intensive because such soils are intrinsically nutrient-rich. Yet, where population pressure is great, land tenure patterns limit farm size and the topography is rugged (as in the Aitiplano of Guatemala), land use practices that deplete the resource base (through deforestation and erosion) cannot be offset by more fertile soils. We can therefore assume (and observations in the field support the assumption) that unless factors external to the rural system affected are geared at protecting the resource base of rural areas, road improvement leads toward gradual deterioration of the resources base and its eventual depletion.

CHAPTER III

The need to support road development projects with complementary development efforts is very evident. However, means to achieve such an objective are multiple and often very complex. In the following recommendations practical suggestions will be made in order to realize integrated project development and interinstitutional coordination at the regional and local levels.

Recommendations

Regional Level

1. Map proposed road improvement, projects (to be built under the Loan Amendment 520-T-026.
2. Map proposed small irrigation and soil conservation projects (to be built under 520-0255).
3. Overlay above maps and identify areas of project concentration and establish priorities according to degree of concentration.
4. Select road projects (to be built) according to priorities established by map overlay.
5. Mapping of these projects can be performed on various scales depending on the detail desired.
6. Map sensitive natural areas of Guatemala and overlay with proposed road project map. Data for sensitive area map can be obtained from GUG Institutions such as INAFOR and DIRENARE, and from NGO's involved in nature conservation activities (e.g. Centro de Estudios Conservacionistas).

7. Develop criteria for road construction in areas ecologically more sensitive (e.g., operational linkages between road and resource conservation projects)
8. Implement operational linkages to support road development and prevent depletion of the resources of rural areas (through deforestation and erosion).
9. Establish coordinating mechanisms (using for example, simple cartographic techniques) between complementary projects such as the Soil Conservation, Small Irrigation and Farm Diversification Projects to realize the synergetic effect of their combined impact upon the rural economy.
10. Implement in first priority those projects where more than one of the above mentioned components coincide.
11. Apply such a strategy in areas where previous implementation of projects has been successful (Region I of DIGESA, Quetzaltenango).
12. Set up evaluation procedure by studying development impact and implementation costs.

APPENDIX A

Project Visited (April 5 -April 14 1983)

Road Projects:

DEPARTMENT OF SAN MARCOS

1. R.N.I. - Ixcolochil (Km. 2.8)

DEPARTMENT OF QUETZALTENANGO

2. Molino "El Quetzal"
3. Agua Tibia - Buena Vista (Km 1.4)
4. San Juan Ostuncalco - La Victoria (Km 6.5)
5. R. N. I - Las Barrancas (Km 16), until Agua Blanca (Km 7.7)
6. Monrovia - Los Mendozas (Km 2)

DEPARTMENT OF TOTONICAPAN

7. Totonicapán - Pacapox - Cnicaxtun - Rancho de Tejas (15 Km)
only first 4 kms.
8. Tierra Blanca - Coxón (Km6.0)

DEPARTMENT OF GUATEMALA

9. Pachali - Pasajoe (Km 6.9)
10. Montufar - Los Pinres (Km 2.3)
11. San Juan Sacatepequez - Los Yax (Km 3.0)

Soil Conservation Projects

Along most road project visited; specifically:

Department San Marcos: S. Rita, Ixcolochil

Department Totonicapán: Totonicapán

Department Quetzaltenango : Nueva Concepcion, Agua Blanca, La Victoria, Agua Tibia, Laguna Cuache.

Small Irrigation Systems

Department of San Marcos:

1. Santa Rita
2. Las Barrancas

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Note to Annexes B - C- D.

As part of the environmental analysis of the Rural Access Road Project (520-0233) a set of three maps was prepared. These maps present graphically and on translucent paper the location and a parameter of project magnitude (e.g., length of road, number of families affected) of the:

- 1) Rural Access Road Project (Map No. 1)
- 2) Small Irrigation Project (Map No. 2)
- 3) Soil Conservation Project (Map No. 3)

Data was collected about the location and size of each project from different GOG agencies and the format of the project lists was standardized.

From the overlay of maps Nos. 1, 2, 3 a composite map was developed showing project concentration.

This exercise was developed to demonstrate a simple cartographic technique to use in planning and implementation of development projects. Its usefulness should be realized in:

- a) setting funding priorities of development projects as a function of project concentration and integration,
- b) timing of project implementation to achieve greatest development impact as a function of the synergetic effect of combined project implementation,
- c) efficient utilization of scarce financial and human resources by coordinated allocation of these resources as a function of project concentration

It is not meant to be a precision technique, but rather a practical planning tool to aid in decision making and in achieving some degree of project integration and interinstitutional coordination.

A N N E X 4

DRAFT PROJECT AUTHORIZATION

DRAFT PROJECT AUTHORIZATION AMENDMENT

Name of Country: Guatemala
Name of Project: Small Farmer Development
Number of Project: 520-0233
Number of Loan: 520-T-026

1. Pursuant to Part I, Chapter 1, Section 103 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the amendment to the Small Farmer Development project for Guatemala (the "Cooperating Country") involving planned obligations of not to exceed Three Million United States Dollars (\$3,000,000) in loan funds ("Loan") to finance the continuation of labor intensive access roads construction activities during fiscal years 1983 and 1984 subject to the availability of funds in accordance with the A.I.D. OYB allotment process to assist in the financing of the foreign exchange and local currency costs of the project. In addition I authorize the extension of the Terminal Disbursement Date for the Access Road Component of the Small Farmer Development Project to September 30, 1984 with a complementary extension of the Terminal Commitment Date to July 31, 1984.

2. The amendment to the project (Project) provides for the upgrading and construction of additional rural access roads in Guatemala's Highland areas with labor intensive methods utilizing the same selection criteria and construction processes established during the original project life.

3. The Project Agreement Amendment, which may be negotiated and executed by the Officer to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority, shall be subject to the terms and covenants and major conditions, given in the original authorization with such other terms and conditions as A.I.D. may deem as appropriate including:

A. Covenants and Conditions Precedent:

1. Prior to the first disbursement of funds for the construction of access roads an environmental assessment of the road construction program must be undertaken and road construction methods and selection criteria reviewed and modified, if need be, to improve environmental control of AID financed road construction activities.

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2. Prior to the commitment of funds in excess of \$1.0 million of the additional funds for road construction and/or improvements, an impact evaluation is to be completed and the selection criteria for road construction re-examined and modified, if need be, in light of the results of the evaluation.

3. The cooperating country shall covenant to initiate a program to maintain all labor intensive access roads financed with project funds.

4. Access Road segments begun since January 1, 1983 shall be eligible for financing under the project.

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A N N E X 5

REVISED PROJECT CHECKLIST

5 C (2) - PROJECT CHECKLIST

Listed below are statutory criteria applicable to projects. This section is divided into two parts. Part A includes criteria applicable to all projects. Part B applies to projects funded from specific sources only: B.1 applies to all projects funded with Development Assistance Funds, B.2 applies to projects funded with Development Assistance loans, and B.3 applies to projects funded from ESF.

- CROSS REFERENCES:
- | | | |
|--|----|------|
| 1. IS COUNTRY CHECKLIST UP TO DATE? | 1. | Yes. |
| 2. HAS STANDARD ITEM CHECKLIST BEEN REVIEWED FOR THIS PROJECT? | 2. | Yes. |

A. GENERAL CRITERIA FOR PROJECT

1. FY 1982 Appropriation Act Sec. 523; FAA Sec. 634 A; Sec. 653 (b).

- | | | |
|---|--------|---|
| (a) Describe how authorizing and appropriations committees of Senate and House have been or will be notified concerning the project; | 1. (a) | Upon approval of amendment by AID/W a congressional notification will be transmitted to Congress. |
| (b) Is assistance within (operational Year Budget) country or international organization allocation reported to Congress (or not more than \$1 million over that amount)? | 1. (b) | Yes. |

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2. FAA Sec. 611 (a) (1). Prior to obligation in excess of \$100,000, will there be:
2. **Yes.**
- (a) engineering, financial or other plans necessary to carry out the assistance and
- (b) A reasonably firm estimate of the cost to the U.S. of the assistance?
3. FAA Sec. 611 (a) (2). If further legislative action is required within recipient country, what is basis for reasonable expectation that such action will be completed in time to permit orderly accomplishment of purpose of the assistance?
3. **N.A.**
4. FAA Sec. 611 (b); FY 1982 Appropriation Act Sec. 501. If for water or water-related land resource construction, has project met the standards and criteria as set forth in the Principles and Standards for Planning Water and Related Land Resources, dated October 25, 1973? (See AID Handbook 3 for new guidelines.)
4. **N.A.**
5. FAA Sec. 611 (e). If project is capital assistance (e.g., construction), and all U.S. assistance for it will exceed \$1 million, has Mission Director certified
5. **Yes, see Annex 6.**

and Regional Assistant Administrator taken into consideration the country's capability effectively to maintain and utilize the project?

6. FAA Sec. 209. Is project susceptible to execution as part of regional or multilateral projects? If so, why is project not so executed? Information and conclusion whether assistance will encourage regional development programs.

6. No.

7. FAA Sec. 601 (a). Information and conclusions whether project will encourage efforts of the country to:

7. The Project will improve the efficiency of the private sector to both obtain and market agricultural produce thereby fostering increased competition and capacity of agriculture, industry and commerce.

(a) Increase the flow of international trade;

(b) Foster private initiative and competition; and

(c) Encourage development and use of cooperatives, and credit unions, and savings and loan associations;

(d) Discourage monopolistic practices;

(e) Improve technical efficiency of industry, agriculture and commerce; and

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(f) Strengthen free labor unions.

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|-----|--|-----|--|
| 8. | <u>FAA Sec. 601 (b).</u> Information and conclusions on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the service of U.S. private enterprise). | 8. | The construction of these roads will open up previously unserved markets for U.S. trade and investments. |
| 9. | <u>FAA Sec. 612 (b), 636 (h);</u> <u>Fy 1982 Appropriation Act Sec. 507.</u> Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services and foreign currencies wned by the U.S. are utilized in lieu of dollars. | 9. | The Government of Guatemala has already contributed substantial counterpart funding for project costs. |
| 10. | <u>FAA Sec. 612 (d).</u> Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release? | 10. | No. |
| 11. | <u>FAA Sec. 601 (e).</u> Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise? | 11. | Yes. |
| 12. | <u>FY 1982 Appropriation Act Sec. 521.</u> If assistance is for the production of any commodity for export, is the commodity likely | 12. | N.A. |

to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity?

13. FAA 118 (c) and (d). Does the project comply with the environmental procedures set forth in AID Regulation 16? Does the project or program take into consideration the problem of the destruction of tropical forests? 13. Yes.

14. FAA 121 (d). If a Sahel project, has a determination been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of project funds (dollars or local currency generated therefrom)? 14. N.A.

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance Project Criteria

a. FAA Sec. 102 (b), 111, 113, 281 (a). Extent to which activity will (1) effectively involve the poor in development, by extending access to economy at local level, increasing labor-intensive production 1.a The extension to the labor intensive access roads component of the project will directly involve the rural poor in development by: 1) providing income to unemployed rural laborers, 2) providing better access to farming inputs and marketing facilities.

and the use of appropriate technology, spreading investment out from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using the appropriate U.S. institutions; (2) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions; (3) support the self-help efforts of developing countries; (4) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (5) utilize and encourage regional cooperation by developing countries?

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|--|-----|------|
| b. <u>FAA Sec. 103, 103 A, 104, 105, 106.</u> Does the project fit the criteria for the type of funds (functional account) being used? | 1.b | Yes. |
| c. <u>FAA Sec. 107.</u> Is emphasis on use of appropriate technology (relatively smaller, cost-saving, labor-using | 1.c | Yes. |

technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)?

d. FAA Sec. 110 (a). 1.d Yes.
Will the recipient country provide at least 25% of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or is the latter cost-sharing requirement being waived for a "relatively least developed" country)?

e. FAA Sec. 110 (b). 1.e N.A.
Will grant capital assistance be disbursed for projects over more than 3 years? If so, has justification satisfactory to Congress been made, and efforts for other financing, or is the recipient country "relatively least developed"? (M.O. 1232.1 defined a capital project as "the construction, expansion, equipping or alternation of a physical facility or facilities financed by AID dollar assistance of not less than \$100,000, including related advisory, managerial

and training services, and not undertaken as part of a project of a predominantly technical assistance character".

f. FAA Sec. 122 (b).
Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth?

1.f Yes.

g. FAA Sec. 281 (b).
Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civil education and training in skills required for effective participation in government processes essential to self-government.

1.g Labor intensive access roads to be built with loan funds will be chosen based on the demonstrated initiative of village road construction committees to request the construction of the desired road, and their ability to organize themselves effectively to assist in the actual construction effort.

2. Development Assistance
Project Criteria (Loans
Only)

a. FAA Sec. 122 (b).
Information and conclusion of capacity of the country to repay the loan, at a

2.a In the Mission's judgment, Guatemala has the capacity to repay the loan. Guatemala has never defaulted on a

reasonable rate of interest.

government-to-government loan.

- b. FAA Sec. 620 (d). 2.b N.A.
If assistance is for any productive enterprise which will compete with U.S. enterprises, is there an agreement by the recipient country to prevent export to the U.S. of more than 20% of the enterprise's annual production during the life of the loan?

- c. ISDCA of 1981, Sec. 724 (c) and (d). 2.c N.A.
If for Nicaragua, does the loan agreement require that the funds be used to the maximum extent possible for the private sector? Does the project provide for monitoring under FAA Sec. 624 (g)?

- 3. Economic Support Fund Project Criteria 3.c N.A.
 - a. FAA Sec. 531 (a).
Will this assistance promote economic or political stability? To the extent possible, does it reflect the policy directions of FAA Section 102?

 - b. FAA Sec. 531 (c).
Will assistance under this chapter be used for military, or paramilitary activities?

- c. FAA Sec. 534. Will ESF funds be used to finance the construction of the operation or maintenance of, or the supplying of fuel for, a nuclear facility? If so, has the President certified that such use of funds is indispensable to non-proliferation objectives?
- d. FAA Sec. 609. If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made?

A N N E X 6

SECTION 611 (e)

ANNEX 6

CERTIFICATION PURSUANT TO
SECTION 611 (e) OF THE
FOREIGN ASSISTANCE ACT OF 1981
AS AMENDED

I, Charles E. Costello, the principal officer of the Agency for International Development in Guatemala, certify that to the best of my knowledge and belief Guatemala possesses both the financial capability and human resources to effectively maintain and utilize the access roads to be built under the Small Farmer Development Project. The construction of these roads will stimulate the growth of farm related activities in the Guatemalan Highlands.

This judgment is based in part on the fact that, in addition to the proposed \$3.0 million amendment to the existing Small Farmer Development Loan for the labor intensive construction of an additional 130 kilometers of access roads, AID is developing a project for initiation in FY-83 which will include an access roads maintenance system to be institutionalized within the Government of Guatemala.

(Signed) 
Charles E. Costello
Director
USAID Guatemala
(Date) 3-14-83

ANNEX 7

DAEC REVIEW CABLE & MISSION RESPONSE

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PF RUMEST
EE RULHC #7843 3620053
ZNR UUUUU ZZb
P 282237Z DEC 82
FM SECSTATE WASEDC
TO AMEMBASSY GUATEMALA PRIORITY 1737
BT
UNCLAS STATE 357843

28 DEC 82
TOR: 1232
CMT: 15171
CHRG: 394
INFO ICON

INFO
ACTION: ORD—INFO
INFO. DIRECTOR

AIDAC FOR ROCAP

F.O. 12356: N/A

TAGS:

SUBJECT: SMALL FARMER DEVELOPMENT (522-T-026) PROJECT
PAPER (PP) AMENDMENT NO. 1

1. SUBJECT PP AMENDMENT WAS REVIEWED AND APPROVED BY THE DAEC DECEMBER 22, 1982 SUBJECT TO THE REVISION OF THE DOCUMENT IN REGARD TO THE ISSUES LISTED BELOW. THE REVISED PP AMENDMENT WILL BE REVIEWED BY AID/W PRIOR TO AUTHORIZATION.

2. RATIONALE - THE RATIONALE FOR THE ADDITIONAL DOLS 3.2 MILLION IN ASSISTANCE FOR ACCESS ROAD CONSTRUCTION AND TECHNICAL ASSISTANCE SHOULD BE REVISED SO AS TO INCORPORATE MORE OF THE ORIGINAL DEVELOPMENT JUSTIFICATION FOR THE PROJECT WITH EMPHASIS PLACED ON ASSISTANCE TO THE HIGHLANDS RATHER THAN SPECIFICALLY ON EMPLOYMENT GENERATION.

3. IMPACT EVALUATION - IN VIEW OF THE FACT THAT AN

IMPACT EVALUATION HAS YET TO BE PERFORMED ON THE PRESENT ACCESS ROAD COMPONENT OF THE SMALL FARMER DEVELOPMENT PROJECT AND THAT SUCH AN EVALUATION IS SCHEDULED FOR THE FIRST QUARTER OF 1983, THE DAEC DECIDED THAT A COVENANT SHOULD BE ADDED TO THE PROJECT AMENDMENT AGREEMENT THAT STATES THAT NO FUNDS IN EXCESS OF DOLS 1.2 MILLION OF THE ADDITIONAL FUNDS FOR ROAD CONSTRUCTION WILL BE COMMITTED, UNTIL THE IMPACT EVALUATION IS COMPLETED AND THE SELECTION CRITERIA FOR ROAD CONSTRUCTION RE-EXAMINED AND MODIFIED, IF NEEDED BE, IN LIGHT OF THE RESULT OF THE EVALUATION.

4. TECHNICAL ASSISTANCE/SCHEDULING - MORE DETAIL ON THE TYPES, AMOUNTS, COSTS, TIMING AND METHOD OF CONTRACTING FOR THE TECHNICAL ASSISTANCE SHOULD BE INCLUDED IN THE PP AMENDMENT. IN ADDITION, THE IMPLEMENTATION SCHEDULE AND REQUEST FOR A ONE YEAR TTD EXTENSION SHOULD BE REVIEWED TO ENSURE THAT ADEQUATE LEAD TIME HAS BEEN PROVIDED FOR THE CONTRACTING OF SERVICES.

5. FAR SYSTEM - CONCERN WAS EXPRESSED REGARDING THE USE OF AVERAGE COST ESTIMATES FOR ACCESS ROAD CONSTRUCTION UNDER THE FAR SYSTEM. THEREFORE, THE PP AMENDMENT SHOULD DETAIL HOW THE FAR SYSTEM WILL

USAID/GOVERNMENTAL AFFAIRS

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OPERATE. THIS DISCUSSION SHOULD INCLUDE ASSURANCES THAT PRE- AND POST-INSPECTION OF ROAD CONSTRUCTION WILL OCCUR AND THAT ADEQUATE COST ESTIMATES ARE ACCRUED UPON FOR EACH ROAD SEGMENT TO BE FINANCED BY THE LOAN.

6. ENVIRONMENTAL ASSESSMENT - THE LAC BUREAU'S ENVIRONMENTAL AFFAIRS OFFICER DETERMINED THAT AN ENVIRONMENTAL ASSESSMENT OF THE AREAS IN WHICH NEW ROAD CONSTRUCTION WILL OCCUR IS NECESSARY PRIOR TO OBLIGATION OF THE ADDITIONAL DOLS 3.2 MILLION. FOLLOWING THE ASSESSMENT, THE SELECTION CRITERIA FOR THE ROADS TO BE CONSTRUCTED SHOULD BE RE-EXAMINED TO DETERMINE WHETHER ANY MODIFICATIONS ARE NECESSARY TO TAKE IN ACCOUNT THE RESULTS OF THE ENVIRONMENTAL ASSESSMENT. THE ASSESSMENT SHOULD BE DONE DURING THE FIRST THREE WEEKS OF JANUARY BY ONE CONSULTANT WITH THE ASSISTANCE OF L. OBLE, USAID/GUATEMALA, AND F. ZADROGA, USAID/ROCAP AND SHOULD BE SUBMITTED FOR AID/W REVIEW, PRIOR TO SIGNING THE LOAN AGREEMENT AMENDMENT. DAM
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ACTION COPY	
THIS COPY MUST BE RETURNED TO CENTRAL FILE INDICATING THE ACTION TAKEN AND DATE.	
ACTION TAKEN:	
DATE	INITIALS

Mission Response to the DAEC

1. Rationale:

Pages 9, 10 and 11 of the PP Amendment have been rewritten to emphasize the original development justification for the project.

2. Impact Evaluation:

The draft Project Authorization given in Annex 4 has been revised to include a condition precedent to commitments above \$1.0 million (see point two under "Conditions and Covenants").

3. Technical Assistance/Scheduling:

This issue was raised at the DAEC when the Mission proposed to finance a 3-man technical assistance team to both supervise the road construction activities and develop road and equipment maintenance plans during a one year extension period. Per State cable 024422 AID/W recommended that the maintenance plans be prepared with PD&S funds. Therefore pages 12, 13, 14 of the PP Amendment have been revised eliminating the need to loan finance technical assistance to develop the maintenance plans. In addition the Mission has substituted its one year request for an almost 18 month extension period to cover activities undertaken in Fiscal Years 1983 and 1984 (see revisions on pages 3, 13, 14 and Annex 4 draft authorization). Also in order to speed up the contracting process for the supervisory construction services the Dirección General de Caminos has agreed that AID/Guatemala should directly contract individual construction supervisors in lieu of proceeding with the lengthy host country contracting of an engineering firm.

4. Reimbursement Methods

The Mission has revised pages 13 and 14 to describe the reimbursement method to be used. Field inspections of access roads will occur prior to construction and at the completion of construction, after which the Mission will reimburse the GOG up to \$20,000 per kilometer of completed road based on supporting documentation of actual costs incurred.

5. Environmental Assessment:

Mission has contracted technical assistance to perform the required Environmental Assessment. The Assessment will be completed by April 22, 1983 and is to be included as Annex 3 of the PP Amendment. However, Mission is submitting to AID/W an advance copy of the PP Amendment without Annex 3 for their review and approval. In addition the draft Loan Authorization given in Annex 4 has been revised to include a condition precedent to commitment in case AID/W should choose to authorize PP Amendment prior to the receipt of the Environmental Assessment but prior to the current TDD of April 8, 1983

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Department of State

OUTGOING
TELEGRAM

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INFO LACE-03 LADP-03 PPCE-01 PDPR-01 PPPB-03 GC-01 GCLA-03
GCFL-01 RELO-01 MAST-01 /021 AB

INFO OCT-00 INR-10 EB-03 ARA-00 /069 R

DRAFTED BY AID/LAC/DR: SCHAEFFER:AFG
APPROVED BY AID/LAC/DR: DBJOHNSON
AID/LAC/CEN: MSCHWARTZ (DRAFT)
AID/LAC/DR: FWARREN (DRAFT)
AID/LAC/DR: JHESTER (DRAFT)
AID/GC/LAC: RMEIGHAN (DRAFT)
AID/LAC/DP: CZUJEKAS (DRAFT)
AID/LAC/DR: SECHVTUN (DRAFT)

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TO AMEMBASSY GUATEMALA PRIORITY

UNCLAS STATE 357843

AIDAC FOR ROCAP

E.O. 12356: N/A

TAGS:

SUBJECT: SMALL FARMER DEVELOPMENT (520-T-026) PROJECT
PAPER (PP) AMENDMENT NO. 1

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