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 SOCIAL SERVICE RECONSTRUCTION

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FUNDING SOURCE LIFE OF PROJECT
A. AID 1000
B. Other U.S. 1. 2.
C. Host Country 300
D. Other Donor(s) 639
TOTAL 1939

8. PROPOSED BUDGET AID FUNDS (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH CODE		D. 1ST FY		E. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) SDA	930	942	--	1000	--	1000	--
(2)							
(3)							
(4)							
TOTALS				1000	--	1000	--

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900 210 800 826 861 865

10. SECONDARY PURPOSE CODE
260

11. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)
A. Code BS B. Amount 1000

12. PROJECT PURPOSE (maximum 480 characters)

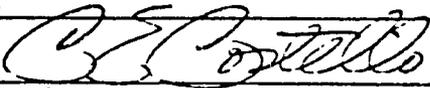
The purpose is to reconstruct essential infrastructure in regions affected by social unrest and political violence in order to provide the basis for economic and social recovery of affected people.

13. RESOURCES REQUIRED FOR PROJECT DEVELOPMENT

Staff: Project Development Officer (USDH)

Funds N.A.

14. ORIGINATING OFFICE CLEARANCE

Signature 
Title Charles E. Costello
Director/USAID/Guatemala
Date Signed MM DD YY
01 18 85

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MM DD YY

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PROJECT No. 0334

SOCIAL SERVICE RECONSTRUCTION

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EXECUTIVE SUMMARY

A grant of \$1.0 million in FY 84 Supplemental funds is to be used to support a Government of Guatemala program managed by the Committee for National Reconstruction (Comité de Reconstrucción Nacional), hereinafter referred to as the CRN, to re-establish economic areas of development for rural Guatemalans affected by political violence and instability. The goal of the proposed Project is to provide the basis for the economic betterment of rural people affected by political turmoil in the Highlands. The purpose is to reconstruct essential infrastructure in regions affected by social unrest and political violence in order to provide the basis for economic and social recovery of affected people.

More specifically, this Project will finance the self-help construction of more than 1,000 houses and six water systems, as well as 16 classrooms, in 13 villages of a region of Guatemala's Highlands known as the Ixil Triangle. This area is one of five reconstruction zones managed by the CRN. The Project will also supply farming and construction tools to participating beneficiaries. In addition, cooking utensils for use in a complementary food-for-work program will be purchased. During the one-year life of the Project, approximately 13,000 inhabitants of the Ixil Triangle will receive direct benefit from the Project in their efforts to reestablish their homes, their social activities, and cultivation of their fields.

ILLUSTRATIVE BUDGET

I.	<u>GRANT</u>	
	Housing - 1,069 units	\$ 416,793
	Classrooms - 16 units	164,696
	Water Systems - 6 units	120,000
	Handtools	128,860
	Cooking Utensils	10,000
	Four-Wheel Drive Pick-ups - 6 units	90,000
	Seeds	59,240
	Contingency	<u>10,411</u>
	Sub-Total	\$1,000,000
II.	<u>WORLD FOOD PROGRAM</u>	
	Food-for-Work - 6 months	\$ 639,142
III.	<u>GOG IMPLEMENTING AGENCY</u>	
	Logistical Support and Field Supervision	\$ 300,000
	<u>GRAND TOTAL</u>	<u>\$1,939,142</u>

I. PROGRAM FACTORS

A. Conformity with Recipient Strategy/Programs

On July 4, 1984, the Government of Guatemala signed Decreto 65-84 formalizing an economic development activity known as "Polos de Desarrollo" or Areas of Development Program. (See Annex 3.) This activity is designed to provide the necessary stimulus for the rapid economic and social integration into the national economy of regions of rural Guatemala affected by the violence and social disruption of insurgency-counterinsurgency operations. Under this plan, every effort is being made to direct public and private sector resources to assist rural people in the reconstruction of their communities and to support small farmers in restoring food production.

In addition to the national networks established to provide outreach services to the rural poor, the Government of Guatemala has continuously supported the activities of the National Reconstruction Committee (CRN) in providing reconstruction services to communities which have suffered from either natural or man-made disasters. As part of its mandate, the CRN coordinates and manages various development activities being carried out by civilian government agencies and PVO's in diverse geographic areas. Over the past two years the CRN has taken the lead in providing shelter, health, and education services to sites which suffered from political unrest. In June 1982, the CRN began providing the administrative support to the World Food Program food-for-work reconstruction projects. The Government of Guatemala through the CRN has distributed local foods, such as, corn, beans, salt, milk, Incaparina, and oats as well as construction material, medicine, and tools to communities affected by violence. In 1983, 16,530 families were supported by these Government of Guatemala initiatives.

B. Relationship to the CDSS

In support of the National Bipartisan Commission on Central America's recommendation to expand support for relief efforts for affected persons, the Project is designed to help improve the living conditions of formerly displaced persons.

As pointed out in the FY-86 Country Development Strategy Statement, the Mission plans to address the inadequate level of growth and the spread of the benefits of growth through a strategy intended to improve rural incomes and productivity. Priority attention is directed to the Western Highlands, the Indian heartland, which is the area of greatest poverty and which has experienced the most disruption from political unrest. Achieving the objective of increased rural incomes and productivity is dependent on reconstruction of communities in rural areas as well as support of agriculture, the primary source of employment and income.

The ongoing Project portfolio with its Highlands and rural development focus supports this objective. Activities aimed at developing a viable economic base for the target population as a whole will be coordinated

to provide maximum impact in areas where the majority of persons affected by social unrest reside. In these areas many affected families have resettled on or near the lands they had deserted and are beginning to reestablish their farms. The Project will provide inputs to assist them in their efforts.

The Mission's short-term PVO strategy objectives are, (1) increased incomes and productivity, (2) improved availability of shelter and social services, such as, health and education, and (3) expanded access to family planning services. The Mission places particular emphasis on proposals for activities to be carried out in the Western Highlands and has supported proposals which address the most immediate needs of persons affected by political turmoil. However, the magnitude of the development effort to integrate displaced persons into the economic mainstream and completion of reconstruction activities exceeds the capabilities of the PVOs.

C. Other Donor Activities

In addition to AID, the United Nation's World Food Program (WFP) is providing major financial assistance to the CRN to undertake its Areas of Development Program. In June 1982, management of WFP Project No. 784 was transferred to the CRN to cover emergency assistance to displaced persons in the rural areas of the Highlands. Food-for-work projects in rural community development activities include construction and improvement of houses, streets, access roads, and other community works, such as, municipal buildings, parks, vegetable gardens, warehouses, schools, potable water systems, soil conservation, irrigation, reforestation, and fish ponds. Part of the materials (sand, rock, etc.) is made available by the community, and the balance is furnished by the CRN and/or other collaborating institutions. Based on a 1983 evaluation, WFP extended the Project for 3 years to continue the self-help community development activities to produce a wider economic effect on the beneficiaries. Other donors, principally PVOs, have included within their normal programs the regions selected for development. Additionally, various national and international non-governmental agencies have channeled a mixture of their own funds and Government of Guatemala counterpart funds to co-finance activities under the AID (local currency) ESF Program 520-K-036 in the selected regions.

II. PROJECT DESCRIPTION

A. Perceived Problem

Beginning in late 1982, it became evident that large numbers of persons affected by social unrest were returning to their former communities because they had heard that the Government of Guatemala was providing assistance to displaced or affected persons. Most of those returning were in poor health, malnourished, and lacked the tools and infrastructure necessary to rebuild or reconstruct their lives. Quite often they found their homes destroyed or uninhabitable. Government of Guatemala military personnel began

working to meet the emergency needs of these people who were arriving daily at military bases. Temporary camps were established with the assistance of the Government of Guatemala. Roofing, food, clothes, and other basic materials were distributed. Responding to the population in the affected areas, the Government has generally not promoted the development of new settlement sites, but has focused on resettling them as quickly as possible either in their original homes or in new homes in close proximity to their original communities.

Beginning shortly after General Mejia's emergence as Chief of State in August 1983, the military and civilian agencies were called together to develop a governmental strategy to rebuild the most devastated areas of the country for their former inhabitants and assist them to return to a more productive status. Interest in this effort was heightened by a growing number of requests by affected displaced persons to various army garrisons to provide them with sufficient protection so they could return to their lands and begin to plant and harvest their crops. As a result, a plan of action was worked out that involved close cooperation between the civilian and military branches of the Government of Guatemala. This plan first became known as the "Model Town Plan." It was initiated in November 1983 in the Ixil Triangle within the Department of El Quiché. Encouraged by the rapid acceptance of this plan by the Highland Indians -- judging by their return to their lands and their provision of manual labor involved in rebuilding the communities and their participation in the civil patrols -- the Government of Guatemala broadened and extended the resettlement program by Decreto 65-84 dated July 1984 (Annex 3).

The law itself provides for development activities not only in the Ixil Triangle of El Quiché, but also in the Playa Grande area of El Quiché, Chisec in Alta Verapaz, and Nentón in Huehuetenango (see Map I). Decreto 65-84 gave the CRN responsibility for coordinating the efforts of over sixteen Government of Guatemala non-military agencies in such areas as community organization, planning, obtaining and distributing food and materials, and infrastructure construction. (See Annex 4 for list of agencies and related activities.) Within each geographic department of Guatemala^{1/}, the departmental development committee, headed by the military commander and comprised of all regional level sectorial Government of Guatemala agencies, prioritizes needs and requests of villages, while the CRN coordinates and administers the work of the other agencies.

The Government of Guatemala plans to construct and resettle 19 villages in the Ixil Triangle, 12 in Playa Grande, 2 in Nentón, and 17 in Alta Verapaz over the next two years, depending upon available financing. Design plans already exist for over \$2.0 million in construction activities. Each village is being rebuilt on or near its original site. Instead of rebuilding the scattered housing units that existed previously, a central site

^{1/} Guatemalan Departments are analogous to States in the U.S.A.

is established, when feasible and a town constructed using a standard square block plan. Each house has two rooms, is designed to be easily enlarged, and has its own latrine. (See plan given in Annex 6.) Each plot is large enough to include a garden. Each block is to have potable water supply, and all houses have electricity. Each community has at least one school, a health post, postal and telegraph service, and private bus service. Since the villages are located in the vicinity of the destroyed housing, everyone is able to farm his own land.

The revitalization of these regions depends on the success of the Areas of Development Program. The sooner these areas are reconstructed, the sooner the affected population can once again become productive members of society. Although significant accomplishments have been made to date, Guatemala's current economic situation limits funding available for rapid implementation of the program. For this reason, on September 4, 1984 the Chief of State, Oscar Mejía Vítores, made an urgent request to the U.S. Ambassador for financial support to continue the Program.

This \$1.0 million proposal is in direct response to the Chief of State's request for U.S. assistance for persons affected by past political violence. The Grant will be directed towards assisting approximately 13,000 affected people in the Ixil Triangle of El Quiche, or roughly one fourth of the population of the Triangle.

B. Project Goal and Purpose

1. Goal

The goal of the Project is to provide the basis for the economic betterment of rural highland people affected by political turmoil in the Highlands. The goal is to be achieved by providing these people with the means to reconstruct their lives and renew their farming.

2. Purpose

The purpose of the Project is to reconstruct essential infrastructure in regions affected by social unrest and political violence in order to provide the basis for economic and social recovery of affected people. This purpose will be achieved through the provision of funds needed to construct or reconstruct rural infrastructure within selected developmental regions.

C. Expected Achievements and Accomplishments

The proposed Project is only one portion of a larger Government of Guatemala program for economic rejuvenation of areas affected by the political violence. Project resources will be concentrated within one Area of Development Region (Ixil Triangle, See Map I, page 7). Project funds will be used to build 1,069 houses, 16 school rooms, 6 water systems, as well as provide funds for the purchase of 6 vehicles to distribute materials, cooking utensils, construction and agricultural tools and seeds for the affected

population. It is expected that in the 13 villages selected, 100% of the housing and school facility needs will have been met by the end of the Project. It is also anticipated that those villages which currently have no access to water will obtain potable water systems. Also, the need for cooking utensils and agricultural tools along with seeds for the 1,069 families to reinstitute farming will be met through the use of both grant and Government of Guatemala funds. The combination of these achievements with those undertaken by other Government of Guatemala agencies coordinated by the CRN, such as, potable water, multi-purpose buildings, electricity, roads, agricultural technical assistance, should result in the reestablishment of the basis for economic and social improvement of the affected peoples.^{1/} The success of the proposed Project will be measured by the retention rate of returning farmers in the communities and their participation in economic activities of the area.

D. Outline of the Project and How it Will Work

Given limited AID resources, this Project will specifically focus on affected communities in the Ixil Triangle within the Department of El Quiche. (See Section III.I.3, page 26 for further justification regarding the selection of the Ixil Triangle). The triangle covers about 2,300 square kilometers within the municipalities of Nebaj, Chajul, and San Juan Cotzal. Project funds will finance activities within 13 townships of the Ixil Triangle impacting on the 1,674 families of these communities as follows:

1. Housing (\$417,000)

Project Grant funds will be used to build 1,069 houses in eleven townships or villages. The standard design for these houses as given in Annex 6 includes corrugated sheet metal roofing, wooden support beams and columns, and in some cases lumber for wall panels. The CRN will use Grant funds to purchase required material and transport it to the selected towns. Government of Guatemala funds will be utilized to supervise construction. The owner of the house and his family will do the actual construction and will receive food-for-work from the CRN supervised World Food Program while building his home. Table 1, page 9 identifies the location, quantity, and cost of these 1,069 houses.

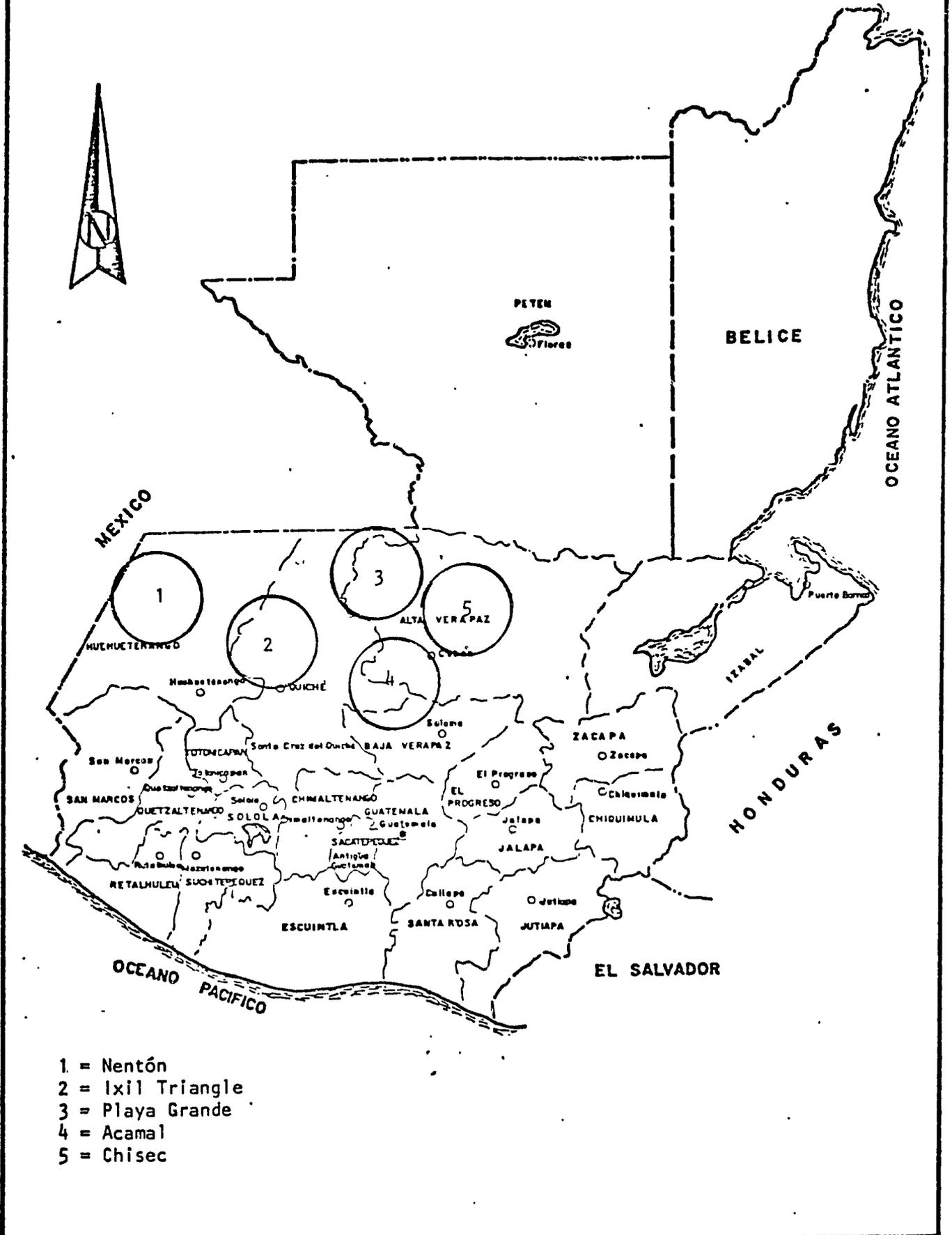
2. Educational Facilities (\$164,696)

Nine schools or school expansions totaling 16 classrooms will be constructed in 9 communities. Annex 7 provides the plans for the standardized school buildings. In addition to purchasing necessary construction materials, the CRN will contract the services of skilled masons for construction. CRN engineers will supervise the work in progress. The

^{1/} (See Annex 4 for a more complete list of activities to be undertaken by each agency.)

MAP I

AREAS OF DEVELOPMENT PROGRAM - GUATEMALA



- 1 = Nentón
- 2 = Ixil Triangle
- 3 = Playa Grande
- 4 = Acamal
- 5 = Chisec

schools or school expansions were selected in communities that already have sufficient school teachers, but lack the necessary classroom space or are currently using substandard school structures. These schools or classrooms will be built in already re-established communities as identified in Table I, page 9. Pre-primary bilingual materials developed within AID's bilingual program will be used in these schools. The Rural Primary Education Improvement Project (520-0282) will also study the feasibility of including the Ixil language group in its bilingual program.

3. Gravity-Fed Potable Water Systems (\$120,000)

Within the 13 target villages only six currently have access to potable water. Both the CRN and UNEPAR (Unidad Ejecutora de Proyectos de Acueductos Rurales) have plans to provide water to those villages which still require potable water. The AID-financed Project will build approximately 6 of these water systems. The CRN has undertaken a prefeasibility study which has identified the six villages listed in Table I, page 9 as priority sites for the new systems. However, during the design stage, sites may be changed or increased/reduced in numbers based on actual design costs and feasibility. The CRN is currently undertaking detailed studies of affected villages where it appears to be feasible to design, build, and maintain simple gravity flow water systems. The CRN will design and purchase required materials and supervise the construction of the water systems by villagers. During the construction phase, the villagers will receive food-for-work provided by the World Food Program managed by the CRN. The cost of the systems is estimated to be \$20,000 per system. Approximately \$120,000 in grant funds will finance the construction of these systems.

4. Tools for Construction and Agriculture, Cooking Utensils (\$138,860)

The majority of the population within the selected area have lost all or some of their hand tools and cooking utensils during the turbulent past. One of CRN's activities is to assist these families to obtain these necessary items in order to be able to reinitiate normal productive lives. Grant funds will finance the CRN's purchase and distribution of \$28,860 in agricultural tools, \$100,000 in construction tools to be lent to the villages for program construction activities, and \$10,000 in cooking utensils for use in demonstrating the preparation of World Food Program food commodities (Appendix 5 provides a complete list of hand tools).

5. Agricultural Seeds (\$59,240)

In some cases the returning families are able to obtain some seeds from friends or extended family members. However, to insure that target families also have sufficient seeds to reinitiate farming activities on their farms, the CRN will use \$59,240 in grant funds to purchase improved corn and bean seeds and potato buds for distribution to the returning families. (Annex 5 provides a summary of seed requirements).

TABLE I
CONSTRUCTION
(\$US)

Name of Aldea	No. of Houses	Housing Costs	Class-rooms	Cost School	Water System	Cost Water System	Total	No. of Families
Vichibila*	25	13,674	2	19,582	--	--	33,256	125
Ojo de Agua*	25	13,674	--	--	--	--	13,674	125
Santa Abelina*	400	217,557	4	34,132	--	--	251,689	400
San Felipe Chenle*	125	68,372	--	--	--	--	68,372	125
Com. Rio Azul*	38	7,963	--	--	--	--	7,963	198
Xonca	116	24,307	2	19,582	1	20,000	63,889	116
Suchum	55	11,525	1	13,059	1	20,000	44,584	55
Pexla	50	10,477	2	19,582	1	20,000	50,059	50
Visan	125	26,195	1	13,059	1	20,000	59,254	125
Xecax	50	10,477			1	20,000	30,477	50
Sumal Chiquito	60	12,572	1	13,059	1	20,000	45,631	60
Aktzumbal*			2	19,582			19,582	185
Asich*			<u>1</u>	<u>13,059</u>			<u>13,059</u>	<u>60</u>
TOTALS	<u>1,069</u>	<u>416,793</u>	<u>16</u>	<u>164,696</u>	<u>6</u>	<u>120,000</u>	<u>701,489</u>	<u>1,674</u>

* In these seven villages a portion of the returned villagers have already been resettled in their rebuilt towns. Returned villagers to the Ixil Triangle in the remaining six towns are currently residing in temporary housing in Nebaj, San Felipe Chenle and Río Azul until the reconstruction of their towns with AID funds can be initiated.

6. Logistical Support (\$90,000)

In order to distribute construction materials and tools, the CRN has in the past rented transportation on an "as needed" basis. This has proven both costly and unreliable. Therefore, \$90,000 in grant funds will be used for the purchase on an emergency basis of six four wheel drive pick-up trucks plus spare parts. These vehicles will be titled to the CRN.

7. Food for Work (Q630,000)^{1/}

The CRN will provide food-for-work from the World Food Program (WFP) for the community construction of houses and water systems and other civil works. A 1983 WFP evaluation found the CRN distribution of food commodities to be efficient and well managed.

8. CRN Support

Both the central CRN support staff and field staff will contribute to the implementation of the AID-financed portions of the program. Approximately one-fifth of the CRN's CY 1985 budget, or Q300,000, will be utilized for the support of the CRN's program in the Ixil Triangle.

9. Project Implementation

The CRN projects that the first five activities will be completed within a six month timeframe. The Mission will use waiver authority to purchase the pickup trucks on an emergency basis. However, the rate of construction activities depends on, among other things, the length of the dry season which normally lasts from November to April or May. If the PID is approved by AID/W late in January, with Mission in-house approval of a PP by mid-February, and a CN expiring at about the same time, an allotment of funds could be received by mid-February. Based on the above timeframe, the Mission could sign a bilateral AID/GOG agreement in late February thus making grant funds available for purchase of materials before the end of February -- a loss of two valuable dry months even with the expedited project review basis. Therefore the Mission proposes to make grant funds available for reimbursement to the CRN for materials purchased beginning January 1, 1985. Once the grant agreement is signed by the Secretariat of Planning and authorized representatives named, grant funds can be committed to finance project activities.

In spite of this approach, uncertain weather conditions prevent precise implementation scheduling. Therefore, to be more conservative, the Mission is extending the proposed Government of Guatemala completion date from July 1, 1985 to December 31, 1985.

1/ Q.1.00 - \$1.00

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III. FACTORS AFFECTING PROJECT SELECTION AND FURTHER DEVELOPMENT

A. Social Considerations

1. Socio-Cultural Context ^{1/}

The Ixil Triangle of El Quiche, comprised of the municipalities of Nebaj, Chajul, and Cotzal, is a rural area mainly populated by Indian farmers and family members who have strong cultural ties to their particular village, valley, or region. These ties are further strengthened by the common Indian languages of Ixil and Quekchi. At the same time, the Spanish language and the Latin culture are largely foreign to them. The lack of ability to communicate and the lack of common cultural heritage and distrust by the Indians of the Spanish-cultured, city-oriented Ladinos,^{2/} and vice versa, has isolated the Indian population. Guerrillas have been able to use this isolation to their benefit in efforts to overthrow the government. In order to reduce these differences, the Government of Guatemala is actively pursuing programs to bring Indians into the economic and social mainstream. The success in reducing the political tensions in the area depends on the success of these efforts which include projects such as the one proposed.

The Ixil Triangle, where these farmers live, is characterized by broken mountain chains and valleys with various small rivers making access and economic development difficult. The temperate climate, with high humidity and 6 months of rain annually, is conducive to farming. However, poor soil types, with deficiencies in adequate top soil caused by years of deforestation and erosion, limit the agricultural potential to relatively small pockets of fertile soil. Given the topographic conditions, these small areas are not suitable for mechanized farming. In spite of the rugged geography, the Indian farmers of the area have been able, in the past, to cultivate corn, beans coffee, fruit, and vegetables, as well as raise livestock, such as, cows and sheep and goats in sufficient quantities to sustain family needs. In addition, family members produce cloth and crafts.

^{1/} See "Ixiles y Ladinos", B. N. Colby, P. L. Van Den Berghe, 1977

^{2/} An Indian is one who speaks some non-Hispanic mother tongue, speaks Spanish generally with phonological and syntactic interference from the indigenous language, wears clothing which is distinctive (especially the woman), and adheres to numerous group-specific domestic, social, and religious patterns. A Ladino, in contrast, speaks accent-free Spanish as sole (or dominant) language, wears western style clothing, and adheres to the generalized Hispanic domestic, social, and religious institutions relevant throughout Latin America.

2. Beneficiaries

The Ixil Triangle contains an Indian population of about 45,000. 1,069 families (about 5,500 people) will receive direct benefit from improved shelter. Approximately 800 students per year will benefit from the 16 additional classrooms. The six proposed water systems will benefit 456 families. The construction and agricultural hand tools as well as seeds will be provided to 1,019 families in eleven communities. The pots and pans will be used for nutrition demonstration with food-for-work staples benefitting all community members.

3. Participation

The Project's beneficiaries are the main participants of the Project. Activities are initiated only when the affected villagers request Government of Guatemala assistance in re-establishing their past communities. The beneficiaries help the CRN select the location and assist in the general design of their rebuilt town and its infrastructure. They also participate directly in the construction of their houses, water systems, roads, and other infrastructure. The strong desire to re-establish their lives has led these participants to work under difficult physical conditions in constructing the required infrastructure. The long run test of the success of the Project lies in the beneficiaries' retention rate.

4. Socio-Cultural Feasibility

The area of development program was initiated on a pilot basis in November 1983. Based on its initial success, the program was expanded and legalized. However, potential for failure does exist if promised support is not provided on a timely basis. The Chief of State, Mejía Víctores, has provided the leadership to insure that resources are available when needed. In addition, he has requested U. S. financial assistance to support the emergency program.

5. Impact

This proposed \$1.0 million AID-financed grant Project is just a small portion of a larger government program initiated prior to AID's involvement which will continue long after this particular Project is completed. The impact of this Project cannot, therefore, be measured separately. Final impact will depend on the Government's ability to effectively manage the overall development program in a timely manner. Budgetary constraints, as well as individual Government of Guatemala agency shifts in priorities, could lessen the timely socio-economic impacts hoped for within this program. However, given the very high priority placed on this program and the effective measures taken to date, the Government of Guatemala is demonstrating its intention to make a success of the program.

The impact will be most directly felt by the targeted Indian population. If successful, the Project will have helped the affected population, regardless of gender and age, restore their traditional way of life and achieve a higher standard of living than they currently experience.

B. Economic Considerations

1. Introduction

In rebuilding the infrastructure of communities in the Ixil Triangle, the Social Service Reconstruction Project will enable former residents to resume farming and other economic activities. This return to normalcy implies a considerable improvement in the precarious living conditions of those who were forced to leave. Without the Project, the revival of the Ixil Triangle's economy will be delayed and difficult, as the area's former residents are without resources and, in many cases, in poor health. Therefore, the anticipated benefits of the Project investment are (1) the earlier reactivation of agriculture and other productive activities than if community members were left to accomplish this on their own; (2) the prevention of further loss of schooling for the children of the Ixil Triangle; and (3) the gains in health and productivity which will be generated by provision of housing and potable water.

Resettlement of affected persons in their own communities is one solution of several which has been proposed for Guatemala and other countries. In the economic analysis, the cost effectiveness of the Areas of Development Program will be compared with several other options. In addition, the economic rate of return to the proposed investment will be evaluated.

2. Cost-Effectiveness of Chosen Strategy

The intent of cost-effectiveness analysis is to identify the least costly alternative of several which produce the same stream of benefits. By implication, then, the least-cost solution is that yielding the highest rate of return. One alternative to the "Areas of Development" approach is the relocation of affected persons to new settlements. Beyond the negative potential considerations of the option, the need to purchase land and build extensive infrastructure makes it a very costly one. For example, for the Franja Transversal project, resettlement costs alone were projected at Q980 per family (1975 quetzales). This figure does not include family labor and materials to be used in clearing land and constructing houses.^{1/}

^{1/} The Franja project is only roughly comparable to the Program in the Ixil Triangle, in that individual family parcels were much larger in the Franja case. However, it illustrates the fixed costs which are incurred in relocating families to new lands.

A second alternative to the proposed Project, while not yielding the same flow of benefits, may also be evaluated. Maintenance of the Ixil Triangle residents in temporary camps until they feel sufficiently secure to return home on their own was the original, ad hoc, strategy of the Government of Guatemala and donor organizations until the current Program was designed. The per household cost of maintenance in a temporary camp in Guatemala has been estimated at Q1,275 per year (Q1,095 for food, Q180 for housing materials). This cost is greater than the present value of the cost per household of the Project^{2/} (Q1,124), yet the temporary camp alternative yields no agricultural production, no educational benefits, and no satisfaction derived from return to normalcy in familiar surroundings.

Not all of the possible solutions to the problems of persons affected by violence are feasible or desirable for any one particular case. The choice of options depends greatly on the security conditions present in the affected family's home community. The three alternatives discussed above all seem realistic in light of the current situation in Guatemala. Of the three, the strategy taken by this Project is judged the most cost-effective.

3. Evaluation of Project Economic Rate of Return

Benefits to the Project stem from the earlier resumption of economic activities in agriculture, handicrafts, home production, and human capital investment, than if affected persons are not assisted in returning to their communities of origin. The magnitude of the following direct benefits is estimated for the Project economic analysis:

(a) Agricultural Production.

The net income^{3/} from agricultural production which would not have occurred without the Project investment represents its most important economic benefit. To estimate this contribution, an assumption must be made about how soon the Project beneficiaries would be able to return to the Ixil Triangle on their own to resume farming. The Project analysis assumes that cultivation by the beneficiary households would have revived according to the following schedule:

1985 - 1987 -	0%
1988 -	25%
1989 -	50%
1990 -	100%

2/ See the cost-benefit analysis in the following section.

3/ Net income is defined as total revenue less the costs of purchased inputs, packaging, and transportation.

Data on subsistence agricultural production in the Ixil Triangle was unavailable. Secondary sources^{4/} of information on Region 1 (which includes El Quiché) agriculture were assembled and updated for the projections used in this analysis. Based on these sources, the following assumptions were made:

-- The average holding of cultivated land among beneficiary families is 1 hectare.

-- The assumed crop mix is corn (59% of farmed area), beans (32%), wheat (7%); and potatoes, cabbage, and onions (1% each).

Based on these assumptions, annual household net income is estimated to be Q235. This level of income is associated with low technology subsistence farming of the type which can be achieved with the tools and seeds the project will make available.

The use of net income data as the net benefit of agricultural production leaves out the imputed cost of family labor. However, the low opportunity cost of family labor in the Highlands suggests that net income figures do not significantly inflate the value of this benefit.

(b) Other Production

Returning families to their communities of origin will reactivate traditional home production activities. The net income from this production is therefore a Project benefit and is phased in the same way as the agricultural benefits. One non-farming activity traditional in the Ixil Triangle is the production of handicrafts. Anecdotal evidence estimates income from this activity to be about 25%.

Production of goods and services consumed in the home (e.g. meals) is another category of Project benefits. Although home production eludes GNP calculations, it is crucial to the subsistence of low income households and explains how these families survive on impossibly low cash incomes.^{5/}

4/ Sources of information on net farm income:

Robert M. House, "Guatemala Crop Profitability Analysis - Draft Report" USAID/Guatemala, August 1975.

"Opportunities for Benefitting Small Farmers through Non-Government Agribusiness Development in Guatemala" (draft) USAID/Guatemala, December 1983.

SIECA, "Informe Semanal del Mercado y Precios de Productos Alimenticios Seleccionados", October 1984.

Guatemala, Ministerio de Agricultura, Ganadería y Alimentación, USPADA "Segunda Encuesta Agrícola de la Region I Año 1980 (Cifras Preliminares)" April 1982.

5/ Part of the high cost of maintaining households in displaced person settlements results from their loss of the means to produce goods and services for their own consumption.

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Income from artisan and home production together is assumed to equal one-third of the net income.

(c) Health Benefits

Among the target population, 456 households will benefit from the introduction of potable water systems. The benefits of provision of a safe, convenient water supply are the person-days of productivity saved due to avoidance of sickness and the elimination of the need to travel long distances to secure water. Evidence from Agua del Pueblo indicates that in their survey community more than 45 person-days were saved alone per household in eliminating the chore of carrying water. For this Project, the annual health benefit is conservatively estimated as the value of 20 person-days of time saved per household, where the opportunity cost of family labor is assumed to be one-quarter of the official minimum daily wage (Q3.20).

(d) Housing Benefits

Normally, the annual services of housing constructed for a project are valued at the cost of renting a similar property. However, such information is unavailable for rural Guatemala. The housing benefit of Q5 per month per household is based on the observation that rural low-income families typically pay no more than 5-10% of their income for housing expenses.

(e) Educational Benefits

The high rate of return to primary school education in LDC's has been well documented. The difficulty in quantifying the educational benefit of the Social Service Reconstruction Project lies in its complexity. Without the Project, children in the beneficiary households would certainly delay completing their education and in some instances lose the opportunity completely. It is likely that this delay would cause some students to drop out, others to repeat grades. Both the value of this opportunity cost and the numbers of young people incurring it can only be speculated.

Further complicating evaluation of educational benefits are 1) that the population of households benefiting from the school investments is larger than the number of families receiving housing and 2) in six out of the nine communities receiving school investments, the construction involves expansion of an existing school. For these reasons, the education benefit was deemed unquantifiable.

(f) Salvage Value of Project Components

The Project life is assumed to be ten years, as the bulk of both investment costs and benefits occur only in the initial years. Yet the durable goods (houses, schools, etc.) produced for the Project will last considerably longer. In the analysis, this additional useful life is

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accounted for by attributing a relatively high salvage value of the constructed components (20% of the value of construction materials) as a benefit in the final Project year.

The vehicles purchased for the Project are assumed to have a 50% salvage value in the second year.

4. Project Costs

The Project costs are taken from the illustrative budget contained in this paper. Contingency costs are omitted. Contingencies due to inflation need not be considered, as the analysis uses constant dollar values. Contingencies due to unexpected additional material or labor requirements are evaluated in the sensitivity analysis in a later section.

Several Project financial costs are adjusted for the economic analysis. A shadow price of Q1.20 = U.S.\$1.00 is used to value the vehicles imported under the Project, reflecting the overvaluation of the quetzal. Unskilled (household) labor is valued at 1/10 of the minimum wage (Q3.20 per day) in the first year. After the community infrastructure is completed, it is assumed that this shadow wage value will rise to 25% of minimum wage, reflecting productivity gains resulting from the improved infrastructure and provision of tools.

An annual maintenance cost was added for the water supply component of the Project. This cost is based on information from other Mission activities in the area of water supply.

5. Project Rate of Return

The table on the following page summarizes Project costs and benefits over a 10-year period. The internal rate of return to the Project is calculated as 11.6%. This rate is somewhat understated as the value of educational benefits is not included in the analysis. The internal rate of return should be compared with the opportunity cost of capital in Guatemala, estimated at 15%.

When values are discounted at 15%, the resulting ratio of benefits to costs is .920.

6. Sensitivity Analysis

Given the possible margin of error in parameter estimates for this analysis, a sensitivity analysis was conducted to determine how the economic rate of return varies as key assumptions are changed.

The estimate with the largest possibility of error is the value of net income, given the lack of baseline data for the Ixil Triangle before economic activities were disrupted by violence. The values for the economic rates of return are recalculated for net income

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Summary
Benefit-Cost Analysis
(Q)

	1985	1986	1987	1988	1989	1990- 1993	1994
<u>COSTS:</u>							
Housing	416,793	-	-	-	-	-	-
Water Systems	120,000	2,189	2,189	2,189	2,189	2,189	2,189
Seeds	59,240*	-	-	-	-	-	-
Tools	128,860*	-	-	-	-	-	-
Vehicles	108,000.1/	-	-	-	-	-	-
Cookware	10,000	-	-	-	-	-	-
Labor (FFW)	63,914.2/	-	-	-	-	-	-
Schools	164,696*	-	-	-	-	-	-
Admin.	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL	1,371,503*	2,189	2,189	2,189	2,189	2,189	2,189

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	1985	1986	1987	1988	1989	1990- 1993	1994
<u>BENEFITS:</u>							
Ag. Net* Income (10% increase)	-	251,215	251,215	188,411	125,608	-	-
Other Net Income	-	83,738	83,738	62,804	41,869	-	-
Health Benefits	-	7,296 .3/	7,296	7,296	7,296	7,296	7,296
Housing Benefit	32,070	64,140	64,140	64,140	64,140	64,140	64,140
Educ. Benefits		(Unable to calculate)					
Salvage/ Constr. and Vehicles	-	60,000	-	-	-	-	140,298
<u>TOTAL</u>	32,070	466,389	406,389	322,651	238,913	71,436	211,734
Total Net Benefits:	(1,339,433)	464,200	404,200	320,462	236,724	69,247	209,545

B/C = .920

Internal Rate of Return = 11.57%

1/ Shadow price of foreign exchange Q1.20 = \$1.00

2/ Shadow wage year 1 = 1/10 min. wage

3/ Shadow wage year 2-10 = 1/4 min. wage

4/ If a 3% population growth in households receiving water service, and a hook-up cost of \$10 per household are assumed, the B/C rises to .921.

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streams 25% higher and 25% lower than those projected for the Project. The possibility that Project costs increase or decrease by 10% is also considered. Finally, the phasing assumption for agricultural activity without the Project is varied, demonstrating the alternatives where production recommences on its own one year earlier (1987) and one year later (1989).

The results of the sensitivity analysis are reported in the table below:

<u>Assumption</u>	<u>Project Economic Rate of Return</u>
Original Analysis	11.6%
Net income 25% higher	17.9%
Net income 25% lower	5.8%
Project Costs 10% higher	7.6%
Project Costs 10% lower	15.1%

<u>Assumption</u>	<u>Project Benefit-Cost Ratio</u>
Local production without Project reactivated 1 year earlier (1987)	.729
Local production without Project reactivated 1 year later (1989)	.994

7. Distribution of Benefits

Project economic analysis does not explicitly take into account the benefits of redistributing resources in favor of lower income groups. Some authors (e.g. Squire and VanderTak) advocate taking the analysis a step further in applying a weighting scheme which values benefits to the poor more highly.

The benefits of the Social Service Reconstruction Project accrue entirely to the least economically well-off group in Guatemala. The living conditions of the Highlands provide only marginal subsistence--the beneficiary families were forced to abandon even that minimal standard of living for a more precarious existence in displaced persons camps and in hiding. The extreme need of the Project beneficiaries argues that the Project should be ranked above others yielding higher rates of return.

8. Conclusion

The economic analysis provides evidence that the Social Service Reconstruction Project is a least-cost solution to assisting affected persons. The Project analysis estimates an 11.6% economic rate of return, which must be compared to the estimated 15% opportunity cost of capital in Guatemala. The economic return ranges between 5% and 18% when key assumptions are varied. These figures are somewhat understated as the value of educational benefits could not be calculated.

When projects are evaluated for economic feasibility (the economic rate of return) the existence of any non-quantifiable economic benefits and the likely impact on income distribution are the most important considerations. The economic return to the Social Service Reconstruction project is somewhat less than the estimated opportunity cost of capital. However, if the magnitude of the benefits to school construction could be measured, the economic return estimate would be higher. More significantly, the distributional impact will be large since project benefits will accrue almost entirely to affected persons, certainly among the neediest groups in Guatemala today. Taking these factors together, the project is determined to be justifiable on economic grounds.

Relevant Experience with Similar Projects

In the recent past AID has on numerous occasions assisted the affected persons identified in the Areas of Development Project through on-going AID-financed projects. A summary of these activities is given below:

1. On January 11, 1983, USAID/Guatemala signed a bilateral grant agreement with the CRN providing \$15,000 for inland transportation of food and medical supplies, and \$25,000 for the purchase of emergency medical supplies, agricultural tools, and an operating budget for a labor-intensive work program for the affected population in Chisec.

2. In February 1983, OFDA (Office of Foreign Disaster Assistance) supplied an additional \$80,000 to the CRN for the purchase of medicines and medical supplies for affected people, to transport relief supplies to the affected areas, and to complete work programs with affected people in the Chisec area.

3. In December 1983, under an emergency declaration by the Chief of Mission, Catholic Relief Services (CRS) provided housing, clothing, food, and medical aid to affected families in the area of Nebaj, El Quiche.

4. On July 20, 1984, USAID/Guatemala signed a \$563,000 OPG with the Salvation Army to provide shelter materials, agricultural tools, clothing, and medicines in a coordinated effort with two other PVO's, Project HOPE and PAVA (Programa de Ayuda para los Vecinos de Altiplano). The Project will continue through March 1985.

5. Within the Mission's FY 1983 ESF Program (520-K-036), the CRN coordinated the use of \$2.0 million in counterpart funds for non-governmental organizations' PVO's and \$2.5 million in counterpart funds for community development activities. Some of the PVO projects provided funding for infrastructure activities, such as water systems. In addition, approximately \$498,000 of the \$2.5 million community development fund was directed towards two areas of development activities in Chacaj, Nentón, Huehuetenango, and Nuevo Acamal, Alta Verapaz to construct minimum shelter.

D. Grantee/Recipient Country Agency

In accordance with the Decreto Ley 65-84, the CRN is responsible for coordinating and supervising all areas of development activities. In addition to its managerial and coordinating role with the 16 other Government agencies, the CRN also directly provides materials and supervision for community housing construction and some village water systems. The \$1.0 million grant Project is to be implemented by the CRN for activities related to the CRN areas of expertise only. No Project funds will be funneled through the CRN to the other 16 agencies since they have their own individual Government of Guatemala annual budgets within which they will implement their portions of the total program.

The CRN was established on March 18, 1976 to coordinate reconstruction activities related to the February 6, 1976 earthquake. It has also been responsible for coordinating relief activities associated with other national disasters, such as, floods, windstorms, and droughts. At the present time it has a full-time staff of 228 professionals, only three of whom are active military personnel. In addition, it has 347 contract employees, the majority of whom implement its food-for-work program. Within the Areas of Development Program, the CRN contracts additional skilled workers on an "as needed" basis for construction, based on plans designed by CRN engineering, architectural, and planning staff. Since the informal initiation of the Areas of Development Program in late 1983, the CRN has used almost \$3.0 million of the funds allotted to it to implement its portion of the program. The table below provides a breakdown of uses of these funds.

Housing (290 units)	Q2,135,094.50
Food for Work	355,833.10
Construction Materials	293,590.74
Food	91,502.70
Medicines	<u>73,940.46</u>
Total	Q2,950,041.50

Annex 5 provides a further breakdown of uses within the Ixil Triangle which amounts to \$1.9 million of the total investment. Its proposed 1985 budget is Q1.5 million to pay for salaries, contractees, and for implementation of various programs. The implementation of the \$1.0 million AID grant can be undertaken with its existing staff, within its proposed

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budget, within the current areas of development program, and most probably within the timeframe proposed by the CRN. Experience to date shows the CRN to be an effective organization using good managerial and accounting procedures in the accomplishment of a difficult and vital mission.

E. AID Support Requirements Capability

With the exception of \$10,000 to purchase cooking utensils, \$28,860 for the purchase of agricultural tools, and \$59,240 for seeds, the \$1.0 million grant will exclusively finance construction or construction support activities. USAID/Guatemala's Project Development and Support Office (PDSO) which includes a three-man engineering section will be responsible for monitoring of activities. Aside from approving engineering design plans and the inspection of construction activities, PDSO will also coordinate the purchase of six four-wheel drive pick-up trucks needed for the distribution of construction materials. The work involved is similar to present PDSO and Mission personnel work requirements. Therefore, it is believed that the current USAID/Guatemala staff has the capacity to implement the Project without additional USDH or contractual assistance.

The Mission has reviewed Gray Amendment implications for the provision of technical services and goods. With the exception of six vehicles to be purchased in the USA, all activities will be financed with local currency in Guatemala. For the emergency procurement of the six vehicles, the Mission will consider offers from US minority firms.

F. Estimated Cost and Methods of Financing

Per the description of the Project given in Section II., D., the source and uses of funds are given below:

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Illustrative Financial Plan

(IXIL Triangle)

(Grant)

	Cost in \$
Housing	416,793.00
Schools	164,696.00
Water System	120,000.00
Handtools	128,860.00
Vehicles	90,000.00
Cooking Utensils	10,000.00
Seeds	59,240.00
<hr/>	
Sub-Total	989,589.00
Contingency	10,411.00
<hr/>	
Sub-Total	1,000,000.00
<hr/>	
<u>GOG CONTRIBUTION</u>	
Food for Work	9639,142.00
CRN Supervisory and Logistical Support	300,000.00
<hr/>	
T O T A L	<u>1,939,142.00</u>

G. Design Strategy

The proposed \$1.0 million grant is to be financed with FY 1984 Supplemental funds. The PID will be reviewed in AID/W with the expectation that the PP will be substantially the same document and can be approved in the field. The PP would, of course, incorporate any changes or additions called for by the DAEC review. Funds could be obligated by the end of February 1985. Because the proposed Project is a part of a larger Government of Guatemala emergency effort to bring economic stability back to conflictive areas, the need for these funds is urgent. The Mission will establish an effective date for use of the funds as of January 1, 1985 so that reimbursement for activities undertaken by the Government of Guatemala from January 1 onward can be made. The Mission anticipates no additional PD&S-funded contract assistance or AID/W OE-funded assistance in developing the project implementation plan. A draft Congressional Notification will be sent to AID/W following PID review.

H. Recommended Environmental Threshold Decision

Per Annex 2, the Mission requests that a Negative Determination be granted.

I. AID Policy Issues

1. The Relationship Between the Project and the Guatemalan Military

The proposed \$1.0 million grant will assist the Government of Guatemala implement its Areas of Development Program. The target area for the AID grant is in the Ixil Triangle, or more precisely 13 of the 26 townships within the three municipalities included in the Triangle.

The reestablishment of these villages depends to some extent on the Guatemalan military in that adequate security for the returning villagers is a necessary precondition to sustaining resettlement efforts. The initial economic development activities in the Ixil Triangle indicate that the Guatemalan military has been able to secure the area without making its presence overly felt. Of the 13 villages where grant funds will be invested (see Table I, page 9) none have military camps nearby. The only permanent military encampments within the Ixil Triangle are located at each of the three municipalities of Nebaj, Chajul, and Cotzaj and not in any of the 13 villages selected within the AID-financed Project. Within the 13 target villages civilian patrols provide security for individual villages.

2. Relationship of the Guatemalan Military to the National Reconstruction Committee (CRN)

The current government in Guatemala is administered by the Military. As such, a number of top political executive positions are or have been filled with military personnel. At the moment the number of these positions is relatively small and limited to the Minister of Finance, the Minister of Energy and Mines, Aviateca (The national airline), INDE (the national electric energy institute), and the CRN. The CRN is administered by a Colonel and two military assistants. The remaining 225 full time staff and the 347 contract employees are all civilians. Although employees receive general guidance from the Chief of State, through the Director of CRN, the routine planning and construction supervision of the Areas of Development Program is left up to the civilian office chiefs of each department. Therefore, both at the central office in Guatemala City and at each of the five Areas of Development, the CRN coordinates with the military but operates separately.

It should be noted that since its establishment in 1976 to provide emergency responses to disasters, the CRN, though civilian in make up, has always been administered by a military director. This is due to the fact that the strongest expertise and experience in marshaling diverse resources

and personnel and coordinating relief efforts in a rapid orderly fashion are found within Guatemala's trained military officers corps. Also the CRN has proven to be an effective and impartial organization in the use of both Government and donors resources, including U.S. emergency assistance following the 1976 earthquake and WFP commodities. It has bilateral arrangements with most of the 44 voluntary agencies working in Guatemala.

3. Justification for the Selection of One of the Five Areas of Development for the Proposed \$1.0 Million AID Grant

As mentioned in Section II.A., the Guatemalan Areas of Development Program includes five individual areas in northwest Guatemala. They include (1) Nentón, Huehuetenango, (2) Ixil Triangle, El Quiche, (3) Playa Grande, El Quiche, and Alta Verapaz, (4) Acamal, Alta Verapaz, and (5) Chisec, Alta Verapaz.

In general, both the Nentón and Chisec areas include many displaced persons and not just persons affected by the turmoil. These displaced persons, either returning from Mexico or arriving from other parts of the country, are being resettled in areas which may not be their original homelands. The activities within the Playa Grande area are closely associated with the colonization effort initiated in the late 1970s under AID's Small Farmer Development Project (520-0233). Most of the people living in this area are colonists from all over Guatemala who have chosen to leave their homelands and resettle in the Playa Grande area.

Both subprojects in the Ixil Triangle and Acamal are associated with efforts to resettle villagers in their original villages where they will reinitiate the farming of their own farmlands. In these two areas there are very few displaced people from other regions. Rather, the local inhabitants affected by the political turmoil are now returning to their destroyed homes after hiding for an extended period in the surrounding mountains. In these two areas the activities being undertaken are more clearly restorative in nature and more fully fit the intent of the proposed Project. The Project will help these people reestablish their lives within their original communities. Thus since only limited funds are available, the Mission has chosen to focus on the Ixil Triangle.

The rationale for choosing the Ixil Triangle zone for this Project is further supported by prior AID experiences which indicates that projects where families decide where they want to live, and where employment is available, have the highest success rate. Costs rates are high and the success rate is low when the families are relocated into new communities in previously unsettled areas. Since the people within the Ixil Triangle are returning to their former homelands and former occupations, the success rate should be relatively high. In addition, the Mission wishes to restrict the area which will receive these limited resources in order to better measure the impact of AID's contribution and for more effective monitoring of the Project.

4. Freedom of Movement by the Inhabitants of the Ixil Triangle

The Ixil Triangle includes over sixty townships (aldeas) within the three counties (municipalidades) that comprise the triangle. During the past violence some townships were affected more than others. Some inhabitants found it necessary to abandon their homes and fields fleeing to the hills to hide or to the nearest military establishment for protection. In other areas, villagers remained on their farms and did not venture into insecure regions. Those inhabitants who arrived at the permanent military bases in the Triangle were given temporary shelter in Nebaj (Las Violetas) or on the nearby airstrip (Aztzumbal). These people did not want to return to their townships until the violence had past. The majority have since returned to their villages. The approximately 456 families included in six villages still to be reestablished with AID funds and inhabitants originally from Palop (next village to be reached with the Quiché-Huehuetenango road presently under construction) are still temporarily housed in Las Violetas neighborhood of Nebaj. Although this neighborhood is not physically close to nor can it be seen from the military base, many displaced families milling around with little to do in a small town near the Nebaj military base activities can be observed. This has led many outsiders to the conclusion that little freedom of movement exists within the Triangle.

In an AID interview with groups from each of the 13 village areas plus five other townships, those individuals who never left their villages or who are either in temporary camps near permanent military establishments, or have already returned to their newly reestablished towns feel free to move about within the secure portions of the country. The villagers continue to be able to travel to Guatemala's South Coast for seasonal work. Many have also been able to obtain extra income by working on government sponsored development projects in their regions. In addition, rural farmers that are still in temporary shelter, awaiting the reestablishment of their new town, work on their original farm lands to plant and harvest crops on a temporary basis. At the same time there appears to be a reluctance by the farmers to return permanently to their destroyed villages until they have constructed their new homes and civil defense patrols have been established to insure the security of the village. Since the situation is not a static one, civilians, at their own initiative, and by some reports, sometimes by restriction imposed by the military authorities, avoid traveling to or permanently residing in areas that are still insecure.

5. Community Participation in Voluntary Civil Defense Patrols

Civil Defense Patrols for village protection were legalized during Rios Montt's leadership (1982/83) and are found in virtually all rural areas of Guatemala. Under this plan, villagers volunteer to protect their own villages on a rotating basis and are issued arms and munitions by the military to carry out their duties. Within the Ixil Triangle three permanent military camps are established at each of the three county seats of Nebaj, San Juan Cotzol, and Chajul. In addition there are two temporary camps in Acul and Tzalbal which will be moved further forward into insecure areas as the main road under construction from the Department of El Quiché to the Department of

Huehuetenango advances. A recently built landing strip at Aetzumbal is also protected by a very small military contingent which does not have jurisdiction over the nearby town of Aetzumbal. The thirteen villages selected for this project as well as other similar new towns already established in the Triangle rely on civil defense patrols to provide village security.

AID has interviewed community committee members from each of the 13 villages regarding their opinion about the civil defense patrol program. In the seven villages already reestablished, the villagers appeared to be providing their own security on a voluntary basis. Some said that although it created extra demands on their time, it was worth the effort to protect their own families and homes. In order for the system to function in these villages, each able bodied male is required to serve his turn on a rotating basis, approximately one 24-hour day per week. Community and peer pressure are expected to ensure the success of the program without outside coercion. However, in any such draft situation occurrences of coercion can not be ruled out and some dissatisfaction can be expected.

The six village groups that are still in temporary quarters until their villages are rebuilt have not yet officially formed their civil defense patrol network, nor have they received arms to do so. However, all six groups want to return to their homelands to rebuild and protect their lands. In one case (Xonca) where the villagers are building their village street network and leveling individual building lots, returning to their temporary quarters in Nebaj at night, the village committee was strongly pressuring the CRN representative to support their request to the military to supply them with arms so that the villagers of Xonca could protect its workers while engaged in community development construction activities.

Because of concerns about the civil defense patrol system many Guatemalans remain uneasy about the program and the recently elected Guatemalan Constitutional Assembly has included, in the new draft constitution, Article 34 which states that obligatory participation in civil defense patrols will not be allowed, leaving patrols as permissible when all participants provide their services on a voluntary basis.

In summary, while no blanket assurances can be provided in the fluid situation existing in the reconstruction area, it is clear that with the disappearance of large-scale insurrection, the difficult issues posed by population control measures are abating. The need for economic reconstruction measures is now the paramount concern. USAID assistance in this environment is limited to improving the living conditions of the target villagers and helping them reestablish control over their own economic livelihood. Progress in this program will be closely monitored by USAID.

Annex I
Logical Framework Matrix
Social Service Reconstruction 520-0334

	VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<u>GOAL:</u> To provide the basis for economic betterment of rural highland people affected by political turmoil in the highlands.	<u>MEASURE OF GOAL ACHIEVEMENT:</u> Reestablishment of farming communities.	Evaluation	The economic resources provided by this project are greater than future economic opportunities available to these farmers in other regions of the country.
<u>PURPOSE:</u> To reconstruct essential infrastructure in regions affected by social unrest and political violence, to provide the basis for economic and social recovery of affected people.	<u>END OF PROJECT STATUS:</u> 1. 1069 affected families with rebuilt homes 2. 6 water systems constructed. 3. 16 classrooms constructed. 4. 1069 farm families farming their own lands.	Site visits.	Farmers currently willing to return to their farmlands will continue to live and work there.
<u>OUTPUTS:</u> 1) 1069 houses built 2) Six water systems 3) 16 classrooms built 4) Distribution system for tools, seeds, utensils.	Physical evidence	Site visits, distribution of tools to project beneficiaries.	Inflation caused by the opening of a parallel market will not exceed contingencies, hence, inputs can achieve outputs.
<u>INPUTS, (1000)</u> 1) Commodities (construction materials...\$537 2) Construction services.....\$165 3) Tools, utensils..\$139 4) Vehicles.....\$ 90 5) Seeds.....\$ 59	Disturment of funds.	Vouchers, invoices, bills.	Funds will be allocated on a timely basis.

ENVIRONMENTAL THRESHOLD DECISION

LAC/DR-IEE-85-

PROJECT LOCATION

- Guatemala

PROJECT TITLE AND NUMBER

- Social Service Reconstruction
520-0334

FUNDING

- \$1.0 million - Grant

LIFE OF PROJECT

- One year

IEE PREPARED BY

- Lawrence Odle
Mission Environmental Officer

RECOMMENDED THRESHOLD DECISION

- Negative Determination

BUREAU THRESHOLD DECISION

- Concurrence with Recommendation

ACTION

- Copy to Mr. Charles E. Costello
Director, USAID/Guatemala City
- Copy to Mr. Lawrence Odle, AID/
Guatemala PDSO
- Copy to Mr. Ron Bloom, LAC/DR
- Copy to IEE File

James S. Hester
Environmental Officer
Bureau for Latin America
and the Caribbean

Date

ANNEX 2

INITIAL ENVIRONMENTAL EXAMINATION

PROJECT LOCATION

- Northwestern Guatemala

PROJECT TITLE

- Social Service Reconstruction

PROJECT NUMBER

- 520-0334

LIFE OF PROJECT

- One Year

IEE PREPARED BY

- Lawrence Odle
Mission Environmental Officer

DATE

November 22, 1984

ACTION RECOMMENDED

- Negative Determination

CONCURRENCE

• 

Charles E. Costello
Director
USAID/Guatemala

1-18-85

Date

1. Project Description

The goal of the proposed project is to provide the basis for the economic and social betterment of the rural Highland people affected by political turmoil in the Highlands. The purpose is to reconstruct essential village infrastructure in regions affected by social unrest and political violence in order to provide the basis for economic and social recovery of affected people.

Specifically, grant funds will be used to purchase construction materials needed to build 1,069 houses, 16 classrooms, and 6 water systems, in 13 previously established townships with actual building sites relocated from previously established dispersed rural sites to a more consolidated village plan. The Project will also fund the purchase of seeds for cultivating about 2,140 hectares of corn, beans and potatoes.

2. Impact Identification and Evaluation - Impact Areas and Sub-Areas

a. Land Use

- | | |
|--|---------------|
| (1) Changing the character of the land through | |
| (a) Increasing the population _____ | _____ N _____ |
| (b) Extracting natural resources _____ | _____ N _____ |
| (c) Land clearing _____ | _____ L _____ |
| (d) Changing soil characteristics _____ | _____ N _____ |
| (2) Altering natural defenses _____ | _____ N _____ |
| (3) Foreclosing important uses _____ | _____ L _____ |
| (4) Jeopardizing man or his works _____ | _____ N _____ |
| (5) Other factors _____ | _____ N _____ |
| _____ | _____ |
| _____ | _____ |

b. Water Quality

- | | |
|--|---------------|
| (1) Physical state of water _____ | _____ N _____ |
| (2) Chemical and biological states _____ | _____ N _____ |
| (3) Ecological balance _____ | _____ N _____ |
| (4) Other factors _____ | _____ |
| _____ | _____ |
| _____ | _____ |

c. Atmospheric

- | | | |
|-----|---------------------|---|
| (1) | Air additives _____ | N |
| (2) | Air pollution _____ | N |
| (3) | Land clearing _____ | L |
| (4) | Other factors _____ | |
| | _____ | |
| | _____ | |

d. Natural Resources

- | | | |
|-----|---|---|
| (1) | Diversion, altered use of water _____ | M |
| (2) | Irreversible, inefficient commitments _____ | N |
| (3) | Other factors _____ | |
| | _____ | |
| | _____ | |

e. Cultural

- | | | |
|-----|---------------------------------------|---|
| (1) | Altering physical symbols _____ | M |
| (2) | Dilution of cultural traditions _____ | N |
| (3) | Other factors _____ | |
| | _____ | |
| | _____ | |

f. Socio-Economic

- | | | |
|-----|---|---|
| (1) | Changes in economic/employment patterns _____ | N |
| (2) | Changes in population _____ | N |
| (3) | Changes in cultural patterns _____ | L |
| (4) | Other factors _____ | |
| | _____ | |
| | _____ | |

g. Health

- | | |
|--|---------------|
| (1) Changing a natural environment _____ | _____ N _____ |
| (2) Eliminating an ecosystem element _____ | _____ N _____ |
| (3) Other factors _____ | _____ |
| _____ | _____ |
| _____ | _____ |

h. General

- | | |
|----------------------------------|---------------|
| (1) International impacts _____ | _____ N _____ |
| (2) Controversial impacts _____ | _____ N _____ |
| (3) Larger program impacts _____ | _____ M _____ |
| (4) Other factors _____ | _____ |
| _____ | _____ |
| _____ | _____ |

i. Other Possible Impacts (Not listed above)

- | | |
|--|---------------|
| (1) Introducing of new plant species _____ | _____ N _____ |
| (2) Agricultural chemicals _____ | _____ N _____ |
| (3) Other factors _____ | _____ |
| _____ | _____ |
| _____ | _____ |

3. Discussion of Impacts

Based on the checklist given in Section 2., above, few impacts are anticipated. Since the project will assist in rebuilding communities in areas where they already existed. The project will consolidate these communities in order to more economically provide essential infrastructure which will include housing, potable water, latrines, and educational facilities. The analysis, therefore, indicates that these few minor impacts do not warrant further environmental analysis. A negative determination is therefore recommended.

0050C

Miercoles 4 de julio de 1984

ORGANISMO EJECUTIVO

JEFATURA DE ESTADO

DECRETO-LEY NUMERO 65-84

El Jefe de Estado

CONSIDERANDO,

Que gran cantidad de guatemaltecos se han visto obligados, por razones de fuerza mayor, a abandonar sus lugares de origen, encontrándose actualmente asentados en condiciones precarias en algunos municipios de los departamentos de Huehuetenango, El Quiché y Alta Verapaz, lo que obliga a tomar medidas urgentes con el propósito de resolver las necesidades de los referidos grupos humanos,

CONSIDERANDO,

Que es impostergable regular las acciones en las cuales participen las instituciones y entidades del sector público, a través de los planes, programas y proyectos a ejecutarse, con el propósito de resolver las necesidades prioritarias de los grupos humanos desplazados, a fin de reincorporarlos a las actividades productivas del país,

CONSIDERANDO,

Que para la consecución de los fines y objetivos enunciados en los dos considerandos que anteceden, se hace necesario dictar la respectiva disposición legal.

POR TANTO,

En el ejercicio de las facultades que le confieren los artículos 4o. y 26, inciso 14) del Estatuto Fundamental de Gobierno, modificado por los Decretos-Leyes números 36-82 y 87-83,

El Consejo de Ministros,

DECRETA:

Artículo 1º. -- Plan de Acción. Se establece el Plan de Acción de máxima prioridad, que será coordinado y ejecutado por las instituciones y entidades del sector público que se designen, para atender la situación que confrontan las comunidades y aldeas siguientes:

Departamento de El Quiché:

1. Polo de Desarrollo Triángulo Ixil, Municipio de Nebaj, Aldea Acul, Tzabal, Juil-Chacalté, Río Azul, Pulay, Xolcuay, Ojo de Agua, Santa Abelina, Bichiblé, Salquil-Palop, Atzumbal, Júa Llom, Chel, Xemal/Xepatul, Chiché, San Felipe Chenlá y Xix.
2. Polo de Desarrollo Playa Grande, jurisdicción Departamental de El Quiché, Xaclbal, Cantabal, San José la 20, Efrata, Santa Clara, San Pablo, San Francisco, Trinitaria y Aldeas Fronterizas.

En jurisdicción de Alta Verapaz, Salacuin y Aldeas Fronterizas.

Departamento de Huehuetenango:

1. Polo de Desarrollo Chacaj, en las Aldeas de Chacaj y Ojo de Agua, Municipio de Nentón.

Departamento de Alta Verapaz:

1. Polo de Desarrollo Chisec en el Municipio del mismo nombre, Chisec, Setzí, Saguachil, Sesuchaj, Carolina, Setal, Semuy, Pecajbá, Santa Marta, Semocón, Las Palmas, El Tamarindo, Cubilhuit, Secocpur, Sibieté, Ticario y en el municipio de Santa Cruz Verapaz, Acamal.

Artículo 2º -- Estructuración y Coordinación. Se Faculta al Subjefe de Estado y Jefe del Estado Mayor de la Defensa Nacional, para que estructure y coordine el Plan de Acción, requiriendo para ello la participación de las instituciones y entidades del Sector Público que considere conveniente. En el Plan se contemplarán las necesidades a cubrir las acciones a seguir en cada caso, con los correspondientes programas de trabajo, así como las entidades e instituciones que deben intervenir en su ejecución.

Artículo 3º -- Aprobación. El Plan de Acción será presentado al Jefe de Estado dentro de los quince (15) días siguientes a la vigencia de este decreto-ley, para su aprobación por acuerdo gubernativo y en el mismo deberá señalarse en forma concreta las planes, programas, proyectos y obras de tipo social y de infraestructura a realizar, así como las instituciones y entidades del sector público que participarán en su ejecución.

Artículo 4º -- Participación. Todas las instituciones y entidades del sector público a requerimiento del Subjefe de Estado y Jefe del Estado Mayor de la Defensa Nacional, deberán participar en la ejecución del plan y proporcionar la colaboración e información que se les solicite

Artículo 5º -- Vigilancia. La vigilancia de los programas que se ejecuten de conformidad con los planes aprobados estará a cargo de los Presidentes de las Coordinadoras Interinstitucionales que tengan jurisdicción en el departamento o en la región, quienes informarán por el conducto respectivo a la Jefatura del Estado Mayor de la Defensa Nacional.

Artículo 6º -- Exclusión. Para que el Plan de Acción se ejecute en forma eficaz y eficiente a efecto de superar los trámites administrativos, que conlleva, se faculta a las instituciones y entidades centralizadas y descentralizadas, autónomas y semiautónomas del Estado, que participen en la ejecución del mismo, para que sin llenar los requisitos de licitación pública y cotización en el interior y exterior del país, que establece el Decreto 35-80 del Congreso de la República, Ley de Compras y Contrataciones, puedan contratar y adquirir las obras, bienes, suministros y servicios que sean necesarios en la ejecución del Plan.

Artículo 7º -- Reprogramación. Todas las instituciones y entidades que sean llamadas a participar en el Plan, deberán hacer o gestionar conforme a las leyes respectivas, las reprogramaciones y transferencias presupuestarias que corresponda.

Artículo 8º -- Fiscalización. La Contraloría de Cuentas tendrá a su cargo la fiscalización de las actuaciones que se lleven a cabo con base en esta ley.

Artículo 9º -- Transitorio I. Los grupos humanos desplazados y que actualmente se encuentran ocupando los terrenos de propiedad particular, denominados "El Rosario" y "La Conchas", en jurisdicción del municipio de Uspantán, departamento de El Quiché, serán reubicados en forma definitiva de acuerdo con el Plan.

Artículo 10 -- Transitorio II Regulación. Las actuaciones que las instituciones y entidades centralizadas y descentralizadas, autónomas y semiautónomas, hubieren efectuado antes de la vigencia de esta ley, en los municipios, aldeas y comunidades señaladas en el artículo 1º, podrán ser regularizadas, si procede, dentro del plazo de noventa (90) días contados a partir de la iniciación de la vigencia de este decreto-ley, conforme el siguiente procedimiento:

- I. La Institución o Entidad interesada, presentará ante la Contraloría de Cuentas dentro del término de veinte (20) días contados a partir de la iniciación de la vigencia de esta ley, solicitud de regularización de sus actuaciones, con los documentos y justificaciones del caso, así como el respectivo proyecto de decreto-ley para aprobar la regularización de mérito.
- II. La Contraloría de Cuentas calificará la solicitud de regularización que se le presente, dentro del plazo de 90 días ya indicado y emitirá el dictamen correspondiente.
- III. Al vencimiento del plazo de regularización la Contraloría de Cuentas elaborará un listado de los casos en que proceda la regularización, el que remitirá con los expedientes respectivos al Jefe del Organismo Ejecutivo para que se lleve a cabo la legalización mediante decreto-ley.

En los casos que no proceda la regularización, previa investigación, actuará conforme lo dispuesto por el Decreto 1126 del Congreso de la República.

Artículo 11 -- Derogatoria. Se deroga el Acuerdo Gubernativo número 771-83 de fecha 18 de octubre de 1983.

Artículo 12 -- Vigencia. El presente decreto-ley tendrá vigencia desde el día siguiente de su publicación en el Diario Oficial hasta el treinta y uno de julio de mil novecientos ochenta y cinco.

Dado en el Palacio Nacional, en la ciudad de Guatemala, a los veintisiete días del mes de junio de mil novecientos ochenta y cuatro.

Publíquese y cúmplase.

ANNEX 4

Triángulo del, Depto. de Quiché

CRONOGRAMA DE ACTIVIDADES

ACTIVITY	RESPONSIBLE AGENCY ^{1/}	MESES							
		1	2	3	4	5	6	7	8
1.1 Take Population Census	CRN- INIA- EJERCITO								
2.1 Organize the Community	CRN-DIGESA-INACOP								
3.1 Determine and Legalize land tenure ^{2/}	INTA								
3.2 Do topographic work	INTA - IGM								
3.3 Classify soil by potential utilization	DIGESA								
3.4 Evaluate demographic load capacity of the area	DIGESA								
4.1 Determine location of urban area	BANVI- INIA								
4.2 Develop urbanization design	BANVI - INFCM								
4.3 Evaluate and locate hydrographic slopes and sewages	UNEPAR - DIRSA								
4.4 Determine type of permanent dwellings	CRN - BANVI								
5.1 Construct embankments and design streets, lots and accesses.	INFCM-CIEC-INIA-CP-BANVI								
5.2 Production materials for permanent dwellings .	BANVI - CRN - INIECAP								
5.3 Introduction of potable water	UNEPAR -INFCM- CP								
5.4 Construction of dwellings	BANVI - CRN								
5.5 Transfer of the population	EJERCITO								
6.1 Provide technical assistance and training to the population	INIECAP-ONG-INIA-DIGESA								
7.1 Improve and/or construct roads	CAMINOS - INIA								
7.2 Intall irrigation system	DIGESA								
7.3 Provide credit assistance	BANDESA								
7.4 Construct warehouses	INIECA								
7.5 Generate access to markets	INIECA								

CRN = Comité de Reconstrucción Nacional INTA = Instituto Nacional de Trans-
 formación Agraria DIGESA = Dirección General de Servicios Agrícolas
 INACOP = Instituto Nacional de Cooperativas IGM = Instituto Geográfico
 Militar BANVI = Banco Nacional de la Vivienda INFCM = Instituto de Fomento
 Municipal UNEPAR = Unidad Ejecutora para el Programa de Acueductos Rurales

ACTIVITY	RESPONSIBLE AGENCY ^{1/}	MESES							
		1	2	3	4	5	6	7	8
8.1 Provide social services to widows, elderly people and orphans	<u>CRV - SES - ONG</u>								
8.2 Provide urban equipment and community services	<u>INFORM - BANVI-OP-IT,-CRV</u>								
- Municipal Building									
- Schools									
- Markets									
- Churches									
- Multiple Use Rooms									
9.1 Implement Reforestation plan	<u>INAFOR</u>								
10.1 Introduction of electricity and distribution net	<u>INDE</u>								
11.1 Provide livestock	<u>DIGESEPE</u>								
12.1 Rural health unit for primary attention	<u>DIGESS - EJERCITO</u>								
13.1 Telegraph	<u>OP - TELEGRAFOS</u>								

1/ The institution that appears underlined is the entity directly responsible for the activity.

2/ This activity implies delivery of ownership titles
The limit date is indicated by an X

This activity has already been carried out or is not necessary for this project.

SYMBOLS

_____ ACTIVITY

XXXXXXXXXXXX FOLLOW-UP

DIRYA = Dirección Técnica de Riego y Avenamiento CIEG = Cuerpo de Ingenieros del Ejército de Guatemala OP = Obras Públicas INTECAP = Instituto Técnico de Capacitación y Productividad ONG = Organizaciones No-Gubernamentales (PVOS) BANDESA = Banco Nacional de Desarrollo Agrícola INDECA = SNS - IT = Instituto Técnico INNAFOR

42

ACTIVITY	RESPONSIBLE AGENCY ^{1/}	MESES															
		1	2	3	4	5	6	7	8	9	10	11	12				
8.1 Provide social services to widows, elderly people and orphans	CRN - SES - ONG																
8.2 Provide urban equipment and community services	INFOM - BANFI-OP-IT,-CRN																
- Municipal Building																	
- Schools																	
- Markets																	
- Churches																	
- Multiple Use Rooms																	
9.1 Implement Reforestation plan	INAFOR																
10.1 Introduction of electricity and distribution net	INF																
11.1 Provide livestock	DIGESEPE																
12.1 Rural health unit for primary attention	DIGESS - EJERCITO																
13.1 Telegraph	OP - TELEGRAFOS																

1/ The institution that appears underlined is the entity directly responsible for the activity.

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SYMBOLS

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DIRYA = Dirección Técnica de Riego y Avenamiento CIEG = Cuerpo de Ingenieros del Ejército de Guatemala OP = Obras Públicas INTECAP = Instituto Técnico de Capacitación y Productividad ONG = Organizaciones No-Gubernamentales (PVOS) BANDESA = Banco Nacional de Desarrollo Agrícola INDECA = SRS
IT = Instituto Técnico INAFOR

ANNEX 5

SUMMARY OF CRN EFFORTS TO DATE IN THE
AREA OF DEVELOPMENT PROGRAM

Dwellings	2,135,094.50
Food for Work	355,833.10
Construction Materials	293,590.74
Food	91,582.70
Medicines	73,940.46
TOTAL	<u>2,950,041.50</u> =====

DWELLINGS

Corresponds to rural dwellings with tin sheet roofing, complete wood lining, doors, windows and concrete foundation.

DEVELOPMENT PROJECTS
STIMULATED WITH
FOOD FOR WORK

Refers to work done by the people in coordination with other government institutions, and for which the C.R.N. provides food therefor. This is done with the assistance of the World Food Program (Project GUA/784 AMP II). The report indicates the estimated value of the food.

CONSTRUCTION MATERIALS

Includes tin sheet, cement, wood, etc., as well as tools for infrastructure and service works.

FOOD

Consists fundamentally of basic food such as black beans, corn, sugar and other, for immediate assistance to refugees.

MEDICINES

Includes medicines and medical-surgical equipment.

WORKS DONE AT THE DIFFERENT DEVELOPMENT POINTS OF THE COUNTRY
NATIONAL RECONSTRUCTION COMMITTEE
AS OF SEPTEMBER 25, 1984

		<u>Cost in Q</u>	
		Partial	Total
DEPARTMENT OF EL QUICHE			
Development Point Ixil Triangle			1,892,548.83
Municipality of Nebaj,			
	- Medicines and medical-surgical equipment	32,996.44	
Acul:	- Dwellings	411,862.50	
	- Development projects stimulated by food for work consisting of: Urbanization of the village, latrines, construction of minimum roofing, brick manufacture, construction of potable water faucets, parks for children, roads, orchards, electricity poles, and looms.	12	58,086.87*

		<u>C o s t i n Q</u>	
		Partial	Total
Acul,	- Construction Materials		19,310.99
Tzalbal,	- Dwellings	318 units	291,049.50
	- Development Projects stimulated by food for work, consisting of: production of ropes, nets and "morrales", improvement of roads, construction of dwellings.	3	21,969.60*
	- Construction Materials		111,921.00
	- Food		42,792.48
Juil-Chacalte,	- Dwellings	119 Units	108,914.75
	- Development Projects stimulated by Food for work, consisting of: Road repair, village organization, construction of adobe furnaces, construction of dwellings, introduction of potable water, construction of nurseries.	7	65,676.27*

C o s t i n g

	Partial	Total
--	---------	-------

Juil Chacalte:

- Construction Materials		768.12
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Rio Azul:

- Development Projects stimulated by Food for Work, consisting of:		
- Construction of steam baths ("Temascales"), horticulture, construction of auxiliary facilities, construction of stone seats	4	12,629.20*
- Construction Materials		3,657.40

Pulay:

- Dwellings	325 units	297,456.25
- Development Projects stimulated by Food for work, consisting of:		
- letrines	1	3,804.98*
- Construction Materials		55,707.40

Ojo de Agua:

- Dwellings	160 units	146,440.00
- Construction materials		5,071.60

Cost in Q

		Partial	Total
Xolcuay:			
-	Development Projects stimulated by Food for work, consisting of: construction of dwellings, warehouse, health post, school, park, preparation or orchards, improvement of streets.	7	19,298.63*
-	Construction Materials		3,972.50
-	Food		5,167.11
Santa Abelina:			
-	Development Projects stimulated by Food for work, consisting of: construction of streets latrines, introduction of potable water, construction of auxiliary Court, community kitchen construction of desks, preparation of orchards	7	9,080.39*
Bhichibla:			
-	Dwellings	150 Units	137,287.50
-	Development Projects stimulated by Food for Work, consisting of: Construction of streets	1	2,114.79*

No.5

C o s t i n Q.

Partial

Total

Bichibla:

- Construction materials

4,149.48

Salquíl-Palop,

- Development Projects
stimulated by Food for
Work, consisting of:
manufacture of clay
roofing tiles, prepara-
tion of orchards.

2

5,325.47*

Atzumbal:

- Development Projects
stimulated by Food for
Work, consisting of:
Preparation of orchards,
construction of nurseries

2

10,860.50*

Development Point Playa Grande

94,160.22

Department of El Quiche:

- Medicines and medical-
surgical equipment

30,092.72

San Jose la 20:

- Dwellings

70 Units

64,067.50

619x

Cost in Q.

	Partial	Total
--	---------	-------

Ojo de Agua:

- Development Projects stimulated by Food for Work, consisting of: soccer grounds	1	2,210.80
--	---	----------

DEPARTMENT OF ALTA VERAPAZ

Development Point Chisec

676,411.98

Municipality of Chisec

- Medicines and medical- surgical equipment		3,832.48
--	--	----------

Cost in Q.

Partial

Total

Chisec:

- Dwellings. Minimum Roofing	448 Units	83,104.00
- Development Projects stimulated by Food for Work, consisting of: Construction of dwellings, latrines, rehabilitation of airport, introduction of potable water, construction of park, construction of school,	7	56,729.07*
- Construction materials		7,538.34

Setzi:

- Development Projects stimulated by Food for Work, consisting of: Construction of dwellings, latrines and minimum roofing.	6	20,466.00*
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Saguachil:

- Development Projects stimulated by Food for Work, consisting of: Latrines, construction of access roads and construction of dwellings.	6	12,780.91*
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No. 9

C o s t i n Q.

Partial Total

Municipality of Santa Cruz Verapaz:

- Medicines and
 medical-surgical equipment 3,186.35

Acamal:

- Dwellings 450 Units 411,862.50

- Development Projects
 stimulated by Food for
 Work, consisting of:
 Latrines, clearing, con-
 struction of health
 posts, preparation of
 soil, introduction of
 potable water, school
 construction, orchards,
 construction of rabbit
 warren. 41,395.38*

- Construction materials 10,264.35

- Food 25,252.60

GRAND TOTAL 2,950,041.51

Estimated cost of food value. Assistance of the World Food Program
Project N.U.-GUA/784-AMP II.

ANNEX 5.

2. DISTRIBUTION OF TOOLS FOR INTENSIVE LABOR WORKS
-Criteria established according to CPN experiences

COMMUNITIES		Vichibi	Ojo de	Agua	Santa	Abelina	S Felipe	Chenia	Rfo	Nonca	Suchum	Pexla	Misán	Xecax	Sumal	Chiquito	TOTAL Herramientas por tipo	COSTO TOTAL POR TIPO
Number of Dwellings per Community		25	25	400	400	125	125	38	116	55	50	125	50	60				
TYPE OF TOOLS	CRITERION BY EXPERIENCE C R N	NUMERO DE HERRAMIENTAS POR COMUNIDAD																
Metal wheelbarrow (metal wheels)	2 x each 5 dwellings	10	10	160	50	16	46	22	20	50	20	24					428	12,840.00
Long handle shovels	2 x each family	25	25	400	125	38	116	55	50	125	50	60					1,069	6,414.00
Picks	1 x each family	25	25	400	125	38	116	55	50	125	50	60					1,069	6,414.00
Axes (big hole)	1 x each family	25	25	400	125	38	116	55	50	125	50	60					1,069	6,414.00
Hoes	1 x each family	25	25	400	125	38	116	55	50	125	50	60					1,069	6,414.00
Metal tape measure 10 M.	1 x each 25 dwellings	1	1	40	6	2	6	3	2	6	2	3					72	1,656.00
Bars	2 x each 5 dwellings	10	10	160	50	16	46	22	20	50	20	24					428	4,280.00
Sledge hammers - 8 Lb.	1 x each 5 dwellings	5	5	80	25	7	23	11	10	25	10	12					213	1,704.00
Earth hooks	1 x each 5 dwellings	5	5	80	25	7	23	11	10	25	10	12					213	4,899.00
Jacks	1 x each 5 dwellings	5	5	80	25	7	23	11	10	25	10	12					213	1,704.00
Hammers	1 x each family	25	25	400	125	38	116	55	50	125	50	60					1,069	4,276.00
Saws 23"	2 x each family	25	25	400	125	38	116	55	50	125	50	60					1,069	7,483.00
Machetes	1 x each family	50	50	800	250	76	232	110	100	250	100	120					2,138	3,207.00
Levels	2 x each family	25	25	400	125	38	116	55	50	125	50	60					1,069	3,207.00
Plumb bobs	2 x each 5 dwellings	10	10	160	50	16	46	22	20	50	20	24					428	1,712.00
Flat files for motor saws	10 units per motor saw	10	10	160	50	16	46	22	20	50	20	24					428	2,140.00
Round files for motor saws	10 units per motor saw	--	--	40	10	--	20	--	--	20	--	20					100	400.00
Spatulas	2 x each 5 dwellings	--	--	40	10	--	20	--	--	20	--	20					100	300.00
Squares 13"	2 x each 5 dwellings	10	10	160	50	16	46	22	20	50	20	24					428	1,284.00
Drills	1 x each 25 dwellings	10	10	160	50	16	46	22	20	50	20	24					428	4,280.00
Screwdrivers 10"	1 x each 25 dwellings	1	1	32	5	1	4	2	2	5	2	2					57	1,425.00
Grippers	1 x each 25 dwellings	1	1	32	5	1	4	2	2	5	2	2					57	285.00
Terraces	1 x each 25 dwellings	1	1	32	5	1	4	2	2	5	2	2					57	456.00
Chisels 1"	1 x each 25 dwellings	1	1	32	5	1	4	2	2	5	2	2					57	513.00
Conical drills 3/8"	1 x each 25 dwellings	1	1	32	5	1	4	2	2	5	2	2					57	342.00
Tape measure 3 Mts.	2 x each 5 dwellings	1	1	32	5	1	4	2	2	5	2	2					57	285.00
Buckets	2 x each 5 dwellings	10	10	160	50	16	46	22	20	50	20	24					428	1,712.00
Motor saws 1.13 m.	1 x each 50 dwellings	10	10	160	50	16	46	22	20	50	20	24					428	1,926.00
		0	0	4	1	0	2	0	0	2	0	1					10	12,000.00
		Q99,972.00 Q100,000.00															Q 99,972.00	

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ANNEX 5

SEEDS FOR COMMON CROPS IN THE HIGHLANDS

Crop	Recommended Variety	Pounds of seed to plant One Hectare	Price per Pound (Q)	Executed Yield (Pounds Per Hectare)
Corn	B-301, White Barcena 61 yellow	43	0.46	5,700
Beans	Turrialba, San Martín	114	0.55	3,600
Potatoes	Lomas, Atzimba, Atitlán	29	0.22	39,000

Planting one hectare of each crop per family for 1,000 families would imply a cost in seeds of:

$$1,000 (43 \times 0.46 + 114 \times 0.55 + 29 \times 0.22) = Q.88,860$$

Average farm size equals 2 hectares

$$(2/3) (Q88,860) = Q59,240$$

AGRICULTURAL TOOLS

Long handle shovels	1,069	6,414
Hoes	1,069	6,414
Machetes	1,069	3,207
Picks	1,069	6,414
Axes	1,069	<u>6,416</u>
		Q28,860

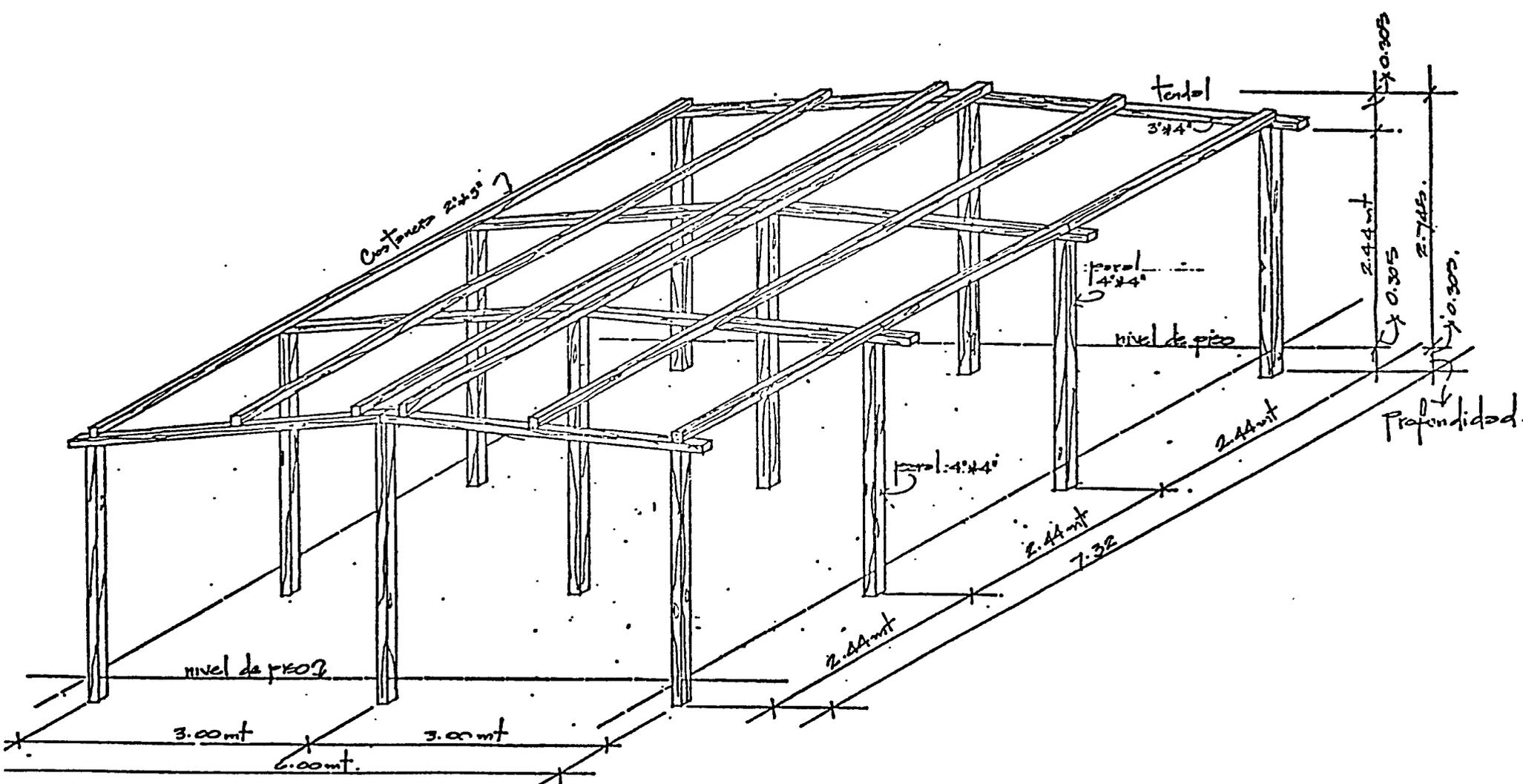
ANNEX 6

PRESIDENCY OF THE REPUBLIC
National Reconstruction Committee

Guatemala, C. A.

BUDGET FOR CRN MINIMUM SHELTER

<u>DESCRIPTION</u>	<u>QUANTITY</u>	<u>UNIT</u>	<u>TOTAL COST</u>
(Amounts in Quetzales)			
1. Wood pieces 4" x 4" x 10'	4 ea.	5.33	21.32
2. Wood pieces 4" x 4" x 9'	8 ea.	4.80	38.40
3. Wood pieces 3" x 4" x 10'	8 ea.	4.00	32.00
4. Wood pieces 2" x 3" x 8'	18 ea.	1.60	28.80
5. Wood pieces 1" x 4" x 2'	8 ea.	0.27	2.16
6. Nails 4"	2 Lbs.	0.35	0.70
7. Nails 5"	3 Lbs.	0.35	1.05
8. Tin Sheets 10'	20 ea.	7.00	140.00
9. Tin Sheet Nails	2 Lbs.	0.73	1.46
10. Roof covers ("capotes") 8'	4 ea.	2.45	<u>9.80</u>
			275.69
11. IVA 7%			<u>19.30</u>
			<u>294.99</u> =====



CONSTRUCCION EN MADERA
 Escala 1:50

ANNEX 7

CONSTRUCTION OF A ONE CLASSROOM SCHOOL

The Project consists of the construction of a one classroom school building with capacity for 50 pupils, with 25 bi-person desks, two blackboards and one latrine per classroom, in addition it includes a place for the director's office and shelter for the teacher with the following characteristics:

SCHOOL:

1. Classroom

a) Dimensions,	Covered area of 8 x 8 M =	64 M ²
	Classroom area 6 x 8 M =	48 M ²
	Corridor area 2 x 8 M =	16 M ²

b) Construction: The construction is earthquake resistant, with three-meter walls of unplastered cement blocks, cement floor, tin sheet roofing, metal doors and window frames, the latter with transparent plastic.

2 Directorate-Shelter

a) Dimensions,	Covered Area 3 x 8 M =	24 M ²
b) Construction:	The construction is earthquake resistant, with three-meter walls of unplastered cement blocks, cement floor, tin sheet roofing, metal doors and window frames, latter with transparent plastic.	

EQUIPMENT:

- a) 25 bi-person desks and one (1) built-in blackboard, and
- b) One duplex latrine separated for boys and girls, per classroom.

MATERIALS:

Cement Block standard 140 mm	800	ea.	Q	176.00
Cement Block 1/2 standard 140 mm	178	ea.		26.70
Cement Block U standard 140 mm	175	ea.		40.48
Cement Block 1/2 U standard 140 mm	58	ea.		9.28
Cement Block cross beam 140 mm	122	ea.		28.06
Cement Block double corner 140 mm	15	ea.		3.45
Cement Block standard 190 mm	554	ea.		149.58
Cement Block 1/2 standard 190 mm	281	ea.		47.77
Cement Block double corner 190mm	61	ea.		16.47
Cement Block U standard 190 mm	136	ea.		38.08
Cement Block 1/2 U 190 mm	10	ea.		1.80
Cement Block cross beam standard 190 mm	95	ea.		25.65
Cement Block cross beam corner 190 mm.	108	ea.		29.16
Iron rods 3/8" dia.	194	rod		339.50
Iron rods 1/4" dia.	141	rod		157.92
Wire	90	Lbs.		29.70
Cement	136	qq.		391.68
Blackboard paint	2	Lbs.		6.50
Tin sheet 12' cal. 28	38	ea.		364.80
Tin sheet 8' cal. 28	19	ea.		121.60
Covers ("capotes") 8'	7	ea.		17.50
Nails 4"	10	Lbs.		4.50
Nails 2-1/2"	5	Lbs.		2.25
Wood desk for 4 students	13	ea.		312.00
Table and chair for teacher	1	ea.		15.00
River sand	18	M ³		216.00
Gravel	9	M ³		162.00
Metal structure for the roof, beams, rafters, frames and frameholders				<u>4,243.10</u>
Sub-Total				6,976.53
Inflation				1,046.47
IVA 7%				561.61
LABOR				2,556.80
UNFORESEEN EXPENSES 15%				1,671.21
Latrines				<u>246.07</u>
TOTAL				<u>Q13,058.69</u> =====

CONSTRUCTION OF A TWO CLASSROOM SCHOOL

The Project consists of the construction of a two classroom school building with capacity for 100 pupils, with 50 bi-person desks, two blackboards and one latrine per classroom, in addition it includes a place for the director's office and shelter for the teacher, with the following characteristics:

SCHOOL:

a) Dimensions:	Covered area of 8 x 16 M =	128 M ²
	Classroom area 6 x 16 M =	96 M ²
	Corridor area 2 x 16 M =	32 M ²

b) Construction: The construction is earthquake resistant, with three-meter walls of unplastered cement blocks, cement floor, tin sheet roofing, metal doors and window frames, the latter with transparent plastic.

DIRECTORATE-SHELTER

a) Dimensions:	Covered Area 3 x 8 M =	24 M ²
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b) Construction: The construction is earthquake resistant, with three-meter walls of unplastered cement blocks, cement floor, tin sheet roofing, metal doors and window frames, the latter with transparent plastic.

EQUIPMENT:

- a) 50 bi-person desks and two (2) built-in blackboard, and
- b) One duplex latrine separated for boys and girls, per classroom.

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MATERIALS,

Cement Block standard 140 mm	1,103	ea.	Q	242.66
Cement Block 1/2 standard 140 mm	254	ea.		38.10
Cement Block U standard 140 mm	254	ea.		58.42
Cement Block 1/2 U standard 140 mm	83	ea.		13.28
Cement Block cross beam 140 mm	172	ea.		39.56
Cement Block double corner 140 mm	15	ea.		3.45
Cement Block standard 190 mm	715	ea.		193.05
Cement Block 1/2 standard 190 mm	497	ea.		84.49
Cement Block double corner 190mm	72	ea.		19.44
Cement Block U standard 190 mm	172	ea.		48.16
Cement Block 1/2 U 190 mm	17	ea.		3.06
Cement Block cross beam standard 190 mm	157	ea.		42.39
Cement Block cross beam corner 190 mm.	146	ea.		39.42
Iron rods 3/8" dia.	284	rod		497.00
Iron rods 1/4" dia.	204	rod		228.48
Wire	120	Lbs.		39.60
Cement	201	qq.		578.88
Blackboard paint	4	Lbs.		13.00
Tin sheet 12' cal. 28	62	ea.		595.20
Tin sheet 8' cal. 28	31	ea.		198.40
Covers ("capotes") 8'	11	ea.		27.50
Nails 4"	20	Lbs.		9.00
Nails 2-1/2"	10	Lbs.		4.50
Wood desk for 4 students	26	ea.		624.00
Table and chair for teacher	2	ea.		30.00
River sand	24	M ³		288.00
Gravel	15	M ³		270.00
Metal structures for the roof, beams, rafters, frames and frameholders, etc.				<u>6,233.10</u>
TOTAL MATERIALS				10,462.14
Inflation				1,569.32
IVA 7%				842.20
LABOR				3,726.36
UNFORESEEN EXPENSES 15%				2,490.00
Latrines				<u>492.28</u>
TOTAL				<u>Q19,582.30</u> =====

CONSTRUCTION OF A FOUR CLASSROOM SCHOOL

The Project consists of the construction of a four classroom school building with capacity for 200 pupils, with 100 bi-person desks, two blackboards and one latrines, in addition it includes shelter for the teacher, with the following characteristics:

SCHOOL:

a) Dimensions:	Covered area of 8 x 24 M =	192 M ²
	Classroom area 6 x 24 M =	144 M ²
	Corridor area 2 x 24 M =	48 M ²

- b) Construction: The construction is earthquake resistant, with three-meter walls of unplastered cement blocks, cement floor, tin sheet roofing, metal doors and window frames, the latter with transparent plastic.

DIRECTORATE-SHELTER

a) Dimensions:	Covered Area 3 x 8 M =	24 M ²
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- b) Construction: The construction is earthquake resistant, with three-meter walls of unplastered cement blocks, cement floor, tin sheet roofing, metal doors and window frames, the latter with transparent plastic.

EQUIPMENT:

- a) 100 bi-person desks and four (4) built-in blackboards, and
- b) Latrines separated for boys and girls.

MATERIALS:

Cement Block standard 140 mm	1,709	ea.	Q	375.98
Cement Block 1/2 standard 140 mm	406	ea.		60.90
Cement Block U standard 140 mm	410	ea.		94.30
Cement Block 1/2 U standard 140 mm	133	ea.		21.28
Cement Block cross beam 140 mm	272	ea.		62.56
Cement Block double corner 140 mm	15	ea.		3.45
Cement Block standard 190 mm	1,037	ea.		279.99
Cement Block 1/2 standard 190 mm	929	ea.		157.93
Cement Block double corner 190mm	94	ea.		25.38
Cement Block U standard 190 mm	244	ea.		68.32
Cement Block 1/2 U 190 mm	31	ea.		5.58
Cement Block cross beam standard 190 mm	281	ea.		75.87
Cement Block cross beam corner 190 mm.	222	ea.		59.94
Iron rods 3/8" dia.	464	rod		812.00
Iron rods 1/4" dia.	330	rod		369.60
Wire	180	Lbs.		59.40
Cement	331	qq.		953.28
Blackboard paint	8	Lbs.		26.00
Tin sheet 12' cal. 28	110	ea.		1,056.00
Tin sheet 8' cal. 28	55	ea.		352.40
Covers ("capotes") 8'	19	ea.		47.50
Nails 4"	40	Lbs.		18.00
Nails 2-1/2"	20	Lbs.		9.00
Wood desk for 4 students	52	ea.		1,248.00
Table and chair for teacher	4	ea.		60.00
River sand	42	M ³		504.00
Gravel	33	M ³		<u>594.00</u>

TOTAL MATERIALS 7,400.26

Metal structures for the roof, beams, rafters, frames and frameholders, etc. 10,873.10

SUB TOTAL 18,873.10

Inflation 2,741.00

IVA 7% 1,471.00

LABOR 6,365.94

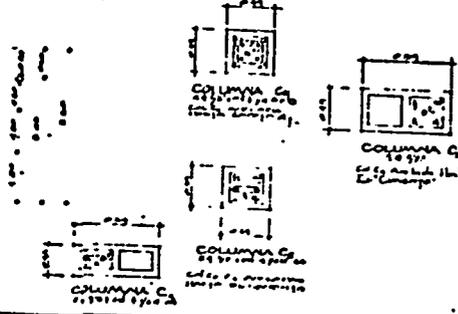
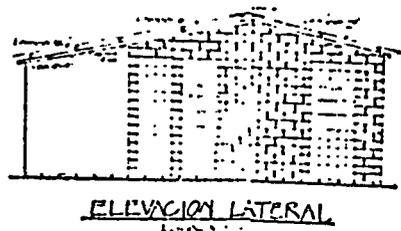
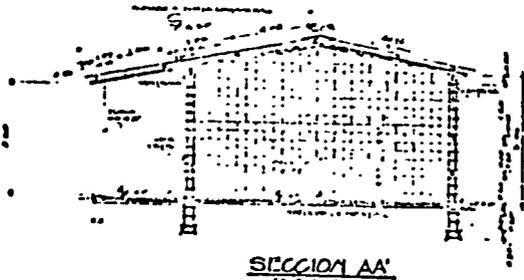
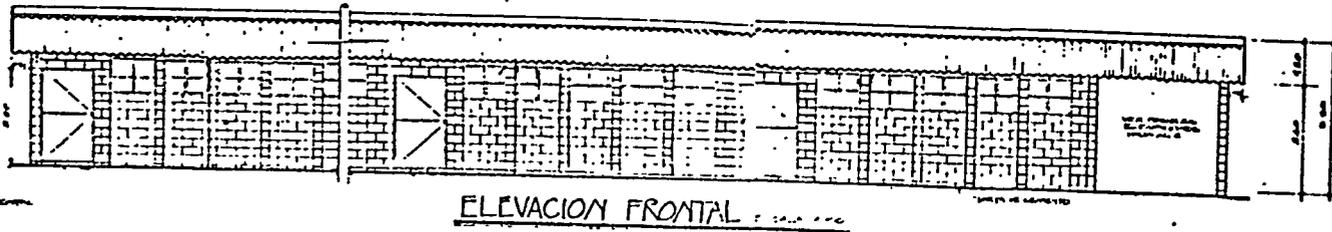
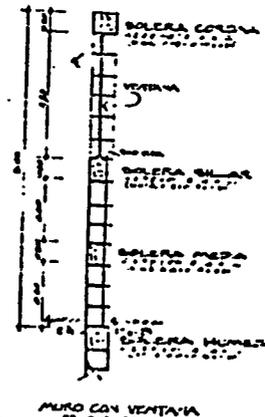
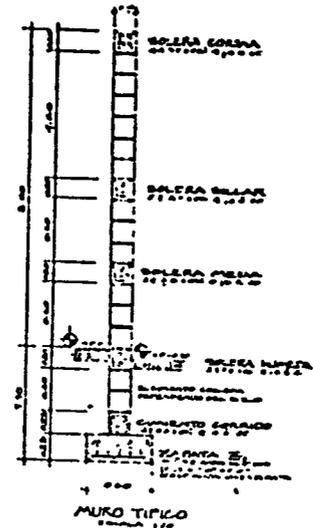
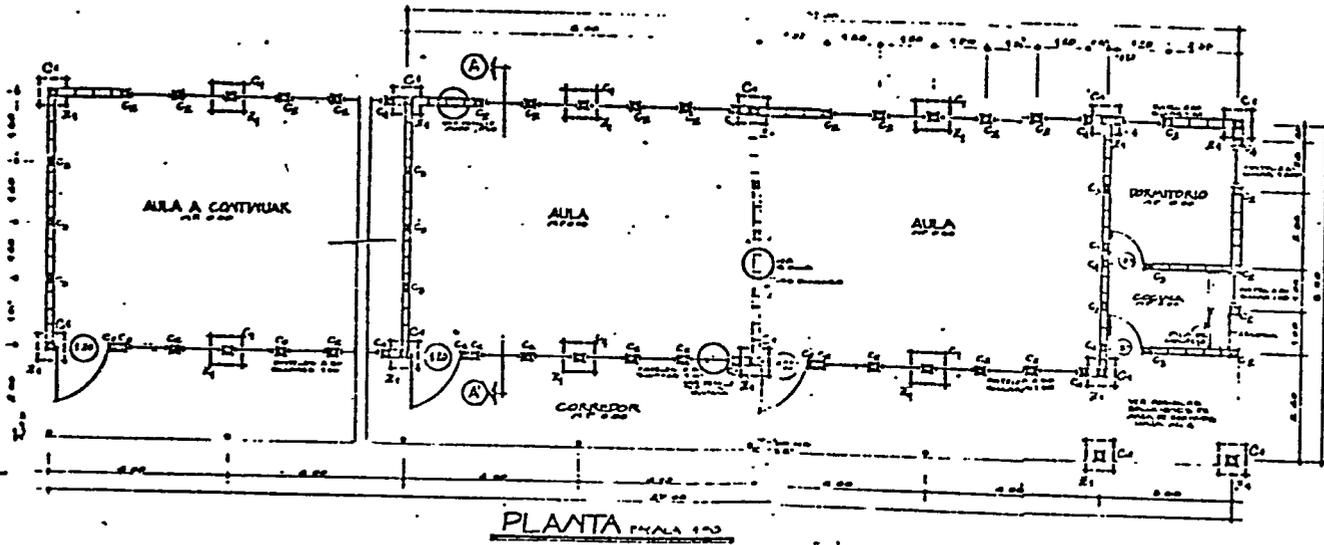
UNFORESEEN EXPENSES 15% 4,327.69

Latrines 952.88

TOTAL Q34,131.87

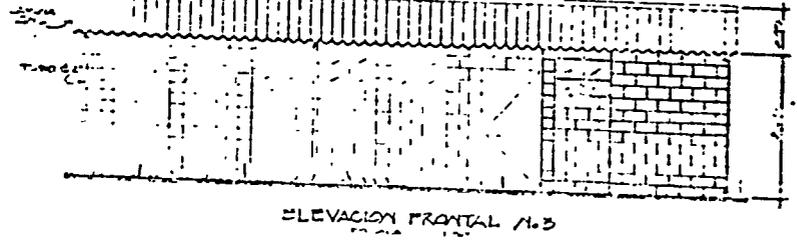
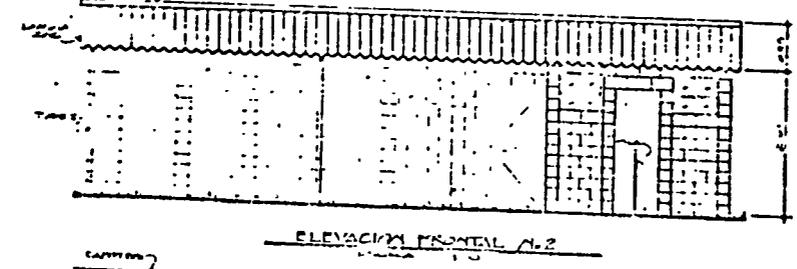
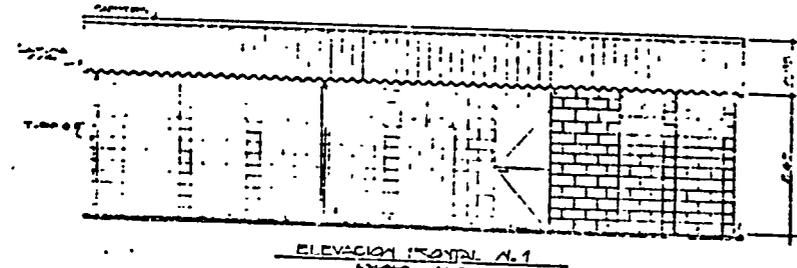
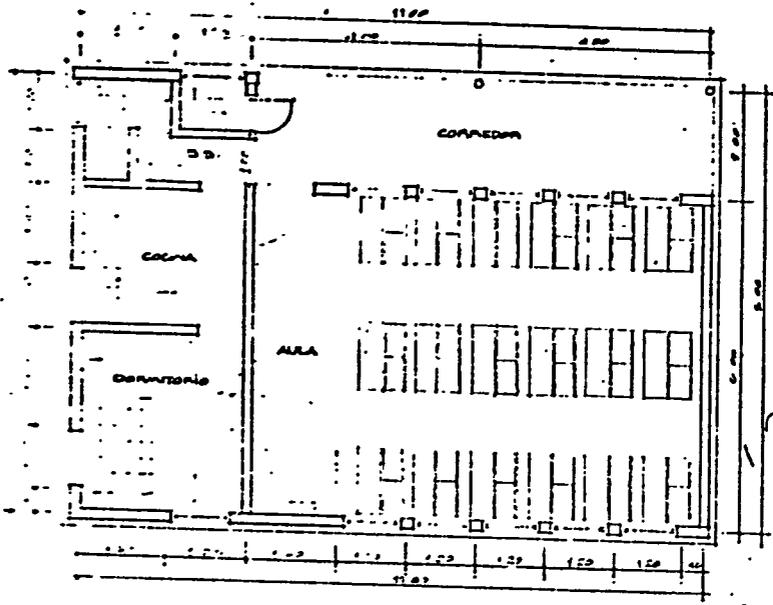
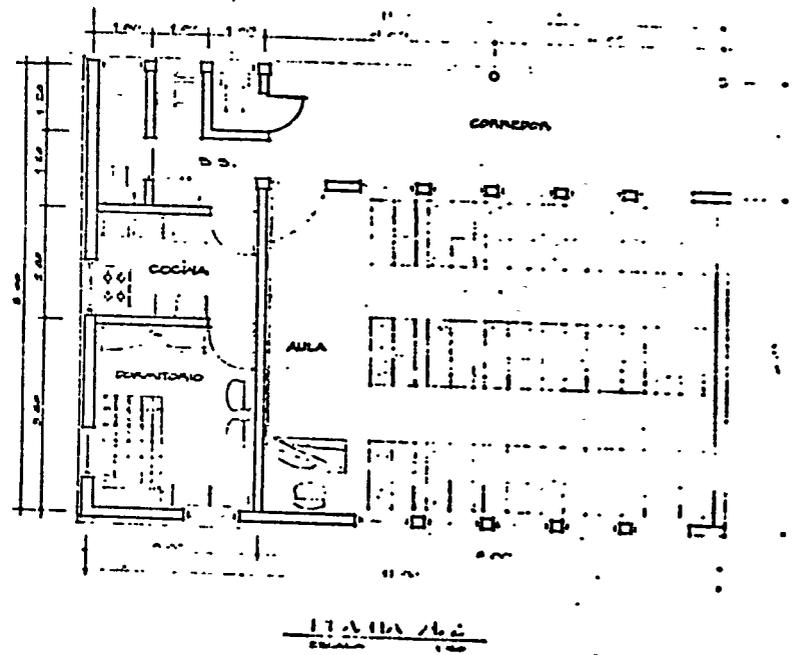
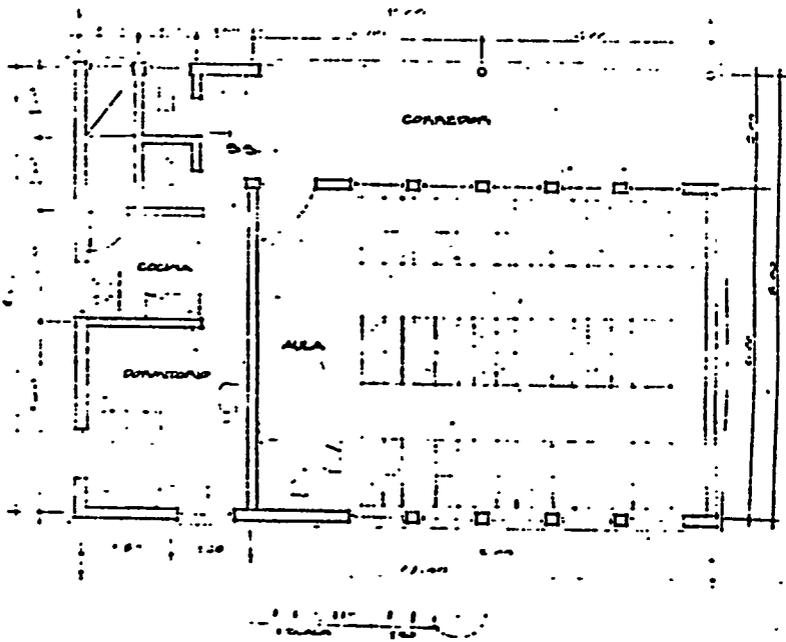
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CONTENIDO DE REQUERIMIENTOS	

647



PLANTA N.º 3 (130)

BEST AVAILABLE DOCUMENT

ALTERNATIVAS DE ALBERGUE
Y ZONAS SERVICIOS

65

ANNEX 8

SOCIAL SERVICE RECONSTRUCTION

CERTIFICATION PURSUANT TO SECTION 611 (e)

OF THE FOREIGN ASSISTANCE ACT OF 1961, 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 1,069 houses, 16 school classrooms, and 6 water systems, to be constructed under the Social Service Reconstruction Project. The construction of this infrastructure will stimulate the reinitiation of farm-related activities in the Guatemalan Highlands affected by instability.

This judgement is based on the fact that the beneficiaries who will utilize these facilities have decided to return to their homelands making every effort to re-establish their past livelihood which was disrupted by political turmoil. The efficient utilization and maintenance of the rebuilt infrastructure by the beneficiaries is part of their desire to make the return to normalcy a success, and thereby eliminating the need to abandon their fields once again.

(signed)



Charles E. Costello
Director
USAID/Guatemala

(signed)

1-18-85

SOCIAL SERVICE RECONSTRUCTION
(520-0334)

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, IS COUNTRY CHECKLIST UP TO DATE?

Yes, attached.

HAS STANDARD ITEM CHECKLIST BEEN REVIEWED FOR THIS PROJECT?

Yes.

A. GENERAL CRITERIA FOR PROJECT

1. FY 1985 Appropriation Act Sec. 523, FAA Sec. 634A, Sec. 653(b).

(a) Describe how authorizing and appropriations committees of Senate and House have been or will be notified concerning the project; (b) Is assistance within (operational Year Budget) country or international organization allocation reported to Congress (or not more than \$1 million over that amount)?

This project was presented in the Mission's FY 1986 Congressional Presentation as a new initiative during FY 1985 with FY 1984 supplemental funds.

2. FAA Sec. 611(a)(1). Prior to obligation in excess of \$100,000, will there be: (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?

Yes.

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?

Not applicable.

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.)

Not applicable.

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

Yes.

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.

Not applicable.

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

8. FAA Sec. 601(b). 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).

9. FAA Sec. 612(b), 636(h), Fy 1982 Appropriation Act Sec. 507. 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 owned by the U.S. are utilized in lieu of dollars.

10. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release?

Renewed farming activities in Guatemala's rural Highlands will encourage trade, both internally and internationally, as well as stimulate private initiative and competition. As the previously deserted regions become more involved in Guatemala's economic mainstream, the demand for and use of cooperatives, credit unions, savings and loan associations as well as the discouragement of monopolistic practices through increased competition will thereby provide incentives for technical efficiencies. Labor unions will also have greater access to potential members.

Increased economic activities in rural areas will make potential investments more attractive.

The Government of Guatemala has consistently supported all A.I.D. financed development projects with counterpart necessary to achieve project objectives.

No.

11. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?

Yes.

12. FY 1982 Appropriation Act Sec. 522. If assistance is for the production of any commodity for export, is the commodity likely 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?

Not applicable.

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?

Yes. The focus of the project is on Guatemala's Highlands, as such no tropical forests will be destroyed.

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)?

Not applicable.

15. FY 1985 Continuing Resolution Sec. 536. Is disbursement of the assistance conditioned solely on the basis of the policies of any multilateral institution?

No.

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 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?

b. FAA Sec. 103, 103A, 104, 105, 106. Does the project fit the criteria for the type of funds (functional account) being used?

c. FAA Sec. 107. Is emphasis on use of appropriate technology (relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)?

(1) The project will provide food for work to laborers for labor-intensive work utilizing local appropriate technologies; (2) construction committees will be established to assist the rural poor help themselves; (3) rural Guatemalans will build their own houses and water systems with the assistance of GOG implementing agencies; (4) rural women will provide logistical support to the construction crews as well as take farm produce to markets where in many cases the women do the selling; (5) the anticipated increased farm production caused by new infrastructure may in the long run encourage more active regional trade and cooperation within the Central American Common Market (CACM).

Yes.

Yes.

71X

d. FAA Sec. 110(a).

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)?

Yes.

e. FAA Sec. 110(b).

Will grant capital assistance be disbursed for project 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".

Project Grant funds are to be disbursed within one year.

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?

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.

By providing the rural poor with the means to increase their income through improved infrastructure, it is anticipated that the rural poor will not be as economically isolated from those resources as described in Section 281(b).

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 reasonable rate of interest.

Not Applicable.

b. FAA Sec. 620(d). 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?

Not applicable.

c. ISDCA of 1981, Sec. 724(c) and (d). 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)?

Not applicable.

3. Economic Support Fund
Project Criteria

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?

Not applicable.

b. FAA Sec. 531(c).

Will assistance under this chapter be used for military, or paramilitary activities?

Not applicable.

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?

Not applicable.

73X

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?

Not applicable.

5C(1) - COUNTRY CHECKLIST

Listed below are statutory criteria applicable generally to FAA funds, and criteria applicable to individual fund sources: Development Assistance and Economic Support Fund.

A. GENERAL CRITERIA FOR COUNTRY ELIGIBILITY

1. FAA Sec. 481; FY 1985 Continuing Resolution Sec. 528. Has it been determined or certified to the Congress by the President that the government of the recipient country has failed to take adequate measures or steps to prevent narcotic and psychotropic drugs or other controlled substances (as listed in the schedules in section 202 of the Comprehensive Drug Abuse and Prevention Control Act of 1971) which are cultivated, produced or processed illicitly, in whole or in part, in such country or transported through such country, from being sold illegally within the jurisdiction of such country to United States Government personnel or their dependents or from entering the United States unlawfully?

Guatemala does take adequate steps to prevent narcotics traffic.

2. FAA Sec. 620(c). If assistance is to a government, is the government liable as debtor or unconditional guarantor on any debt to a U.S. citizen for goods or services furnished or ordered where (a) such citizen has exhausted available legal remedies and (b) the debt is not denied or contested by such government?

No.

3. FAA Sec. 620(e)(1). If assistance is to a government, has it (including government agencies or subdivisions) taken any action which has the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property of U.S. citizens or entities beneficially owned by them without taking steps to discharge its obligations toward such citizens or entities? No.
4. FAA Sec. 620(a), 620(f), 620(D); FY 1985 Continuing Resolution Sec. 512 and 513. Is recipient country a Communist country? Will assistance be provided to Angola, Cambodia, Cuba, Laos, Syria, Vietnam, Libya, or South Yemen? Will assistance be provided to Afghanistan or Mozambique without a waiver? No.
5. FAA Sec. 620(j). Has the country permitted, or failed to take adequate measures to prevent, the damage or destruction by mob action of U.S. property? No.
6. FAA Sec. 620(l). Has the country failed to enter into an agreement with OPIC? N/A
7. FAA Sec. 620(o); Fishermen's Protective Act of 1967, as amended, Sec. 5. (a) Has the country seized, or imposed any penalty or sanction against, any U.S. fishing activities in international waters? N/A
- (b) If so, has any deduction required by the Fishermen's Protective Act been made?

8. FAA Sec. 620(c); FY 1985 Continuing Resolution Sec. 516. (a) Has the government of the recipient country been in default for more than six months on interest or principal of any AID loan to the country? (b) Has the country been in default for more than one year on interest or principal on any U.S. loan under a program for which the appropriation bill (or continuing resolution) appropriates funds?

No.

9. FAA SEC. 620(s). If contemplated assistance is development loan or from Economic Support Fund, has the Administrator taken into account the amount of foreign exchange or other resources which the country has spent on military equipment? (Reference may be made to the annual "Taking Into Consideration" memo: "Yes, taken into account by the Administrator at time of approval of Agency OYB." This approval by the Administrator of the Operational Year Budget can be the basis for an affirmative answer during the fiscal year unless significant changes in circumstances occur.)

The Administrator is expected to approve the FY 1985 Operational Year Budget soon; in doing so will take into account the relevant questions regarding military expenditures as presented in the "Taking into Consideration" memorandum. The "Taking into Consideration" memorandum has been prepared and it includes no information that would cause the Administrator to question the assistance contemplated.

10. FAA Sec. 620(t). Has the country severed diplomatic relations with the United States? If so, have they been resumed and have new bilateral assistance agreements been negotiated and entered into since such resumption?

No.

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11. FAA Sec. 620(u) What is the payment status of the country's U.N. obligations? If the country is in arrears were such arrearages taken into account by the AID Administrator in determining the current AID Operational Year Budget? (Reference may be made to the Taking into Consideration memo.) Country is not delinquent.
12. FAA Sec. 620A; FY 1985 Continuing Resolution Sec. 521. Has the country aided or abetted, by granting sanctuary from prosecution to, any individual group which has committed an act of international terrorism? Has the country aided or abetted, by granting sanctuary from prosecution to, any individual or group which has committed a war crime? No.
13. FAA Sec. 666. Does the country object, on the basis of race, religion, national origin or sex, to the presence of any officer or employee of the U.S. who is present in such country to carry out economic development programs under the FAA? No.
14. FAA Sec. 669, 670. Has the country, after August 3, 1977, delivered or received nuclear enrichment or reprocessing equipment, materials, or technology, without specified arrangements or safeguards? Has it transferred a nuclear explosive device to a non-nuclear weapon state, or if such a state, either received or detonated a nuclear explosive device? (FAA Sec. 620E permits a special waiver of Sec. 669 for Pakistan.) No.

15. ISDCA of 1981 Sec. 720. Was the country represented at the Meeting of Ministers of Foreign Affairs, and Heads of Delegations of the Non-Aligned Countries to the 36th General Assembly of the U.N. of Sept. 25 and 28, 1981, and failed to disassociate itself from the communique issued? If so, has the President taken it into account? (Reference may be made to the Taking into Consideration memo.)

Guatemala was not represented at the meeting.

16. FY 1985 Continuing Resolution. If assistance is from the population functional account, does the country (or organization) include as part of its population planning programs involuntary abortion?

No.

17. FY 1985 Continuing Resolution Sec. 530. Has the recipient country been determined by the President to have engaged in a consistent pattern of opposition to the foreign policy of the United States?

No.

B. FUNDING SOURCE CRITERIA FOR COUNTRY ELIGIBILITY

1. Development Assistance Country Criteria

FAA Sec. 116. Has the Department of State determined that this government has engaged in a consistent pattern of gross violations of internationally recognized human rights? If so, can it be demonstrated that contemplated assistance will directly benefit the needy?

No determination has been made of gross violations of human rights.

2. Economic Support fund
Country Criteria

FAA Sec. 5023. Has it been determined that the country has engaged in a consistent pattern of gross violations of internationally recognized human rights? If so, has the country made such significant improvements in its human rights record that furnishing such assistance is in the national interest?

No determination has been made of gross violations of human rights.

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