PDWAE 458

MEMORANDUM

TO: Nick Luykx AID/S&T/N

June 28, 1983

FROM: Gary Smith USDA/OICD/TA/NEG

SUBJECT: Report of the third interim evaluation of the ECID/Honduras CEAP project

only in the most general terms

I'm sure Bobbie has filled you in on the particulars of our Guatemala/Honduras trip, and you may even have seen parts of this report.

To bring you up to date, however, I should mention that we're close to having our recommended resident consultant aboard. Mary Anne Ross, from the U. of Illinois, has the necessary econometrics and data processing background. Her Spanish is good, and, being pre-PhD, her price is right. Better yet, she's eager to spend a year in Tegucigalpa; it turns out that she was one of the original applicants for the Principal Demand Investigator position two years ago.

As usual, SIECA has been proceeding ponderously in contacting her. Bobbie and I did our best with Sierra Franco to stress the urgency of locating and contracting a consultant, but I detect the hidden hand of Magda White, SIECA's assistant director for administration, who has a reputation for insisting on exclusively Central American candidates. So I'm on the phone every other day to Ruiz and Hernan Tenorio, bugging them about delays, and to Ross, bucking her up, telling her to "hang in there" and all that.

Have any been recruited?

P.R.

Carlos Benito has been in contact with Ponce regarding the "public relations" consultancy mentioned in our report. He says he's looking forward to the job, but Bobbie and I are a bit skeptical about the notion of someone as aloof and serious as Benito being able to translate the project's theoretical and technical work into layman's language. I've asked Ponce to send us a copy of Benito's proposal.

Otherwise, things are moving along reasonably well. We think the next--and last--interim evaluation should be sometime in October/November (assuming an extension is granted).

S&T/N: Nick Luykx

EFFECTS OF AGRICULTURAL DEVELOPMENT POLICIES ON FOOD CONSUMPTION OF THE CENTRAL AMERICAN POPULATION

SIECA/ECID — CONSUPLANE — MNR

THIRD EVALUATION OF THE PROJECT

Tegucigalpa, Honduras
16-20 May 1983

Prepared by Roberta van Haeften and Gary Smith
Nutrition Economics Group
June 1983

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EXECUTIVE SUMMARY

The third interim evaluation of the ECID/Honduras Consumption Effects of Agricultural Policies Project was undertaken during the week of May 16-20, 1983 by a team consisting of Roberta van Haeften and Gary Smith of the USDA/OICD Nutrition Economics Group and Lehman Fletcher of Iowa State University. Aside from reviewing the substantive work accomplished by the project team to date, the purpose of the evaluation was to discuss and resolve a number of important procedural and administrative issues relating to the status of the project now and during the remaining months of work.

The results of the evaluation and the principal decisions reached are summarized below and in Annex I (Summary of Project Evaluation and Actions Recommended):

Substantive Conclusions/Decisions

1. The farm level models and the demand analysis will be essentially complete by the end of July 1983.

2. The farm level consumption model will be based upon relationships estimated between income/expenditure levels and levels of foods consumed by households; the model relating incomes/expenditures to calorie levels will not be used.

3. The model of the southern region will be set aside for the time being. If time remains following construction of a national model, the Southern Region model will be incorporated into the national model.

4. A national level model will be constructed according to the specifications given in the project team's April 1983 revised plan of work (see

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Annex II for a restatement in English of the steps required to formulate and implement this model). This model will focus on the basic grains sector of the Honduran economy; it will incorporate consumption behavior relationships estimated from the farm level models; it will be suitable for analyzing the consumption impacts of the Government's price, trade and food aid policies.

5. An effort will be made to improve and expand communications between the project team and the various potential institutional users of the project's methods and results. A consultant will be contracted to assist in matching the project's outputs to the needs of institutional users (See Annex III for a draft terms of reference for this consultant).

Administrative Conclusions/Decisions

1. A revised list of tasks for the project was drafted (see Annex IV) which will be substituted for the objectives and tasks which were originally specified in the grant agreement. This revision takes into account the work performed to date, the changes in tasks that were recommended by the first and second evaluation teams as well as those changes and additions which were agreed to during this evalaution.

2. Magdalena Garcia will be promoted to Principal Investigator for analysis for the entire project.

3. A mid-level economist will be contracted for a period of 10 to 12 months to assist Magdalena Garcia with construction of the national model and refinement of the demand analysis.

4. Extension of the project beyond the current project assistance

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completion date (October 1983) is to be made contingent upon SIECA/ECID contracting this individual before August 1983.

Of concern to the evaluation team was the deteriorating relationship between the project and the Ministry of Natural Resources. Following frank discussions with high level officials of the Ministry, it was agreed that the latter would not withdraw support for the time being, pending a re-evaluation of additional work done by the project team. William Goodwin of USAID/Honduras continues to be a firm supporter of the project's objectives, and he has stated that he views Magdalena Garcia's work with demand elasticities as very important for all rural development planners in Honduras. CONSUPLANE also continues to support the project with enthusiasm. An additional potential user of the project's outputs is the Honduran Institute of Agricultural Marketing (IHMA).

The most important immediate task is the contracting of an assistant for Magdalena Garcia. Although the work performed by Garcia has been excellent, the evaluation team agreed that she will need assistance if the national model is to be completed within one year, given the other work she will be called upon to do. Consequently, if a candidate can not be found by August, it is doubtful that an extension of the project's lifetime beyond October 1983 could be justified.

The project team was also reminded that the grant agreement requires them to submit reports -- in both English and Spanish -- documenting the completion of each of the tasks specified in the grant. The final report, the nature of which is also specified in the grant, must also be submitted in English and Spanish.

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These points and the results of the overall evaluation were presented to Lic. Raul Sierra Franco, Director of SIECA, Dr. Enrique Delgado, Director of ECID, and Magda White, Assistant Director of SIECA, in a final meeting on May 20, 1983. Franco expressed agreement and stated that SIECA would make a strong effort to identify a candidate for assistant economist.

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Purposes of the Evaluation and Important Issues

During the period May 16-20, 1983 Roberta van Haeften and Gary Smith of the USDA/OICD Nutrition Economics Group and Lehman Fletcher of Iowa State University undertook the third interim evaluation of the SIECA/ECID project on the "Effects of Agricultural Development Policies on Food Consumption of the Central American Population." The broad purposes of this evaluation were to review substantive progress of the modelling and data analysis work to date and to achieve fundamental agreement concerning important issues involving the project during its remaining lifetime. The latter included (1) agreement concerning the need for a national-level model for Honduras, (2) revision of the farm-level expenditures model to highlight food choices as functions of household income rather than calorie levels, (3) project staffing and use of consultants, (4) institutionalization of project methods and personnel, and (5) prospects for a no-cost extension of the project termination date to April or May 1984.

The evaluation team met with officials of ROCAP, SIECA/ECID, USAID/Honduras, the project team, Ministry of Natural Resources (MNR), the National Economic Planning Council (CONSUPLANE), and the Honduran Institute of Agricultural Marketing (IHMA) to discuss ways in which the project methods and outputs might be of use to the respective institutions.

Present Status of Analytic Work

The farm-level models will be finished and validated by the end of July 1983, according to Lic. Magdalena Garcia, the project principal investigator for demand analysis. The evaluation team emphasized that an

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earlier form of the farm household expenditure model, which had specified a relationship between total calorie intake against household income, was inappropriate for policy analysis aimed at forecasting changes in food choices in response to development measures. Garcia stated that the model had been constructed in both ways and that there would be no problem in an exclusive focus upon the "food-choice" alternative.

The national-level model, everyone agreed, is essential for the analysis of policies likely to influence the country as a whole, e.g., trade policies, PL 480 impacts, food price regulation, sector-wide rural development priorities, etc. Lic. Garcia presented the evaluation team with a proposed scope of work for formulation and implementation of a national agricultural model which would focus upon basic food grains in a linear programming format (see Annex II for detail). The evaluation team agreed that the scope of work seems feasible provided an additional analyst can be brought aboard soon in order to assist Garcia with the national model and to relieve her of some of the burden of the demand analysis work. Requirements for such a position -- under the supervision of Garcia -- are discussed below under "Project Staffing."

It was estimated that approximately one year would be required to complete the national model, assuming (1) completion of the farm-level models, and (2) procurement of an assistant analyst, as indicated above. This would bring the project to a conclusion during May/June 1984. The necessary formal extension of the Project would be contingent upon availability of the assistant analyst before August 1983.

The regional model, although near completion, is to be set aside until completion of the national model. During the second project evaluation it

was agreed that (1) there was insufficient time and data available to construct and validate models for all seven of Honduras' development regions, (2) a model of a single region -- even one as detailed as the southern region model developed by the project team -- cannot be completely specified or validated in isolation from other regions, and (3) the kinds of policies to be analyzed with the project's methods can best be approached with a national modelling format in the first place. Since a relatively simple national model focusing upon flows of basic grains and other selected foodstuffs can be built using production and demand parameters developed at the farm level, together with data regularly collected at the national level, there is no need at this point to pass through a regional modelling phase, in the opinion of the participants in the past two project evaluations.

All were in agreement that, should there be time following completion of the national model, the southern region model will be incorporated into the former. For the present, however, the national model has priority.

Intermediate and Final Products

The evaluation team identified three kinds of written products for the project team: working papers and administrative documents, general and technical papers conveying the final results of the analytic work to potential users, and "compliance" reports geared to specific objectives in the grant agreement. The latter two kinds of reports should be in English, as well as Spanish, in accordance with the grant agreement. Lic. Mario Ponce, the project director, indicated that a translator has been hired and is presently at work translating the first reports documenting analytic

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results. Ponce agreed that papers summarizing the team's compliance with the project objectives would be written and translated. As for working papers and administrative documents (e.g., minutes of committee meetings), the evaluation team agreed that these had been forthcoming in a timely and useful manner.

Two related issues, revision of project tasks (and required reports) under the grant agreement and improvements in communications between the project team and potential government users, are discussed below in more detail.

Project Staffing

Since the project team was established in early 1981, there have been difficulties in securing and maintaining qualified individuals at the principal investigator level. For nearly one year -- January-November 1981 — Dr. Daniel Salcedo was the sole principal investigator, working initially on modelling formats and assisting with data editing and the development of appropriate software for the project's microcomputer. During this time, SIECA and the Nutrition Economics Group conducted an unsuccessful search for a demand analyst to serve as the second principal investigator called for in the project agreement. In the opinion of the present evaluation team, SIECA's initial insistence upon either a Honduran or a Central American analyst severely limited the range of candidates, and, even though a number of these were nevertheless identified, negotiations evidently moved ahead very slowly and, eventually came to nothing.

Due to the lack of a principal investigator for demand analysis, Salcedo, together with Dr. Roger Norton, a periodic consultant for the

project, constructed a linear programming format designed to link calorie consumption to income (or total expenditure) at the farm household level, thereby "endogenizing" nutrient intake rather than food consumption per se. During the first and second scheduled evaluations of the project (October 1981 and July 1982, respectively), the evaluators expressed doubt about the usefulness of this kind of model for the analysis of policies likely to affect food choices. The then head of the National Resources Ministry's planning unit, Lic. Magdalena Garcia was working with the project on a part-time basis during 1981, and she received technical assistance in consumption and demand analysis from Dr. Grant Scobie following the first evaluation.

Lic. Garcia went to work for the project on a full-time basis in November 1981 as principal investigator for demand analysis. At the same time, however, Salcedo began to show an unwillingness to continue working full-time for the project, citing other commitments. During 1982, he requested, and was granted, half-time status. Towards the end of the year, however, he worked irregularly and on a less than half-time basis. Finally, he became involved in a dispute with SIECA over a salary issue in January 1983, and he has not worked for the project since. Although he says he is willing to work for the project as a consultant, this effectively leaves Magdalena Garcia alone as principal investigator for all of the analytic and data processing work. For a short time during late 1982, Garcia was joined by Zoila Giron, a Honduran economic analyst recently returned from the United States following graduate studies at Iowa State University. She assisted Garcia in testing and simulation of the household demand models. However, Giron suddenly resigned to take another position

in February 1983.

Given the situation summarized above, the present evaluation team arrived at the following conclusions regarding staffing during the remaining life of the project:

1. Magdalena Garcia, owing to her clearly demonstrated skills in data processing, modelling and socio-economic analysis, should be promoted to a new position: Principal Investigator for Analysis. As such, she would be in charge, under Mario Ponce, of all analysis and data processing personnel working for the project.

2. An assistant should be procured for Garcia as soon as possible. This person would assist Garcia with validation of the national model and, under her direction, work on refining and application of the farm-level demand analysis. Candidates should have the following qualifications:

a. Masters degree or equivalent; salary range $1,800 to $2,000/month

b. Background in quantitative economic analysis, statistics/econometrics

c. Experience with common computer languages/packages (e.g. SPSS)

d. Available for 9-12 months in Tegucigalpa, beginning no later than August 1, 1983

e. Good Spanish (e.g., FS level 3)

3. As needed, Roger Norton would continue as a consultant to work on the national model with Garcia.

It was agreed that, while SIECA retains hiring and contracting responsibility for the project, Gary Smith of the Nutrition Economics Group would initiate an extensive search for qualified candidates for assistant analyst. While this latter point was not emphasized at our final meeting with

SIECA officials, the importance of finding someone quickly was stressed. The evaluation team decided that extension of the project's lifetime should be contingent upon securing the assistant analyst and having him/her contracted by August 1, 1983.

Two additional consultants were discussed during the evaluation. One would be responsible for collecting data to include in the national model. The second consultant would develop means of improving communication among the project team and potential clients for project outputs, an essential first step in the institutionalization of the project's methods and personnel. The functions of the latter consultant are discussed in more detail in the next section.

Improved Communications and Institutionalization

During the past year the issue of how project products, methods and personnel will ultimately be used has increasingly occupied the attention of evaluators and AID/Washington managers. Although the project team has conducted frequent meetings and seminars to explain its work to potential GOH institutions and to USAID/Honduras, and despite monthly technical meetings for government personnel, the evaluation team found evidence of indifference to, and misunderstanding of project objectives. The USAID is very busy just now and shows little interest in planning activities, either at national or sector levels. The Ministry of Natural Resources, an original contributor to the project, had threatened to withdraw all support from the project on the grounds that its work was "too abstract" and "not relevant" to the Ministry's objectives.

The evaluation team met with the Minister of Natural Resources and

other high ranking ministry officials to discuss project goals and to present copies of recent publications. William Goodwin, USAID/H, Gustavo Ruiz, ROCAP and Hernan Tenorio, SIECA, also attended the meeting. Following a frank discussion, the Minister agreed not to withdraw support for the project for the time being; however, at a subsequent meeting, Braulio Cerna, director of the Ministry's planning and analysis unit, requested a detailed workplan for the project covering the remaining period of work.

Although the project director, Mario Ponce, discounts the significance of the Ministry's near "defection," the fact that USAID is intimately involved with the Ministry as part of its rural development program remains a source of concern to the evaluation team. From a long-term perspective, the methods and skills developed under the project could powerfully complement a wide variety of agricultural development strategies, and both the Ministry of Natural Resources and the USAID would logically be important users. However, if the Ministry remains unconvinced of the project's utility, future support of project activities by the USAID will be especially important.

William Goodwin, USAID Rural Development Office, expressed strong support for project activities and objectives, especially the work recently undertaken to estimate demand elasticities for consumer goods. He attended a number of the meetings scheduled for the evaluation team. One of these meetings, held at the USAID headquarters, included Thomas Parks, health and nutrition officer and Ronald Wethereal, director of the Human Resources Development Office, both of whom indicated interest in the information collected by the project team and how it might be used to shed light on

their respective areas of concern. In general, however, the impression remains that the USAID has other priorities for now and is continuing to adopt a "wait and see" attitude towards the project and its prospective outputs.

In a meeting with the Assistant Secretary and the director of agricultural planning of CONSUPLANE, the former expressed strong and continuing support for the project and its objectives. CONSUPLANE is presently contemplating a series of relatively small scale, integrated rural development projects located at specific sites around Honduras and has expressed an interest in using the farm level modelling methods developed by the project.

The evaluation team additionally met with the assistant director of the Honduran Agricultural Marketing Institute (IHMA) and an economist working with a Kansas State University group presently providing technical assistance to the Institute. Both seemed to be very much interested in the project, especially the projected national model of basic grains. The Kansas State team is developing its own model of the grain sector, and the team's representative, Dr. David Santamaria, expressed enthusiasm over prospects for cooperation between the ECID/Honduras and Kansas State groups.

In sum, the project is strongly supported by CONSUPLANE and IHMA, moderately supported by USAID, and, essentially, tolerated by the Ministry of Natural Resources.

The evaluation team firmly believes that more effort is needed to improve awareness and understanding of the project's methods and how they can be used profitably by agencies promoting rural development. Towards

this end, it was agreed among the evaluation team members, Mario Ponce, and Magdalena Garcia that a consultant should be employed who would (1) review the project's methods and products, (2) survey the needs of potential user agencies, and (3) propose ways and means of applying the former to the latter via seminars and publications designed to appeal to non-technical individuals (See Annex III for a draft terms of reference for this consultant). Ponce suggested Dr. Carlos Benito of the University of California for this role. It is our understanding that efforts will be made to bring Benito, or someone else comparably qualified, under contract as soon as possible.

Revision of Objectives/Tasks in Grant Agreement

During the past two years there have been unavoidable changes in project tasks and staffing. During the first year, the project team was engaged in a greater volume of data processing, cleaning, and editing than originally anticipated. A principal investigator for demand analysis was not identified and hired until November of that year. At the same time, the principal investigator for modelling reduced his involvement in project activities. Finally, in the opinion of three evaluation teams, the project made an unprofitable detour by developing a version of a consumption model at the farm level which is not appropriate for national level policy analysis.

As a consequence of these events, a number of the original objectives and tasks specified in the grant agreement cannot be undertaken. An example would be the objective of specifying seven regional models for Honduras which, collectively, would constitute components of a national

model. Nevertheless, it has been determined that a national model, useful for analysis of important policies, can be specified using other techniques.

At the same time, it has become evident that more comprehensive communication of the project's goals and methods is needed if the latter are to be effectively institutionalized and used following the project termination date. Hence, additional activities focusing upon dissemination of project results should be specified.

Finally, certain of the original objectives have been met, or nearly so and can remain essentially unchanged.

The list of revised tasks and their accompanying documentation are enumerated in Annex IV.

Conclusions

The specific conclusions and recommendations are listed in the Executive Summary, page iii. Here, it should be emphasized that the evaluation team was very favorably impressed with the work that the project team has accomplished. We are well aware of the difficulties of maintaining continuity of effort in a project which involves advanced data processing and economic analysis in countries such as Honduras. Mario Ponce and Magdalena Garcia have shown energy and creativeness in surmounting the bureaucratic and analytic difficulties encountered during the past two years. If we have shown concern and doubt about the prospects for the next year, it is precisely because now is the time to show concern -- well before the termination date of the project, not at the last minute.

Moreover, it has seemed to us that SIECA and ROCAP have not always been as energetic as they might have been in seeking candidates for such important jobs as the principal investigator for demand analysis. Finding an assistant for Magdalena Garcia, however, is critically important right now, because without such an assistant, we believe that the national level modelling effort cannot be completed within the remaining budgetable lifetime of the project, i.e., one year.

We additionally place strong emphasis upon establishing links between the project team and the potential users of the results and methods developed. Without such linkages, the project really has little point; analytic methods are supposed to be <u>used</u>, and Honduras has a unique opportunity to exploit the rare combination of good methodology and good data and good analysts to promote her rural development. Given traditionally high levels of poverty in Honduras and the mounting political problems facing the country, we believe there is a pressing need for the kind of capability being developed under the ECID/Honduras CEAP Project.

ANNEX I

SUMMARY OF PROJECT EVALUATION AND ACTIONS RECOMMENDED

PROJECT SUMMARY

1. Project Title: Consumption Effects of Agricultural Policies

2. Project Number: 931-1274

3. AID Office: S&T/N

4. Grantee: SIECA/ECID

5. Evaluation Number: 3 (Special)

6. Key Project Implementation Dates:

   A. Grant Agreement Signed: August 27, 1980
   B. Conditions Precedent Met: January 8, 1981
   C. Current Project Assistance Completion Date: October 31, 1983

7. Estimated Project Funding:

   A. Total: $759,300
   B. US: $600,000

8. Period Covered by Evaluation:

   From: April 1981
   Through: April 1983
   Date of Evaluation: May 16-20, 1983

ACTIONS/DECISIONS RECOMMENDED BY EVALUATION TEAM

Actions Recommended	Officer Responsible for Action	Date Action to be completed
* Prepare scope of work for project extension	Roberta van Haeften	June 1983
* Prepare budget for project extension	Hernan Tenorio	June 1983
* Promote Magdalena Garcia to Principal Investigator for all analysis	Hernan Tenorio	June 1983
* Identify candidates for mid-level economist position to assist Magdalena Garcia	Hernan Tenorio/ Gary Smith	June 1983

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* Hire mid-level economist/assistant	Hernan Tenorio	July 1983
* Identify and hire consultant on utilization	Hernan Tenorio/ Mario Ponce	July 1983
* Finish demand analysis work	Magdalena Garcia	July 1983
* Finish farm level models	Magdalena Garcia	July 1983
* Approve project extension 1/	Nick Luykx	August 1983
* Prepare project extension 2/	Gustavo Ruiz	August 1983
* Organize seminar/meetings to discuss/ assist with utilization of project findings	Mario Ponce/consultant	August/September 1983
* Prepare plan of work for team to assist with utilization of project results	Mario Ponce/consultant	August/September 1983
* Initiate work on the national level model according to the specifications given in the team's April 1983 revised plan of work	Magdalena Garcia	August 1983
* Postpone work on the southern regional model until the national model is completed	Magdalena Garcia	
* Organize fourth evaluation	Gary Smith	February 1983

Footnotes:

1 / AID/W approval of the project extension is contingent upon SIECA/ECID hiring the mid-level economist/assistant before the end of July 1983.

2 / The PACD will be extended to sometime between April 30, 1984 and June 30, 1984, the actual date depending on the exact amount of funds remaining in the Grant.

ANNEX II

STEPS REQUIRED TO FORMULATE AND IMPLEMENT THE NATIONAL AGRICULTURAL MODEL

1. Define the objectives of the national agricultural model.

   The model will be used to analyze the consumption impacts of national level food and agricultural policies.

2. Select the preliminary theoretical design.

   The model will simulate the behavior of rural households; it will be a linear programming model; its objective function will be to maximize consumer and producer surplus; it will incorporate a food demand component.

3. Identify the national regions.

   The model will be disaggregated into regions which will be based on the regional divisions of the country created by the Ministry of Natural Resources.

4. Identify actual and potential land use by regions.

   The model will be based on land use information from the 1974 Agricultural Census. Information on potential land use will be included in the model if available for all regions.

5. Define the characteristics of the farms to be included in the model.

   Producers will be separated into three groups: small, medium and large. Small farmers will inlcude those who farm less than seven manzanas, grow primarily basic grains, rely primarily on family labor, and consume a large part of their own production.

6. Determine the production systems to be modeled.

   The model will include the following basic grains: corn, beans, rice and sorghum; it will also include the following commercial crops: coffee, cotton, sugar cane, tobacco, and sesame seed. Livestock will be incorporated into the large farm sector if reliable information can be obtained. The model will also include three levels of technology: traditional, semi-improved and improved. These will be constructed based on the level of inputs and traction.

7. Detertmine the supply characteristics of farm labor.

Estimates will be made of the availability of family labor per month, by type of producer, by region and of hired labor by region. Efforts will be made to identify migratory labor by region. Estimates will also be made of the monthly availability of land by groups of producers by region.

8. Determine the availability of inputs and their prices.

   Estimates will be made of the availability and prices of fertilizers, chemicals and improved seeds by region. If this is not possible, national estimates will be made based on annual import figures.

9. Incorporate risk into the model.

   The model will incorporate a risk factor estimated on the basis of income deviations over an eight-year period.

10. Incorporate food demand into the model.

    The demand for basic grains will be incorporated directly into the model. The conversion of basic grains consumption into calorie availabilities to different farm groups will be made outside of the model. Any work on a method to incorporate the nutritional impact directly into the model will be considered to be outside the scope of this project.

11. Validate the basic model.

12. Validate the consumption/calorie solution.

13. Simulate the impacts of alternative policies.

    Alternative pricing policies for the basic grains, trade and food aid policies will be among the basic scenarios simulated.

14. Evaluate the changes in food consumption patterns and calorie availabilities which result from alternative policy scenarios.

ANNEX III

DRAFT TERMS OF REFERENCE FOR CONSULTANT ON UTILIZATION

The consultant will:

1. Review project outputs, both current and planned.

2. Assess the needs of major potential user institutions and identify areas where the data available from the project and the models developed could be useful to these insitutions in carrying out their objectives and plan of work. Institutions which will be included in this assessment are: CONSUPLANE, MNR, IHMA and the Ministry of Public Health.

3. Demonstrate how the project data and models can be used through:

   a. A seminar

   b. The development of several short papers on specific topics of interest to specific institutions

   c. Meetings with small groups from specific institutions to discuss these papers and other issues

4. Develop a plan of work which the project team can execute during the remaining life of the project. Mario Ponce would take the lead in implementing this plan of work.

5. Identify other uses of the data and models which could be undertaken if additional time and money were made available.

ANNEX IV

REVISED PROJECT TASKS*

1. Describe Honduran income and expenditure patterns by socio-economic group and by region; prepare a report describing the methods used and substantive conclusions for submission to AID.

2. Calculate Honduran food demand relationships including propensities to consume, income and, if possible, price elasticities of demand by socio-economic group and by region; prepare a report documenting the methods used and substantive results for submission to AID.

3. Construct farm level models with production and consumption components disaggregated by specific foods; prepare a report documenting the models developed for submission to AID.

4. Disseminate the results of tasks 1-3 and assist with their utilization via publications for potential public and private sector institutional users and individuals and via meetings and seminars for selected groups; prepare a report documenting these activities for submission to AID.

5. Construct a national level model for basic grains incorporating simulation of household consumption and production behavior, alternative production technologies, actual and potential land use, farm labor supply, food demand, and risk; utilize the model to simulate the effects of alternative government price, trade, aid, and other policies upon food consumption patterns and subsequent nutritional status in Honduras; prepare a report documenting the model developed for submission to AID.

6. Construct a detailed model of the Southern Region if time and resources permit, and incorporate the model into the national model; prepare a report documenting this activity for submission to AID.

7. Use the national model for analysis of alternative pricing, trade, and food aid policies. (Prepare a report which describes several of the policies analyzed and the substantive results for submission to AID.)

8. Disseminate the results of the project among policy makers and technicians in Honduras via published documents and seminars. (The results of this and the following task will be documented in the final report.)

9. Arrange for the transfer of the data and models to and their continued utilization by appropriate GOH institutions.

*To be substituted for those in the original grant agreement.

ANNEX V

CHRONOLOGY OF EVENTS DURING THE EVALUATION

DATE	EVENT
May 14-15	Arrival of Evaluation Team in Guatemala.
May 16 (AM)	Meeting with ROCAP Officials: Ed Nadeu Gustavo Ruiz Elena Briniman
May 16 (AM)	Meeting with Lic. Sierra Franco, Director, SIECA Dr. Enrique Delgado, Director, ECID Review and discussion of topics and issues to be covered during the evaluation in Tegucigalpa; debriefing meeting scheduled for May 20 at SIECA.
May 16 (PM)	Arrival in Tegucigalpa (Van Haeften, Smith, Fletcher, Ruiz).
May 17 (AM)	Opening meeting with Project Team, representatives of CONSUPLANE, USAID/Honduras, Ministry of Natural Resources. Lunch--informal discussion of evaluation objectives. Afternoon continuation. Discussion of Project Team's progress with Farm and regional level models, use of computer services, issues to be dealt with during remainder of week.
May 18 (AM)	Meeting with Minister, Vice Minister of Natural Resources and the Director of the Ministry's Sectorial Planning Office. Discussion of Project's progress to date; presentation of latest publications of the results of data processing and preliminary analysis of demand relationships; exposition of the Ministry's doubts about the Project and its relevance for agricultural sector planning; review of ways Project products might be useful and ways in which methods might be institutionalized. Lunch--informal meeting with Mario Ponce and Hernan Tenorio to discuss Project staffing and assistance for Magdalena Garcia.
May 18 (PM)	Meeting with the Assistant Director of the Honduran Institute of Agricultural Marketing (IHMA) and Dr. David Santamaria, representative of the Kansas State University technical assistance team working with the Institute; discussion of ways the Project methods could be used by IHMA and of possibilities for cooperation in the development of models of the basic grains sector of the Honduran rural economy.
May 19 (AM)	Meeting at USAID/Honduras with Bill Goodwin, Rural Development Office, Thomas Parks, Health and Nutrition Office, and Ronald Wethereal, Human Resources Office to present the activities of the Project Team and to discuss ways of coordinating Project outputs with USAID's activities and priorities.

May 19 (PM)	Meeting at the offices of the Superior Council for Economic Development (CONSUPLANE) to discuss the Project with Gerardo Zepeda Bermudez, Assistant Director, and Emelio Crespo, Director of Agricultural Planning. Zepeda expresses strong support for Project.
May 19 (PM)	Final meeting with representatives of the Project Team, USAID/H, CONSUPLANE, and Natural Resources.
May 19 (PM)	Reception/supper at home of Mario Ponce in evening.
May 20 (AM)	Return to Guatemala (Van Haeften, Smith, Ruiz)
May 20 (PM)	Debriefing meeting at SIECA with: Raul Sierra Franco Enrique Delgado Magda White
May 20 (PM)	Debriefing meeting at ROCAP with: Ed Nadeu Elena Briniman
May 21-22	Return to Washington

ANNEX VI

PERSONS ATTENDING FORMAL MEETINGS HELD DURING THE EVALUATION

DATE of MEETING	HOST ORGANIZATION	NAME OF PERSON ATTENDING	POSITION/OFFICE
May 16	ROCAP	Evaluation Team	USDA/AID
		Ed Nadeu	ROCAP
		Gustavo Ruiz	ROCAP
		Elena Briniman	ROCAP
May 16	SIECA	Raul Sierra Franco	Director, SIECA
		Enrique Delgado	Director, ECID
		Evaluation Team	USDA/AID
		Gustavo Ruiz	ROCAP
May 17	Project Team	Evaluation Team	USDA/AID
		J. Mario Ponce	Project Director
		Magdalena Garcia	Principal Investigator
		Other Project Members	
		William Goodwin	USAID/Honduras
		Gustavo Ruiz	ROCAP
		Hernan Tenorio	SIECA/ECID
		Emelio Crespo	CONSUPLANE
		Gilberto Galvez	Ministry of Natural Resources
		Ramon Lozano	Ministry of Natural Resources
May 18 (AM)	Ministry of Natural Resources	Miguel A. Bonilla	Minister
		Regino Quezada	Vice Minister
		Braulio Cerna	Sectorial Planning Director
		Evaluation Team	USDA/AID
		J. Mario Ponce	Project Director
		Magdalena Garcia	Principal Investigator
		Gustavo Ruiz	ROCAP
		Bill Goodwin	USAID/H
		Hernan Tenorio	SIECA/ECID
May 18 (PM)	Honduran Institute of Agricultural Marketing (IHMA)	Manuel Cambar	Assistant Director
		David Santamaria	Kansas State TA Team
		Evaluation Team	USDA/AID
		J. Mario Ponce	Project Director
		Magdalena Garcia	Principal Investigator
		Gustavo Ruiz	ROCAP
		Hernan Tenorio	SIECA/ECID
May 19 (AM)	USAID/Honduras	William Goodwin	USAID Rural Development
		Thomas Parks	USAID Health & Nutrition
		Ronald Wetheral	USAID Human Resources
		Evaluation Team	USDA/AID
		J. Mario Ponce	Project Director
		Magdalena Garcia	Principal Investigator
		Gustavo Ruiz	ROCAP
		Hernan Tenorio	SIECA/ECID

May 19 (PM)	CONSUPLANE	Gerardo Zapeda Bermudez	Assistant Director
		Emelio Crespo	Agricultural Planning
		Evaluation Team	USDA/ECID
		J. Mario Ponce	Project Director
		Magdalena Garcia	Principal Investigator
		Gustavo Ruiz	ROCAP
		Hernan Tenorio	SIECA/ECID
May 19 (PM)	Project Team	Evaluation Team	USDA/AID
		J. Mario Ponce	Project Director
		Magdalena Garcia	Principal Investigator
		William Goodwin	USAID/H
		Gustavo Ruiz	ROCAP
		Hernan Tenorio	SIECA/ECID
		Braulio Cerna	Ministry of Natural Resources
		Emilio Crespo	CONSUPLANE
May 20 (PM)	SIECA		
		Raul Sierra Franco	Director, SIECA
		Magda White	Asst. Director, SIECA
		Enrique Delgado	Director, ECID
		Evaluation Team	USDA/AID
		Gustavo Ruiz	ROCAP
May 20 (PM)	ROCAP	Ed Nadeu	ROCAP
		Elena Briniman	ROCAP
		Roberta van Haeften	NEG
		Gary Smith	NEG
		Gustavo Ruiz	ROCAP

Plus a number of informal meetings throughout the week--see Annex I