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TASK FORCE REPORT ON

ECONOMIC INTEGRATION IN CENTRAL AMERICA

Task Force Report on Economic Integration in Central...

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SECTION I

TRANSMITTAL MEMORANDUM TO

THE ASSISTANT ADMINISTRATOR FOR LATIN AMERICA

FROM DR. ARTHUR W. MARGET

February 15, 1962

MEMORANDUM FOR ASSISTANT ADMINISTRATOR FOR LATIN AMERICA

FROM: Arthur W. Harget
Regional Economic Advisor

SUBJECT: Report of the Task Force on Central America

I have the honor to submit herewith the report of the Task Force on Central America.

Other participants in the work of the Task Force were:

Dr. Russell Davis, Education Planner, US AID Managua
Mr. Edward Betsig, Program Officer, US AID Costa Rica
Mr. George Lindahl, Industry Officer, US AID Mexico
Mr. Anatole Solow, Physical Planning Advisor, US AID El Salvador
Mr. Edward Marasciulo, LA/CAP

The task assigned us was the following:

- (1) To prepare a brief (not more than five-page) statement on AID policy with respect to Central American Economic Integration which could serve as part of the written AID presentation to Congress;
- (2) To review the program submissions of the five Central American countries with a view to their revision or amplification from the standpoint of the requirements of an integrated Central American program; and
- (3) To make such further studies and recommendations with respect to U. S. Government policy toward the goal of a sound economic integration of Central America as might be possible in the limited time at our disposal.

In the fulfillment of this assignment, we present the following documents:

1. AID Policy with Respect to Central American Economic Integration, (Tab 2).
2. A summary of the Task Force recommendations on the basis of work done under assignments (2) and (3). (Tab 4).

The recommendations contained in the document just mentioned, which are unanimous on the part of the Task Force, are presented as matters for immediate decision. But we are also of the opinion that the more detailed and, in some cases, less immediate recommendations contained in

the remaining documents appended hereto, as listed in the Index, should be regarded as matters to be kept under continuous review with a view to their possible implementation as further developments argue for or against such implementation.

A special status attaches to the memorandum by Mr. Jerome Jacobson, "Developing Policies and Programs for Central American Integration" (Tab 3). The other members of the Task Force have profited greatly from Mr. Jacobson's spirited contributions to our discussions; and while opinions are bound to differ as to the degree of exaggeration involved in Mr. Jacobson's lively paper, we all feel that a careful consideration of its thesis cannot fail to be of benefit to anyone seriously interested in the cause of Central American economic integration.

SECTION II

THE ALLIANCE FOR PROGRESS

AND

CENTRAL AMERICAN ECONOMIC INTEGRATION

THE ALLIANCE FOR PROGRESS AND
CENTRAL AMERICAN ECONOMIC INTEGRATION

Guatemala Honduras
El Salvador Nicaragua
Costa Rica

1. Background

All five countries in the region have been characterized by the divisive influence caused by the violent disagreement between political factions. Despite political differences, however, there is a large, growing and vigorous movement throughout the region for rapid economic integration.

In 1823, two years after achieving independence from Spain, the five countries of Central America joined together in a federated republic. By 1838, this union had failed, and the states seceded and went their separate ways. In the succeeding years, numerous attempts were made to restore the earlier political union, but all were fruitless. In the 1950's, these efforts took the form of a movement toward economic integration and were rewarded by far-reaching acceptance, culminating in 1961 in the establishment of a common market among all of the countries except Costa Rica.

The population of the region is 11.3 million and ranges from 3.9 million in Guatemala to 1.2 million in Costa Rica. The range of estimated per capita GNP is from \$166 per year in El Salvador to \$327 in Costa Rica and averages \$218 for the region.

The economies of all the countries are primarily agricultural, and their foreign exchange earnings depend in large measure on one or two crops. Thus Guatemala and Costa Rica depend chiefly on coffee and bananas, El Salvador and Nicaragua on coffee and cotton and Honduras on bananas. The prices of such crops on the world market have declined over the past few years.

The bulk of the external trade of all the countries is with the U. S. and to a lesser degree with western Europe and Japan. In recent years, intra-regional trade, mainly foodstuffs and raw materials, has amounted to only about 5% of total external trade.

The General Treaty for Economic Integration was signed in December 1960, by all the countries except Costa Rica. It provides for free movement of goods, capital and people between the member states within five years, and for a common external tariff. Common tariff nomenclature has been agreed upon, as have 98 percent of the items to be included in the common external tariff. Free trade is already taking place in most commodities between the three countries that have ratified

the treaty. The ratification of Honduras is anticipated shortly and Costa Rica is expected to adhere to the treaty after the new administration takes office in May 1962.

In May 1961, the Central American Bank for Economic Integration (CABEI), was established by all of the countries except Costa Rica. Each government contributed \$2 million to the capital of the Bank. The U. S. has supported this Bank with a commitment for \$10 million of which \$2 million has been made available. CABEI will survey and invest in area infrastructure and industries of regional significance. In September 1961, CABEI was given the additional responsibility for operating a Central American Clearing House.

In July, 1961, a Secretariat for the Common Market was established for the purpose of developing regional economic policies.

The Higher Council of Central American Universities is currently pushing a program to develop coordinated specialization by the five Central American universities.

In August, 1961, the countries of the region committed themselves to coordinating their development plans under the Alliance for Progress.

II. U. S. Aid Strategy

AID will support programs and projects leading to sound and rapid economic integration in the conviction that it is through such an effort to expand the market area that industrial growth in the countries of the region can best be expedited.

A task force is preparing a study designed to identify the existing aid projects which in the future can be most effectively carried out on a regional basis. Additionally the task force is attempting to identify potential projects which can best be handled on a regional basis by AID and those that can best be handled through regional institutions.

Planning by the governments will be encouraged on a regional basis. Such projects as textbook supply, census and cadastral surveys will be considered on a regional basis.

AID will effect an appropriate reorganization of its field missions and its Washington staff to reflect the heightened concentration on Central American economic integration and regional planning.

III. AID Programs for 1963

The following programs will be carried out with regional considerations predominant:

1 - Cadastral Surveys	\$8 million (by credit through CABEI)
2 - Census	\$2.2 million
3 - Industrial Development	\$.9 million
4 - Higher Education	\$1.2 million
5 - Regional Planning	\$.2 million
6 - Malaria Eradication	\$1.3 million
7 - Textbooks	\$.6 million

IV. New Directions and Accomplishments

Under the Alliance for Progress AID proposes to broaden and intensify its support of Central American economic integration.

In January, 1962, AID announced that it was prepared to lend up to \$12 million to help certain countries in their efforts to relieve seasonal pressure on coffee markets through more orderly marketing of their coffee. The countries participating in such marketing arrangements were the five Central American countries and Mexico.

In November, 1960, the U. S. Government agencies extended loan and grant commitments to support the operations of the Central American Bank for Economic Integration (CABEI) amounting to \$10 million.

SECTION III

DEVELOPING POLICIES AND PROGRAMS

FOR

CENTRAL AMERICAN ECONOMIC INTEGRATION

by

Mr. Jerome Jacobsen

DEVELOPING POLICIES AND PROGRAMS
FOR CENTRAL AMERICAN ECONOMIC INTEGRATION

I SUMMARY

This memorandum states that policies and programs to guide economic integration have not been adequately articulated in Central America. As a consequence, too limited a concept of integration may be pursued, the idea may be too easily corrupted, progress may be halting, and problems will arise in a few years that could jeopardize the movement.

The United States must be concerned with this matter. We are committed to aid the movement. Moreover, if it is properly carried out, it can serve many interests of the United States in the area.

Unfortunately, the United States has not yet articulated its own concept of integration .. structure, time table, institutions and the like. This should be done, be made known to the Central Americans, and an American presence and aid should be used to foster the developments we favor, to block the others.

AID programs should increasingly emphasize national programs that further our ideas of regional integration. Moreover, they should help to create regional institutions that plan for a broad concept of integration and that gradually accrue the means for putting these programs into effect. Similar emphasis should develop in the programs of other United States agencies. We should strive to see like emphasis develop in the program of international agencies of which we are members.

AID must be staffed, as it now is not, to plan, create and to operate so as to foster integration. Changes are necessary in both Washington and in country missions. Development of a regional office should also be seriously considered.

II THE PRESENT STATE OF INTEGRATION

Seemingly bold measures have been taken in Central America to push economic integration along. But caution is needed in appraising these measures. Close scrutiny shows little evidence that the Central Americans have comprehensive and agreed views on the range of measures embraced in integration, a time-table for it, an agreed philosophy, guiding mechanics for developing regional plans and for developing national programs oriented toward regional programs. (The activities of CABEI represent an embryonic but meager effort in these directions; more will be said of this later.)

Arthur Marget has brought home to us the harmful effects of the shallow efforts to date. On the one hand drastic steps toward free trade within the area have been taken. All goods are to be free-traded except those specifically exempted and even these are to be free-traded within five years. On the other hand, so called "integrated" industries are to be designated. These industries, or ..firms.., are to enjoy free trade privileges while competing industries are to be denied them. Moreover, they are to enjoy large tariff and other advantages that will be denied rivals. In effect, monopolies are to be created in the name of free trade. While it is likely that here and there a case can be made for special privileges for certain industries, Arthur Marget indicates that this case is not being made in terms of public benefit. Rather, vested interests using government power to obtain benefits. Horse-trading is going on in Central America with the poorer nations getting the bad bargains.

Dr. Marget also notes that the policies of CEPAL, Mexico City are, unfortunately, shaping the evolution of the integration movement, a matter of some concern to us.

If integration has merit, it will not be fatally corrupted by the limited creation of "integrated" industries or by other limited departures from accepted rules for a customs union. But the more significant aspect of the "integrated" industries issue is that it shows how thin is the understanding and the support that lies behind the integration movement. If it can be so diverted or corrupted at its very outset, other substantial corruptions or diversions may also occur. To make this less likely, it would be eminently desirable for the Central Americans to begin spelling out much more fully what they mean by integration, to develop a timetable for it, to establish the procedures that would make it difficult to justify exceptions to principle, to assure a fair sharing of the gains from integration within the area, the richer nations to benefit not more, preferably less, than the relatively impoverished. As matters now stand, an articulation of such matters does not seem likely.

This is a matter of considerable importance for the United States. We are committed to support integration. We have already pledged funds to CABEI, an integrating institution, and, implicitly, are pledged to further financial support. We therefore face the prospect of underwriting the mistakes of the Central Americans or breaking our commitment to aid integration. It would be far better for us to lend active support to an articulation by the Central Americans of what integration is to mean, the timetable for it, and the aids that will be required from us and others. Our aid and influence should help make this possible. And it should be used to help shape policies and programs that we can support.

It will be necessary, of course, that the United States have its own ideas on these matters. United States policies seem hardly better articulated than those of the Central Americans. To date, we have reacted to developments on integration in Central America rather than taking an active role in helping to shape them.

We should want to see a broader concept of integration than now appears to prevail in Central America. We should wish to see safeguards against corruption of the idea. The role for private enterprise should be articulated; a timetable would be useful; when, where and how American aid would be needed should become clearer to us; and the desirability and necessity for an active American presence as integration unfolds should be very much on our mind.

As our policies are established, they should be made known in Central America both to aid developments we consider proper, and to head off improper ones, and to avoid finding us committed to programs of which we disapprove.

The definition of an American role in the integration process should be the subject of considerable thought beyond my own capacity to invoke. I therefore do not propose here to lay out the lines of that policy. But it is clear to me that several matters should command our immediate attention. They are:

1. to define the scope of integration
2. to aid the creation of Central American institutions that, gradually accruing more power, can work on integration problems
3. to gear the United States Government and AID specifically, to implement U. S. policies for the area.

These are the matters touched on lightly in the sections following.

III SHAPING INTEGRATION

A. The Concept of Integration

The Central American concept of integration presently emphasizes evolution of free trade within the area, erection of a common customs structure, and acceleration of investments within the area.

This is but one view, and a limited one at that, of integration. For there are many problems of the area, transcending trade and investments, that can be attacked best on an area-wide, integrated basis.

For example, the area faces the severe danger of ever-growing surpluses of coffee. Obviously, reduction of coffee growth and crop diversifications are necessary. A coordinated policy in this respect is necessary.

In El Salvador, the population problem is considerable and migration may be one answer. Obviously, an approach involving several or all of the countries of the area is necessary.

Roads and communications programs should evolve on an area basis. In health, education, vocational training, and in related functional fields there is much to do on an area basis. Cadastral surveys, development and processing of census data on population and industry have been suggested as obvious targets for integrated programs.

To support developing industry, a capital market should be contemplated, again perhaps best done on an area basis.

A truly broad approach to integration would require coordination of fiscal and financial policies, coordination of international trade policies, and policies on treatment of foreign investments, borrowing abroad, etc. All this may be necessary if the area is to realize its full potential from integration. These matters will be difficult to realize because of the disparity in wealth and income, of the balance of payments, of reserves, and so on in the area. So it may be desirable now to begin thinking of programs to overcome these problems. Indeed, international aid might be specifically used for this purpose. It would be unfortunate if aid were confined solely to promotion of investments, the matter which now is uppermost in the Central American mind.

Certainly, all of these problems need not be pondered or attacked at once, nor right now. But it does seem reasonable that the countries of the area, with the support of the United States, should elaborate their concept of integration and identify the problems likely to accompany it.

Very little serious study of these matters has been undertaken. Nothing exists representing a plan for the emergence of a broadly integrated area. Yet, Ministers of Economy make decisions affecting national development programs and affecting the area as a whole with no clear view as to where they are, where the decisions are likely to take them, indeed, where they want to be some years hence. Then they turn to the United States and to international agencies with requests for aid.

Many of these requests will deserve favor. But the United States should make clear that, increasingly, it will favor such requests provided: First, that the Central Americans act to develop the scope, timing, and procedures for integration, Second, that national programs are increasingly developed with an eye to harmony with regional plans, Third, that truly regional plans are developed promptly.

Which brings me to the matter of planning.

B. The Need for Planning

Planning is needed. It must proceed both at the national and intra-regional levels. National planning has already been encouraged by the United States and more will be said of that later.

Regional planning needs similar encouragement. At present, there is no institution comprehensively planning for economic integration. CABEI has undertaken some regional studies involving transportation and communications, which is encouraging, but that is not enough. In any event, its principal concern is with investments, to spend its money effectively, and to obtain more. Broadly viewed, integration embraces far more matters and it would stretch the character of CABEI considerably for it to assume these responsibilities for such matters. CABEI may be the best institution operating at present in the field of integration but it is weak and limited in resources. It should be aided to do its present job better. Then, perhaps, other responsibilities could be dumped on it.

The Secretariat of the Treaty is the logical instrument to carry on integration planning. Unfortunately, it is even weaker than CABEI and Dr. Marget indicates that it is strongly under the influence of CEPAL, Mexico City, whose policies and personnel have often been doubted by the United States.

Since regional planning must be done, the United States should probably lend support both to CABEI and to the Secretariat. In the field of investments and infra-structure, CABEI can set a pattern for regional activities. By providing assistance to the staff of the Secretariat, we could hope to orient its policies in directions favored by us.

There should be no illusions about this matter. It will be a good time before CABEI and the Secretariat can begin to shape and

impose on the region, policies and programs that lead to broad integration. For years to come, each country will concentrate on its national programs, reluctantly deferring to regional plans. It will continue to pursue in Washington, requests for aid geared to national needs rather than to the needs of the region.

Which brings me to the third point: How can AID assist in the development of regional planning and program?

C. Planning For Integration by AID

Each country today plans for its own development. Regional needs are virtually ignored.

AID's programs are, similarly, almost completely nationally oriented. It has given little attention to programs that cut across national lines.

The Task Force, hurriedly convened, is now seeking to cull out of the 1962-63 country programs those projects, such as roads, that, perhaps, should not be undertaken until their relation to an area wide program is established. It will also attempt to identify programs which should go forward irrespective of regional considerations and those programs that can be raised to the regional level.

This is only a start. In future AID programs, emphasis must be placed in national programs, on those activities that bolster the concept of regionalism. In providing assistance to the Planning agencies of the Central American governments, AID should also assure that these agencies give due attention to regionalism.

In addition to national programs, regionally oriented, AID should develop regional programs. One such example is the Seasonal Coffee Marketing Fund of \$12 million for Mexico and her five neighbors to the South. Further aid to CABEI would be in order. Assistance to the staffing of regional institutions for planning or to, say, a regional transport commission, a communications commission, and to other bodies that foster integration these are other regional matters that AID might foster.

D. Programs of Other Agencies

We must remember that AID funds are the smaller part of the external resources available through grants and loans to the area. IDB, Export-Import Bank, IBRD, and the OAS are among the organizations that will make funds available to the area for both project and technical

assistance. Hitherto, these agencies have, by and large, staked out their respective spheres, functionally and geographically, within which to operate. Their interests have been directed almost exclusively towards particular national needs and particular national capabilities. They have not concerned themselves with economic integration. AID should assure that its own funds and those of the other agencies active in Central America are employed to bring about the greatest rapport between programs undertaken nationally and programs undertaken for the area as a whole.

E. AID Offices

The United States Government must be organized to articulate and operate an integration program. Within AID, a logical spot for U. S. Government planning, there is no office now concerned with regional affairs in Central America. A staff is needed. Its responsibility should extend not only to directly controlled AID programs but to the gamut of activities in which the United States is concerned which affect the area. It should be the office which coordinates the activities of the U. S. representatives on International Agencies. It should guide the Administrator or the Secretary of States, as the case may be, in his activities on the Board of the Export-Import Bank, in OAS, and like organizations.

The office should have the responsibility for creating for 1963, a regional program. The office should be a claimant for funds just as are countries. It should ride herd over country desks to assure that they see their work in the context of integration. The office should be staffed with area and functional specialists. These specialists should work with other agencies, including the OAS, to foster economic integration in the area.

The Washington office should probably have a counterpart in Central America, for an American presence, clearly supported by Washington, can do much to influence the pace, direction, and organization for regional planning.

* * * * *

The essence of this memorandum is that clearer ideas are needed on the meaning and means of integration in Central America, by both the Central Americans and the United States. If we are to back integration, let us know what we are backing and where we are going. AID programs can and should be reoriented to foster integration. AID itself needs to be better organized in Washington and in the field to frame policies and to carry out programs for integration.

Jerome Jacobson
February 7, 1962

SECTION IV

SUMMARY REPORT

OF THE TASK FORCE ON

CENTRAL AMERICAN INTEGRATION

SUMMARY REPORT

CENTRAL AMERICAN INTEGRATION TASK FORCE

Task force review indicates that Central American country programs address a great variety of problems with little uniformity in overall goal direction. Lack of uniformity in goals may be all that can be expected at this time, because, despite the fact that the countries are moving to achieve "Common Market Status", there is still great heterogeneity of geography and social, political and economic development within the region.

Before offering specific formulae for redesigning AID country operations in Central America, so as to conform with demonstrable efforts that these countries have made to integrate economically, these observations, by the Task Force, have relevance:

(1) Many of the present country programs do not readily lend themselves to a regional approach, unless, and until, basic problems of AID organization and coordination can be assured.

(2) If the necessary organizational steps can be taken that will insure immediate coordination, most of our AID efforts can be put on a regional basis within a year from the date of this task force study. The individual reports to follow will offer specific implementation timetables so that many of the programs can be regionalized. Meanwhile, certain existing programs in health, education and agriculture must be handled on a country basis for FY-62 and most of FY-63, while field coordination is effected. Hence, the first necessary and basic step that must be taken is the provision of a small staff to effect coordination in the region.

(3) Actions taken by the Central Americans themselves have highlighted the need for AID to redesign its programming concepts and methods along regional lines. These same actions offer high promise that the programs can be carried out regionally.

(4) As a result of actions taken by the Central Americans, with respect to certain programs, AID field missions have demonstrated their willingness to coordinate on a regional scale certain existing programs. (Specifically, the field itself has made suggestions that programs in census and higher education could be more economically and effectively done on a regional basis.)

(5) To date, caution in Washington, rather than field initiative, has slowed regionalization.

(6) The Task Force is firmly convinced that immediate steps can, and should be taken to redesign AID programs in Central America, in order to contribute to the prime goal of economic integration.

(7) There will, on the assumption of economic integration being effected in Central America, remain problem areas (e. g. political developments) which transcend AID's role in the region.

Although there is not now a completely well-defined method for redirecting AID efforts in Central America, there is justification for seeking a modus operandi for doing so. To produce a clearly defined program within the year period specified, a basic analysis must be made of AID's technical, administrative, physical and monetary resources within the region so that these may be redirected toward bolstering economic integration. To carry out this analysis and to take advantage of regional possibilities that already have been developed in Central America, it is recommended that four positions (with incumbents specified) be established. These technicians, under the leadership and guidance of an existing economic advisor for the region, would begin the analysis and open the first operating regional programs.

The following activities represent programs that can be carried out on an integrated basis beginning in FY-63. It is assumed that, before any of the plans are implemented, our field missions will receive proper briefing which will explain the new concept of regional planning and implementation for the Central American region. An even greater effort can be made toward pulling together the various old and/or new programs for Central America by inclusion of the field staff, early in the planning.

1. CADASTRAL SURVEYS

Each of the Central American countries is now requesting loan and technical assistance for cadastral survey work. This is a new activity which has evolved from the requirements of the Alliance for Progress program. Individual requests which total approximately \$8 million are now being made by the five Central American countries. It is not as yet determined whether the loans for cadastral surveys will come from AID, the trust fund or the hard window of the Inter-American Bank. In view of the fact that cadastral work has a direct relation to agrarian reform and tax reform, it is suggested that all of these loans be directed to the trust fund. It is further suggested that each of the countries concerned be requested to join with others in making a single loan application for cadastral survey work, and that a line of credit be made available to the Central American for the specific purpose of carrying out these surveys.

It is further recommended that consideration be given to turning over technical supervision of this program to the Inter-American Geodetic Survey of the U. S. Army. The IAGS has missions in each of the Central American countries and, because of their interest in mapping the area, they are already prepared to give logistical support in carrying out this program, possibly the quickest way that could be found. A method for reimbursement to the IAGS for technical services rendered might well be the most efficient manner in carrying out this program.

2. CENSUS

The Task Force feels strongly that the two highest priorities for carrying out a well planned regional program are cadastral surveys and a uniform census. There is presently an opportunity to get both of these programs underway in Central America at a time when a good basis for future planning exists, in order to achieve norms in these two all important fields. Although Nicaragua was the only Mission to request assistance in Census work, there is every indication that Costa Rica and Guatemala want and need census assistance. Honduras and El Salvador are requesting assistance in data processing.

It is therefore recommended that a regional census program be planned. Approximately \$3 million will be required to carry out this program. It is further recommended that technical supervision of this project be given to the U. S. Bureau of the Census. A method of intra-agency reimbursement could be arranged. A description of this activity is attached in Tab 5.

3. AGRICULTURAL CREDIT

There are roughly \$25 million worth of applications for agricultural credit loans now being considered by the Inter-American Bank. An informal inquiry has been made at the Inter-American Bank to determine its attitude in considering these loan requests in one package. A favorable attitude has been reported in this preliminary inquiry and furthermore, a favorable attitude is reported with respect to providing these agricultural credit loans through the Central American Bank as a line of credit.

It is, therefore, recommended that the Inter-American Bank suggest that these five countries consolidate their agricultural credit applications and submit a single application through the Central American Bank. While there are still many unknowns in such an arrangement, it is recommended that this procedure be at least followed up to investigate its practicability. If it is determined that it is practicable, precedent for a collective Central American application would thus be established.

4. PHYSICAL PLANNING

To assist each of the countries and the Central American Bank to properly plan capital projects and prepare a proper approach to integrated infrastructure activity we strongly recommend the inclusion of a regional program in physical planning. Briefly, this program will produce possible lines of action on almost all infrastructure elements of regional and national programs which will contribute to economic integration. Fortunately, AID has such a technical advisor in El Salvador who could form the nucleus of such an activity. Since an extensive report is attached in Tab 7 dealing with the role of physical planning, no attempt will be made to summarize it here.

5. INDUSTRY

In the field of industry, we are convinced that the principal role must continue to be assigned to private initiative. This does not mean that government has no role to play in the industrial development of Central America. On the contrary, its role in the provision of transportation and other basic facilities (power, water, etc.), will continue to be a predominant one, even if, as we hope will be the case, a maximum effort is made to enlist the active participation of private capital in these efforts, too. But we see no present alternative to the prospect that the initiating decisions with respect to the establishment, and the effective management, of virtually all of the manufacturing industry of Central America will continue to be in private hands.

It follows from this, that, to the maximum extent possible, government economic policy in all of the countries of Central America, and in all area-wide agreements that the Central American governments may make among themselves, should be such as to widen the opportunities for private investment and initiative, and not to narrow them. We believe that the Treaties of 1960, which destroyed at one stroke most of the internal barriers to trade within Central America, constituted a splendid step forward in terms of the potentialities it opened for private investment in industries of regional scope. By the same token, we should regard any step backward from this achievement of the 1960 Treaties, such as was necessarily implied by the proposals made at Managua in December, 1961, by the Working Party on Central American Integration Industries, as a severe blow to the prospects for a sound industrialization of Central America. We therefore welcome wholeheartedly the joint AID-State Instruction sent to the Central American Embassies, on integrated industries as a step indispensable in the interest of keeping the industrial development of Central America pointed in the right direction; and we recommend strongly that the influence of our government continue to be thrown in that direction in the handling of whatever further consequences may be found to follow from the Managua meeting.

Within this context, the Task Force strongly recommends coordinating and regionalizing the efforts of the existing five Central American industrial development institutes* towards project activities that will stimulate investment and growth in the private industrial sector. It is further recommended that a coordinating mechanism be established, both by the development institutes and by AID (through regional funding), to plan and carry out a long range program of agreed upon activities that best reflect the common market goals. It is recommended that bi-lateral development grant funds be decreased in FY-63 in the amount equal to planned regional project funding and bi-lateral projects be reduced as rapidly as practical between FY-64 and FY-67 and eliminated by FY-68.

* Guatemala.....Industrial Promotion and Productivity Center
El Salvador.....Industrial Development Institute
Honduras.....Cooperative Industrial Technical Center
Nicaragua.....National Development Institute
Costa Rica.....Center of Industrial Technical Cooperation

6. HIGHER EDUCATION

Higher Education in the Central American region is of importance for AID because of its potential political and social delicacy (as a center for opposition to U. S. aims and policies), its significance in the training of manpower leadership for economic and social development (a job which it is presently doing badly), and because the United States country missions have so long ignored it. As an operations possibility it presents two distinct advantages: (1) there is regional fulcrum for action in the already existing Superior Council of Universities of Central America and (2) there is an actual project for University aid in Costa Rica, plus an expression of interest in AID technical assistance on the part of the Secretary General of the Council. All of these things make the University Council project as described in Tab 6 of this report of high strategical significance in the regional approach.

Assistance has been requested by the Executive Director of the Council of Central American University Rectors. A description of this program is included in Tab 6. It is recommended that this program be implemented in FY-62 and further that AID provide a higher education advisor to the Council Director to help add impetus to the forward planning of the Central American University system and to help the Council obtain aid from private foundations.

7. OTHER LOAN PROGRAM WITH REGIONAL FUNDING POTENTIAL

(1) Since school construction loan and grant requests bulk so large (\$8.7 million in the first phase of IAPSP program) the Task

Force felt that the possibility of funding these programs regionally through the Central American Bank should be investigated.

(2) The Honduran Government has formally requested the Central American Bank to act as its agent to handle its housing program loan. Since housing loan requests from the five Central American countries will exceed 20 million dollars, a method for regional funding should be investigated.

REGIONAL PROGRAMS TO BE STUDIED
AND IN TRANSITION DURING FY-63

REGIONAL PROGRAMMING PROPOSALS IN PUBLIC ADMINISTRATION

There is a clear lack of training opportunities and facilities in Central America in Public Administration. The need, on the other hand, is recognized as being very great.

In partial response USAID Mission/Guatemala had developed a broad training program. In Costa Rica, assistance is being given by the USAID/Mission on a lesser scale to the Civil Service Office's training program.

Both of these projects have regional training potential as is demonstrated by the training recently given to 20 Colombians in the Costa Rican office.

Recommendation

(1) Undoubtedly these two centers could be expanded. It does not seem to be too much of an assumption to say that they should fulfill the region's demands for this level of training. Two well-organized centers are obviously better than five under-manned and probably poorly directed ones. Hence, it is proposed that the present centers in Guatemala and Costa Rica be studied with the view of making them capable of handling the region's needs at this level.

There is another very obvious need in public administration, but at a higher level -- both undergraduate and graduate university level.

It is believed that only a fumbling start has been made to date. For instance, there is a Department of Administration in the Faculty of Economics and Statistics at the University of Costa Rica. However, it has virtually no student staff or budget. The same is probably true in the other autonomous universities as well as the two new Catholic universities in Central America.

Unless something is done to prevent it, such schools may proliferate with startling speed. Once organized, they are hard to get rid of.

Recommendation

(2) If AID were to propose a well-conceived project to help finance the organization of a proper school of public administration

through CSUCA, this school would be given regional status. This would indeed be a condition of our assistance. (A similar condition was made by the Rockefeller Foundation when it provided financial aid to the veterinary school of the University of Guatemala). One of the real problems in the university integration program is what to do with the many ill-structured facilities currently existing, every possible effort ought to be made to prevent a similar condition developing in areas like public administration.

It cannot be too strongly stressed that this is a proposal that must be acted on quickly and decisively and while there is still time.

Recommendation

(3) Another possible project is the organization of thorough-going studies in the fields of taxation, budgets, and audits. This fact, plus the need to make a uniform study and to have a regional concept in mind, makes it more logical to do this work regionally than on a country-to-country basis. These studies and subsequent recommendations must be in depth. They must not only analyze tax laws, budget, and audit procedures and practices, but also the immediate past and present socio-economic environment, traditions, and customs.

It is likely that recommendations resulting from such studies could be implemented, if they give careful attention to the peculiar local environment in which they were framed.

Treating the countries as a regional group would also tend to spur on the more reluctant governments and might facilitate broad advances in these fields.

Communications Media

To provide supporting assistance for all programs (country and regional) a regional activity in communications media is proposed for investigation during FY-63. This program would be used initially as a vehicle to explain graphically and otherwise the new concepts of regional programming to AID personnel, government officials and to the private sectors.

If the regional program is to be implemented, major problems of communications and of transmitting new concepts on regional organization will have to be solved.

TECHNICAL EDUCATION

Solely on the basis of "felt need" the Task Force feels there exists the opportunity to regionalize a program of technical education. What is proposed is the creation of one or a few technical institutes

pitched beyond the high school level.

In vocational and technical training, a major problem of semantics exists. Is such a proposal within the realm of vocational education where it is received as an educational endeavor, is it in the realm of industrial worker training where it is viewed on the basis of manpower needs in industry, or is it in the realm of labor where it is viewed as apprenticeship training, contributing toward the strengthening of free democratic trade unions.

To date we have developed vocational schools, solely as educational institutions, without establishing a proper relationship to manpower training needs and, probably more important, without creating a working relationship with the private industrial sector. Only in Guatemala does the private sector become actively engaged in vocational and technical training.

It is therefore proposed by the Task Force that a regional program of technical training and training institutes be investigated in the area, possibly by pulling together the existing Vocational Education program. Responsibility for such a program would be given jointly to the regional higher education and to the regional industry advisors. Education advisors, who may be needed, should be obtained under short term contracts.

CIVIL AVIATION

All of the CAA programs now active in the CAA region are scheduled for termination this year. While USAID understanding of the "turn around" has prompted these terminations, it is the opinion of the Task Force that programs in CAA have a definite role in the integrated area, particularly in regard to Regional Air Navigation and anticipated airport loans. While it is not in the scope of the team's work to justify inconsistencies in past CAA programs, it is suggested that a regional Civil Aviation program be studied to determine the role of CAA programs in relation to the transportation program of the Common Market area.

LABOR

The Task Force feels strongly that a well defined labor program is mandatory in the Common Market area. Programs for establishing uniform working conditions of laborers, wage levels, equal pay, and recognition of skills, uniform labor laws, and labor law administration should be attempted. Some means to allow the labor sector to move from country to country with facility should also be effected. Training programs in job placement and a study in manpower resources should be carried out and along with a continuing regional program in labor statistics.

While some effort is being made in the existing bilateral programs, a country rather than a regional orientation is being emphasized.

It is therefore strongly recommended that this activity be studied with a view toward orienting manpower and labor toward programs which will accelerate the integration movement.

COUNTRY PROGRAMS

The following activities will have essentially a country rather than a regional character. While certain sub-project activities can be regionalized, the time allotted to the Task Force has not been sufficient to delve too deeply into a study of all sub-projects of the individual countries. It is, however, strongly recommended that immediate attention be given to field evaluation of these programs to determine whether regional programs can be developed. The Task Force is concerned that any further investigation in regionalizing these programs take into account the purely "Ministerial" character of these programs which, if upset quickly, could be extremely counter-productive. If a field team could be established to investigate these programs in depth, the results will no doubt produce a long lasting working relationship between the various CA Ministries concerned.

EDUCATION

Literacy programs and programs dealing with teacher training should remain purely country endeavors for the time being. There is, however, an excellent opportunity to begin a regional text book production center in the area. The Task Force also feels that a gradual integration of the teacher training programs over a two year period can be accomplished. For example, AID now has a contract with two universities in the U. S. whereby potential teacher trainers are brought to the U. S. from Latin America, (at approximately a unit cost of \$5,500) for training. It is proposed to investigate the possibility of contracting with these universities to carry out a much more extensive teacher training operation in Central America whereby they could train 500 instead of 50 potential teacher trainers each year. The Peace Corps could give valuable assistance by providing rural teacher trainers and secondary school teachers. It is recommended that field reaction to a Central American regional education program be solicited.

PUBLIC HEALTH

Any sound regional program in public health will have to depend on a working relationship between the various Ministries of Health and the creation of a public health plan for the countries and the region. If our health Missions were given this formula to follow, a regional program might be developed over a two year period. The Task Force recommends that the various health Missions in Central America be brought together (with AID/W program leadership) in the field to make a first attempt to regionalize the various health programs. Until the results of such a session are known, it is recommended that no attempt be made to regionalize the health programs, with the one possible exception of the Malaria Eradication programs.

AGRICULTURE

Although all of the Central American Economies are based primarily on agriculture, there has been a gradual de-emphasis of AID agricultural activity in the area. In the early days of the T. C. program, a large emphasis was put on such programs. Programs in agricultural extension and economics have been set up and are now operating by the countries concerned. Only Guatemala and Honduras give high priority to agricultural activity in the program submissions. However, all of the countries are now requesting loan assistance in agricultural credit.

It is regrettable that the Task Force was not able to include a member well versed in Central American Agricultural problems. There are indications (for example, the Ag. Credit loan proposals and the new Coffee Agreement) that agricultural programs in the area have been adversely affected by a changed U. S. policy toward the crops produced in the area. Furthermore, the complexities and, indeed, importance of agriculture in the area should command much more attention than this Task Force could possibly give it in the short time allotted to the review. The census program will include an agricultural census statistics program. This will be one step in the right direction. The higher education program will touch on the area of the agricultural schools in the area.

In view of the importance of agriculture in the economy of the area, a thorough study should be made within the coming year on AID's role in agricultural development in Central America. It is therefore strongly recommended by the Task Force that the Agricultural programs submitted by the CA Missions not be changed until an alternate course can be found. Although there were some minority opinions expressed by the Task Force, it is felt that a regional Agricultural Credit program coupled with country agrarian reform programs may well be the restricted area that AID should work in.

SECTION V

DATA COLLECTION PROCESSING AND ANALYSIS

FOR

NATIONAL PLANNING IN CENTRAL AMERICA

by

Dr. Russell Davis

DATA COLLECTION, PROCESSING AND ANALYSIS
FOR NATIONAL PLANNING IN CENTRAL AMERICA

A. General Description of the Activity

Two activities are proposed here:

1. U. S. assistance in conducting population, housing, agricultural and industrial censuses in Nicaragua, Costa Rica and Guatemala, and industrial and commercial censuses in El Salvador and Honduras.

2. Assistance to the five Central American countries in the processing of data from censuses, in the analysis of data from special surveys and economic analysis, and in the general improvement of methods of data processing necessary for economic and social planning.

The activities will be carried out through the establishment of a grant to the Central American Bank which will permit the bank to render financial aid to the census and statistics offices of the five Central American countries. Technical direction of this project will be the responsibility of the Bureau of the Census, acting as a cooperating agency with the AID Public Administration Division.

It is vitally necessary that censuses get underway immediately and be carried to completion, with data analyzed and processed, so that national planning can be a reality by 1964.

B. Specific Activity Targets

The overall activity target is to put into the hands of national planning offices, before mid-1964, the necessary data for social and economic planning, and to have established a mechanism to offer statistical advice and funding for continuing social and economic analysis and planning with adequate quantitative bases.

Specific targets would have to be presented on a country-by-country basis, inasmuch as the respective countries are presently at varying stages of development with respect to objective and quantitative bases for planning.

To begin with the country, Nicaragua, which is furthest behind, and hence most in need of assistance, the following time table may serve:

<u>1. Nicaragua</u>	<u>Completion Date</u>
Completion of planning, training of enumerators and final cartography	Dec. 62
Field operations, enumeration, analysis, preliminary results	July 63
Analysis and publication of major portion of results	Jan. 64
Final results	June 64
<u>2. Costa Rica</u>	
Completion of final training and preparation for field	Oct. 62
Field operations, enumeration, analysis. Preliminary results	April 63
Analysis and publication of major portion of results	Oct. 63
Final results	March 64
<u>3. Guatemala</u>	
Completion of training and preparation for field enumeration	Oct. 62
Field operations, enumeration, analysis, preliminary results	April 63
Analysis and publication of major portion of results	Oct. 63
Final results	March 64

<u>4. El Salvador</u>	<u>Completion Date</u>
Completion of enumeration and analysis of commercial and industrial survey, and assistance in processing current census results	Nov. 62
Analysis of basic census data for economic and social planning purposes	June 63
<u>5. Honduras</u>	
Completion of enumeration and analysis of commercial, industrial and agricultural censuses, and assistance in processing and analysis of current census results.	Nov. 62
Analysis of basic census data to provide statistics for social and economic planning purposes.	June 63

The completion of census data analysis and the analysis of statistics basic to economic and social planning does not mean that the activities of the present project are necessarily terminated. The duration of this activity should not be contemplated before FY-66. Census operations and first round data analysis are only part of the possible activities of this project. Other equally significant possibilities are:

1. Insurance of quality control in editing, coding and key punching operations for censal and special survey data.

2. Insurance of cover checks and avoidance of non-enumeration, and the establishment of better administrative procedure in handling of censal and survey schedules.

3. Establishment of machine procedures, better determination of machine capacity and equipment needs and avoidance of wastage in machine rentals and programmer and operator time.

4. Technical service in the design of measurement instruments (questionnaires) for special surveys.

5. Design of sampling schemes and establishment of polling, coding and analysis procedures.

6. General advisory service in econometrics, sociometrics, psychometrics, general evaluation and testing, and validation procedures.

C. Progress Toward Achievement of Activity Targets

1. Progress toward achievement of activity targets has been generally sketched out in Table I and the commentary in the background to this project. In addition to the census operations described, a variety of special surveys and studies have been carried out, although often with incomplete or mixed results. The U. S. Bureau of Census has for many years worked in this area, has successfully designed and supervised the decennial censuses of 1950, as well as special intervening year censuses and surveys, has planned much of the work on censuses scheduled for the 60's, has trained local personnel in census operations and data processing techniques and has acquired considerable familiarity with the area and any special problems of advising on the conduct of censuses and surveys. Census and statistics offices, well staffed, and equipped exist in all of the countries.

National Planning offices have been established in most of the countries which offer the all-important assurance that the data will not be gathered for "informational purposes" only, but rather will be used for the formulation of valid and reliable plans in the social and economic development areas.

2. Work Remaining to be Done

The work remaining to be done is the carrying out of the four censuses in Costa Rica, Guatemala and Nicaragua, the conduct of an industrial and commercial census in El Salvador and Honduras, the processing and analysis of the data and the continuing conduct of special surveys and analysis of data, to provide the necessary foundation for adequate social and economic planning.

D. Nature of the U. S. Contribution

The nature of the U. S. contribution can be delineated only in broad terms and subject to specification or modification by the

responsible technical advisors, who in this case, will be experts of the U. S. Bureau of Census. In view of the present limited information available, the outside estimates of funding would be of this order of magnitude:

<u>(i) Staffing Requirements</u>	<u>FY-62</u>	<u>FY-63</u>
Project Director Census - 1 man year*	\$20,000	\$20,000
Data Processing Specialist - 1 man year	18,000	18,000
Production Control - 1 man year	<u>18,000</u>	<u>18,000</u>
	\$56,000	\$56,000
Mathematical Statistician - 1 man year (Sample and design applications)	18,000	18,000
Subject Matter Specialists - 1 man year	17,500	17,500
(Demographer, biostatistician, measurement, econometrician)	-	-
	<u>\$91,500</u>	<u>\$91,500</u>

* Not necessarily the same individual over this time span but assigned according to Census Bureau scheduling determination. Closeness to region makes this possible.

(ii) Training Requirements

Training under this program will be coordinated with the Public Administration statistics and training program which will function through ESAPAC (cf. accompanying program document). It will also be conditioned by individual country programs, particularly under the national planning offices, which are already programmed and funded. It will also depend on an assessment of needs by the responsible technical directors, which in this case, will be Bureau of Census technicians. It will consist of seminars, special short courses, in third countries and the United States, in data processing, general statistics and census and survey procedures. Seminars run by the Census Bureau technicians will also be held.

<u>Training Costs</u>	<u>FY-62</u>	<u>FY-63</u>
Total of technicians and participants	\$20,500	\$28,500
	\$112,000	\$120,000

(iii) Supplies and Equipment Costs

Supplies and equipment costs will depend on basic decisions to be made by technicians involved in the operation of the project. There are options depending on decisions on the location of the equipment.

The most fundamental option is this:

1. Locate one single data processing center in a Central American country with a large machine and auxiliary equipment. Census and statistics technicians of the respective countries would punch up the cards in their own countries and bring the cards or tapes into the center for processing directly under their own supervision. The advantages of this are that machine rental costs would be saved and much larger machine processing capacity could be put into the region for census work and later analysis. This center could be coordinated with the public administration center and more efficient and less expensive training could be given on more advanced techniques. The disadvantage is that countries are reluctant to let "confidential" data, even in coded form, out of the national limits. Countries also tend to want their own equipment for later use and local training purposes.

2. Put machine rental money in a central fund for the area, pro-rate the allotments of money necessary for the planned processing, but locate smaller machine facilities in each of the countries. This would cost more for the machine capacity provided, but it would be more warmly received by the individual countries. The problem of "confidentiality" would be avoided and local training could be carried out. Supervision and training would be more difficult but possible.

Both possibilities are roughly costed out here.

Whichever choice is made, the following grants will be necessary for carrying out censuses in the countries as specified:

Nicaragua

For carrying out experimental census, mapping, training enumerators, purchase of materials (paper for schedule forms), transportation, enumeration and payment of extra personnel for census of population, housing, agriculture, commerce and industry:

\$380,000

Guatemala

For completion of mapping training enumerators, purchase of materials, printing, transportation, enumeration and payment of extra costs:

\$860,000

Costa Rica

For completion of mapping, training enumerators, purchase of materials, printing, transportation, enumeration and payment of extra costs for population, housing, agriculture, and commerce and industry censuses:

\$311,000

El Salvador

For completion of planning and enumeration in industrial and commercial census, and for speeding work on results of population, housing and agricultural census:

\$92,000

Honduras

For completion of planning and enumeration in industrial and commercial and agricultural census. Speeding of processing and printing of results of general census:

\$118,000

Grand Total
Census

FY-62 and FY-63

\$1,761,000

Choice One: Central Data Processing

	<u>FY-62</u>	<u>FY-63</u>
For rental of one large machine of 1401 type with auxiliary components; and for punches, verifiers, sorters and attachments for center and individual country statistics offices.	\$78,000	\$78,000
Rental of building room, approximately 20 x 30 for housing machine facilities in center and for program offices and work rooms.	6,852	6,852
Total	<u>\$84,852</u>	<u>\$84,852</u>

<u>Other Costs</u>	<u>FY-62</u>	<u>FY-63</u>
Regional travel costs for center technicians and country technicians	\$16,500	\$18,500
Other office equipment and supplies	<u>9,500</u>	<u>4,500</u>
Grand total for data processing in regional center	\$110,852	\$110,852

Choice Two: Dispersal of Data Processing

Note: Equipment and Technical Advisory Service. The following represent typical equipment and costs and not necessarily the exact items which will be determined by the technical advisory groups.

<u>Nicaragua</u>	<u>FY-62</u>	<u>FY-63</u>
Furnishing one more 101 complete with summary punch (524)	\$6,780	\$6,780
One accounting machine (419)	5,220	5,220
One colator (085)	1,500	1,500
One interpreter (548)	1,200	1,200
One sorter	1,320	1,320
Six punches	2,880	2,880
Three verifiers	<u>1,800</u>	<u>1,800</u>
	\$20,700	\$20,700

Other Costs

Regional travel for U. S. Advisory technicians	4,400	4,400
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No charge for rental or office space with quarters furnished by local Census and Statistics Offices or U. S. AID Missions

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Total	\$25,100	\$25,100
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<u>Costa Rica</u>	<u>FY-62</u>	<u>FY-63</u>
One 101 complete and with summary punch	\$6,780	\$6,780
One accounting machine (419)	5,220	5,220
One colator (085)	1,500	1,500
One sorter	1,320	1,320
Five punches	2,400	2,400
Two verifiers	1,200	1,200
	<u>\$18,320</u>	<u>\$18,320</u>
<u>Other Costs</u>		
Regional travel U. S. Advisory technicians	4,400	4,400
No charge for quarters rental	<u>-</u>	<u>-</u>
Total	\$22,720	\$22,720
<u>Guatemala</u>		
One 101 complete with summary (254) - (In addition to one already there)	\$6,780	\$6,780
One accounting machine (419)	5,220	5,220
One collator (085)	1,500	1,500
Two sorters	2,640	2,640
Fourteen punches	6,720	6,720
Seven verifiers	4,200	4,200
	<u>\$27,060</u>	<u>\$27,060</u>
<u>Other Costs</u>		
Regional travel for U. S. Advisory technicians	4,400	4,400
Total	<u>\$31,460</u>	<u>\$31,460</u>

<u>Honduras</u>	<u>FY-62</u>	<u>FY-63</u>
For machines	\$14,000	\$14,000
Travel	<u>3,000</u>	<u>3,000</u>
Total	\$17,000	\$17,000
 <u>El Salvador</u>		
For machines	\$15,000	\$15,000
Travel	<u>3,000</u>	<u>3,000</u>
Total	\$18,000	\$18,000
 Grand Total for Data Processing in Dispersed Program		
	\$114,280	\$114,280
 Grand Total of Censuses and Data Processing. Two years (dispersed plan plus technicians and training)		
	\$1,989,560	
	<u>\$2,172,560</u>	
Central Plan:	\$2,179,416	

E. Nature of the Cooperating Country Contributions

In census planning and enumeration to date	\$ 980,000
In operation of offices of census and statistics in direct support of operations over a period of time	<u>2,400,000</u>
	\$3,380,000

F. Contributions from other Sources

In the form of assistance, facilities, advice and training offered by UNESCO, OEA and other organizations:

\$86,000

G. Financial Considerations

For carrying out the census and data processing necessary for basic social and economic planning in Central America, a grant, U. S. \$2,179,416 should be made to the Central American Bank, and this money apportioned to the countries in accordance with the advice of the technical directors of the project.

Data Collection Processing and Analysis for
National Planning in Central America

Background

Without adequate National Censuses, the effectiveness of National Planning in the Central American countries (Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua) would be seriously impaired, if not rendered impossible. Furthermore, much of the study necessary for carrying out tax and fiscal reform, and for launching general economic and social development, waits on adequate collection, processing and analysis of basic demographic and economic data.

Many of the special studies that have been carried out by government and private contracting teams have been seriously open to question because of gaps in basic information. Many of the surveys proposed in the coming years will have dubious validity without necessary substrate data; and projections of future school populations, health needs and housing requirements and capacities will lack precision. The fundamental kind of data necessary for long range economic and social planning must come from censuses in population, housing, agriculture and industry. Income data and special series and even crudely derived statistics such as per capita gross national product can only be tentative without adequate census information; and the possibility of setting up sampling schemes for special surveys and validation checks, without related basic data, is remote.

The problem of making basic data available for planning has two fundamental aspects:

1. The conduct of the basic census in which data will be gathered.
2. The expeditious processing, analysis and publication of data collected.

The present status in the Central American countries is shown in Table I.

Table I
Present Status (Enumeration, Compilation and Analysis) of
Basic Censuses and Data Collection in Central America

Post 1960

Census Type

<u>Country</u>	<u>Population</u>		<u>Housing</u>		<u>Agricultural</u>		<u>Industrial</u>	
	Comp-		Comp-		Comp-		Comp-	
	<u>Enum</u>	<u>Anal</u>	<u>Enum</u>	<u>Anal</u>	<u>Enum</u>	<u>Anal</u>	<u>Enum</u>	<u>Anal</u>
<u>Costa Rica</u>	No	No	No	No	No	No	No	No
	(Some experimental and planning work done)							
<u>El Salvador</u>	Yes	No	Yes	No	Yes	No	No	No
<u>Guatemala</u>	No	No	No	No	No	No	No	No
	(Some experimental and planning work done)							
<u>Honduras</u>	Yes	No	Yes	No	No	No	No	No
<u>Nicaragua</u>	No	No	No	No	No	No	No	No

This table is not exactly descriptive of the present status of census projects. In Guatemala, a standardized schedule was developed, instructions prepared, administrative areas mapped (about 64% of the cartographic work completed), and political units and rural urban areas were defined. However, enumeration must be carried out and the data analyzed.

In El Salvador, the first three censuses have been carried out but the data is coming slowly. Preliminary population figures have been issued. Costa Rica has its schedule and instructions and has carried out a trial census and could start its enumeration in three or four months. Honduras has completed its population census, but data processing is still retarding the final results. Nicaragua has five or six months of planning before the enumeration can start.

The general situation is that Costa Rica, Guatemala and Nicaragua must carry out censuses and analyze the results. Honduras and El Salvador need help in analysis and the conduct of agricultural, industrial and commercial census and census type surveys.

U. S. AID Missions and Data Collection and Processing in Central America

Only one country, Nicaragua, has put in a request for assistance in carrying out national censuses in population, housing, agriculture, and industry. The request is for a grant of U. S. \$500,000. Other countries with the exception of Costa Rica, have put in requests for assistance in planning, statistical analysis, special surveys and statistical training which total nearly \$500,000. Hence, almost a million is going into activities related to data collection, processing and planning.

A Regional Approach to Data Collection and Processing in Central America

A regional approach to Data Collection and Processing, beginning with the basic national censuses and running through analysis of derived statistics for social and economic planning, is both feasible and practical. With the close tie-in planned between the Central American Bank and the National Planning Offices in the respective countries, the Central American Bank is a natural agency to have fiscal responsibility. With its long experience in the area and familiarity with people, equipment and problems, the Bureau of Census is the natural advisor and cooperating technical backstop agency, with the Public Administration section of AID, the responsible within agency office.

The regional approach to this critical and fundamental problem has these advantages over a country-by-country attempt:

1. Certain savings in the costs of machine rentals can be effected by a total analysis of machine requirements and capacities for the region. Far too much machine capacity now lies idle.
2. Certain standardized definitions, schedule questions and quality control procedures can be better effected on a regional basis.
3. Scarce advisory personnel can be more efficiently mustered to solve problems over wider areas. These advisors would be Census Bureau technicians, general numerical analysts, machine programmers, design, sampling and special subject area statisticians. (In this regard, the operations can be efficiently phased-in with the training institute programmed under public administration).

4. The regional approach will give the Central American authorities charged with the coordination of national planning (Permanent Secretariat and Central American Bank) an important functional connection with the country National Planning Offices.

5. By handling the matter on a regional basis there is added insurance that all countries will start fairly evenly in the matter of necessary basic and derived statistics for planning, and there will be less money wasted in surveys that are doomed from the start because of missing data.

6. The regional approach will give the Census Bureau and the Public Administration Division of AID a natural focal point for their activities.

7. The small country population units involved made regional coverage practical and economic.

SECTION VI

BACKGROUND FACTS OF

UNIVERSITY INTEGRATION IN CENTRAL AMERICA

by

Mr. Edward Betzig ..

BACKGROUND FACTS OF UNIVERSITY INTEGRATION
IN CENTRAL AMERICA

STRUCTURE

The Higher Council of Central American Universities (CSUCA) is made up of the rectors of the five institutions or their delegates, and has a permanent secretariat headed by Dr. Carlos Tunnermann Bernheim. The universities, their budgets and student populations are:

University of Costa Rica	\$2,000,000	4,000
National University of Nicaragua	250,000	1,500
University of San Carlos of Guatemala	2,000,000	4,400
University of El Salvador	850,000	2,500
National Autonomous University of Honduras	800,000	1,500

OBJECTIVES

CSUCA, with its permanent office located on the campus of the University of Costa Rica, was organized in 1948. However, it did not begin to function as a dynamic factor in the growth of higher education in the region until 1959. At this time, because of a number of factors, including the leadership of the then newly-elected Secretary General, it was decided that the Council would stress broad academic reform in the respective institutions and push actively for a program to develop regional specialization in certain designated universities. In this way, it was hoped Central America would eventually have an integrated university system offering opportunities for students to study a variety of specialties. At the same time, each institution would maintain its separate identity.

The role of the university in promoting economic and social development was for the first time recognized by a number of leading educators. They also realized that the proliferation of many competing and duplicating faculties was a serious danger which, if unchecked, would result in the waste of scarce human and material resources and the production of badly trained technicians and professionals.

This major understanding is now generally accepted by council members. Effective assistance during the coming decade should result in the growth of a modern university system. Assuming that this is one of the prime development priorities for the region, it should be given effective external assistance. This is especially true in the light of the relative neglect which these institutions have suffered in the past.

Academic reform and regional integration may be realized in part through the following:

- a) Regional integration through the designation of certain faculties at the post graduate level, as regional schools, i.e., architectural and veterinary medicine at the University of San Carlos, microbiology at the University of Costa Rica; graduate medicine at the University of El Salvador, etc.;
- b) Regional integration at the undergraduate level similar to the examples cited in a) above;
- c) The establishment of common entrance requirements, courses, degrees, academic standards, etc. to permit free interchange of students, as well as comparable preprofessional preparation;
- d) Development of general studies courses in each university, to give all students a firm and comparable base. This is a major portion of the proposed academic reform;
- e) Development of an integrated system of research institutes.

PROGRESS TO DATE

Despite the fact that CSUCA has only been actively programming during the last two years, a number of notable advances have been made. These include:

- a) General studies faculties or departments have been, or are being, organized in all five universities.
- b) Certain faculties have been designated as regional.
- c) Agreement has been reached on common title and degree standards.
- d) Plans have been approved which permit the free exchange of students with scholarships, to enable students to attend the regional schools.
- e) Contacts have been established with a number of public and private agencies in order to get the assistance called for in carrying out development plans.

NEED FOR ASSISTANCE

An ambitious plan for reorganizing and developing an effective system of higher education cannot be carried out without outside

assistance. Why do the governments not give greater assistance themselves? This is a complicated question, but in part it reflects on the part of the up-to-now ruling groups' disdain for their own country's institutions. The wealthy send their children abroad for higher education. The middle and poorer classes must go largely to the local university. As these groups are frequently highly vocal politically, and as the universities are relatively free centers of political opposition, the schools have unfortunately, all too often, become involved in political strife. As a result, their autonomy has suffered. Occasionally the schools have been closed for varying lengths of time. In addition to university-government friction, students have also tended to dominate the faculties, which has brought a lowering of educational standards. As a result of all of these problems, there has been a tendency on the part of governments to provide only the most minimal support. Reduced budgets have made it necessary to operate with part-time or weak faculty and this has more surely put higher education at the mercy of student domination and political agitation. The political agitation that follows calls forth even more stern repressive measures from the governments and the support given to the universities is kept at a sub-standard minimum. Only as the governments appreciate the role of the university in country development can this attitude change.

Fortunately, the worst of these conditions appear to be changing. Under the leadership provided by CSUCA, standards are being raised as well as being made uniform. There is a slow growth of more professionalized faculties, and the students are beginning to accept the fact that the university is a place of study and not of agitation. These movements all work toward the creation of modern universities. By working together and mutually supporting each other, the morale of the faculties and students alike are changing. This challenge, represented by CSUCA's attempt to break with the pattern of the past, provides new possibilities for the future.

CSUCA has contacted many institutions and agencies in an effort to move ahead on its plans. Ford Foundation has recently made a grant of \$120,000 to be expended over a two-year period in order to make a study of professional manpower needs of the region and also to provide assistance to the Secretary's office. Rockefeller Foundation is providing an estimated \$350,000 to the veterinary faculty of the University of Guatemala, with the assistance being premised on the fact that this will be a regional faculty.

CSUCA is seeking the assistance of AID in establishing departments of general studies in the universities of Nicaragua, Honduras, and El Salvador. It is estimated that this will require \$1,500,000 over a two-year period, to be utilized in constructing and equipping three schools. This sum includes the cost of a development planning advisor to work with the Secretary General, as well as four specialists in mathematics, physics, chemistry and biology to assist the three universities in developing general studies, faculties and curricula.

Each university is presently studying and working on long-range development plans. Given their lack of experience in this field, assistance of a general planning specialist is critical.

Inasmuch as CSUCA is only beginning to push a development program, the universities still must seek assistance on their own from the U.S. Government and other agencies. Until such time as a well-developed over-all plan exists, this will continue. USAID Mission, Costa Rica will continue to program, with the University of Costa Rica, assistance in the development of the medical school and a number of other faculties and maintain close contact with the Consejo Secretariat.

It should be clearly emphasized that the E-1 as proposed does not preclude the presentation of separate E-1 projects on a bilateral basis.

Implementation Steps
for CSUCA Project

1. CSUCA - Embassy Mission Liaison

As recommended by Ambassador Telles in reference to an airgram from the Department last fall, it is suggested that each US AID Mission appoint a US AID staff member to act as liaison with the local university and the Secretary General's office. It will be the responsibility of this staff member, possibly but not necessarily a member of the AID education mission, to work with the regional development and planning technician in higher education, to inform the local mission of all plans in this area to facilitate the operations of the higher education advisor (regional) when he is working in the respective country.

2. Development Planner

a. AID/W should select a university development planner to be assigned on a regional basis to the Secretary General's office in Costa Rica. Perhaps the specialist could have the same relationship to the U. S. Embassy-US AID Mission/Costa Rica as Dr. Marget has in his position as Regional Economic Advisor in Guatemala. He should be selected as quickly as possible.

This advisor could be either a direct hire employee or a contract employee. The former is preferred, but does not preclude the latter method.

b. Job Description - Previous Overseas experience; essential that candidate have had experience in higher education.

Language Fluency - Essential - speaking and understanding at minimal level of 3. Reading 4.

Educational Background - Doctorate, preferably in social science fields (statistics, education, sociology, economics). Desirable, but not absolutely necessary.

Experience - Three years in higher education, particularly in University research and development or in administrative capacity that primarily involves development and planning for all faculties of a university.

Intellectual Characteristics - Perhaps more significant than the formal doctorate is that the candidate have a broad range of intellectual interests and reasonable familiarity with main currents of Latin American social, economic and political development. Having to work in a very complicated environment - 5 autonomous universities, the

Secretary General's Office, the U. S. Embassies, and US AID Missions, etc., he must be skilled in dealing with people.

3. Science Advisors

The specialist in physics, chemistry, mathematics, and biology to organize departments, develop curriculum, select teaching material, etc., would be regional and operate out of the Secretary General's Office. The development planner (2) would be designated group coordinator. The professors would probably be contract employees. Every effort should be made to select candidates with at least practical speaking knowledge of Spanish and who have had experience in organizing and developing departments or faculties.

4. Buildings

The necessary funds should be made available on a loan basis (or grant) through the Central American Development Bank in the form of a line of credit for the construction of 3 general studies departments in Nicaragua, Honduras, El Salvador. Architectural drawings and engineering plans can be developed by the Secretary General's Office utilizing private firms has given excellent results. The drawings and plans would satisfy Section 611 requirements, etc.

As these buildings will need a certain number of laboratories and other services, it is advisable that the plans be reviewed and approved by a specialist familiar with the area. Ford Foundation is in a position to do this through the Secretary General's Office. It should be remembered that the Ford Foundation has recently granted \$120,000 to CSUCA and these funds include financing a number of short term consultants.

It is expected that the respective US AID Missions would furnish the administrative support needed to see that AID regulations were enforced in the construction of the buildings.

5. Equipment

Funds should be made available on a grant basis through the Central American Development Bank as in (4) above. The drawing up of equipment lists should be done by the respective universities with the assistance of the Secretary General's Office. It is expected that the AID development planner will be on board with his approval being required. He will be responsible for the preparation of the PIO documents etc., and should be given administrative backstopping from the US AID Missions.

6. Agreements

a) The AID-CSUCA relationship covering the planners and the contract specialists could probably be handled through an exchange of letters or some other similar technique.

b) The loan agreements for the construction of buildings could be handled by the Bank following regularly accepted procedures. Perhaps it could be possible to broaden the loan agreement to cover the grant (equipment) portion. This would not appear to present any great difficulties.

A. General Description of the Activity

The purpose of this activity is to assist the Council of Central American Universities in carrying out its program of developing an integrated university system in the region. It is widely recognized that the universities, as currently constituted are poorly organized and of low academic worth. They are more congeries of separate faculties than unified institutions. Broad academic reforms are being proposed by CSUCA as a means of building stronger institutions. One of the first steps in this plan is the organization of general studies departments in the five universities. This is required so that all students entering the university will receive a sound preparation in the basic sciences. They will enter the faculty of their choice after at least one year of such studies. In addition to getting more disciplined training than is currently the case, it is expected that they will gain a stronger feeling of identity with the university. The present fragmentation between faculties has contributed to the lack of discipline and order characterizing the majority of these schools.

Through this activity, assistance will be given to the Universities of Nicaragua, Honduras, and El Salvador in developing faculties or departments of general studies.

In addition, in order to help the Office of the Secretary General of CSUCA in promoting university development planning, a technician will be provided.

B. Specific Activity Targets on End Results Desired

1. Organize departments of general studies at the three universities noted by:

- a. Constructing required buildings;
- b. Provide necessary equipment;
- c. Organize and train the staffs for the faculties;
- d. Assist CSUCA in producing development plans for the five Central American Universities.

C. Progress Toward Achievements of Activity Targets

The three universities in question have all taken steps toward developing general studies departments. Honduras contracted an American specialist to organize programs in basic sciences. The existing faculties in Nicaragua and Honduras have agreed to the establishment of general studies departments. They are receiving assistance from the Director General's Office in organizing the latter.

D. Nature of the U. S. Contribution

Although details on the financing would have to be ironed out with CSUCA and the three universities, it is proposed that the special-

ists and equipment be provided on a grant basis and the construction costs be covered with a long term, low interest rate loan either from the DL or PSP category.

Operational Year 1962 - \$200,000

U. S. Direct Hire Technician - (1) Univ. development planning - \$20,000

Contract Services - \$80,000

Direct Dollar Costs

(a) Professors (4) in the fields of physics, chemistry, mathematics, biology to develop curriculum and organized courses. (\$80,000)

(b) Construction of three buildings to house general studies departments in the three universities. (\$100,000)

Budget Year 1963 - \$1,200,000

U. S. Direct Hire - as above - \$20,000

Contract Services - \$880,000

Direct Dollar Costs

(a) Personnel as in (a) above - \$80,000

(b) Construction as above - \$800,000

Commodities - \$300,000

(c) Equipment for the 3 faculties - \$300,000

It is expected that engineering plans and drawings for the buildings would be ready not later than the end of May, 1962.

E. Nature of Cooperating Country Contribution

It is estimated that the 3 universities will contribute an estimated \$100,000 apiece in the form of land, local personnel and other in-kind contributions.

F. Contributions From Other Sources

CSUCA is providing guidance and technical assistance through local specialists funded from the Ford Foundation grant.

Staffing training for the departments will be provided by a number of organizations including OAS, UNESCO and by the local US AID Missions if they see fit.

G. Financial Considerations

This is the first phase of a long range program of integrated university development. As the program continues, it is expected that AID assistance will be made available as required. The loan assistance could be channeled through the Central American Bank.

H. Cooperating Country - US AID Coordination

This project has been discussed in substance with the Director General of CSUCA and he is in agreement with the proposal as set forth in this preliminary draft form. The Universities have submitted studies to CSUCA in which their needs are outlined in detail. These proposals look toward external assistance for implementation.

SECTION VII

SOME CONSIDERATIONS REGARDING AID PROGRAMS
RELATED TO PHYSICAL PLANNING AND TO THE DEVELOPMENT OF
INFRASTRUCTURE FACILITIES IN SUPPORT OF
ECONOMIC INTEGRATION IN CENTRAL AMERICA

by

Mr. Anatole Solow

SOME CONSIDERATIONS REGARDING AID PROGRAMS RELATED TO PHYSICAL
PLANNING AND TO THE DEVELOPMENT OF INFRASTRUCTURE FACILITIES IN
SUPPORT OF ECONOMIC INTEGRATION OF CENTRAL AMERICA

SCOPE AND PURPOSE

This paper is concerned with those elements of the "infrastructure", especially physical planning and regional location aspects, which are of significance in economic integration of Central America. The purpose is to review, in relation to pertinent infrastructure elements, the individual AID country programs as well as programs of other agencies, and to suggest possible lines of action both at the regional and national program levels which will contribute to economic integration.

The elements of the infrastructure which will contribute most directly and immediately to regional economic development and integration are those dealing with location and movement; in other words, those which will provide the maximum facilities for movement of goods and persons, for intercommunications, those which will provide adequate and local terminal facilities for the location of industrial facilities of importance to regional economic development. More specifically, these elements of the "infrastructure" are:

1. Transportation, including road, rail, air and water transportation, and including for each of these, the networks with their physical facilities, the systems and services, and the terminal facilities.
2. Telecommunications systems, facilities and services.
3. Sources and distribution of power, including electric power and fuel.
4. Local terminal physical facilities, utilities and services in support of transportation and especially the location of industries of significance to economic integration. These terminal physical facilities are basically of a local nature, but they are essential to facilitate and attract industrial location. They consist of such things as water supply, sewage and waste disposal, workers' housing, community facilities and other local services.

SIGNIFICANT CHARACTERISTICS

Certain significant characteristics about these infrastructure facilities should be noted:

1. They involve in most instances very large investments of national and external funds in capital works. This is illustrated by the fact that in the transportation field alone, a total capital works investment of U. S. \$413.9 million is proposed according to a preliminary report prepared for the Central American Bank. No time period is indicated for the execution, but if we assume a 10 year program, this would amount to \$41.4 million annually for the five countries, or a per capita investment of about \$4.00 per annum, based on an estimated population of 11 million.
2. They involve mostly the investment of public rather than private funds, but are most often in support of private enterprise and private investment in industrial development.
3. The responsibility for execution rests with the Ministries of Public Works as in the case of highways and airports or with certain autonomous agencies (water and sewer authorities, port authorities, housing agencies), or with private companies as in the case of some railroads. In some instances terminal and local supporting facilities and municipalities may be involved.
4. While the planning of the regional network of infrastructure facilities may be done at the regional level, the execution is, with few exceptions, essentially a local responsibility, and especially so for terminal facilities and services, such as urban facilities, municipal services or workers housing.
5. Most of the loan financing and corresponding technical assistance for infrastructure projects has come from institutions outside the AID, such as IBRD, IDB, EXIM Bank. In the past DLF has been involved. In the case of the Pan American Highway, which is contributing already to integration, the U. S. Government has provided direct financing.
6. The principal regional studies in the field of infrastructures, and any steps toward integration that have been taken, were sponsored by ECLA, the Committee on Economic Integration and its Permanent Secretariat, established by the Central American Governments (Ministers of Economy), and by the Central American Bank.
7. National and regional policies for location, amount of investment, and time priority in execution of infrastructure facilities are often not coordinated and may sometimes conflict. The construction of a certain stretch of highway, for example, may form part of the regional as well as national plan. However, in the interest of the regional program, the construction may require high time priority

but this may not be reflected in the budget of the respective national Ministry of Public Works or in its construction schedule.

8. They usually involve investment in land, buildings and other physical improvements, and, as such, require physical (in addition to economic) planning, namely the determination as to where the facilities should be located, what their physical characteristics and land requirements are, how they relate in space to each other. In this respect, physical planning should be considered part of the comprehensive planning for development.

IMPORTANCE OF INFRASTRUCTURE FACILITIES IN RELATION TO INDUSTRIAL

DEVELOPMENT

The importance to regional economic development of adequate transportation and communications has been recognized. Less recognized but equally important is the provision of utilities, services, workers' housing, and other supporting facilities needed for the establishment of industries both in isolated locations and in urban areas.

Industrialization is accompanied by and dependent on urbanization. The solution of the problems associated with the development of urban areas is essential not only to facilitate more rapid industrialization, but also to prevent the growth of unplanned, unserved, unhygienic, unlivable urban slum areas associated often with industrial concentrations.

Frequent absenteeism due to lack of workers' housing and of community facilities during the last World War, led to the establishment of an emergency warehousing agency in support of the establishment of war industries in less developed parts of the U. S. Experience has proven that in order to attract labor, especially skilled, professional and managerial personnel, employment opportunities alone are not enough. They must be accompanied by adequate housing and environmental conditions for living. Experience in Puerto Rico led the Industrial Development Corporation to place very special emphasis on infrastructure facilities in connection with the location of new industries.

In some instances, the high price of land and the high cost of buildings, utilities and services has constituted such a high capital investment and overhead for individual industries as to act as a deterrent to their establishment.

ILLUSTRATION OF NEED FOR COORDINATED PHYSICAL PLANNING

An example, the Port of Acajutla in El Salvador, may best illustrate the need for coordinated physical planning, financing of capital works and provision of infrastructure services for the

establishment of a specific terminal facility in relation to the Central American integration program.

This port is being developed as a major technical facility with the idea of also locating there, major industries. Ten million dollars has been invested in docks, warehouses, administration buildings. Item: ESSO is establishing an oil refinery there, but considers the lack of housing for its managerial personnel and for its workers a factor which may seriously delay the operations. Item: The Central American Bank study on transportation proposes a future airline to pass through Acajutla, yet the planners of Acajutla are not aware of such plans and no provisions have been made for a suitable airport site and connecting road. Item: The combined heavy traffic from the port of Acajutla and from the Carretera del Litoral (connecting now with Guatemala) to San Salvador will put a very heavy burden on some portions of the existing highway which is inadequate. Perhaps from the Central American integration viewpoint the widening of the highway should have higher priority than the building of some other new road. Item: The electric power company has purchased a site for a substation along the highway. The right-of-way for the proposed widening of the highway shaves off a large part of the site and will not leave enough space for building the substation. Item: The Salvadoran Government has just obtained an IDB loan for ANDA (National Water and Sewer Authority) to build water supplies and sewage disposals in a number of specified cities. But Acajutla is not included. Yet industrial development in Acajutla will be seriously hampered without adequate water supply and sewage disposal. An effort is only now being made, with the assistance of an AID physical planning advisor, to prepare and execute a coordinated plan for Acajutla.

METHODS

The methodological elements in each of the previously mentioned infrastructure fields are:

1. Regional data collection and comparative analysis of factors and trends affecting location and movement of economic activity, population distribution, natural resources, transportation, power, etc., as a basis for projecting and planning the magnitude and location of the infrastructure facilities.
2. Formulation of long range regional plans and priorities for execution of specific infrastructure projects.
3. Financing and stimulation at the regional level of the infrastructure facilities which may be built at the national level.
4. Coordination of program execution at local level with regional plans and criteria.

5. Coordination at regional and national levels of the individual elements of the "infrastructure", e.g., relating highways to port and airport terminal facilities, relating local housing and urban utilities and facilities' programs to the location and establishment of Central American industries.

6. Unification of standards and regulations such as highway markings, time schedules, width and carrying capacity of bridges, just to mention a few.

7. Development projects of border regions in which several Central American countries may have a joint interest.

REVIEW OF COUNTRY PROGRAMS

As previously stated, most of the studies, programs, projects and financing for the major part of infrastructure projects has come from other than AID sources. (For example, the ECLA office in Mexico has made studies of transportation, population, etc. The Central American Bank has just completed a transportation study.) However, though considerable background material exists, it was not readily available at the time the present study was made.

A review of the proposed AID country programs as related to infrastructure for Central American economic integration indicate that two countries (Costa Rica, Nicaragua) have projects in civil aviation and airports; three countries have projects in water supply and sewage disposal (Costa Rica, Honduras, El Salvador), and two of these are terminating; one (Nicaragua) deals with industrial parks, but this is a terminating activity; two countries (Costa Rica, Nicaragua) deal with highways, one of these is very limited, and both are terminating; three countries (Costa Rica, Nicaragua, Guatemala) deal with housing but two are terminating; three countries (Costa Rica, Nicaragua, El Salvador) deal with urban facilities or physical planning; one country, (El Salvador) deals with port planning and development but this is being terminated; four countries (Costa Rica, Nicaragua, El Salvador and Guatemala) have proposed programs in cadastral surveys. There are no country programs in power or communications.

The following conclusions may be drawn:

1. Very few E-1 programs deal with infrastructure projects related to Central American integration and in most instances, those which have a particular bearing on infrastructure, such as physical planning, urban facility and terminal facility planning and development, have been made terminating activities. To find out the reasons for this

would require substantial further study. One reason may be, for example, to avoid duplication with other international agencies dealing with these topics. Another reason may be that countries are sufficiently advanced so that they do not need further AID assistance. Still another reason may be that in program formulation little priority was attached to these fields of infrastructure, and to Central American economic integration.

2. It would appear that in those cases where the subject matter of E-1 projects has some bearing on infrastructure for Central American integration, no special consideration has been given to and no coordination has been established with Central American integration objectives.

3. In connection with national economic planning programs which are being supported, the field of physical planning, especially as it relates to infrastructure, to terminal facilities and to location, is not adequately covered and with two exceptions, the AID missions have no adequate technical advisory staff in this field.

4. By virtue of the above condition, AID missions may not have adequate coordination or liaison with the Ministries of Public Works and those autonomous agencies who are handling the national programs and execution of the projects of infrastructure which consume vast sums of national public funds and international loan funds.

5. There is no AID activity at the regional Central American level dealing with the problem of overall physical planning of infrastructure facilities as they relate to economic and industrial development.

PROGRAM SUGGESTIONS

Since much of the work in the field of infrastructure facilities as it relates to regional economic planning in Central America has been carried forward by the ECLA Secretariat (e.g. Studies of Development), by inter-governmental committees of the Central American countries, by the Permanent Secretariat and by the Central American Bank, an AID regional program development in that field should be coordinated with the above mentioned groups, and consultations to that effect might be desirable.

It should be noted in this connection that the "Permanent Secretariat" has proposed a comprehensive program of Regional Economic Planning in Central America, which will consist of a general study of Central American economic development by ECLA, based on national "studies of development"; programming of the Central American Bank's investments in the different sectors, in accordance with regional plans (this is to be done with the help of three experts to be provided by OAS-IDB-ECLA);

regional programming of sectors coordinated with national sector plans (this is to be done by the Programming Section of the Permanent Secretariat with the aid of three OAS-IDB-ECLA experts); approval of regional development plans by the Committee on Economic Cooperation (Ministers of Economy); and execution by the Central American Council of Economic Planning (composed of Chiefs of National Planning Organizations of each of the countries). It may be anticipated that this proposed regional economic planning program will include sector plans for several but probably not all of the infrastructure facilities.

The frame-work for AID activities relating to infrastructure fields may therefore consist of the following elements:

1. The establishment of continuing liaison and coordination with the "Permanent Secretariat" and the Central American Bank so that bilateral AID programs and country goals may take into account where feasible, the regional programs and so that loan and grant applications from the individual countries to AID and to the Export Import Bank may be evaluated in the light of regional plans.

This coordination may be achieved through an AID Regional Physical Planning and Public Works advisor, who would work closely with the Permanent Secretariat, the Central American Bank, the AID country missions, the National Economic Planning Organizations, and where suitable, with the Ministries of Public Works and the agencies concerned with infrastructure projects. The first step would be to assemble the existing studies on infrastructure facilities.

Since most loan applications for infrastructure facilities will be to non-AID agencies this liaison function would also be of importance in order to provide information and perhaps guidance on the position which AID/W and U. S. representatives in other agencies may take regarding such loan applications.

2. AID grant and loan financing of certain key regional infrastructure projects handled directly through a line of credit to the Central American Bank, especially for joint planning and development projects of border regions which include territories of several countries, and in which several governments may have a joint interest.

3. Assistance at the regional level to the Permanent Secretariat and to the Central American Bank in the preparation of studies, surveys and formulation for overall plans and individual sector plans. The objective would be to supplement the work of these agencies and to fill in any gaps for which their resources are insufficient. This may be done through short term consultants and contracts for special studies. While the exact nature and scope of the studies can only be determined

after further consultations with these agencies, available information indicates the following useful possibilities:

a) An atlas of maps and overlays showing the graphic and geographic distribution and analysis of the location of existing and proposed infrastructure elements related to each other and to resources, related to the census and cadastral and mapping programs.

b) Surveys and studies of specific elements of infrastructure facilities to be put on a regional Central American basis. Depending on the scope of the ECLA and Permanent Secretariat studies, AID contributions for studies may be in such fields as ports, airfields, telecommunications, electric power, grid system, terminal facilities for highway transportation and industries. These studies would be undertaken at the request of the Permanent Secretariat or the Central American Bank, and would be executed through consultant contracts.

c) Assistance in preparing development plans for border regions which effect the territory of more than one country. An example is the Fonseca Bay Region, which includes territories of El Salvador, Honduras, and Nicaragua. At present it appears that the different governments are contemplating measures such as port developments, bridge and highway construction, which are not related to each other and which may duplicate facilities and lead to wasteful investments in that region. A comprehensive development plan for the Fonseca Bay Region would deal on an integrated basis with natural resources, land use, transportation facilities, port facilities, tourist facilities, agriculture, industries and commerce and supporting community facilities.

4. Orientation of Country Programs so that they have a more direct and more telling impact on the improvement of infrastructure facilities needed for economic integration and so that they are more closely coordinated with regional development plans. The orientation of country programs may be contemplated along the following lines:

a) Reorientation of certain sector programs to take into account regional plans and concepts. This would apply for instance, to civil aviation.

b) Establishment of higher priorities for those sector projects which are likely to contribute more directly to the development of infrastructure facilities in support of Central American economic integration, provided, of course, that this is needed by the country in question and that it does not duplicate the work of other international agencies. This would mean the strengthening of some existing projects and the establishment of some new ones. High priority should be given to Cadastral surveys and to projects for major port cities and other terminal facilities, for the establishment of industrial parks, for communications, transportation and power, and especially for urban facilities and industrial workers' housing.

c) In special cases, development loans may be desirable on a selective basis for the simultaneous development of all elements of a single terminal area based on a comprehensive development plan. For example, in the case of an urban area which is an important center or terminal facility for transportation or for the location of major industries, a loan may be contemplated for simultaneously building industrial buildings, warehouses, bus and truck terminals, workers' housing, schools, water supply, sewage systems and other municipal services.

d) Assistance may be given, when requested, to Ministries of Public Works in developing and instituting overall planning and programming methods of their capital work projects as they relate to Central American regional development plans.

e) It would be highly desirable to provide technical assistance in physical planning to the national economic planning offices, since this field has been largely neglected by them.

f) While in many instances technical assistance, especially for specific development projects, may be provided through short term consultant services, consideration should be given to having on the staff of AID country missions, a general physical planning and public works specialist. His function would be: to advise the Economic Planning Board, the Ministry of Public Works and other national agencies dealing with infrastructure facilities; to arrange where necessary for consultant services; to keep the AID missions advised on infrastructure projects; to assist in the preparation of loan and grant applications for infrastructure projects; to evaluate their priorities in relation to regional economic integration; to evaluate training needs and develop training programs; and to follow through on consultant contracts in specialized technical fields.

The physical planning specialist would be a person trained and experienced in capital works budgeting, preparation of physical development plans for ports, urban areas, and regional geographic units; in land development and utility problems; in data collection and analysis needed for the formulation of physical development plans; and in the analysis of economic and social data as a basis for the programming of infrastructure facilities. This may appear as a tall order, but in the United States, planners working with State Planning and Development Agencies, or with Planning Commissions dealing with large metropolitan areas, are trained and experienced to deal with precisely this type of complex physical planning relating it to social and economic factors. Moreover, many U. S. colleges have graduate training programs in this field, and physical regional and urban planning is recognized as a specialized professional field. At present, there are only two such AID technicians in the Central American region, one in Costa Rica and the other in El Salvador.

g) In line with the above it is recommended that the country programs in urban planning or urban facilities, which are now being phased out, be reoriented and continued as physical planning projects of infrastructure facilities, closely integrated with economic and social development planning.

REGIONALIZATION OF THE PHYSICAL PLANNING AND INFRASTRUCTURE PROGRAM

The program suggested above could be formulated and implemented on a regional basis and would consist of the following components:

1) There would be located in the region a group of physical planning specialists, preferably one for each country.

The importance of having within the framework of overall regional planning, a technician in this field attached to each of the country missions is underlined by the fact that, though many of the infrastructure facilities can be planned and financed at the regional level, their detailed programming and execution takes place at the local national level, and it is precisely there where assistance is most essential. One of these technicians would have the additional function of coordinating the physical planning program with the regional economic development program, with the Permanent Secretariat and with the Central American Bank. The specialists would meet once a year to evaluate previous programs, and to propose an annual program in the light of the needs of the region. If funds are insufficient, the program could be initiated by having two or three physical planning technicians stationed in the region, each covering two or three countries, and one of them acting as overall regional physical planning advisor.

2) There would be a regional fund for short term consultants and contracts for the execution of regional and, where necessary, national studies of infrastructure facilities.

3) There would be a line of credit to the Central American Bank for the execution of infrastructure projects of direct necessity or benefit to the Central American economic integration.

4) In order to support this program and provide adequate coordination it may be advisable to station a backstopping physical planning officer in the AID/W Central American Regional Office.

COST ESTIMATE (Based on three year program)

1 Regional Physical Planner and Public Works Technician.....	\$ 66,000
5 Physical Planning and Public Works Technicians attached to Country AID Missions, one of them with regional functions.....	300,000
Training in Physical Regional Planning.....	90,000
Supplies, library materials, printing.....	30,000
Other costs.....	10,000
Contractual services for short term consultants and studies under contract (preparation of regional atlas; Fonseca Bay regional plan, special infrastructure studies and regional models).....	200,000
Regional Development Loans.....	?
	<hr/>
Total (excluding loans)	\$696,000
Average per year	\$232,000

Some of the present country programs relating to physical planning would be incorporated, leading to a reduction in the above figures.

SECTION VIII

INDUSTRY

AND

INDUSTRIAL DEVELOPMENT

INDUSTRY PROGRAMS - CENTRAL AMERICA - HISTORICAL BACKGROUND

Host Country Institutions. The Central American host country institutions for industrial development, as they are presently constituted, began with the Center of Industrial Technical Cooperation in Costa Rica in 1955. During 1960, the Cooperative Industrial Technical Center of Honduras, the Center of Industrial Technical Cooperation in Nicaragua, and the Industrial Promotion and Productivity Center of Guatemala were formally established. In 1962, the Industrial Development Institute of El Salvador assumed direction of all industrial development activities.

Industry programs had been carried on in Guatemala since 1955 and at an earlier date, in El Salvador with the industrial servicio liquidated in 1956.

The institutions are all supported by annual contributions from their respective governments with additional funding from the private sector in the form of fees for services. Only in the case of Guatemala are U. S. grant funds contributed for support.

In Guatemala and El Salvador the institutions are autonomous, in Honduras with the Association of Industrialists, in Nicaragua within the National Development Institute, an autonomous agency of the government, and in Costa Rica within the Ministry of Industries. In common, they share the objective of industrial development assistance to the private sector, and, also in common, they have little liaison with the Ministers of Economy who are responsible for Central American economic integration.

Past Joint Programming. Initially all institutions were preoccupied with activities that were directed at improving the existing industry and commerce of the country. Primary concentration was on programs of management resource development and industrial technology and productivity with technical aids and communications media supporting services. Beginning in 1956, the industry officers of Guatemala, Costa Rica, (and Panama) began to coordinate the joint use of contract technicians on projects of common interest and to program multi-lateral participant studies. This coordination has been continued on an annual basis and now includes not only all of Central America but Mexico, Colombia, Ecuador and Venezuela. Direct contracting of technicians has been adopted by all of the foregoing Missions and more recently a "Contractor Source Manual" has been developed and distributed by the Mission to Mexico to facilitate recruitment.

In late 1960, the heads of the Central American host country institutions met for the first time in El Salvador followed by a second meeting some six months later in Honduras in preliminary effort to achieve a degree of coordination of objectives and activities and an inter-change of experience.

CURRENT STATUS

An examination of the Field Proposed Program for FY-63 (including FY-62) of the Central American countries indicates less common purpose and objective of industry programs than heretofore and, with the exception of Costa Rica, fails to make reference to programming related to stimulation of economic integration. With the exception of Guatemala and Honduras, the presentations are vague and reflect activities of exclusively national character.

There is a definite trend to diversify into programs of development banking and finance and industrial development and promotion and, to a lesser degree, to resource determination. Industrial technology and productivity and management resource development continue to have heavy emphasis, particularly in Guatemala and Honduras.

It appears that there are inconsistencies among the various countries in the estimate of financial needs for development grant funding. Three countries (Guatemala, Honduras, and Nicaragua) reflect decreasing requirements in FY-63 while two (El Salvador and Costa Rica) have programmed increases over the FY-62 levels.

All countries have placed increasing stress on the employment of contract technicians with 55.7% of total program funds for this purpose in FY-62 and 61.2% in FY-63. Participant training, in relation to program funds, declined from 10.6% in FY-62 to 9.2% in FY-63.

INDUSTRY PROGRAMS - CENTRAL AMERICA - FY-62 - 63 ANALYSIS

<u>FY-62</u>	<u>Total</u>	<u>U.S. Technicians</u>	<u>Participants</u>	<u>Contract Services</u>	<u>Commodities</u>	<u>Other Costs</u>
Guatemala	238	40	28	120	--	10
El Salvador	114	21	21	62	10	--
Honduras	142	22	6	93	12	9
Nicaragua	100	20	18	55	4	3
Costa Rica	140	27	15	79	7	12

FY-63

Guatemala	175	40	10	115	--	10
El Salvador	137	18	23	86	10	--
Honduras	221	38	12	128	10	33
Nicaragua	83	23	10	45	--	5
Costa Rica	200	32	20	126	10	12

HOST COUNTRY COOPERATING INSTITUTIONS

Guatemala : Industrial Promotion and Productivity Center
 El Salvador : Industrial Development Institute
 Honduras : Cooperative Industrial Technical Center
 Nicaragua : National Development Institute
 Costa Rica : Center of Industrial Technical Cooperation

RECAPITULATION

	<u>FY-62</u>	<u>FY-63</u>
TOTAL CENTRAL AMERICAN PROGRAM	734	816
Average Per Country	147	163
Contract Technicians	55.7%	61.2%
Participants	10.6%	9.2%

CONTRACT SERVICES

	GUATEMALA		EL SALVADOR		HONDURAS		NICARAGUA		COSTA RICA		
	62	63	62	63	62	63	62	63	62	63	
<u>Development Banking & Finance</u>											
1. Investment Promotion Techniques	X										
2. Security Marketing & Exchange			X								
3. Investment Advisor					X						
4. Investment Incentives											
5. Savings Motivation							X				
6. Industrial Loan Appraisal							X				
7. Finance Institution Specialist							X				
8. Industrial Credit Institutions		X							X		
9. Investment Incentives								X			
10. Industrial Loan Practices											X
<u>Resource Determination</u>											
1. Geological Mapping	X	X									
2. Forest Products Utilization	X										
3. Fisheries Industries Survey	X										X
4. Pacific Coast Fishing Port Survey	X										
5. Area Industrial Development			X	X							
<u>Industrial Development & Promotion</u>											
1. Economic Development Seminar	X										
2. Cottage Industries - Handicraft		X				X	X				
3. Engineering Generalist											
4. Evaluation Engineers										X	X
5. Industrial Planning Expert										X	X
6. Forest Products - Feasibility Study		X								X	X
7. Non-Metallic Minerals " "		X									
8. Industrial Engr.-Feasibility Study			X								
9. Industrial Engr. Firm " "			X								
10. Industrial Parks								X			
11. Small Industries Specialist				X							

CONTRACT SERVICES

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	<u>GUATEMALA</u>		<u>EL SALVADOR</u>		<u>HONDURAS</u>		<u>NICARAGUA</u>		<u>COSTA RICA</u>	
	<u>62</u>	<u>63</u>	<u>62</u>	<u>63</u>	<u>62</u>	<u>63</u>	<u>62</u>	<u>63</u>	<u>62</u>	<u>63</u>
<u>Industrial Technology & Productivity</u>										
1. Food Processing	X		X		X					
2. Meat Products Processing	X						X	X		
3. Tobacco Products Processing	X									
4. Bakery Products		X				X				
5. Slaughter House						X				
6. Shrimp Packing										X
7. Fish Processing						X				
8. Construction Materials	X									
9. Industrial Chemicals			X							
10. Ready Made Clothing			X			X				
11. Expert Mechanic (Ind. Engr.)					X	X				
12. Sawmill Expert					X					
13. Production Technician					X					
14. Auto Repair and Maintenance							X			
15. Industrial Engineer						X				
16. Shoe Manufacturing						X				
17. Tannery Expert						X				
18. Industrial Productivity										X
<u>Marketing & Distribution</u>										
1. Retail Sales	X					X	X			X
2. Rural Marketing Cooperatives							X			
3. Fruit & Vegetable Marketing							X			
4. Sales & Distribution						X				
<u>Management Resource Development</u>										
1. Distribution Cost Analysis	X									
2. Marketing Research	X				X					
3. Finance Management	X									
4. Office Systems Simplification	X									
5. Industrial Safety	X									X
6. Industrial Maintenance	X					X				
7. Executive Secretary Training	X					X				
8. Human Relations						X		X		
9. TWI Trainer					X	X				
10. Business Administration					X	X				

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	<u>GUATEMALA</u>		<u>EL SALVADOR</u>		<u>HONDURAS</u>		<u>NICARAGUA</u>		<u>COSTA RICA</u>	
	<u>62</u>	<u>63</u>	<u>62</u>	<u>63</u>	<u>62</u>	<u>63</u>	<u>62</u>	<u>63</u>	<u>62</u>	<u>63</u>
<u>Management Resource Development (Cont)</u>										
11. Cost Accounting					X	X				
12. Management Seminars							X		X	
13. Management Training										X
14. Management Association Organization								X		
15. Trade Association Technical						X				
16. Technical Information Service	X									

PARTICIPANT PROGRAMS

Development Banking Finance

1. Security Exchange Operations			X							
2. Small Industry Loan Methods					X					
3. Investment Development							X			
4. Industrial Credit		X								
5. Investment Promotion						X				
6. Industrial Finance Institutions Mgt.										X

Resource Determination

1. Geodesy Training	X									
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Industrial Development

1. Industrial Development Study						X				
2. Industrial Development Planning								X		

Industrial Technology and Productivity

1. Food Processing	X								X	
2. Meat Processing	X									
3. Industrial Engineering	X	X			X	X				X
4. Factory Visits			X	X						

Management Resource Development

1. Top Management	X								X	X
2. TWI Instructor Training	X									
3. Marketing Research	X	X							X	
4. Business Administration					X	X		X	X	X
5. Marketing Training										
6. Management Associations									X	
7. Training Methods Study						X		X		

PARTICIPANT PROGRAMS (CON'T)

<u>GUATEMALA</u>		<u>EL SALVADOR</u>		<u>HONDURAS</u>		<u>NICARAGUA</u>		<u>COSTA RICA</u>	
<u>62</u>	<u>63</u>	<u>62</u>	<u>63</u>	<u>62</u>	<u>63</u>	<u>62</u>	<u>63</u>	<u>62</u>	<u>63</u>

Miscellaneous

1. Rural Electrification
2. Marine Divers - Port Repair
3. Radio - Television Programming

X

X

X

CENTRAL AMERICAN REGIONAL INDUSTRIAL DEVELOPMENT

A. General Description of the Activity

This activity is directed towards assisting the five existing national development centers, through a Coordinating Committee (see attached chart for structure of committee), in the planning and carrying out of regional projects designed to provide balanced industrial development for the region as a whole. While certain informal cooperative efforts at industrial project coordination have been carried out between the five countries through the development institutes since 1956, this activity will provide the mechanics for formalized regional planning and implementation authority and supporting AID assistance in two broad areas, i.e. private sector industrial development (resource determination, feasibility studies, small industry counseling, small industry loans, standards and tourism) and human resource development (management training and education, technology and productivity, and industrial worker training).

No permanent regional institutional structure is envisaged (or considered practical) at the present time. Program project planning and review in the various areas enumerated above would be effected by a series of ad hoc committees of experts selected from nationals of the countries within the private, academic, and governmental sectors and assisted by U. S. consultants as requested. These ad hoc committees would be convened and disbanded as required. A regional office of AID Coordinator would be established to provide counsel, support services in programming and contracting, and be granted observer status at the quarterly meeting of the Coordinating Committee as would one representative designated by the Central American Development Bank.

The Coordinating Committee will not only determine and approve projects of a regional character (suggested as projects involving three or more countries) but also bi-lateral proposals having regional significance, i. e. industrial feasibility studies. The Coordinating Committee will reflect and unify national economic development planning as it pertains to industrial development within the private sector to ensure that AID supporting resources are utilized most effectively to the advantage of the goals of Central American economic integration.

B. Specific Activity Targets

Specific activity targets are not susceptible of quantitative projection until Central American industrial development needs have been examined as a single entity, taking into consideration overall planning goals for economic development of the individual countries.

(These targets should be defined by the Coordinating Committee during FY-63 for subsequent years and no firm bilateral programming should be approved in the areas enumerated under General Description of the Activity until this has been accomplished).

In establishing regional industrial development activity targets, the Coordinating Committee will give due weight to such factors as the desirable increase in industrial employment over a ten year period; the growth and market potential of the industrial sector required to achieve this result (including new manufacturing establishments and their effect on commercial agriculture); small industry loan requirements; new product introduction into manufacturing; minerals development and export, and tourism growth vis-a-vis balance of payments positions; industrial standards required for achieving stability in inter-country trade; and, the human resource development training (management at all levels, technical, and worker) essential to support the projected goals of industrial growth. From the foregoing, a practical criteria for regional projects can be formulated for the guidance of the Coordinating Committee and its ad hoc committee experts.

At the earliest possible moment in time, the Coordinating Committee should be organized as a formal body and convene the necessary ad hoc committees to obtain and correlate the existing data required for program formulation. Immediate targets of the activity are defined as follows for FY-63:

- (a) Formal organization of the Coordinating Committee and appointment of AID and Central American Development Bank counselor-observers.
- (b) Formal organization of the Office of AID Coordinator within the region (recommended for location in Costa Rica).
- (c) Development of area programming criteria by the Coordinating Committee.
- (d) Development of criteria for allocation of industrial feasibility studies among the countries with access to all countries of such studies.
- (e) Programming of regional resource determination, i.e. compilation of known mineral resources and their industrial applications (and export potentials), forestry, commercial agriculture, and a regional survey of fisheries resources.

(f) Prepare and recommend a regional manpower survey to determine present and future quantitative requirements for specific labor skills (in collaboration with country Ministries of Labor and Industrial Associations).

(g) Prepare and recommend coordinated regional training programs for industrial management at all levels.

(h) Prepare and recommend coordinated regional demonstration programs in technology and productivity advancement for those selected industrial sectors that have a direct bearing on consumer needs and costs of living and which support the growth of commercial agriculture.

(i) Prepare and recommend a coordinated small industry loan program from funds made available from the Central American Development Bank, through AID, and to be augmented and repaid through future sales of U. S. surplus machine tools.

(j) Prepare and recommend a coordinated program of Central American tourism promotion and investment stimulation.

(k) Prepare and recommend a coordinated program of Central American industrial standards development and enforcement, particularly in manufactured and processed goods (but not excluding agricultural products).

(l) Prepare and recommend a coordinated and standardized program of small industry counseling, technical aids, and similar services, including investment information publications, to be carried out by the national development institutes.

The development of recommendations and programs during FY-63 will permit the projection of a coordinated regional program for the ensuing five years, FY-64 through FY-68, with specific measurable goals and timed activity targets.

C. Progress Toward Achievement of Activity Targets

1. Work Accomplished to Date

There have been no formal mechanics established in the past for regional industrial development programming based on economic integration, common market, or coordinated national (bi-lateral) programs, to a moderate degree, have been coordinated among the five countries in the joint employment of U. S. contract technicians and multi-lateral participant studies since 1956. Further, twice during 1961, the principal officers of the five country industrial development

institutes have informally met to explore working together towards common objectives and improved information interchange.

2. Work Remaining to be Done

The work delineated in "B. Specific Activity Targets" is essential as preliminary to the formulation of specific goals and timed activity targets.

D. Nature of the U. S. Contribution

The planned level of development grant aid for the Central American regional industrial development program for FY-63 is \$234,000. It is estimated that from FY-64 through FY-68 the annual requirements of development grant aid will be on the order of \$300,000 with a \$5,000,000 small industry loan component divided between FY-64 and FY-65.

1. Staffing Requirements (\$60,000)

AID Coordinator	\$20,000	(New position)
Program Assistant	12,000	(Transfer from Costa Rica)
Contract Officer	18,000	(Transfer from Guatemala)
Transfer Costs	10,000	(FY-63 only)

2. Training Requirements

None in FY-63.

3. Contract Services (\$136,000)

(a) 12 industrial feasibility studies..... \$60,000

(b) Resource Determination:

Minerals (including legislation) -

5 man months.....	9,000
Forestry - 3 man months.....	6,000
Commercial Agriculture - 3 man months.....	6,000
Fisheries Survey - 1 man year.....	25,000

(c) Small Industry Loan Consultant -

3 man months..... 6,000

(d) Manpower Survey Consultant -

3 man months..... 6,000

(e) Tourism Consultant - 3 man months..... 6,000

(f) Management and Technical Education

Consultants (Business Administration and Industrial Engineering) 6 man months.... 12,000

4. Supplies and Equipment Requirements

None in FY-63.

5. Other Costs (\$28,000)

- (a) Two local hire bi-lingual secretaries, office space, utilities, supplies, etc..... \$10,000
- (b) Support equipment - U. S. technicians - FY-63 only..... 1,500
- (c) Regional and international travel, including designees of AA/IA to bi-annual meetings of Field Program and Review Board..... 6,000
- (d) Invitational Orders - U. S. experts to serve on ad hoc committees of Coordinating Committee (10 man weeks)..... 5,500
- (e) Administrative Support - US AID Country Mission-2 additional local hire employees..... 5,000

E. Nature of Cooperating Countries Contribution

As there is no formalized institutional structure involved in the concept of the Coordinating Committee, there will be no fixed level of annual expense to the cooperating countries. Country budgets for support of the individual development institutes, who will carry out regional projects at the national level will include financial provisions for the quarterly meetings of the Coordinating Committee and transportation and per diem for the members of the various ad hoc committees to be convened. Field Proposed Programs for FY-63 indicate the total contributions of the five Central American countries to industrial development institutes, public and private, cash and in-kind, are approximately U. S. \$500,000.

F. Contribution from other Sources

It is anticipated that the International Labor Organization will be prepared to contribute annually up to three man years of contract service personnel for regional projects approved by the Coordinating Committee.

G. Financial Considerations

U. S. financial support will be required in development grant funds, loan and surplus machine tools from FY-63 through FY-68.

H. Cooperating Country - AID Coordination

Authority for this project will require approval of either the appropriate governmental ministries or autonomous institutions of each of the participating countries.

CENTRAL AMERICA - INDUSTRY PROGRAM - REGIONAL COORDINATING MECHANISM

1. Coordinating Committee. It is recommended that a regional program Coordinating Committee be established and whose members shall be the principal officers of the five existing industrial development centers of the Central American countries. To permanent observers (and counselors) shall be appointed from the Central American Development Bank and the Agency for International Development (Refer Exhibit I).

2. Office of Aid Coordinator. It is recommended that the Office of Aid Coordinator be established in one of the Central American countries with administrative support and regional program funding administered by the country USAID Mission. The Office will be staffed by an Aid Coordinator, a Program Assistant, a Contract Officer, and two bi-lingual secretaries. The Program Assistant and Contract Officer may be the present assistants to the Industry Officers of Guatemala and Costa Rica (Refer Exhibit II).

3. Programming. It is not intended, at this stage, that the Coordinating Committee will have an institutional aspect but rather shall meet quarterly, rotating such meetings among the various countries. It will not have a permanent secretariat but rather will depend upon country experts, augmented by U. S. or other foreign consultants, who will constitute ad hoc committees in the various areas of responsibility of the Coordinating Committee (Refer Exhibit III). From the advice and recommendation of these ad hoc committees, the Coordinating will formulate programs of action that are to be carried out through regional fundings as well as review and approve those which are essentially of national character and are to be implemented bi-laterally.

(Note: It is recommended that programs of action involving three or more countries be considered regional projects and those of two or less countries be considered bi-lateral. The principal exception should be in the area of feasibility studies which, although conducted in one country, should be approved as a regional activity to prevent duplication and ensure multi-lateral access to the studies).

As USAID Missions will have the support responsibility for regional projects at the national level, it is recommended that a Field Program Planning and Review Board be constituted of USAID Missions Program and Industry Officers, representatives from AID Washington, AA/LA, and the Aid Coordinator who shall meet within the area twice annually, once for actual programming both bi-lateral and regional (acting upon the recommendations of the Coordinating Committee) and once for program evaluation and review. (Refer Exhibit IV)

4. Implementation. Regional activities should be funded

and administered by the AID Coordinating Office which would be responsible for contracting for supporting services, any commodity procurement, and, where applicable, multi-lateral participant programs. It is visualized that regional contracting largely would be in the personal services area with AID/W providing contracting support where organizations and institutions would be involved. Where possible, the AID Coordinator should utilize services of AID direct hire personnel in Latin America through TDY assignments. This would be particularly applicable in the mining and geology, forestry, commercial agriculture, cattle, etc. areas of resource determination.

COORDINATING COMMITTEE

PRINCIPAL OFFICERS OF FIVE HOST COUNTRY INSTITUTIONS
OBSERVER: REPRESENTATIVE OF CENTRAL AMERICAN DEVELOPMENT BANK
OBSERVER: AID CENTRAL AMERICAN PROGRAM COORDINATOR

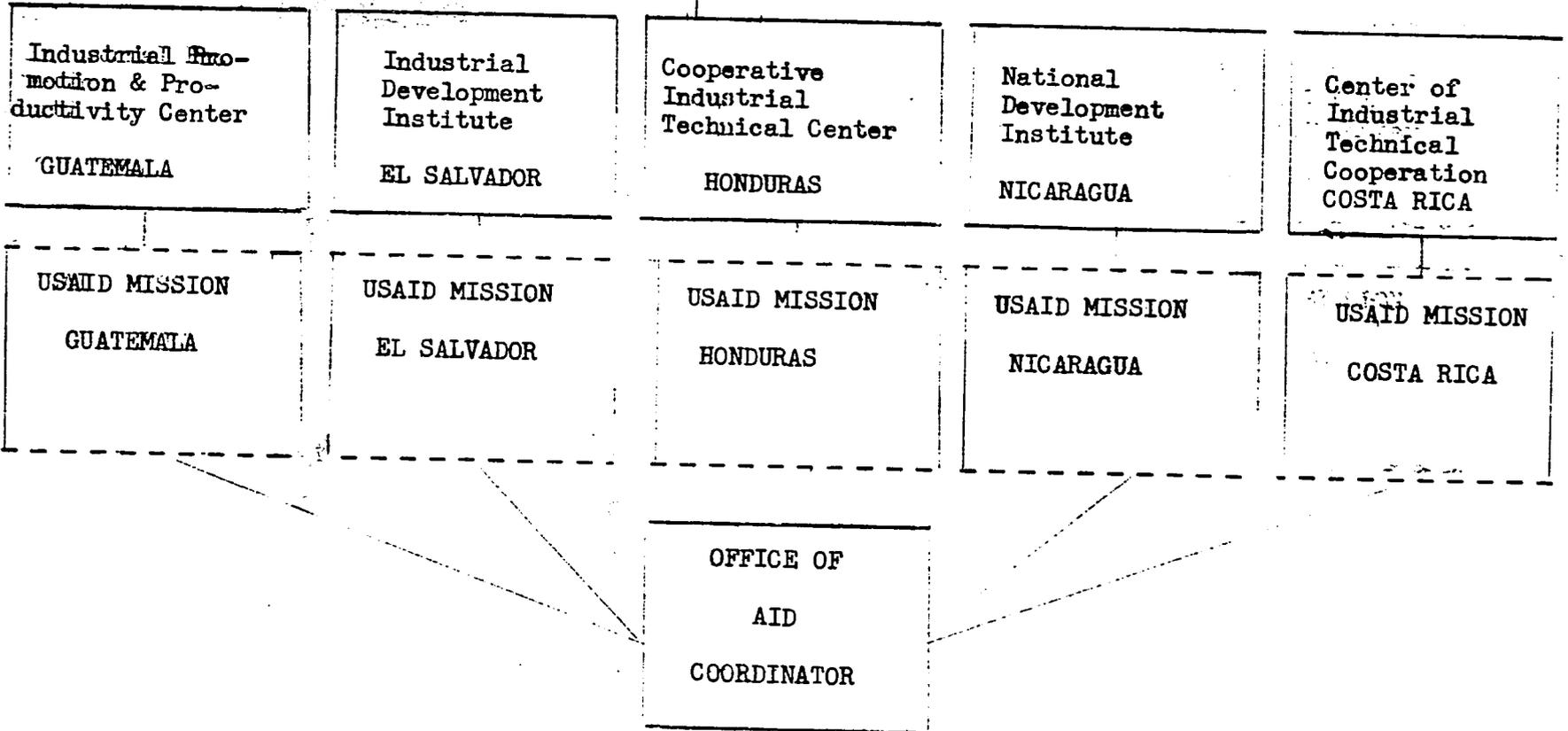


EXHIBIT II

AID WASHINGTON AA/LA

OFFICE OF AID COORDINATOR

USAID COUNTRY MISSION
Administrative Support
Regional Funds

AID COORDINATOR

PROGRAM ASSISTANT

CONTRACT OFFICER

TWO SECRETARIES

1. Aid Coordinator (New Position)
2. Program Assistant (Transfer From Costa Rica)
3. Contract Officer (Transfer From Guatemala)
4. Two Secretaries (New Positions)

COORDINATING COMMITTEE

CADB REPRESENTATIVE

AID COORDINATOR

AD HOC COMMITTEES

INDUSTRIAL DEVELOPMENT

RESOURCE DETERMINATION

FEASIBILITY STUDIES

SMALL INDUSTRY COUNSELING

SMALL INDUSTRY LOANS

STANDARDS

TOURISM

HUMAN RESOURCE DEVELOPMENT

MANAGEMENT TRAINING & EDUCATION

POLICY DEVELOPMENT

TECHNOLOGY & PRODUCTIVITY

INDUSTRIAL WORKER TRAINING

FIELD PROGRAM PLANNING AND REVIEW BOARD

USAID MISSIONS
Program And Industry Officers

AID WASHINGTON (AA/LA)

AID COORDINATOR

CENTRAL AMERICA - INDUSTRY PROGRAMS - RECOMMENDATIONS

1. Program planning and implementation proposal responsibility should be vested in the host country institutions who can best reflect the activity objectives consistent with national planning goals.

It is recommended that a coordinating committee, composed of the heads of the five above referenced institutions, should be formed and should meet quarterly for program planning and review.

2. Advice and counsel should be available to the committee from the Central American Development Bank and the Agency for International Development.

It is recommended that one representative from the Bank and one from AID be appointed to the committee and who shall have observer status.

3. In order to coordinate effectively agreed upon activities having common reference to Central American economic integration, an AID coordinating office will require establishment in one of the countries.

It is recommended that the Office of AID Coordinator be created and charged with the responsibility of liaison with country US AID Missions and implementation of multi-lateral projects through US AID Missions and host country institutions.

4. Recognizing that certain projects will be of a national character only and that phasing from bi-lateral to multi-lateral must be gradual, it is recommended that all projects involving the participation of three or more of the five countries be implemented as a regional activity and those involving only one or two be implemented bi-laterally.

5. A review of FY-62 - 63 field proposed programs indicates substantial funding requests for feasibility studies arising largely from industrial development diagnostic survey teams. Unless there is a central coordinating mechanism for reviewing the validity of these studies there is a very real danger of duplication and ignoring of existing similar studies and other literature already available.

It is recommended that all feasibility studies be implemented as regional projects and subject to the prior review and recommendation of the Coordinating Committee as to the distribution of appropriate feasibility studies among the several countries and to ensure their common availability to all interested countries. The committee would give due consideration to the study value vis-a-vis Central American economic integration objectives and support of commercial agriculture.

6. Assistance to the existing industry and commerce of the countries in technological and productivity improvement should be continued.

It is recommended that this type of assistance should be encouraged on a regional basis with the coordinating committee selecting the basic industries upon which concentration should be made and giving weight to those that are essential to the welfare of the population, i.e. food and allied products, textiles and garments, footwear, and housing related industries, and for which raw materials are available, or can be made available in the region.

7. Human resource development is fundamental to industrial growth in the Central American countries, both in training for the existing native managerial class and in the development of university curricula in administration of business and industrial engineering.

It is recommended that the coordinating committee examine and select those areas of management skills considered most essential for the upgrading of existing management and concentrate on these through regional programming. It should establish liaison with CSUCA for the purpose of encouraging and assisting in the development of, curricula (including texts) and teacher training for business education and industrial engineering for undergraduate students.

8. The problem of creating a skilled labor work force should be carefully examined by the coordinating committee to determine if existing vocational education programs are in harmony with industrial development needs.

It is recommended that the coordinating committee, providing an examination of the facts so justify, explore the possibility of establishing at least one trade school in each country in collaboration with the industrial sector and after appropriate surveys of projected skilled worker needs in such fields as machine shop, carpentry, electricity, auto mechanics, etc.

9. A thorough knowledge of existing resources of the area is essential to industrial development and promotion programming. To date, such information has not been gathered from the many different institutions and organizations, governmental and private, where it exists, nor presented in such form as to be useful in the guidance of development and finance institutions and potential industrial investors.

It is recommended that the coordinating committee, at the earliest practical moment, initiate area-wide studies of determination of known resources for industrial development including metallic and non-metallic minerals (and their industrial applications), forest commercial agriculture, fish and other sea foods, cattle, etc. and publish the findings for investment guidance, and development programming assistance.

Note: Certain of the Central American US AID Mission industry programs indicate U.S. support funding for preparation and publication of investment guides. Possibly these should be deferred in favor of a subsequent guide covering facts for investors in Central America which could then include pertinent information on area resources, common market advantages and reference lists, of volume of commercial and consumer goods imports, etc., as well as the usual information relative to the national statistics.

10. In the Central American countries there is a dearth of internal industrial loan capital for small businessmen except at very short term and high rates with excessive collateral requirements. The international lending agencies are not constituted to service small loan requests and needs. Commercial banks and existing development institutes are in serious need of education and training of loan evaluation techniques to replace loan collateral emphasis. Several of the Central American country programs make reference to possible loan funding for development banks (Guatemala, Honduras, and Costa Rica).

The coordinating committee, in collaboration with the Central American Development Bank and in consultation with AID, should examine the possibility of establishing a revolving loan fund directed only at the small industrial borrower and with a modest individual loan ceiling for short term working capital and long term capital investment (5 years) at reasonable interest rates, and, where no development banking institution exists, to have such loans serviced through designated commercial banks against modern banking criteria.

11. Tourism development and promotion is currently a national preoccupation. No concerted attack has been made to attract tourists to Central America as a whole in a joint effort that would make available resources more effective and enlarge this source of invisible income.

It is recommended that the coordination committee, in consultation with the Central American Development Bank, study, recommend, and assist in the carrying out of programs that would unify the five countries' efforts to increase tourism investment and promotion and facilitate tourist entrances and departures, possibly along the lines of Benelux procedures.

12. All of the five host country institutions, to a greater or lesser degree, are engaged in certain aspects of industrial development encouragement activities. However, there is no unified Central American policy established as to what services shall be extended or in what areas shall concentration of financial and personal resources be directed.

It is recommended that the coordinating committee study, make recommendations, and carry out programs that will result in (a) the creation of an effective standards body in each country with legislative enforcement powers and (b) the development of standards of quality and consumer information for commercial and consumer products in inter-country trade. Processed and fresh foods, lumber, textiles, garments, and a series of similar products could be selected for immediate targets.

CENTRAL AMERICA - INDUSTRY PROGRAMS - LOANS FOR SMALL INDUSTRY

PHASE I: FY-63 - 64

1. AID to make a \$5,000,000 line of credit available to the Central American Development Bank, who, in turn, will extend a \$1,000,000 credit to each of the five Central American countries.

2. The Coordinating Committee of the five development institutions, with the assistance of an ad hoc committee of experts, will establish uniform criteria for small loan applications (possibly predicated on invested capital) and which will emphasize character, ability, imagination, and planning rather than major emphasis on collateral. Loan ceilings will be established for individual borrowers for working capital (short term) and equipment procurement (long term). It is suggested that limits in the neighborhood of \$1,000 and \$10,000 respectively be considered at simple interest rates not to exceed 7%.

3. Within each country development institution, a loan committee will be established, from appropriate personnel from both within and without the institute, to pass on loan applications after receiving recommendations from technicians in industrial engineering, marketing, etc. within the small industry counseling services and giving due weight to increased value of production, increased employment, and reduction of sales price factors.

4. Servicing of the loan fund will be performed by a designated commercial bank for a fee, estimated at 2%. (Servicing by commercial banks, or development banks, if in existence, will provide educational values in the application of criteria differing from established practices.)

5. It is estimated that it will require two years to place the initial capital plus the repayments.

PHASE II: FY-64 - 67

1. In order to repay the original \$5,000,000 to the Central American Development Bank and the U. S. Government at the end of a 10-year period, it is recommended that the original capital plus interest be replaced through a sales program of U. S. surplus equipment, principally metal and wood working.

2. As it appears likely that surplus machinery will not be in adequate supply, it is recommended that the U. S. Government create a source of supply through the following mechanics that should be acceptable to the Congress, the machine tool industry, and the manufacturers of the U. S.

a. The Congress include in the Act for International Development, a five year depreciation clause covering U. S. manufacturers procurement of replacement of a specific list of common machine tools providing the replaced machine tool is donated to the Agency for International Development free of cost and in usable condition.

b. The machine tool manufacturing industry form an advisory committee to AID and the Congress for establishing the basic list of common tools to be included in the depreciation relief and, through the industry, to promote this method of industry's participation in the AID program.

c. Two or three central gathering points be established for receiving, classifying, treating, and boxing machine tools for overseas shipment.

d. After appropriate survey of probable needs over an initial two year period, the equipment be shipped to and displayed in a suitable location within each of the Central American countries.

e. Each country, to be a party to this program, would permit the machine tools to enter free of duty. A fair commercial value would be established, sales approved by the loan committee (as referred to in Phase I), using the same criteria as for loans, and serviced by the same commercial banks as an extension of the loan program. Sales terms are suggested at 5 years with simple interest not exceeding 7%.

f. Repayments of loans made on machine tools would not revolve but rather would be employed, in suitable installment units, to repay the Central American Bank and the U. S. Government.

Advantages of Foregoing Plan

1. The initial credit line of \$5,000,000 would enable a small industry loan program to be initiated without delay in assistance to the small Latin American businessman who cannot qualify by loan size from the international lending agencies and whose growth is presently handicapped by either lack of loan funds within the country, particularly long term, or by usurious rates of interest.

2. The replacement of the original borrowings and interest by sale or used machine tools adequate for the level of technology existing, places more modern methods of production in the hand of small businessmen on realistic terms, benefits U. S. manufacturing industries by permitting more advanced machine tool replacement with only small tax concessions by the U. S. Government and will provide stimulation to the machine tool industry of the U. S.

It is recommended that this plan be limited to the Central American integrated industrial development program until it has proven sound and until sufficient stock piles of equipment have been accumulated for a more extensive application.

SECTION IX

TEXT BOOK PRODUCTION

by

Dr. Russell Davis

Program Document Attachment

E-1

REGIONAL EDUCATIONAL MATERIALS PRODUCTION CENTER

A. General Description of the Activity

This activity will provide assistance in establishing a regional educational materials production center which will serve Costa Rica, Honduras, El Salvador, Nicaragua and Guatemala. At this center, educators from the various countries, assisted by U. S. specialists in curriculum development and the production of educational materials (books, pamphlets and teachers' manuals) will design and produce books, pamphlets, fold and tear sheets, manuals and the like for the elementary schools and the literacy programs of the Central American countries. The country will also be equipped with offset press facilities, mimeograph and multilith machines, binding, cutting and heavy stapling machines for producing in experimental forms (with runs up to two thousand copies) experimental editions of books for tryout in the various countries. The center will also have the services of a publishing or printing advisor to assist the Ministries of Education in negotiating printing contracts for the final runs of books and materials, and the services of an educational materials specialist to advise countries on purchase or adaptation of existing textbooks.

B. Specific Activity Targets or End Results Desired

The overall goal of this project would be to insure that by the end of FY 68 the Schools of the various countries of Central America would have a basic set of books for Grades 1-6 of their elementary schools. The number of the books would vary according to the curriculum plans of the respective countries, but it would probably run between 24 and 30 entries. The elements of the set would probably include the following entries:

	<u>Entry Total</u>
1. <u>Reading</u> in which there would be a basal series plus extra readers. Grades 1-6 including Primers.	12
2. <u>Arithmetic</u> A complete six book set for the grades.	6
3. <u>Science</u> One science book for each grade from 2-6	5

One way in which the educational materials problem can be handled is by the establishment of a center which would serve the five countries. To this center would be attached U. S. technicians who would assist teams from the various countries in the following activities.

1. Determination of the books which are necessary in terms of elementary school curricula and literacy programs.
2. Determination of whether there are already in existence books which could be purchased to fill the curricula needs.
3. Assistance in the funding, and arrangement of purchase of books which are already usable.
4. Assistance in adapting and modifying books that exist but which do not exactly fit the need.
5. Assistance in the design of books to fill whatever gaps exist, including assistance in materials resource and research, writing, editing, layout, design and printing of experimental editions for try-out.
6. Assistance in setting up research and evaluation procedures for trying out and modifying the newly produced books.
7. Assistance in negotiation of final printing contracts for the books, after they have been tried out in experimental form and modified.
8. Assistance in securing through loan or grant funding for purchase of the books.

The advantages of a regional center are these:

1. A minimal staff of AID, or contract technicians, could serve a wide area. Staff needs would be a Materials Resource advisor, a curriculum advisor, a writing and editing advisor, a layout and illustration design advisor, a printing advisor. This minimal staff of five could handle all technical aspects of book purchase, book adaptation, book design and production, editing layout, negotiation of printing contracts and preparation of requests for funding.
2. A more complete study of all possibilities for meeting the materials needs can be made, and the minimal resources of the Central American countries and the limited U. S. aid potential for this area can be exploited.

3. More advantageous contracts can be negotiated when larger numbers of books are printed or purchased.

4. Better assessment of country needs can be made and more standard quality can be assured in educational materials in all countries of the area.

5. A more efficient training program for country materials production people can be carried on in an in-service situation. Previous within country workshops and U. S. training experience has not proved fruitful. (This program should be coordinated with regional plans in communications media)

REGIONAL EDUCATIONAL MATERIALS PRODUCTION

Background to the Project

Shortage of educational materials (books, pamphlets and teachers manuals) is one of the most critical educational problems in Latin America and acts to retard and prejudice literacy and elementary educational programs in all five of the Central American countries. Even in Costa Rica, with a relatively highly developed system of primary education, the problem is severe. In Nicaragua, only one book, an alphabet primer, has ever been distributed in the schools. The scarcity of materials, interacting with the low standards of teacher competence, makes the schools almost inoperable in Nicaragua, Honduras, Guatemala and El Salvador.

Various attempts have been made to solve the educational materials problem. In Costa Rica, the local Ministry has accomplished what little has been done in development of materials. In Nicaragua, a small and insignificant attempt has been made to encourage teachers to develop some of their own materials. In Honduras there has been a small materials production program that has produced four simple reading pamphlets. In Guatemala a rather larger operation has produced several pieces of educational material including books, pamphlets and manuals. There is nothing here to indicate evidence of what El Salvador has done in this area.

Traveling workshops and Washington training programs have accomplished little. Consideration has also been given to buying textbooks from outside sources. The possibility of buying books from Cuba and Mexico has been considered, but no major book-buying program has been launched. The Laidlaw proposal--which at present will only attempt to solve the reading book problem--has been considered, and despite problems of cost and elaborateness of materials, and unresolved problems of making the local adaptations, still has merit, if and when amounts of money can be made available.

Even if the Laidlaw proposal, as it presently stands, were adopted in the five Central American countries, there would still be no total solution to curricula needs in arithmetic, social studies, science and grammar. Furthermore, the problem of adaptations for the individual countries may be more difficult than has been envisioned, and the book units are elaborate and costly for some budgets. This does not mean that the Laidlaw proposition is without merit. It may be a partial solution for the critical need for educational books in Central America. Even if it is bought, there will be further activity necessary in the area, in order to provide materials for the other subject areas of elementary schools and in order to supply major literacy campaigns that are presently being planned or implemented.

	<u>Entry Total</u>
4. <u>Social Studies</u> . Coverage in geography and history of the individual countries, the Central American region, the American Continent and the World. Coverage in this area would be from grade three through six.	4
5. <u>Language and Grammar</u> . A series covering Spanish language and Grammar 4-6	3
Total:	<u>30</u>

Additionally, teachers' manuals, pamphlets, sheets and general literacy materials will be produced.

The books will be produced in stages. First there will be an experimental edition, either designed as a new book for the respective country or as an adaptation of an existing book. The technical staff of the center will assist educator's from the respective country in writing, editing, designing and layout of new books or adaptations. The book will then be produced in experimental quantities of 1000-2000, for tryout back in the country. Once the experimental tryout has been accomplished, the modified edition will be brought back for final preparation. Again the technical staff will assist the country teams. Finally, the staff's printing and publications advisor will assist in negotiating a final printing contract--probably back in the country of origin--with the possible assistance of the U. S., in loan or grant form, to finance the printing. The center advisors will also assist the country teams in the selection of existing materials in arithmetic and physical science, which can be immediately produced on a mass basis for all of the countries.

The overall objective of the project is to assist all five Central American countries to have a complete set of books in their schools by 1968, with accompanying teaching manuals and any literacy materials that might be necessary to carry out planned campaigns. The project advisors will also assist country ministries in securing IAPSP loan and grant money for financing the final printing. Final printing would not be done in the center.

C. Progress Toward Achievement of Activity Targets

Many of the individual countries have already made studies of materials needs, either with a view toward purchasing existing books or producing new ones. The country-by-country situation in general is this:

1. Nicaragua has made some analysis of materials needs for elementary

and literacy programs and recommended a project to produce a basic set of 18 texts for the elementary schools, plus materials for literacy. This project is to be launched at once, either as a bilateral (U. S.-Nicaraguan) or area program.

2. Costa Rica has made some analysis of its material needs and has considered the possibility of purchase of Laidlaw readers if the money is available.

3. Honduras has produced four simple texts which might serve the region either in literacy or elementary school programs.

4. El Salvador has not as yet mentioned the problem.

5. Guatemala already has had an educational materials production center staffed with AID technicians and local personnel, and from this center have come materials and curriculum plans and personnel trained in techniques of educational materials production. If the program is to be handled by AID direct-hire technicians, Guatemala would be a likely location.

All countries have established curriculum divisions and have personnel trained in some of the elementary aspects of educational materials production.

D. Nature of U. S. Contribution

One U. S. advisor will be assigned to this project in FY 63. He will negotiate a personal services contract to provide the other four technicians as they are needed. This U. S. technician will be a general specialist in educational materials production. He, in turn, will recruit the following technicians, under a personal services contract.

1. Curriculum advisor
2. Design, illustration and layout man
3. Editing and writing advisor
4. Printing advisor

	<u>FY 63</u>	<u>FY 64</u>
<u>1. Staff Requirements</u>		
1. Educational Material Resource Advisor	\$17,000	\$17,000
<u>2. Training Requirements</u>		
1. Short courses in publishing and printing techniques	5,000	5,000
<u>3. Contract Service Requirement</u>		
Personal services contracts, plus support of 4 technicians as specified. Includes housing, foreign travel and other allowances.	100,800	100,800
For purchase of books selected by country technicians and for printing of new books:	350,000	650,000
<u>4. Supplies and Equipment Requirements</u>		
Automotive equipment	9,000	3,000
Offset presses, multilith machines, mimeo. Machines, cutters, binders, collators	105,000	12,000
Supplies and special printing contracts	76,000	78,000
Transportation and Distribution	26,000	34,000
Office Equipment (Files, Desks, Typewriters Calculators, Recorders)	18,000	8,000
Total	\$ 584,000	785,00
<u>5. Other Costs</u>		
Local Travel	1,500	2,200
Foreign Travel	3,200	4,200
Maintenance of equipment (printing, automotive office)	6,200	6,200
Local hire clerical and transport	12,000	12,000
Buildings and Plan Rental	26,800	26,800
Total	\$ 49,700	\$ 51,400
Grand Total	633,700	836,400

E. Nature of Cooperating Country Contributions

The contribution of the five cooperating countries will be in proportion to the use they make of the facilities; some contributing

more than others. Major expenditures will be for transportation of the country personnel to the center, and for salaries of the personnel while they are there working.

	<u>FY 63</u>	<u>FY 64</u>
Travel and Transportation of Technicians	\$18,000	\$18,000
Personnel costs (salaries and allowances)	82,000	82,000
Miscellaneous	4,000	5,000
Total	<u>\$104,000</u>	<u>\$105,000</u>

F. Contributions from Other Sources

Incidental assistance from UNESCO, OEA \$ 5,000 \$ 5,000

G. Financial Considerations

Funding for this project will continue, with reduced proportions for materials development and purchase, and increased expenditures for printing until the terminal year in FY 68. Equipment purchases will be high the first two years, but in the later years total costs will be even higher as money is advanced to print the books which have been produced for the various countries. An estimated two million more will be necessary to fund the book printing and purchases during the final five-year course of the project. Total cost of the project then will be close to 3.5 million, which though it may seem large is far less than the cost would be if the project were carried out country-by-country. Estimated costs for carrying a similar program through in Nicaragua alone would be close to 1 million. Considerable savings would be effected by carrying this activity through on a regional basis.

Funds should be loaned and disbursed through the Central American Bank, and overall technical direction of the program should be under AID with the bulk of the work contracted out to technicians and printers. This program should be a long-term loan program with the money prorated against the countries.

SECTION X

EDUCATION

EDUCATION

Educational sector activities in the countries of Central America (Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua) may have rhyme (appeal); but they have little reason (logical planning and programming). Logical programming must be approached at all of these levels:

1. The Regional Level. The area has at least sufficient geographical, political, social and economic homogeneity to make regional solutions possible in some educational problems. Some of these possible solutions will be explored.
2. The Country Level. Manifestly, education interacts with other social sectors, such as health, housing and welfare, and, in turn, with the general economy, so that some solutions in education within the country must be planned in terms of overall social and economic development.
3. The Sector Level. Within education itself there are various levels, e. g. elementary, middle and higher, and within the levels various significant components, e. g. books, teachers, classrooms; and solutions for one level or component are scarcely possible without concomitant concern for textbook production or classroom building has little logic.

The major weakness of educational programming in Central America stems from lack of comprehensive, integrated planning. At the regional level, there is a need to examine programs that might be handled more efficiently on a Central American regional basis. Educational planning itself may be one of these; but inasmuch as there is no central agency from which the problem can be approached it might be better to defer consideration of it at this time. The only possible justification for approaching educational planning on a regional level is that it would permit AID to effect economies by recruiting only one technician in this highly specialized field, to cover all of the Central American region. This seems hardly a sufficient warranty for recommending it, in view of that fact that there is no regional educational association that would permit a focus for the technician's activities. The possibility should be considered, however. Within the country, educational planning should be carried out along with general social and economic planning. Within the sector of education, there is a pressing, if unfelt, need to begin long-range comprehensive planning, immediately.

I. The Regional Level

Field concern for education is apparent in Table I which is based on the priorities and approximate aid levels projected in the country books.

Table I

PRIORITIES AND AID LEVELS FOR EDUCATIONAL ACTIVITIES IN FY 62 and 63

<u>Country</u>	<u>Priority Assigned to Education</u>	<u>AID Level (Loan, Grant, Etc.) in Millions</u>	
		<u>FY-62</u>	<u>FY-63</u>
Costa Rica	1	5.7	1.1
El Salvador	1	2.1	1.8
Guatemala	3-4	.5	1.1
Honduras	2	1.9	2.1
Nicaragua	2	1.2	6.6
	TOTAL	<u>11.4</u>	<u>12.4</u>

* This table will show some slight differences in totals depending on which activities are classified in the education sector.

One criterion that was obviously not applied in order to determine the priority and aid level was need. Guatemala, with probably the greatest need (measured by illiteracy and percentage of children of school-age not in school), has the lowest priority for education; and Costa Rica with the least need (as measured by the same criteria) has almost the highest priority and aid level. There has been general failure to analyze and adjust educational programs in accord with measurable educational need.

Only two activities in all of the countries took any cognizance of the possibilities of a regional approach to the solution of educational problems. The higher education program in Costa Rica and the educational materials production program (elementary school) in Nicaragua mentioned the possibility of approaching the problem on a general Central American area basis. Both of these programs will be analyzed, and their regional possibilities explored, in accompanying documents.

II. EDUCATIONAL PLANNING AT THE COUNTRY LEVEL

There was minimal success in fitting educational planning to general social and economic planning at the country level. In Guatemala, Vocational Training was placed in under Priority Goal Four, "Industrial Growth and Creation of Work Opportunities", and some attempt was made to make the program responsive to needs in general economic development and manpower training through within industry extension courses. In Honduras, Vocational Education was handled under the first goal, "Production Increase", (along with Agriculture, Industry, Public Administration, Public Safety and Labor); although there was no evidence that the project was planned in coordination with, or, indeed, had any connection with other activities grouped under the rubric. In other countries, vocational education was either maintained within the educational sector or phased out.

In Nicaragua, educational planning was related to general social and economic planning, but the exact formula for relating this sectoral planning with general planning was not specified.

Overall, there was little awareness of the need to relate educational development to general social and economic development in the all-important area of manpower development for economic growth.

III. WITHIN SECTOR PLANNING IN EDUCATION

Generally, educational sectoral activities lacked vertical integration (planned and considered development at all levels and with all components within levels) and longitudinal scope (projection of programs in terms of development goals specified over a period of years). More simply put, the educational programs showed little evidence that all components within the levels, i. e. books, teachers and classrooms had been given balanced analysis, and that all of these levels and components had been projected out over a period of years so that orderly progress toward achievement of goals, such as the ones specified at Punta del Este, would be achieved. There was mention of quantitatively specified goals and the means for reaching them in given time periods, but there were so many inconsistencies in the data that it is quite probable that these, and the orderly progression toward them, were not validly or reliably projected.

Costa Rica showed the best balance by levels with consideration of primary, middle and, in contrast to all other countries, higher education. It also is helping the agricultural college. Honduras is the only country which considered middle education generally in its comprehensive high school project. Guatemala is the only country which considered commercial education a debatable project for U. S. aid. Nicaragua studied all levels of education but elected to concentrate only on basic education (literacy and elementary), which is perhaps consonant

with the true level of educational development in the country. Additional consideration of middle and higher education in Nicaragua has come in, but is not a part of the country book. Salvadoran coverage by levels is spotty and almost whimsical.

Most adequate balance by components (books, teachers and classrooms) within levels is found in the Nicaraguan elementary education project, in which increase in classrooms, books, and teacher training were calibrated. Nicaragua is also the only program that shows any evidence of accurate longitudinal planning, i. e. a long term forecast over years. Other countries use the terms "projections", "predictions", and "forecasts" with no apparent quantitative warranty, and in some cases, with absurd and erroneous conclusions.

This examination of educational programming has been most cursory and a detailed analysis is called for in all Central American countries before the FY-63 program is launched.

Comments on Specific Projects within the Educational Sector

Literacy and Basic Education

The problem of literacy, which is a grave problem (over 50%) in at least four of the five countries, received very different treatment in the individual countries. Costa Rica proposed no special effort in the area, which is probably appropriate in terms of its needs. Guatemala proposed a literacy program which seems unrealistic both in the priority assigned and the amount of money requested for the task contemplated. It is quite unlikely that a program of the scope proposed can be carried out for the money programmed. Nicaragua handled literacy under general development in basic education, which included regular elementary day schooling, and probably has a reasonable program for the strategic population defined (14-20 year old group to start). Its success will depend wholly on necessary reorganization by the local Ministry of Education (removal of over-age elementary school students so that they may be handled in special night adult classes). Honduras has no program for literacy, except insofar as some of the educational materials produced for the regular elementary schools would be of use in a literacy campaign. El Salvador mentions literacy as a problem but has no specific program in this or any other activity, except school construction.

Generally, in Central America, the severity of the literacy program suggests the need for research into media and campaign methods. In media, there is a need to determine the feasibility of using radio campaigns supplemented by books and teaching, as opposed to printed materials alone. On the matter of printed materials, there is a need

to determine the kinds of sheets, folds, pamphlets or bound books that can be produced most inexpensively and distributed most widely. In campaign methods there is a need to determine whether the programs will be carried out in special campaigns, as opposed to increases in the regular educational operations, whether the programs can be handled in existing facilities (schools, centers, rented buildings), whether regular teachers should carry out the work, or whether volunteer domestic corps can be recruited. The means of training and supervising campaign corps and supplying the field operations needs study. None of the countries evidence a thorough study of this problem, although Guatemala and Nicaragua have apparently worked out some of the problems. If a regional educational materials production center is established, the design and production of literacy materials should be one of its major goals. This materials production project will be discussed in an accompanying document.

ELEMENTARY EDUCATION

Honduras, El Salvador, Guatemala and Nicaragua have severe problems of illiteracy. This would seem to suggest that a literacy campaign should be the primary goal for education in these countries. However, scarcity of resources and the dubious economics of educating middle aged and aged populations with limited years of economic productivity make it necessary that the literacy problem be handled with caution. The two strategic populations that should be educated in such circumstances are: (1) over-age students and illiterates between the ages of 14 and 20, who should be taken care of in night literacy courses, and (2) the school age population (6-14) which should be handled in the regular elementary programs. Children who are squeezed out of day school by limited resources will year-by-year swell the illiterate population at the lower age levels as fast as it is reduced at the higher age levels. Elementary education in grades 1-6 must, therefore, be the first priority of the Central American countries. These populations must be taken care of with a balanced program of which the essential components are books, teachers and equipped classrooms.

The countries showed varying balance among these components. Nicaragua has a balanced and well calibrated program for books, teachers and classrooms. Guatemala was heavy on educational materials, which may reflect the fact that school construction has been taken care of and teacher education is not so severe. The latter is questionable. Costa Rica is heavy on school construction both for classrooms and teacher training institutions. Again this may reflect the need there. However, it shows little attention to book production; and the need is great there, without question. El Salvador has not yet developed its program, but it is presently heavy on school construction and mentions the possibility of later attention to teacher

training. Honduras covers all three components, but is heaviest on teacher training.

All of these country programs should be carefully analyzed in terms of local data in order to determine whether or not the areas of concentration reflect the areas of need. Again the necessity of planning is manifest. Nicaragua has done educational planning; Guatemala is planning to do planning through a special task force; Honduras has plans for educational planning at the secondary level.

School Construction

As the newest and most expensive component of elementary education, school construction merits attention. There is considerable variation among the country programs on the financing and management of classroom construction programs. The programs in Honduras, El Salvador and Nicaragua have a local self-help feature; the program in Costa Rica does not. Table II shows the summary data on the first round of classroom construction, excluding Guatemala which is completing its building program and withdrawing from the field in FY-63.

Table II

Classroom Construction in the Central American Countries

<u>Country</u>	<u>Grant-Loan U.S.</u>	<u>No. Classrooms</u>	<u>Per Classroom Cost</u>	<u>Equipped</u>
Honduras	\$1,200,000	400	\$3,000	yes
Costa Rica	5,000,000	1724*	2,900	no
El Salvador	1,500,000	400	3,750	yes
Nicaragua	1,060,000	500	2,120	yes

Some of the variation in per-classroom cost comes from the fact that all of the Nicaraguan units are rural, that the expectation of local self-help under certain assumptions of project management is higher in some countries than others. Nicaragua will be unable to build at the cost cited if the management of the program is completely left to the Ministry of Education. Even with these differences accounted for, it is quite likely that facilities will not be equal in the various countries and that the Salvador classrooms will be superior to those in Nicaragua. The implications of this should perhaps be studied.

*55% of the Costa Rican classrooms will be rebuilt and repaired instead of newly constructed.

MIDDLE EDUCATION

The handling of middle education varies, as has been mentioned. Overall, the United States must be prepared to give less attention to middle education while the more severe shortages in elementary education and literacy are handled. This makes some sense logically, inasmuch as any developments in elementary education must come before operations in secondary. Furthermore, the problem of working at the secondary level is complicated by unresolved policy decisions about working with Church-affiliated groups (largely Catholic), and the fact that oppositionist elements become more difficult to work with in middle and higher education. There is generally less local enthusiasm for U. S. technical advice at the secondary level. Middle education can not be neglected, however, and the overall necessity at this point is for general planning with heavy emphasis on curriculum development which will eventually control methods of teacher training for the secondary level.

The country-by-country summary of operations in secondary education follows. In Nicaragua, the emphasis is so heavy on basic education (elementary and literacy) that little attention or aid can be spared for middle. The country has phased out of vocational education, has made a small start on secondary education through the American Nicaraguan School, plans extensive expansion in normal school -- or teacher training -- education, and has launched analysis and general planning activities in middle education.

In Costa Rica, strong emphasis on vocational and agricultural vocational education continues, with attention to teacher training through a normal school construction program.

In Honduras, there is continuing attention to vocational education with emphasis on manpower training through extension courses that will presumably be tied in with industrial development programs. Honduras shows the strongest activity in secondary education with its plans to renovate the San Pedro Sul School, tie it into shop and laboratory facilities and make of it a "comprehensive" high school. This is the only program of its kind in Central America inasmuch as the comprehensive high school notion is a North American import that may or may not take in Latin America. There seems insufficient guarantee of technical assistance in supervision and curriculum development to insure success, but this may be because of the way the program is written. It does provide one of the few clear opportunities for use of Peace Corps personnel.

In Salvador, details are lacking but provision is made for general survey and study of secondary education. Teacher training in

normal schools will also, presumably, be carried on.

In Guatemala, attention to middle education will presumably be reduced. The project for assistance to commercial education will be phased out. Teacher training will not be expanded, except insofar as it relates to carrying out the literacy campaign. Middle education will presumably be studied in the general educational advisory program and in the provision for reorganization of the Ministry operations through a Task Force.

HIGHER EDUCATION

Costa Rica is the only country which shows serious attention to higher education, with plans to provide equipment and training to go along with a loan from the Inter-American Bank for expanding facilities in the University of Costa Rica. This development in Costa Rica offers a possible entry into the critical field of higher education. An accompanying program document will describe the methods of initiating such a program for work with the Consejo Superior de Universidades Centro-Americanas (CSUCA) in development of General Education.

As general observation, it is worth noting that the new abbreviated E-1 form, whatever merit it may have in the matter of providing less reading for busy AID/W officials, has shortcomings when it comes to serving as a basic document for systematic analysis. Some of the E-1's are so brief and lacking in detail that it is difficult to decide what is going on in the countries. The analysis presented in this paper then is accurate only insofar as the activities were adequately described in the brief compass of the "new" E-1's. In some cases it may well be based on an erroneous interpretation.

Analysis of educational sector developments in Central America suggests these areas should be of immediate concern:

1. Study of the possibility of general educational sector planning with attention to the possibility of furnishing the necessary planning data which must come through national censuses and manpower studies. With respect to this fundamental need which is critical, not only for planning within the education sector but for general economic and social planning, a model program for assistance in census processing will be developed in rudimentary form and attached.
2. Study of the possibility of standardizing and centralizing management, engineering and purchasing for school construction projects so that maximum economies can be effected when there is greater area integration.
3. Study of the possibility of mass producing of certain building materials for the area, e. g. masonite, flush doors, louvres.

4. Study of possibility of producing text books on an area basis so that staff (advisory) can be minimized and printing and publishing costs reduced. A model program document will be attached.

5. Study of the possibility of locating an area technical school which will, as far as educational level goes, fall in between the vocational secondary school and the university school of engineering.

6. Study of the possibility of working in higher education through the Consejo Superior. (A tentative program document is attached).

SECTION XI

REGIONAL APPROACH TO

MALARIA ERADICATION IN CENTRAL AMERICA

by

Mr. Charles S. Pineo

Regional Approach to Malaria Eradication in Central America

Malaria eradication programs have been underway in all of the Central American countries since about 1957. Although each country has its own National Malaria Eradication Service, there has been strong regional coordination from the beginning. At least once each year, the Directors of the National Malaria Services of Central America, Mexico, and Panama meet under the auspices of the Pan American Health Organization, to discuss mutual problems and work out solutions. Technicians of AID participate in these meetings, representing the US AID's of Guatemala, Honduras, Nicaragua, and AID/W. Each year there are also meetings between neighboring countries at some border point to discuss malaria problems along the mutual border.

Although good progress has been made in eliminating the disease from some areas of these countries, all have acute technical problems, particularly on the Pacific side where use of insecticides on cotton is more prevalent. Here, resistance to dieldrin and DDT has become dominant among the mosquitoes. This problem is made more difficult by the migratory workers who move from one country to another following the harvest. Special measures are now being carried out to meet the problem. Malaria appears to have been completely eradicated in Southern Mexico and in British Honduras (Belize).

Although the PAHO zone office in Guatemala exercises regional technical guidance to the malaria eradication programs of each country, a stronger regional approach also by AID would be desirable. An AID regional malaria advisor stationed in one of the countries could do much to speed up the eradication of the disease.

A summary of estimated funding requirements for completion of the U. S. assisted programs in Guatemala, Nicaragua, and Honduras is attached. Full support should be given to these programs until eradication is achieved. The programs in Costa Rica and El Salvador have not received direct U. S. assistance.

DISTRIBUTION OF MALARIA ERADICATION FUNDS IN CENTRAL AMERICA BY SOURCE OF FUNDS
(in thousands)

	1958-61	1962	1963	1964	1965	1966	Total
<u>Guatemala</u>							
Local Govt.	1320	485	400	400	400	-	3005
UNICEF	1002	285	-	-	-	-	1287
AID	1567	517	683	500	464	-	3731
PAHO	231	113	118	69	30	-	561
Total	<u>4120</u>	<u>1400</u>	<u>1201</u>	<u>969</u>	<u>894</u>	-	<u>8584</u>
<u>Honduras</u>							
Local Govt.	1293	365	365	280	280	280	2863
UNICEF	875	92	185	50	-	-	1202
AID	1293	410	410	40	20	-	2173
PAHO	<u>127</u>	<u>80</u>	<u>79</u>	<u>34</u>	<u>21</u>	-	<u>341</u>
Total	3588	947	1039	404	321	280	6579
<u>Nicaragua</u>							
Local Govt.	1123	330	330	290	290	300	2663
UNICEF	1091	20	-	-	-	-	1111
AID	840	471	475	300	30	-	2116
PAHO	<u>147</u>	<u>74</u>	<u>78</u>	<u>33</u>	<u>18</u>	-	<u>350</u>
Total	3201	895	883	623	338	300	6240

SECTION XII

REGIONAL HEALTH PROGRAM

FOR

CENTRAL AMERICA

Regional Health Program for Central America

I. Background Information

When the Charter of the Alliance for Progress was enunciated at the meeting in Punta del Este, Uruguay, in August, 1961, due recognition was given to health as a basic component of economic and social development. In the Declaration to the Peoples of the Americas, the following statement appeared:

"This Alliance is established on the basic principle that free men working through the institution of representative democracy can best satisfy man's aspirations, including those for work, home and land, health, and schools."

Furthermore, a specific goal set forth in the Charter is as follows:

"To press forward with programs of health and sanitation in order to prevent sickness, combat contagious disease, and strengthen our human potential."

The achievement of this goal is essential if human labor, the basis for the formation of capital, is to be mobilized to develop and utilize resources for the total economic plan of a given nation.

To this end, during a Technical Public Health Conference sponsored by ICA in Bogota, Colombia, April, 1961, the Ministers and Directors-General of Health of the Latin American countries, emphasized the need for creating National Planning Commissions within the Ministries of Health. It was envisioned that such commissions would be responsible for the development of long term projection of plans geared to needs and the economic capabilities of their countries.

The proposed programs for FY-63 submitted by the AID Missions in Central America, do not reflect an appreciation of the need to support the countries in projecting and implementing long range plans for health improvements. Actually, the Missions plan to begin terminating support to health programs in FY-62, achieving a complete phase-out by FY-66.

II. US AID Mission Plans

A review of the Field Proposed Programs for FY-63 contained in the country program books for the five Central American republics leads to two conclusions, namely:

1. That they were prepared with very little reference to the contents of the Charter which was developed at the Punta del Este Conference in April, 1961, and which made very definite recommendations on the goals to be reached during the present decade in the field of public health.

2. That little consideration was given to the conclusions reached by representatives of the Ministries of Public Health and the Chiefs of the US AID Missions in a meeting held in Bogota less than a year ago. (See Appendix A)

There is little disagreement with the US AID goals as set forth in the proposed program submissions, but there is disagreement with the low priority given by the Missions in Guatemala, El Salvador and Honduras to the importance of assisting in improving the health facilities and capabilities in those countries. Most of the goals with higher priority in all of the countries are dependent on an alert, aggressive, healthy manpower base. It is distressing to note the failure to understand the direct relationship between total health and total productivity. There seems to be no realization that worker productivity, increased agricultural production, expanded industrial output and vigorous educational growth are affected directly by absenteeism, stunted growth, loss of initiative, the distortion of the age structure of the population, all created by the insidious ever-present preventable diseases.

GUATEMALA - The CPB proposes to phase out all US AID public health activities by the end of FY 1962. "Splinter projects are to be merged for greater effectiveness while others, such as Health and Sanitation projects, which are being terminated, are considered of relatively low priority." The GOG officials have made vigorous protests against this proposal. The malaria eradication program is being continued with the Ministry of Public Health assuming the direct supervision of the project after June 10, 1962. Technical assistance will be provided by U. S. technicians, WHO and UNICEF. The Chief Public Health Advisor and the Business Manager from the Health program will transfer to this activity starting FY-63.

EL SALVADOR - The phase-out in public health in El Salvador is not as abrupt as in Guatemala. It is proposed to phase-out all public health activities by the end of FY 1963 except for the construction or expansion of public health centers, schools of nursing, the Rosales Hospital and for rural water and sanitation facilities which will be completed by December 31, 1964, or earlier. Financial contributions to these projects will have been completed by the end of FY-1963.

Mention is made in many places throughout the CPB that the tremendous health needs of El Salvador are far from being met - more than 1,000,000 (over 37% of the population) are without health services of any kind. Despite this and the importance of health assistance to El Salvador, the US AID Mission is, for the sake of concentration, proposing the termination of the health program.

Indications are that there will be no US AID public health advisor in El Salvador after the end of FY-63.

HONDURAS - With minor exceptions it is planned to terminate all US AID public health activities by the end of FY-63. The exceptions are the assistance which is being given toward the establishing of a Central National Public Health Laboratory and for the rehabilitation of disabled persons. Both of these activities are to be phased-out by the end of FY-64.

Assistance to the malaria eradication program will be continued until FY-1966 when it is estimated that eradication will be complete. Plans are to maintain a small staff of public health advisors through FY-64.

NICARAGUA - The US AID Mission assigned third priority to the Reduction of Morbidity and combined the health projects into three activities, namely: environmental sanitation, development of health services and malaria eradication. This is in support of the goal of the recently created National Public Health Committee to obtain a 33-1/3 percent reduction in the incidence of communicable disease within the next five years. A rather extensive staff of public health advisors is excluded for the program.

It is estimated that assistance to the malaria eradication program will be phased out in FY-1968 when eradication will be completed.

COSTA RICA - The public health program of US AID in Costa Rica is in support of Priority Goal III to Reduce Preventible Disease. Present projects are financed through the end of FY 1962 and then they are regrouped into health facilities development and coordination, sanitary engineering services and assistance to the medical school, terminating some activities which are completed or to be phased out. The US AID advisors remain about the same with only those changes necessitated by redirection of emphasis in the activities.

GENERAL - The above brief resume of the proposed country programs indicates that these countries will not receive needed support from the AID Missions to achieve the health goal set forth in the Alliance for Progress. Regional activities in health will not obviate the requirements for strong country programs but will be a means of effecting improved planning and utilization of resources.

III. Regional Health Program

It is proposed that the AID undertake on a regional basis, activities to promote:

- A. The strengthening of existing or creation of new planning commissions within the Ministries of Health.

The commissions would be responsible for preparing, coordinating and evaluating long term plans for the development of health programs within the context of overall national economic and social planning. The need for developing such commissions was one of the conclusions reached in the Public Health Conference held in Bogota.

- B. National Manpower and Facilities Studies.

The shortage and poor utilization of health personnel remains a serious problem throughout the region. Recruitment of suitable candidates is difficult. Once recruited and trained, many leave to accept employment in another field of endeavor and a great number of those who continue in health positions are not utilized effectively. AID will support:

1. Surveys to determine the existing legal foundations which affect professional and technical standards in health and the control of health practice.
2. The establishment and the maintenance of a register of personnel trained in health. This would include the names of the health workers, the kind of training they have had, the type of work in which they are engaged and if not presently employed in health activities, the reasons why not.
3. A careful examination of the job responsibilities of professional personnel employed to determine what part of their activities can be carried out by auxiliary personnel thus freeing the professional staff for program planning and supervision. This type study would also provide the data which would enable the Health Ministry to determine the additional professional and auxiliary staff for present and future needs.
4. Surveys to determine the number of unfilled health positions in the countries, the locations of the positions and the kinds of personnel required; also to determine the total number of health personnel needed to implement projected plans for the extension of health services.

5. Surveys to determine the types, quantity and quality of health facilities including service and training facilities.

6. Surveys to determine the extent to which professional organizations such as medical societies, nursing associations, etc., contribute to and participate in national health planning and program implementation.

C. Strengthening of existing facilities for regional training.

Existing training facilities are not producing the quantity or quality of health personnel required for health programs now in operation. The staffing problem will become increasingly acute as economic development programs are implemented. Occupational health presently of limited concern will assume greater importance as industry expands. Similarly, health problems affecting other population groups such as tourists, new settlers, migratory workers, residents of areas where important natural resources are located, will require special attention. There is need, therefore, to find the most economical and effective methods of providing adequate and appropriate training for greater numbers of health workers.

Support for the development of training facilities which can serve more than a single country is an economical approach to the solution of the problems of shortages in personnel and of inadequately prepared personnel. Such regional facilities would be useful for the training of specialized health personnel who are not required in large numbers in the individual countries and as an interim arrangement for the training of certain types of health workers for the countries which need but are not as yet prepared to develop their own training programs.

The strengthening of the best training facility in the region for one type of health worker would benefit all the countries. For example, strengthening the services in the tuberculosis sanitarium in Honduras would in turn make this facility useful for the training of health workers of neighboring countries.

The mechanism is already set up to provide assistance in developing in-country training programs for engineering management of water supply systems. The best of these in Central America could be used as a regional facility for that area.

Other important training activities, such as seminars, field training for participants, and student affiliations in the specialties should be planned around the best available services in the region.

D. Close coordination between health and other components of the Economic and Social Development.

This coordination is essential for many reasons. Unless health authorities have knowledge of plans being made to increase tourism, to expand industrial development, or to resettle areas of the country, it is unlikely that they will be ready to provide necessary health services for the groups involved. Certain requirements of the health services if known to others involved in economic and social development could lead to the development of a common market for the production of such items as drugs, uniforms, bandages, linens, pipes, valves, water pumps, fittings, hospital furniture, etc.

E. Control or eradication of certain diseases such as dysentery and malaria.

The reduction or eradication of such diseases is considered essential to provide a favorable matrix for maximum progress in economic and social development. The community Water Supply Program, which is the most important single effective measure against the dysenteries, and the malaria eradication program are far more effective when planned on a regional basis.

IV. Plans for the Implementation of the Regional Health Program

During FY-63 emphasis will be placed on (a) interpretation of the Regional Program plan to representatives of the AID Missions and the Ministries of Health, (b) surveys which will provide the basic information for sound planning and coordination within the region. This will be followed by the recommendations for budget, staffing and other requirements to carry out the program on a long term basis.

Appendix A

The Contributions of Health Programs to Economic and Social Development*

"Man has certain inalienable rights, one of which is to be able to live in a healthful environment and to have available to him the knowledge and services which will help safeguard his physical and mental well-being. Not only is the opportunity for health a right of man but a necessity for his social and economic development.

- A. Human labor is the basis for the formation of capital. To insure the availability of an effective labor force, a country must provide the health services which will help the laborer to increase his working capacity and to prolong the duration of his productive life.
- B. The material resources of some countries cannot be fully developed or utilized because these resources exist in areas where there are unhealthful conditions and it is difficult for men to work or live. The control or eradication of diseases in such areas is often the most important first step to be taken if the resources are to be developed.
- C. Absenteeism increases production costs. As workers are provided with and make effective use of preventive and remedial health services, absenteeism is reduced and productive capacity is increased.
- D. Industrial development and the successful stimulation of tourism are directly related to the availability of sufficient quantities of safe potable water.
- E. The reduction of parasitosis and the improvement of nutrition in the school population are important factors in decreasing absenteeism. Furthermore, a child who is well nourished and free from debilitating disorders is more alert and better able to take advantage of learning opportunities.
- F. Political stability, an essential of social and economic progress, is encouraged when a government demonstrates a concern for its citizens by providing basic health services."

* Report of the ICA Public Health Technical Conference, Bogota, Colombia, April 24 - 28, 1961.

SECTION XIII

FUNDING OF ECONOMIC INTEGRATION

FOR

CENTRAL AMERICA

by

Mr. Frederic Fisher

Funding of Economic Integration for Central America

I.

Title III of the Charter of Punta del Este deals entirely with "Economic Integration of Latin America". Section 8 states that:

"The economic integration process implies a need for additional investment in various fields of economic activity and funds provided under the Alliance for Progress should cover these needs as well as those required for the financing of national development programs".

This seems to indicate the source of funding for the regional projects for the economic integration of Central America. But it is not clear whether if such funds were earmarked for economic integration in Central America, this would mean a corresponding paring down of the amounts that might otherwise be available from this source for that area's national development programs. The thinking may be that if this were done, then the funds required for national planning would come from IBRD and EXIM as a supplement. This point needs clarification because in the case of the \$500 million offered at the Bogota Conference it turned out that this sum was not additive to our regular program levels but inclusive. In short, it turned out to be like the Irishman who, because his blanket was too short to cover his cold feet, cut a strip off the top and sewed it to the bottom.

But before going into the problem as to the magnitude of the financial assistance that might be required over the next decade to make the economic integration of Central America viable, let us review the past history of external resources to that region and measure its effect.

Table I was compiled from the various periodic status reports of the DLF, IBRD, EXIM AND IDB. The data does not go through to December 31, 1961 and is therefore not strictly up to date. But they do go through to September 31, 1961 for DLF and IBRD and November 30, 1961 for EXIM and IDB. As the figures are cumulative since the inception of the several institutions, they may be considered satisfactory for the present purpose. Note also that the data refers to authorized loans and therefore to the extent that the more recent loans have not been disbursed; their actual impact on the economy is not reflected. In any event there is a lag between first partial disbursements and the completion and consequent productivity of the various projects. (There have been only two IDA loans to date; one of

\$9 million to Honduras in May 1961 and another of \$5.5 million for Costa Rica in October 1961 - both for road construction and improvement and neither yet disbursed. For this reason they were not included in the tables).

Table II shows the distribution of cumulative authorized loans from the four lending institutions for the various countries by amount and percentage. Of the total of \$264.6 million for the region almost one half has been provided by the IBRD.

Table III shows the distribution of cumulative authorized loans for each country by sectors. For the region, by far the largest amount of loan authorizations were for highways (including the American Highway) in short, \$113.8 million or 43.1% of the total. For highways, energy and water supplies alone, these infrastructure projects for the region comprised about 75% of the total for the region. Authorized loans for agriculture and livestock came to only 13%.

Inasmuch as loan authorization can be deceiving insofar as actual impact on the economy is concerned, we prepared Table IV which shows actual cumulative disbursements to the several countries of the loans authorized. Of the total \$264.6 millions authorized for the region, only \$129 million or 48.8% have been disbursed to date.

The reason for this lag is apparent from Table V which shows the relatively low volume of loans authorized prior to 1959 - except for 1955 when they totaled \$48.4 million. Loans authorized in 1959, 1960 and 1961 amounted to \$152.6 or about 58% of the total since 1942 when the first loan was authorized for Costa Rica.

What is clearly indicated by these several tables is the lack of planning even on a national scale because of the general practice of the lending institutions to consider applications on an ad hoc basis of industrial project merit. They were certainly not geared to any regional requirements and there is no evidence of policy coordination as among the lending institutions.

Because one can be misled by overall totals of authorized loans to any given country we prepared the following table showing the distribution of such loans on a per capita basis:

	<u>Population Total</u>		
	<u>(1960)</u>	<u>Loans</u>	<u>Loans</u>
	<u>millions</u>	<u>(million \$s)</u>	<u>per capita</u>
Guatemala	3.8	50.9	\$13.40
Honduras	2.0	32.8	16.40
Nicaragua	1.5	62.1	41.40
El Salvador	2.7	51.7	19.10
Costa Rica	1.2	67.1	55.90
Total	<u>11.2</u>	<u>264.6</u>	<u>\$23.6</u>

Thus it will be seen that on a per capita basis Nicaragua has been the largest beneficiary to date and Guatemala the least.

II.

Table VI shows the average annual growth of GNP per country beginning in 1959 and projected through 1963. The table is based on data presented in the C-1 tables of the various Field Proposed programs for FY 1963 and necessarily represent estimates of dubious authenticity, the quality of Government sources being what they are at present. (The El Salvador FFP did not venture to make any projection for 1962 and 1963. The assumption that there was no indicated growth is a purely arbitrary guess by me and may be taken at face value).

The country notes on Table VI are worth reading because it gave a breakdown of rates of growth of GNP year by year and their variations are indicative in some cases of rather questionable assessments.

What is significant, taking the figures for what they are worth, is that the net growth of GNP (gross average less the annual percentage of population growth) is pitifully small in every instance - and far short of the 2½% net set up as a general desideratum in the Punta del Este Charter.

If the average population growth rate per year for the region is 3.6% as shown in Table VI, the gross annual rate of growth of the GNP should be in the neighborhood of 6% to yield a net growth of 2½%. (In the case of Costa Rica, and perhaps El Salvador, the net GNP is less than the population growth rate).

The figures for GNP per capita are miserably low. However, the distribution of income in Central America is very uneven, and it has been estimated that between 85% to 90% of the population have an annual per capita income of less than \$90.00. It should be noted here that per capita figures are based on population and since census figures are outdated and probably inaccurate, these data are unreliable. Of course, the population figures could be wrong in either direction - either too small or too large.

It is perfectly clear that the past volume of external and internal resources has been inadequate to satisfy adequately the economic requirements of the region. This may be due to several other factors besides insufficient volume, such as; 1) the lag, as pointed out, in the actual disbursement of authorized loans; 2) the uneconomic distribution of funds in the various countries; 3) the misuse of funds because of incompetence and/or graft; and 4) the population explosion and its negative effects (the partial solution to which might be to eradicate the malaria eradication program).

It is believed that the appended Tables give a fairly good background from which to make judgments about future planning of the required magnitude of external resource requirements. This will be the subject of a separate paper.

TABLE I

TOTAL CUMULATIVE AUTHORIZED LOANS BY DLF, IBERD, EXIM AND IDB

(Millions of Dollars)

<u>DLF</u> ^{1/}	<u>GUATEMALA</u>		<u>HONDURAS</u>	
	<u>Kind</u>	<u>Amount</u>	<u>Kind</u>	<u>Amount</u>
'59	rubber	5.0	'58 highways	5.0
'59	kenaf	.4	'60 energy	2.8
'61	highway	2.1		
'61	"	5.4		
		<u>12.9</u>		<u>7.8</u>
	<u>NICARAGUA</u>		<u>EL SALVADOR</u>	
	<u>Kind</u>	<u>Amount</u>	<u>Kind</u>	<u>Amount</u>
'59	pub. util.	.6	'61 airport	1.6
'60	energy	2.5		
'61	highway	4.3		
'61	"	2.8		
		<u>10.2</u>		<u>1.6</u>
	<u>COSTA RICA</u>			
	<u>Kind</u>	<u>Amount</u>		
'59	Reset.	.3		
'61	water supply	3.5		
'61	ag. settl.	5.0		
'61	roads	.1		
		<u>8.9</u>		
			<u>TOTAL DLF - 41.4</u>	

<u>IBRD</u> ^{2/}	<u>GUATEMALA</u>		<u>HONDURAS</u>	
	<u>Kind</u>	<u>Amount</u>	<u>Kind</u>	<u>Amount</u>
'55	highway	18.2	'55 highways	4.2
			'58 "	5.5
			'59 elec. power	1.4
			'60 " "	8.8
		<u>18.2</u>		<u>19.9</u>

1/ Status Report, September 31, 1961 - DLF

2/ Status of Loans, September 30, 1961 - IBRD

TABLE I * Cont.

IBRD

<u>NICARAGUA</u>		<u>EL SALVADOR</u>	
<u>Kind</u>	<u>Amount</u>	<u>Kind</u>	<u>Amount</u>
'51 highways	3.5	'54 highways	11.1
'51 storage	.5	'59 "	5.0
'53 highways	3.5	'49 elec.power	12.5
'53 elec. power	.5	'59 " "	3.0
'51 ag. dev.	1.2	'60 " "	3.8
'55 elec. power	7.1		
'56 " "	1.6		
'60 " "	12.5		
'55 " "	.4		
'55 ag. dev.	1.5		
'56 port. dev.	3.2		
	<u>35.5</u>		<u>35.4</u>

COSTA RICA

<u>Kind</u>	<u>Amount</u>
'56 ag. dev.	3.0
'59 " "	3.5
'60 ind. equip.	2.0
'61 " "	3.0
'61 elec.power	8.8
	<u>20.3</u>

TOTAL IBRD - 129.3

EXIM BANK ^{3/}

<u>GUATEMALA</u>		<u>HONDURAS</u>	
<u>Kind</u>	<u>Amount</u>	<u>Kind</u>	<u>Amount</u>
'60 trans.& Com.	3.9	'57 Am. Hwy.	1.8
'60 highways	3.6	'57 sugarmill	1.0
'60 Am.highways	3.0		
'60 econ. dev.	4.7		
	<u>15.2</u>		<u>2.8</u>

^{3/} Statement of Loans and Authorized Credits, Nov. 30, 1961
(Suppliers Credits excluded and Balance of Payments) - EXIM

TABLE I * CONT.

EXIM BANK

<u>NICARAGUA</u>		<u>EL SALVADOR</u>		<u>COSTA RICA</u>	
<u>Kind</u>	<u>Amount</u>	<u>Kind</u>	<u>Amount</u>	<u>Kind</u>	<u>Amount</u>
'51 elec.power	.6	'61 ports	1.0	'42 Am.Hwy	7.0
'56 Am.Highway	2.0	'61 airports	2.6	'55 elec.power	2.5
'59 elec.power	.5			'55 Am.Hwy	14.5
'59 ag. dev.	8.0			'57 ag. dev.	.1
'60 hospital	1.3			'60 Am. Hwy	3.0
'61 highways	2.0			'61 water supply	4.5
	<u>14.4</u>		<u>3.6</u>		<u>31.6</u>

TOTAL EXIM BANK - 67.6

4/
IDB (all loans 1961)

1. Ordinary Capital

<u>GUATEMALA</u>		<u>HONDURAS</u>	<u>NICARAGUA</u>	
<u>Kind</u>	<u>Amount</u>		<u>Kind</u>	<u>Amount</u>
ag. & lvstk.	4.4	-	ind. dev.	2.0
water supply	.2			
	<u>4.6</u>			<u>2.0</u>

<u>EL SALVADOR</u>		<u>COSTA RICA</u>	
<u>Kind</u>	<u>Amount</u>	<u>Kind</u>	<u>Amount</u>
ind. & ag.	2.4	livestock	2.8
irrig.	1.7		
water supply	1.3		
	<u>5.4</u>		<u>2.8</u>

TOTAL - 14.8

2. Special Operations

<u>HONDURAS</u>		<u>EL SALVADOR</u>	
<u>Kind</u>	<u>Amount</u>	<u>Kind</u>	<u>Amount</u>
highways	2.2	rural elec.	.2
hwy. T. A.	.1		.2
	<u>2.3</u>		

TOTAL - 2.5

4/ Statement of Approved Loans, November 30, 1961 - IDB

TABLE I * CONT.

IDB (Cont.)

3. Soc. Prog. Trust Fund

<u>EL SALVADOR</u>		<u>COSTA RICA</u>	
<u>Kind</u>	<u>Amount</u>	<u>Kind</u>	<u>Amount</u>
ag. dev.	2.0	housing	3.5
sewerage	.8		
water supply	2.7		
	<u>5.5</u>		<u>3.5</u>
Total (1)	5.4	Total (1)	<u>2.8</u>
Total (2)	.2		
Country Total	<u>11.1</u>	Country Total	6.3

TOTAL IDB - 26.3

TABLE II

SUMMARY - CUMULATIVE AUTHORIZED LOANS BY DLF, IBRD, EXIM AND IDB

(Millions of Dollars)

	<u>DLF</u>		<u>IBRD</u>	
	<u>Amount</u>	<u>Per Cent</u>	<u>Amount</u>	<u>Per Cent</u>
Guatemala	12.9	31.1	18.2	14.1
Honduras	7.8	18.8	19.9	15.4
Nicaragua	10.2	24.7	35.5	27.4
El Salvador	1.6	3.9	35.4	27.4
Costa Rica	<u>8.9</u>	<u>21.5</u>	<u>20.3</u>	<u>15.7</u>
	41.4	100.0	129.3	100.0
Per Cent of				
Total	(15.6)		(48.9)	
Amount Disbursed - 3,8			89.1	

	EXIM		IDB		TOTALS	
	Amount	Per Cent	Amount	Per Cent	Amount	Per Cent
Guatemala	15.2	22.5	4.6	17.5	50.9	19.2
Honduras	2.8	4.1	2.3	8.7	32.8	12.4
Nicaragua	14.4	21.3	2.0	7.6	62.1	23.5
El Salvador	3.6	5.3	11.1	42.2	51.7	19.5
Costa Rica	31.6	46.8	6.3	24.0	67.1	25.4
	<u>67.6</u>	<u>100.0</u>	<u>26.3</u>	<u>100.0</u>	<u>264.6</u>	<u>100.0</u>
Per Cent of Total	(25.6)		(9.9)			
Amount Disbursed	<u>36.1</u>		-		<u>129.0</u>	

TABLE III

SUMMARY OF CUMULATIVE LOANS BY SECTORS OF DLF, IBRD, EXIM AND IDB

	GUATEMALA		HONDURAS		NICARAGUA	
	Amount	Per Cent	Amount	Per Cent	Amount	Per Cent
Highways ^{1/}	36.2	71.0	18.8	57.3	18.1	29.2
Energy	-	-	13.0	40.0	26.3	42.4
Water Supplies	.2	.6	-	-	-	-
Ports	-	-	-	-	3.2	5.1
Airports	-	-	-	-	-	-
Ag., Livestock	4.4	8.6	-	-	11.2	18.0
Irrigation	-	-	-	-	-	-
Econ. Dev.	4.7	9.2	-	-	-	-
Industry	5.4	10.6	1.0	2.7	2.0	3.2
Resettlement	-	-	-	-	-	-
Housing	-	-	-	-	-	-
Hospital	-	-	-	-	1.3	2.1
	<u>50.9</u>	<u>32.8</u>	<u>18.8</u>	<u>100.0</u>	<u>62.1</u>	<u>100.0</u>
	EL SALVADOR		COSTA RICA		TOTALS	
	Amount	Per Cent	Amount	Per Cent	Amount	Per Cent
Highways	16.1	31.1	24.6	36.7	113.8	43.1
Energy	19.5	37.8	11.3	16.8	70.1	26.6
Water Supplies	4.8	9.3	8.0	12.0	13.0	4.9
Ports	1.0	1.9	-	-	4.2	1.6
Airports	4.2	8.1	-	-	4.2	1.6

^{1/} Includes American Highway

TABLE III * CONT.

	<u>EL SALVADOR</u>		<u>COSTA RICA</u>		<u>TOTALS</u>	
	<u>Amount</u>	<u>Per Cent</u>	<u>Amount</u>	<u>Per Cent</u>	<u>Amount</u>	<u>Per Cent</u>
Ag., Livestock	4.4	8.5	14.4	21.5	34.4	13.0
Irrigation	1.7	3.3	-	-	1.7	.6
Ec. Dev.	-	-	-	-	4.7	1.8
Industry	-	-	5.0	7.4	13.4	5.0
Resettlement	-	-	.3	.4	.3	.1
Housing	-	-	3.5	5.2	3.5	1.2
Hospital	-	-	-	-	1.3	.5
	<u>51.7</u>	<u>100.0</u>	<u>67.1</u>	<u>100.0</u>	<u>264.6</u>	<u>100.0</u>

TABLE IV

ACTUAL DISBURSEMENTS
(Millions of Dollars)

	<u>DLF</u>	<u>IBRD</u>	<u>EXIM</u>	<u>IDB</u>	<u>TOTAL AMOUNT</u>	<u>TOTAL AUTHORIZED LOANS</u>
Guatemala	.4	18.2	-	-	18.6	50.9
Honduras	2.5	10.0	2.5	-	15.0	32.8
Nicaragua	.6	23.6	11.2	-	35.4	62.1
El Salvador	-	27.7	.7	-	28.4	51.7
Costa Rica	<u>.3</u>	<u>9.6</u>	<u>21.7</u>	<u>-</u>	<u>31.6</u>	<u>67.1</u>
	3.8	89.1	36.1	-	129.0	264.6

PER CENT DISBURSED

Guatemala	36.5
Honduras	45.7
Nicaragua	57.0
El Salvador	55.0
Costa Rica	<u>47.1</u>
	48.8

TABLE V

AUTHORIZED LOANS FROM ALL SOURCES - BY YEARS

(Millions of Dollars)

	<u>GUATEMALA</u>	<u>HONDURAS</u>	<u>NICARAGUA</u>	<u>EL SALVADOR</u>	<u>COSTA RICA</u>	<u>TOTALS</u>
1942	-	-	-	-	7.0	7.0
1949	-	-	-	12.5	-	12.5
1951	-	-	5.8	-	-	5.8
1953	-	-	4.0	-	-	4.0
1954	-	-	-	11.1	-	11.1
1955	18.2	4.2	9.0	-	17.0	48.4
1956	-	-	6.8	-	3.0	9.8
1957	-	2.8	-	-	.1	2.9
1958	-	10.5	-	-	-	10.5
1959	5.4	1.4	9.1	8.0	3.8	27.7
1960	15.2	11.6	16.3	3.8	5.0	51.9
1961	12.1	2.3	11.1	16.3	31.2	73.0
	<u>50.9</u>	<u>32.8</u>	<u>62.1</u>	<u>51.7</u>	<u>67.1</u>	<u>264.6</u>

TABLE VI

GNP (Million \$s)

<u>Pop. Growth Rate Per Year</u>		<u>(Constant Prices)</u>		<u>Av. est. Annual Growth of GNP</u>
		<u>1959</u>	<u>1963 (est.)</u>	
3.1%	Guatemala	651	745	3.4%
3.3%	Honduras	366	445	5.0%
3.4%	Nicaragua	294	341	3.8%
3.7%	El Salvador	488	488	-
4.3%	Costa Rica	387	444	3.4%
<u>3.6% (av.)</u>		<u>2186</u>	<u>2463</u>	<u>3.1% (av.)</u>

	<u>GNP Per Capita</u>		<u>Net GNP</u>
	<u>1959</u>	<u>1963 (est.)</u>	
Guatemala	\$178	\$180	+ 0.3%
Honduras	191	204	+ 1.7%
Nicaragua	206	209	+ 0.4%
El Salvador	190	- 166	- 3.7%
Costa Rica	337	- 327	- 0.9%
	<u>\$220 (av.)</u>	<u>\$217 (av.)</u>	

Source: Field Proposed Programs for FY 1963 - Table C-1

TABLE VI - NOTES

Guatemala - The Table shows annual increases as follows: 1.4% for 1960; 0.4% for 1961; 5.6% for 1962; and 6.4% for 1963. This upsurge in the last two years seems unrealistically high and the basis for the estimate is not known. Even if the average of 3.4% GNP growth is accepted, it is largely offset by the population rate of growth of 3.1%.

Honduras - The Table estimates a GNP increase of 6% in 1963. Annual net GNP growth is the difference between 5.0% and the 3.3% population growth.

Nicaragua - The Table indicates a GNP decrease of 1.0% in 1960; and increases of 6.8% in 1961; 8.7% in 1962; and 0.9% in 1963. There seems to be no logical pattern in these estimates of GNP nor an explanation as to how they were derived. Overall average of 3.8% may make sense.

El Salvador - The Table shows no GNP projections for 1962 and 1963 because of "difficulties in forecasting government and private consumption and investment figures". The figures for 1959 and 1961 are identical, indicating complete gross stagnation. We assume that if the situation continues, GNP will decrease by the rate of annual growth.

Costa Rica - The Table indicates increases in GNP as follows: 3.7% in 1960; 3.2% in 1961; 4.0% in 1962; and 2.9% in 1963 with an overall average of 3.4%. As population growth is 4.3% - the highest in the region - the net result is a decrease of 0.9% for the four year period.

SECTION XIV

BIBLIOGRAPHY

ON

CENTRAL AMERICAN ECONOMIC INTEGRATION

by

Mr. Joseph Pincus

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List of Abbreviations

English		Spanish	
<u>Agency</u>	<u>Abbreviation</u>	<u>Agency</u>	<u>Abbreviation</u>
Central American Advanced School of Public Administration	ESAPAC	Escuela Superior de Administracion Publica Centro America	ESAPAC
Central American Bank for Economic Integration	CABEI	Banco Centroamericano De Integracion Economica	
Central American Institute of Industrial Research and Technology	ICAITI	Instituto Centro Americano De Investigacion Y Tecnologia Industrial	ICAITI
Central American Integration Scheme	CAIS	Sistema de Integracion Centro Americano	SICA
UN Food and Agriculture Organization	FAO	NU, Organizacion de la Alimentacion y de la Agricultura	OAA
UN, International Labor Organization	ILO	NU, Organization Internacional del Trabajo	OIT
UN, Technical Assistance Administration	TAA	NU, Administracion de Asistencia Tecnica	AAT
UN, Technical Assistance Board	TAB	NU, Junta de Asistencia Tecnica	JAT
Organization of Central American States	OCAS	Organizacion de Estados Centroamericanos	ODECA

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17 October 1953--9 May 1955	E/CN.12/CCE/29	May 9, 1955
10 May 1955--29 January 1956	E/CN.12/CCE/64	April 24, 1956
30 January 1956--February 24, 1957	E/CN.12/CCE/103 (E/CN.12/431)	June 1957
*25 February 1957--10 June 1958	E/CN.12/CCE 151 (E/CN.12/492)	August 1958
*11 June 1958--2 September 1959	E/CN.12/CCE/184 (E/CN.12/533)	December 1959
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