

UNCLASSIFIED

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

GUATEMALA

**PROJECT PAPER**

EXPANSION OF FAMILY PLANNING SERVICES

LAC/DR:82-9

Project Number:520-0288

UNCLASSIFIED

|  |   |                           |
|--|---|---------------------------|
| <b>AGENCY FOR INTERNATIONAL DEVELOPMENT</b><br><b>PROJECT DATA SHEET</b> | 1. TRANSACTION CODE<br><input type="checkbox"/> A = Add<br><input type="checkbox"/> C = Change<br><input type="checkbox"/> D = Delete<br>Amendment Number _____ | DOCUMENT CODE<br><b>3</b> |
|--|---|---------------------------|

|                                |  |
|--------------------------------|--|
| 2. COUNTRY/ENTITY<br>Guatemala | 3. PROJECT NUMBER<br><input type="checkbox"/> 520-0288 |
|--------------------------------|--|

|   |  |
|---|--|
| 4. BUREAU/OFFICE<br><br>LAC <input type="checkbox"/> 05 | 5. PROJECT TITLE (maximum 40 characters)<br><input type="checkbox"/> Expansion of Family Planning Services |
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|--|--|
| 6. PROJECT ASSISTANCE COMPLETION DATE (PACD)<br>MM DD YY<br><input type="checkbox"/> 9 <input type="checkbox"/> 3 <input type="checkbox"/> 0 <input type="checkbox"/> 8 <input type="checkbox"/> 7 | 7. ESTIMATED DATE OF OBLIGATION<br>(Under "B:" below, enter 1, 2, 3, or 4)<br>A. Initial FY <input type="checkbox"/> 8 <input type="checkbox"/> 2    B. Quarter <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/><br>C. Final FY <input type="checkbox"/> 8 <input type="checkbox"/> 6 |
|--|--|

| 8. COSTS (\$000 OR EQUIVALENT \$1 = ) |                    |         |          |                 |           |           |
|---------------------------------------|--------------------|---------|----------|-----------------|-----------|-----------|
| A. FUNDING SOURCE                     | FIRST FY <u>82</u> |         |          | LIFE OF PROJECT |           |           |
|                                       | R. FX              | C. L/C  | D. Total | E. FX           | F. L/C    | G. Total  |
| AID Appropriated Total                |                    |         |          |                 |           |           |
| (Grant)                               | ( - )              | ( 518 ) | ( 518 )  | ( 2,066 )       | ( 6,520 ) | ( 8,586 ) |
| (Loan)                                | ( )                | ( )     | ( )      | ( )             | ( )       | ( )       |
| Other U.S.                            |                    |         |          |                 |           |           |
| 1.                                    |                    |         |          |                 |           |           |
| 2.                                    |                    |         |          |                 |           |           |
| Host Country                          |                    |         | -        |                 | 3,550     | 3,550     |
| Other Donor(s)                        |                    | 2,682   | 2,682    |                 | 6,222     | 9,905     |
| <b>TOTALS</b>                         | -                  | 3,026   | 3,126    | 2,066           | 16,292    | 22,041    |

| 9. SCHEDULE OF AID FUNDING (\$000) |                               |                          |         |                        |         |          |         |                                   |         |                    |         |
|------------------------------------|-------------------------------|--------------------------|---------|------------------------|---------|----------|---------|-----------------------------------|---------|--------------------|---------|
| A. APPRO-<br>PRIATION              | B. PRIMARY<br>PURPOSE<br>CODE | C. PRIMARY<br>TECH. CODE |         | D. OBLIGATIONS TO DATE |         |          |         | E. AMOUNT APPROVED<br>THIS ACTION |         | F. LIFE OF PROJECT |         |
|                                    |                               | 1. Grant                 | 2. Loan | 1. Grant               | 2. Loan | 1. Grant | 2. Loan | 1. Grant                          | 2. Loan | 1. Grant           | 2. Loan |
| (1) P                              | 440                           | 440                      |         | --                     | --      | 518      | --      | 8,586                             | --      | --                 |         |
| (2)                                |                               |                          |         |                        |         |          |         |                                   |         |                    |         |
| (3)                                |                               |                          |         |                        |         |          |         |                                   |         |                    |         |
| (4)                                |                               |                          |         |                        |         |          |         |                                   |         |                    |         |
| <b>TOTALS</b>                      |                               |                          |         |                        |         | 518      | ---     | 8,586                             |         |                    |         |

|  |                                   |
|--|-----------------------------------|
| 10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)<br>450 | 11. SECONDARY PURPOSE CODE<br>444 |
|--|-----------------------------------|

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|--|
| 12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)<br>A. Code _____<br>B. Amount _____ |
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|  |
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| 13. PROJECT PURPOSE (maximum 480 characters)<br><div style="border: 1px solid black; padding: 10px; margin: 10px 0;">           To expand the availability of family planning services through public, private, and commercial sector activities.         </div> |
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|   |  |
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| 14. SCHEDULED EVALUATIONS<br>Interim MM YY <input type="checkbox"/> 6 <input type="checkbox"/> 8 <input type="checkbox"/> 4 <input type="checkbox"/> 1 <input type="checkbox"/> 1 <input type="checkbox"/> 8 <input type="checkbox"/> 5    Final MM YY <input type="checkbox"/> 2 <input type="checkbox"/> 8 <input type="checkbox"/> 7 | 15. SOURCE/ORIGIN OF GOODS AND SERVICES<br><input checked="" type="checkbox"/> 000 <input type="checkbox"/> 941 <input checked="" type="checkbox"/> Local <input type="checkbox"/> Other (Specify) _____ |
|---|--|

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

|                 |  |   |
|-----------------|--|---|
| 17. APPROVED BY | Signature <br>Title <b>Director</b> | 18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION<br>Date Signed MM DD YY<br><input type="checkbox"/> 6 <input type="checkbox"/> 1 <input type="checkbox"/> 4 <input type="checkbox"/> 8 <input type="checkbox"/> 2 |
|-----------------|--|---|

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

PROJECT AUTHORIZATION

Name of Country/Entities: Guatemala/Government of Guatemala,  
APROFAM, CRS S.A., and other eligible  
private organizations

Name of Project: Expansion of Family Planning Services

Number of Project: 520-0288

1. Pursuant to Section 104(b) of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Expansion of Family Services project for the Guatemalan Ministry of Health ("MOH"), the Guatemalan Family Welfare Association ("APROFAM"), Contraceptive Retail Sales, S.A. ("CRS S.A.") and other eligible private organizations, involving planned obligations of not to exceed Eight Million Five Hundred Eighty Six Thousand United States Dollars (\$8,586,000) in grant funds ("Grant") over a five year period from date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs for the project.

2. The project ("Project") consists of a program to expand the availability of family planning services in Guatemala through public, private and commercial sector activities including a contraceptive retail sales program, support of APROFAM, assistance to the MOH and support to other private or public organizations providing family planning services.

3. Project and other grant agreements, which may be negotiated and executed by officers to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority, shall be subject to the following essential terms and covenants and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate:

a. Source and Origin of Goods and Services

Except for ocean shipping, goods and services financed by A.I.D. under the Project shall have their source and origin in the United States or in countries of the Central American Common Market, except as A.I.D. may otherwise agree in writing. Ocean shipping financed by A.I.D. under the Project shall, except as A.I.D. may otherwise agree in writing, be financed on flag vessels of the United States.

b. Conditions Precedent

(1) Prior to any disbursement or the issuance of any commitment documents for funding direct distribution of contraceptives and medical supervision by the MOH, the MOH shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D., a list of norms and procedures to be followed by MOH personnel in implementing the MOH family planning program.

(2) Prior to September 30, 1984 or prior to the obligation of A.I.D. funds for CRS S.A. in excess of \$1,000,000 (whichever occurs first), A.I.D. will undertake a detailed evaluation of CRS S.A. activities, including a financial analysis, to determine whether further financial assistance is required for that organization. To the extent CRS S.A. activities are found to be financially self-sufficient, A.I.D. funding shall be reduced accordingly.

(3) Prior to any disbursement, or the issuance of any commitment documents for funding family planning activities of private organizations (other than APROFRAM and CRS S.A.), eligibility requirements and selection procedures for this element of the Project shall have been developed and approved in writing by A.I.D.

(4) Prior to the execution of a grant agreement funded under the Project with CRS S.A., the charter of that organization shall be reviewed and approved by A.I.D.

c. Covenants

CRS S.A. shall covenant that, unless A.I.D. otherwise agrees in writing:

(1) the shareholders, board of directors and principal executive officers of CRS S.A. shall be subject to A.I.D. approval in writing.

(2) no shares of stock shall be issued (other than those required for incorporation under the laws of Guatemala), or shall be transferred, without the prior written approval of A.I.D.

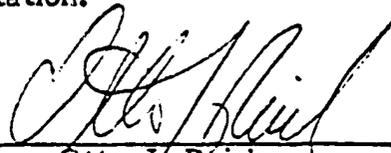
(3) it shall obtain the approval of A.I.D. in writing prior to:

(i) creating any modification or changes in its corporate charter,

(ii) entering into any contracts financed by A.I.D.,

(iii) declaring any dividends, or

- (iv) incurring any indebtedness, other than short-term obligations for normal operating expenses in the ordinary course of business.
- (4) in the event of liquidation, any remaining unencumbered assets of CRS S.A. shall be transferred to APROFAM or such other entity active in the field of family planning as A.I.D. may approve,
- (5) it shall not conduct any commercial activities other than those directly related to the contraceptive retail sales program,
- (6) it shall provide adequate security for any advances approved by A.I.D. for project implementation.



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

Aug 27, 1982  
Date

Clearances:

LAC/CEN:MSchwartz: LS date 7/2/82

LAC/DR:DJohanson: JS date 8/27/82

GC/LAC:BVefet:ckg:8/11/82:x23272

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LIST OF ACRONYMS USED IN PROJECT PAPER

|         |   |
|---------|---|
| AHEA    | American Home Economics Association                               |
| AID     | Agency for International Development                              |
| ANACAFE | National Coffee Association                                       |
| APROFAM | Guatemalan Family Welfare Association                             |
| AVS     | Association for Voluntary Sterilization                           |
| CBD     | Community Based Distribution                                      |
| CDC     | Centers for Disease Control                                       |
| CDSS    | Country Development Strategy Statement                            |
| CPS     | Contraceptive Prevalence Survey                                   |
| CRS     | Contraceptive Retail Sales  |
| DAI     | Development Associates International                              |
| DIMIF   | Division of Maternal Child Health Services, Ministry<br>Of Health |
| FPIA    | Family Planning International Assistance                          |
| GOG     | Government of Guatemala   |
| HEW     | U.S. Department of Health, Education & Welfare                    |
| IBRD    | International Bank for Reconstruction and Development             |
| IBD     | Interamerican Development Bank                                    |
| IEC     | Information, Education and Communication                          |
| IFRP    | International Fertility Research Project                          |
| IGSS    | Guatemalan Social Security Institute                              |
| ILO     | International Labor Organization                                  |
| INCAP   | Nutrition Institute of Central America and Panama                 |
| IPPF    | International Planned Parenthood Federation                       |

|                 |   |
|-----------------|---|
| IUD             | Intra- Uterine Device   |
| KAP             | Knowledge, Attitude, and Practice   |
| LAC/DR/POP      | Bureau for Latin America and Caribbean, Development Resources Office, Population Division |
| MCH             | Maternal Child Health   |
| MCI             | Independent Campesino Movement  |
| MOL             | Ministry of Labor   |
| MOH             | Ministry of Health  |
| ONAM            | National Women's Office, Ministry of Labor  |
| PAHO            | Pan American Health Organization  |
| PID             | Project Identification Document   |
| PIPOM           | Population Information for Policy Makers  |
| PP              | Project Paper   |
| PRINAPS         | Rural Health Promoter Training Research Project   |
| PVO             | Private Voluntary Organizations   |
| RAPID           | Resources for Awareness of Population Impacts on Development                              |
| S. A.           | Anonymous Society (Corporation)   |
| SINAPS          | Integrated System for Training of Health Personnel  |
| ST/POP/FPSD     | Science and Technology Bureau, Population Office, Family Planning Services Division       |
| ST/POP/Research | Science and Technology Bureau, Population Office, Research Division                       |
| UNFPA           | United Nations Fund for Population Activities   |
| WID             | Women in Development  |

I. SUMMARY AND RECOMMENDATIONS

A. Recommendations

The Project Committee recommends approval of a grant in the amount of \$8,586,000 over a five year life of project to support the expansion of family planning services and information.

B. Project Summary

High fertility is one of the major development problems confronting Guatemala. Continued population growth at the present rate of 2.9% will severely strain the Government of Guatemala's capability to provide adequate social services, as well as the capacity of the economy to permit an adequate livelihood for the majority of the population.

There is a significant unmet demand for family planning services among poor Guatemalans, who are constrained from practicing family planning by lack of access to service outlets or insufficient information on where to obtain services. Anderson and Morris (1981) concluded that 27% of all Guatemalan women in childbearing age had expressed a desire to avoid pregnancy but were not using a family planning method. This figure was the highest among the five Latin American countries studied. This project will address these constraints to the adoption of family planning among the Guatemala population.

The purpose of this project is to expand the availability of family planning services through public, private, and commercial sector activities. Achievement of the project purpose will be reflected by: A) An increase in the number of users of family planning services provided through the project from 100,000 presently being served through the current AID Population and Family Planning project to 400,000; B) A narrowing of the gap between urban and rural rates of acceptance of family planning; and C) An increased GOG and private sector commitment to family planning including an expanded Coordinating Committee on family planning formed by representatives of the GOG and the private sector.

The following project activities will be implemented:

1. Contraceptive Retail Sales (CRS) Program

A new national contraceptive retail sales (CRS) program will provide the poor majority with access to quality contraceptives through existing commercial outlets at affordable prices. Advertising through existing commercial firms will be an integral part of the CRS program. Contraceptives and the initial funding for promotion, packaging, staff, and technical assistance will be provided by A.I.D. Revenues generated from sales will be placed in a separate bank account until the three year A.I.D. contract for technical assistance expires. When the contract is completed, the management and bank account will be turned over to the sponsoring host-country

organization formed to implement the CRS program. This organization will continue to receive reduced A.I.D. support during the fourth and final year of the project at which time technical studies (Annex J) indicate that the activity will be self-sustaining except for donated contraceptives.

## 2. APROFAM Component

APROFAM is the Guatemalan affiliate of the International Planned Parenthood Federation. They have been the family planning leader in Guatemala since their founding in 1967 and have a proven consistent record of accomplishment over several years in the successful implementation of AID and other donor projects. In the proposed project, APROFAM will continue its activities of: A) Community based distribution of contraceptives (CBD); B) Contraceptive Logistics; C) Information, education and communication (IEC) campaigns which promote family planning at the local and national level; D) Specialized family planning services for Indigenous populations which form 43% of the total population and among whom the current acceptance of family planning is low; and E) Clinical family planning services which will provide a more efficient promotion and delivery system for intrauterine devices (IUD's) and voluntary sterilizations.

APROFAM will play a major role in the provision of technical assistance in family planning to other organizations offering family planning services in Guatemala and in the coordination of family planning activities in Guatemala.

## 3. Ministry of Health (MOH) Component

The Guatemalan Ministry of Health has an infrastructure of 44 hospitals and more than 650 health centers and health posts throughout rural Guatemala. There are also an estimated 2,000 volunteer rural health promoters and 4,000 traditional midwives trained by the MOH, many of whom are serving as contraceptive distributors. The MOH is frequently the only provider of health services in given geographic areas.

The current project strategy with respect to the MOH is to insure that the existing MOH infrastructure of hospitals, health clinics, and voluntary personnel continues to offer family planning services to all who request such a service while the promotion of these services will be carried out mainly by APROFAM. To insure that the MOH continues to offer quality family planning services on demand, the project will provide funding for the contraceptive logistics delivery system, medical supervision of family planning as required by current MOH policy, and promotional materials for family planning. Recent changes in MOH policy will permit the expanded delivery of clinical family planning services (IUD and voluntary sterilizations) in hospitals and type A health centers. AID assistance for this expanded service is requested for years FY 84-86 for areas in which MOH hospitals and the three rural APROFAM clinics are unable to provide services.

4. Family Planning Support for Other Private and Public Organizations

There are currently more than 150 private voluntary organizations working in the area of health in Guatemala, and a recent GOG study funded by the Pathfinder Fund identified 98 women's organizations working in Guatemala. The Guatemala Ministry of Labor (MOL) has established a National Woman's Affairs Office which coordinates women in development projects in Guatemala. These private organizations represent a great potential for a cost-effective expansion of family planning services through the provision of services directly to their members. Many of these organizations work in isolated geographic areas not covered by either APROFAM or the MOH. They also have a significantly greater influence among their members because of their other development activities. This project component will allow the Mission to assist individual organizations or groups of organizations to expand their activities to include family planning services. Several organizations have already requested such assistance and are identified in the project description. Eligibility criteria for additional organizations not currently identified in the project paper have been developed and are also presented in the project description.

C. Summary Financial Plan

AID will provide \$8,586,000 in grant funds. \$2,207,808 will be utilized by the new CRS program, \$3,616,435 to support APROFAM activities, \$405,515 for the Ministry of Health, and \$631,000 for other eligible private and public organizations. Project Evaluation activities will utilize \$115,000 and \$1,611,000 will be provided for contraceptives in FY's 84-86. Counterpart contributions will be \$3,550,436 by the GOG and \$6,221,784 by APROFAM and other donors.

SUMMARY AID BUDGET BY COMPONENT BY YEAR  
(U.S. \$)

| <u>Component</u>        | <u>FY 1982</u> | <u>1983</u> | <u>1984</u> | <u>1985</u> | <u>1986</u> | <u>Total</u> |
|-------------------------|----------------|-------------|-------------|-------------|-------------|--------------|
| Contra. Retail<br>Sales | 518,000        | 300,000     | 166,000     | 686,802     | 536,868     | 2,207,808    |
| APROFAM                 | -- --          | 618,238     | 877,258     | 989,280     | 1,131,659   | 3,616,435    |
| Min Hlth                | -- --          | -- --       | 202,615     | 160,325     | 42,575      | 405,515      |
| Priv Organ              | -- --          | 91,000      | 165,000     | 180,000     | 195,000     | 631,000      |
| Evaluation              | -- --          | -- --       | 25,000      | 10,000      | 80,000      | 115,000      |
| Contra.                 | -- --          | -- --       | 404,000     | 529,000     | 678,000     | 1,611,000    |
| <hr/>                   |                |             |             |             |             |              |
| Total                   | 518,000        | 1,009,238   | 1,839,873   | 2,555,407   | 2,664,102   | 8,586,758    |
| <hr/>                   |                |             |             |             |             |              |

Summary Budget by Activity

SUMMARY BUDGET BY ACTIVITY  
(U.S. \$000)

|                                       | <u>AID</u> | <u>COUNTERPART</u> | <u>TOTAL</u> |
|---------------------------------------|------------|--------------------|--------------|
| a) <u>APROFAM</u>                     |            |                    |              |
| <u>Project Element</u>                |            |                    |              |
| Community Based Distribution          | 1,458      | 2,104              | 3,562        |
| Information & Communication           | 829        | 914                | 1,743        |
| Indigenous Family Welfare Project     | 532        | 498                | 1,030        |
| Clinical Family Planning Services     | 260        | 2,677              | 2,937        |
| Evaluation of Communication Campaign  | <u>18</u>  | <u>28</u>          | <u>46</u>    |
| Sub Total                             | 3,097      | 6,221              | 9,318        |
| Inflation & Contingencies             | <u>519</u> | <u>    </u>        | <u>519</u>   |
| Total                                 | 3,616      | 6,221              | 9,837        |
| b) <u>Ministry of Health</u>          |            |                    |              |
| Medical supervision                   | 55         | 2,047              | 2,102        |
| Logistics System                      | 196        | 670                | 866          |
| Clinical Family Planning              | 71         | 672                | 743          |
| Family Planning Promotional Materials | <u>27</u>  | <u>    </u>        | <u>27</u>    |
| Sub Total                             | 349        | 3,389              | 3,738        |
| Inflation & Contingency               | <u>56</u>  | <u>    </u>        | <u>56</u>    |
| Total                                 | 405        | 3,389              | 3,794        |

|                                       |            |            |            |
|---------------------------------------|------------|------------|------------|
| c) <u>Ministry of Labor</u>           | <u>22</u>  | <u>161</u> | <u>161</u> |
| Total                                 | - -        | 161        | 161        |
| d) <u>Contraceptive Retail Sales</u>  |            |            |            |
| Project Personnel                     | 191        | 45         | 236        |
| Contractor Personnel                  | 46         | 9          | 55         |
| Promotion & Advertisement             | 733        | 177        | 910        |
| Travel Project Personnel              | 22         | 9          | 31         |
| Contractor Fee                        | 300        | 72         | 372        |
| Local Administration                  | 97         | 23         | 120        |
| Repackaging                           | 120        | 27         | 147        |
| Distribution                          | <u>389</u> | <u>91</u>  | <u>480</u> |
| Sub Total                             | 1,898      | 453        | 2,351      |
| Inflation & Contingencies             | <u>310</u> | <u>22</u>  | <u>310</u> |
| Total                                 | 2,208      | 453        | 2,661      |
| e) <u>Private Organization Budget</u> |            |            |            |
| Personnel                             | 81         | 22         | 103        |
| Training                              | 163        | - -        | 163        |
| Travel & Per diem                     | 135        | 44         | 179        |
| Promotional Materials                 | 162        | - -        | 162        |
| Equipment & Facilities                | <u>22</u>  | <u>101</u> | <u>101</u> |
| Sub Total                             | 541        | 167        | 708        |
| Contingencies & Inflation             | <u>90</u>  | <u>22</u>  | <u>90</u>  |
| Total                                 | 631        | 167        | 798        |

|                                       |              |               |               |
|---------------------------------------|--------------|---------------|---------------|
| f) <u>Contraceptives</u> <sup>1</sup> | 1,611        | --            | 1,611         |
| Total                                 |              |               |               |
| g) <u>Project Evaluation</u>          | <u>115</u>   | <u>==</u>     | <u>115</u>    |
| Total Project Evaluation              | 115          | --            | 115           |
| TOTAL                                 | <u>8,586</u> | <u>10,391</u> | <u>18,977</u> |

1/ Information concerning disaggregation of contraceptives by project component is available from ST/POP.

## II. BACKGROUND

### A. Population Problem In Guatemala

The Guatemalan CDSS has identified high fertility as one of the major problems confronting Guatemala. This document also describes the increased GOG support for population activities over the last two years. The Mission approach will be to maintain this support over the four year project period while developing a major new initiative in the private sector.

Given an actual annual growth rate of 2.9%, Guatemala's population, currently 7.2 million, is expected to reach 12.7 million by the year 2000. The population of Guatemala City is doubling every 14 years, while the country's total population is doubling every 25 years.

About 45% of the population is currently under age 15 and the dependency rate is about 90.5%. The 1979 CDSS indentified an insufficiency of primary school classroom space as a constraint in the education sector. The fact that primary schools enrollment is only 49% is attributable in part to this manifestation of population pressure.

Probably the most critical measure of population pressure in Guatemala is the relationship of arable land to population. In 1975, the national distribution of land, whether arable or not, averaged out at approximately 2.5 acres per rural person. In the Highlands, the average was 1 acre per rural person. The land classified as arable or potentially arable in the Highlands varies by department from a high of 2.5 acres per person in Alta Verapaz to a low of one-third of an acre in Totonicapan. The proportion of arable land classified as "good" averages out to only .02 acres per person. The result is that nine out of ten people live on plots of land too small to provide income sufficient to meet their basic needs.

Food production will be hard put to keep pace with a burgeoning population. According to the most reasonable estimates, the demand for corn

will be around 1.5 million metric tons (M.T.) in the year 2000. Based upon an extension of the 1976 Tripartite (IDB/IBRD/AID) Study estimates, this would indicate a short-fall of around 750,000 M.T. in production for that year. At current yields, it would take 1.36 million hectares of corn to produce the amount needed in 2000. This would amount to an equivalent of all the land devoted to annual crops in 1977-78.

Currently open unemployment is hovering between 10-12% of the labor force and is likely to worsen due to the recent decline in domestic capital formation. This problem bears a close relationship to population growth. In rural areas, structural underemployment remains a very serious problem and is estimated as high as 42%. The International Labor Organization Index of Occupational Classification shows that occupations not classifiable under the index, i.e., marginal occupations, are growing faster than most other occupations in Guatemala.

Fertility-related health problems in Guatemala include extremely high rates of infant mortality (officially at 80/1,000 but estimates in rural Guatemala range as high as 160/1,000). Other fertility-related health problems include a maternal mortality rate of 2.2/1,000 and rates of malnourishment in children indicating that 81% of all children in Guatemala suffer from some degree of malnutrition. The Guatemala Health Sector Assessment has shown a high correlation among lower income families between large family size and the prevalence of infectious disease and malnutrition, which reflects the strain on the economic resources of the family required to provide adequate feeding and care to children.

Overall morbidity rates indicate that respiratory illness, diarrhea, and nutritional deficiencies are responsible for 50% of all deaths occurring in Guatemala. These deaths are concentrated in the under 5 population and are related to high parity and closely spaced births and are described in the 1977 Guatemalan Health Sector Assessment.

The above are reflective of the high pressure placed upon the economic system and upon the individual family by the high rate of population increase.

The response of rural Guatemalan women to these economic and social pressures is reflected in the high abortion rate. From 1962 to 1972 one patient was hospitalized for complications following induced abortion for every five to seven obstetric deliveries in the Guatemalan Social Security Institute (IGSS) medical system. Incomplete abortions, a last resort for women with unwanted pregnancies, account for 50% of maternal deaths in Guatemala.

Various studies have been conducted on the receptivity of potential family planning program users. In 1976, a KAP (knowledge, Attitude and Practice) study was conducted by APKOFAM, the Guatemalan affiliate of the International Planned Parenthood Federation, with the assistance of the University of Chicago. This study showed that although 73.3% of the rural population were aware of family planning and 52.6% were in favor of family planning, only 7.2% were currently using a method.

A repetition of the 1976 study, undertaken by the University of Chicago and APROFAM in 1978, has shown that 78.7% were aware of family planning, 60.9% were in favor of family planning, and 11.5% were users. Both Ladino and Indian <sup>1/</sup> populations experienced favorable changes in attitudes toward family planning during the intervening years: Ladino disapproval of family planning decreased from 25% to 20% and overall Indian resistance to family planning dropped from 75% to 53%. The 1978 National Contraceptive Prevalence Survey has shown contraceptive user rates of 21.1% for rural Ladino populations and 4.0% for the Indigenous population; 18.2% of currently married women nationwide are contracepting (184,000 women).

In analyzing the results of the Contraceptive Prevalence Survey with respect to current need for family planning, Anderson and Morris concluded that 27% of Guatemalan women in childbearing age had expressed a desire to avoid pregnancy yet were not using contraceptives. This figure was the highest among the five Latin American countries studied.

The Mission is currently planning a new Contraceptive Prevalence Survey for September, 1982, and it is anticipated that the results will be available for implementation of this project.

#### B. Prior A.I.D. Assistance

For the past five years, A.I.D. has been providing assistance directly to APROFAM, Guatemala's private family planning association, under grant Project 520-0237 which ended in February, 1980, and Project 520-0263 which is scheduled to end February 28, 1983. Project 520-0263 also included a project component with the Ministry of Health.

The major objectives of Project 520-0237 were to increase the coverage of family planning services through the private sector through actual service delivery and through a mass media educational campaign.

A 1979 in-depth evaluation of Project 520-0237 found that the major objectives of the USAID bilateral program were being successfully met and recommended a continuation of assistance to APROFAM. Findings reported included that the rural community-based distribution infrastructure was increasing the number of new acceptors, and that the special project activity designed to study and research the problem of low family planning acceptance

1/ An Indian is defined as a person who continues to observe cultural traditions; continues to speak an Indian language, and in the case of women, continues to wear traditional clothing. Ladinos are defined as the rest of the population.

rates in Indigenous areas was in place and yielding increasing number of contraceptive acceptors. A recent evaluation (October 1981) of APROFAM's nationwide information, education, and communication program by Juarez & Associates showed that substantial improvement has been made in improving the message content and providing specific information where family services can be obtained.

On April 18, 1980 the Mission signed a tripartite Family Planning Project Agreement (520-0263 Integrated Family Planning Services) with the Ministry of Health and APROFAM. The major purpose of this project was to institutionalize family planning services into the MOH system of 650 health centers and health posts. This was the first time in three years that the MOH had officially participated in a family planning project, and followed an earlier 1979 decision to curtail family planning activities by the Minister of Health, a decision that was quickly reversed through public pressure on the Minister. This project agreement has provided assistance to the MOH to strengthen its family planning program in the areas of medical supervision of family planning activities carried out by paramedical personnel and an improved logistics system which delivers both contraceptives and medicines to MOH health centers and health posts. Although both of these activities were slow to be implemented, medical supervision is taking place and the MOH is delivering contraceptives and medicines to one half of the rural departments of Guatemala. More importantly, a family planning Coordinating Committee consisting of the MOH, APROFAM, and A.I.D. meets regularly on project implementation. This continuing interaction and continued public support for family planning greatly reduces the possibilities for a repetition of the 1979 ban on MOH family planning activities. The MOH is also actively supporting two rural health promoter projects (SINAPS and PRINAPS) funded by ST/POP/Research which include major family planning components. It has also committed itself to providing family planning services via rural health promoters and trained midwives under Project 520-033, Integrated Community-Based Health and Nutrition Systems.

The contraceptive logistics program is scheduled to be transferred completely either to the Ministry of Health or APROFAM in November, 1982, based on the results of an independent evaluation which was initiated in April, 1982. This project activity has been closely monitored by consultants from the Centers for Disease Control and Emory University in Georgia. The MOH has also recently received a shipment of intra-uterine devices (IUD's) from AID and a variety of contraceptives not on the AID procurement list from the United Nations Fund for Population Activities for use in the contraceptive logistics program, in addition to oral contraceptives, condoms and vaginal contraceptives provided by AID through APROFAM.

Based on the above situation, the Mission concludes that the major project objective of officially involving the MOH in the provision and planning of family planning services is being met. Furthermore the letter of request from the Minister of Health for this proposed project includes a request for assistance in voluntary sterilization and indicates both support and understanding for the need for all forms of family planning services in

Guatemala. The MOH has agreed to assume all operational costs for family planning in FY 1985, a major concession which has significantly reduced the funding needs for the proposed project.

The Mission has assisted three local private organizations in the development of family planning programs under Grant Project 520-0263 during the last two years: the National Coffee Association (ANACAFE), the Independent Campesino Labor Movement (MCI), and the Rural Health Committee of Totonicapán in collaboration with World Vision. The major objective was to provide family planning services to certain target populations not covered adequately by either APROFAM or the MOH. These organizations developed a personalized and culturally acceptable approach to family planning that has produced high continuation rates for family planning acceptors. The percentage of total project funding for the private sector is 64% in the current bilateral project and will be raised to 97% in the proposed project.

The Mission is also currently implementing a major new Women in Development program in Guatemala, and a recent study funded by the Pathfinder Fund identified 98 private women's organizations in Guatemala. A Women in Development office has also been established in the Guatemalan Ministry of Labor. These women's organizations have the interest and capacity to promote family planning at both the national and local levels.

### C. Constraints Analysis

A number of constraints could affect the implementation of this project. These constraints include: 1) the ability of the implementing institutions to obtain other financial resources to continue the family planning program activities; 2) the attitude of the new government with respect to population; 3) the response of the Indigenous half of the country's population to expanded family planning programs; 4) the extent of political unrest in Guatemala; and 5) the ability of the AID/APROFAM/MOH Coordinating committee to effectively coordinate the individual project activities as well as those of other donors such as UNFPA.

#### 1. Financial Constraints

Financial constraints could seriously affect the population program in Guatemala if the AID bilateral and intermediary support were to be abruptly terminated. The Mission bilateral project and intermediary support has been providing the majority of the funding for family planning to both APROFAM and the MOH. This situation will be addressed by the proposed project but serious constraints still exist.

The greatest need for family planning services exists among the urban and rural poor. Fertility is highest among these populations and they are least able to afford private medical care through which family planning services of varying quality are available.

The Government of Guatemala does not yet have a population policy. The lack of a population policy means that family planning activities

are currently unable to compete for a major share of government funding. Family planning services are provided throughout the country through MOH health posts, health centers, and hospitals but there is no charge for these services. In fact, all MOH medical care is provided free of charge with the result that there are frequent stock outs of essential drugs (Bernhart 1980) and qualified personnel do not wish to serve in rural areas under these conditions.

The Economic Analysis and Background sections of this Project Paper indicate the cost to society if successful voluntary family planning programs are not carried out and the Social Analysis shows that there is a vast demand for voluntary family planning services. The key constraint then is how to institutionalize these services so that they become financially self-sustaining.

The proposed bilateral project and other intermediary projects will continue to assist APROFAM and the Guatemalan family planning program to progress toward financial self-sufficiency. The contraceptive retail sales (CRS) project component will take advantage of existing commercial outlets to provide contraceptives at subsidized prices, i.e. eliminate the large profit margins which currently exist for all medical products sold in Guatemala. The money generated from these contraceptive sales will be used to pay for continuing distribution and promotion costs. At the conclusion of this project it is estimated that the CRS program will be able to continue with no additional financial assistance except for donated contraceptives and will be serving approximately 100,000 couples per year.

The fees for service in APROFAM clinics will be raised if marketing studies indicate sufficient purchasing power by target populations but services will continue to be provided to indigent couples unable to pay. Patient fees are projected to increase from \$40,000 in 1983 to \$60,835 in 1986. This will generate additional income for APROFAM but the primary goal will remain to provide quality family planning services to all who seek them regardless of their ability to pay for these services.

The MOH is currently offering contraceptives free of charge in its network of health posts and health centers. During the four year life of this project, the MOH will begin to procure contraceptives along with its standard list of medicines and medical supplies. They have already purchased \$10,000 worth of contraceptives with UNFPA funding following a thorough study of current market prices for these contraceptives. The MOH will also continue to study the possibilities of selling contraceptives in their clinics, and is presently consulting with an AID/W funded expert concerning potential alternative policies in this area.

A third area which may help reduce costs in the Community-Based Distribution (CBD) Project component is that of income generation activities for mother's clubs. A proposed Pathfinder Fund Project (\$20,000) would provide seed capital for loans to 10 APROFAM mother's clubs for the purpose of developing income generating activities. A revolving fund mechanism will be

established so that the repaid loan funds will be available to other mother's clubs on a continuing basis. Profits from these activities may be used to promote family planning. The Mission Women in Development (WID) Project 520-0284 will provide an additional \$150,000 over a three year period to local women's groups for the establishment of similar income generating activities. It is not certain whether such activities can obtain complete financial self-sufficiency in four years, but a significant amount of generated funds is assured.

The Mission is currently operating under a funding ceiling that requires the "mortgaging" of projects and does not allow the full funding of grants in any given year. The Mission was directed to include the costs of the contraceptives throughout the life of this project after the Mission budget ceilings for the fiscal life of the project had already been approved by AID. This raised the project budget by \$1.6 million. The most recent Mission ABS has allocated \$6.7 million for this project over five years excluding the contraceptives. The total project budget over the four year life of project is \$8.586 million which includes contraceptives. If the Mission ceiling cannot be lifted to include additional funding for this project without shortchanging other projects, the following adjustments may have to be made:

a) Additional funding will be requested at the end of each fiscal year. This additional funding has occasionally been available to the Mission Population Program in past years.

b) Profits from contraceptive sales from the CRS project component could be used in FY 1986 if current sales are realized at levels projected. This would mean a significant reduction in CRS working capital for 1987 when the S. A. corporation is scheduled to assume all operating costs of the CRS program and negatively affect the chances of this program to achieve financial self-sufficiency in that year.

c) The contingency and inflation budget line item would be adjusted downward on a yearly basis if inflation in Guatemala is lower than projected and if intermediary support from other donors continues as currently programmed. The Mission was instructed by the DAEC guidance cable to include all essential intermediary projects in the project budget. (The contingency line item reflects this concern and could be reduced if intermediary support continues at the current levels in Guatemala). If neither contingency funding nor intermediary support is available for Guatemala, through this project or otherwise, a huge number of intermediary project activities will be unable to continue (See section II A on intermediary donors). If AVS funding were not available, a transfer of \$300,000 would be made from the Private Organizations Project component in order to continue funding for the important and cost effective services of voluntary sterilization. All training activities by the APROFAM Training Unit for organizations other than APROFAM would be terminated if Development Associates' assistance were not available. The termination of these training programs would occur at a time when the MOH is requesting training through APROFAM for personnel at all MOH levels. APROFAM has been able to respond to these requests up to the present time due to the timely

assistance of Development Associates, and the courses are bringing about a significant reduction in the tension that has existed between APROFAM and the MOH for the last ten years. All other intermediary activities described in Section II A, which include many direct service delivery activities, could not be covered by the Mission under any circumstances unless the budget ceiling for Guatemala were raised significantly.

d) If the Mission ceiling were to remain as currently projected and sufficient savings were not realized from the above adjustments, the only alternative would be to extend the project to six years. This extension of funding would cause a reduction in major national programs with a resultant loss of an estimated 40,000 acceptors by 1986. The APROFAM project activities of CBD and IEC would be reduced by 15% each, reducing rural areas covered by volunteer contraceptive distributors and seriously limiting the ability of APROFAM to provide a national information network via mass media describing what family planning is and where such services are provided in each locality of the country. Special messages in Indian languages would almost certainly be cut based on production costs and not on the needs of this impoverished multi-lingual population. The CRS program would also be funded at a reduced level which would lengthen the time that this program would require to become financially self-sufficient and would increase the total life of project funding required for this component. The original CRS budget prepared by AID Washington (Danart 1981) was \$1.7 over three years. The Mission has already been forced to fund the project over a period of four years at a total cost of \$2.2 million. Further reductions and delays in yearly funding for this program will cause additional increases in the life of project funding and further increase the time that this project component will require to become financially self-sufficient.

## 2. Attitude of New Government

A second potential constraint to the project is the attitude of the Government of Guatemala with respect to population activities. The Government of Guatemala has not been a strong supporter of family planning programs and Guatemala still has no formal population policy. This appears to be primarily due to a perception by the highest levels of government that family planning is a controversial program. The basis for this assumption has eroded since 1979 when the current population project was developed.

The MOH and MOL are thoroughly committed to family planning as evidenced by their participation in this project. Other government ministries are supportive of family planning according to APROFAM contacts including Education, Interior and Defense.

AID/Washington resources will be utilized in the period 1982-83 to further strengthen GOG support for population programs. The Mission and the Embassy, with AID/Washington assistance, is developing a Guatemalan RAPID Analysis (Resources for Awareness of Population Impacts on Development) for presentation to high level officials of the new government. The RAPID Analysis is designed to illustrate the effects of uncontrolled population

growth on the economy and development potential of each country. Highly respected host country and international sponsors will present the RAPID on an illustrative computer screen in which government officials request information and get instant answers. The Mission has held several discussions with private and public organizations to acquaint them with RAPID and to assess Guatemala's interest in receiving a presentation this year. USAID expects to receive a formal invitation from the GOG within the next two months requesting such a presentation.

Guatemala has also been designated as a recipient country for the LAC/DR/POP Regional Project, Population Information for Policy Makers (PIPOM). This project will enable APROFAM to carry out several promotion and research activities which will illustrate to GOG leaders the pressing need for a population policy in Guatemala.

### 3. Response of Indigenous Populations

A third possible constraint to achievement of project targets is the acceptance of family planning services by the Indigenous populations which comprise approximately half of Guatemala's population. The 1978 Contraceptive Prevalence Survey showed a much lower rate of contraceptive use among Indian populations (4%) than among rural Ladino populations (18%). The new "Indigenous" project activity was designed in response to this situation. Bilingual Indian Communicator couples are currently promoting family planning and primary health care activities in their own communities. This project activity has shown that Guatemalan Indians have no innate opposition to family planning and that they readily accept services when provided in an understandable and culturally acceptable delivery system. The results of a formal evaluation study of this activity will be available in July, 1982, but preliminary reports show increasing numbers of contraceptive acceptors. Specifically, the eight bilingual communicator couples recruited 519 family planning acceptors during the period January-March, 1982.

The current project will not replicate the system of bilingual communicators for all Indian areas and linguistic groups in Guatemala due to geographic isolation; and in some cases, the unsettled political situation. However, the present level of activity will be continued with a slight increase during the life of the project. The project activity has clearly demonstrated that Indigenous couples do desire and accept family planning services when they are provided by Indians of a similar cultural background. The CRS program is expected to make family planning services available to a large proportion of these cultural groups. Studies by Annis and Hurtado (1978) and Farley and Samuel (1979) have shown that Indians are regular users of commercial pharmacies. They will be able to encounter attractive store displays of family planning promotional materials and low priced, widely advertised contraceptives under the contraceptive retail sales (CRS) component of the new project. The CRS contraceptives will also be an average of \$2.50 cheaper per cycle than commercial brands. As part of the regular project evaluation, the Mission will be examining the response of rural Indigenous couples to store displays, trained pharmacists, and promotional media.

The MOH is also reaching additional Indian populations through its use of voluntary health promoters and midwives as contraceptive distributors. A total of 1,500 volunteer health promoters and 950 traditional midwives will be trained in Guatemalan Indigenous areas under Health Project 520-033, Integrated Community-Based Health and Nutrition Systems. The AID/Washington supported PRINAPS Project has already trained 400 promoters and 200 promoter spouses as contraceptive distributors in five Indigenous departments of Guatemala.

#### 4. Political Situation of Guatemala

The political situation in Guatemala has had some impact on ongoing health and population projects. Group meetings are no longer advisable in certain areas of the country, and these meetings have been replaced by visits by promoters to individual families. More women are now serving as promoters and distributors as they are less subject to suspicion. These changes have undoubtedly had some impact on the success of the community based programs. However, both CBD and health promoter programs have continued to operate in all areas where they have been started. A 1981 decision not to expand the Indigenous Family Welfare Project to additional areas will be reviewed once again in January, 1983. The major new project component, commercial retail sales of contraceptives, does not require an infrastructure of community based distributors and will use existing distribution networks and retail outlets. A similar program has continued to operate successfully in El Salvador despite a worse political situation. The current Mission project portfolio indicates that substantial development progress can still be made in Guatemala despite the current political problems in some parts of the country.

#### 5. Coordination of Project Activities

This project proposes several new family planning interventions in addition to the traditional service delivery systems of APROFAM and the Ministry of Health. The involvement of additional organizations in family planning will create the necessity for close coordination to avoid the possibility of duplication of effort or competition between implementing agencies.

The project technical analysis describes why the delivery system needs to be expanded to reach additional couples. This section will describe the proposed coordinating mechanisms.

The MOH, APROFAM, AID Family Planning Coordinating Committee will continue to meet monthly. Representatives on this committee include the Director General and Subdirector General of Health Services, the Executive Director of APROFAM, and the Chief of the Mission Public Health Division. Other representatives attend as required. The Committee has settled several difficult project implementation problems and has resolved several longstanding barriers to the APROFAM program. This coordination will continue under the new project.

The major Family Planning Donor in Guatemala other than AID is UNFPA. The MOH Director of the UNFPA project is also the Subdirector General of Health Services who serves on the MOH, APROFAM, AID Coordinating Committee. UNFPA issues have been a regular discussion item at these meetings and all three organizations are working together to secure additional UNFPA assistance for Family Planning activities. A significant achievement was the purchase of \$10,000 of contraceptives funded by UNFPA which neither AID nor APROFAM were able to provide to the MOH.

Intermediary family planning donor organization projects are generally approved by the Mission whenever they coincide with overall USAID population strategy. This process gives the Mission flexibility to penetrate new areas in need of family planning services without duplication of effort. The extension of the family planning delivery system to include other small private organizations and women's organizations will also be coordinated by the Mission Population Officer. Available services and acceptor rates in a given geographic area will always be identified before an indigenous local organization is granted family planning funding assistance. In no case will assistance be granted if another organization is enjoying high acceptance rates in the same geographic area with a similar program. The signing of short one year grant agreements with each approved private organization will give the Mission sufficient leverage to insure that duplication of effort with resulting competition does not occur.

#### D. Intermediary And Other Donor Activities

APROFAM and the MOH will implement a large number of activities during the four year project period with other donor funding (See Table at end of this Section). Since many of these activities are funded by more than one donor, the discussion will be by activity rather than by individual donor. This large number of other donor activities reflects their confidence in the implementation capacities of APROFAM and the MOH. All of the other donors' activities discussed below are important and complementary to the success of the present project. Two projects which are especially important are the AVS program in voluntary sterilization and the Development Associates Family Planning Training Program. The relationships of these two intermediary programs to the proposed AID project is discussed in the Project Description.

##### 1. Clinical Program

APROFAM began providing clinical services in Guatemala City in 1965 and has been doing so ever since. During the next four years they will continue to operate four clinics in Guatemala City and three regional clinics in Coatepeque, Esquintla, and Zacapa. These clinics will provide specialized clinical family planning services including voluntary male and female sterilization, IUD insertion, treatment of counterindications to any family planning method, counseling of acceptors, mobile voluntary sterilization teams, educational outreach personnel, and training for physicians, including those from the MOH, Guatemalan Social Security Institute, and private

physicians both Guatemalan and international. These clinics provide medical backup for APROFAM's community based distribution programs and provide a much needed cadre of highly qualified and trained physicians in the provision of family planning services. This program is considered essential in countering the MOH criticism that the APROFAM program is not adequately supervised medically.

The Guatemala City clinical program costs are estimated at \$250,000 per year. The three regional clinics raise the cost to \$625,000 per year. Funding sources will be the Association for Voluntary Sterilization (\$475,000 in 1982), and IPPF (\$203,950 in 1982).

The program will provide a total of 12,000 voluntary sterilizations during 1983 and the total is expected to increase to 20,000 per year by 1986.

Johns Hopkins University will provide assistance to APROFAM and the University of San Carlos Medical School in the training of fifth year medical students starting August, 1982. These students are required to spend six months in a rural clinic and are a key element in the rural MOH health program as they are authorized to prescribe oral contraceptives. The cost of this training program is estimated at \$18,000 during CY 1982.

Clinical programs for MOH nurses and traditional midwives will receive funding from the Pathfinder Fund and Development Associates. Under these projects, MOH nurses and nursing students will receive training in management of oral contraceptive users, Papanicolau examinations, pelvic examinations, vaginal pathology, and in a few cases, IUD insertion. Traditional midwives will be trained as contraceptive distributors in two districts of Guatemala and supervised by MOH nurses. The total estimated cost of these ongoing activities is \$35,000 per year.

## 2. UNFPA Project with MOH Maternal Child Health Division

The UNFPA has reduced its \$2.2 million project with the Division of Maternal Health and Child Services Division (DIMIF) of the MOH to an average of \$100,000 per year over a four year period. The immediate objectives of the project are increased MCH care, child-birth and child care; incorporation of high risk pregnancies into the coverage of the Ministry of Health; training of medical, para-medical and traditional personnel; reinforcement of the system of regionalization; development and evaluation of a complete medical record system; development and implementation of research projects which will assist in establishing adequate communication channels to overcome ethnic and socio-cultural barriers; and community health education.

Through a coordinated program of activities in training, research, application of that research, reinforcement of health facilities, community participation, and community education, the formal and informal health infrastructure will be coordinated. The system of referrals for high-risk pregnancies will be extended as well as child care services.

Primary budget components are in personnel (international experts and consultants) and per diem for national staff (for supervision and coordination), subcontracts for research and strengthening of municipal sanitation units, training (scholarships and courses) and equipment (primarily vehicles, medical equipment and contraceptives).

This project has now been assigned to three rural departments (Santa Rosa, Jutiapa, Jalapa) not currently receiving other external assistance in primary health care. It still is an excellent complement to AID bilateral projects which have no funds specifically designated for these three departments.

3. INCAP SINAPS Project and Rural Health Promoter Training Project (PRINAPS)

These projects are funded by DS/POP/Research. Each of them contains a component for the training of MOH health promoters, midwives and their supervisors. The health promoters distribute contraceptives under medical supervision. The projects have been undertaken in eight departments (almost 50% of the total rural area). Taken together they add a significant new component to the MOH system of delivery of family planning services which is not contemplated under the bilateral population project. APROFAM will have a small role in each of the projects, that of providing training for the trainers of promoters and midwives in the area of family planning. APROFAM will receive an estimated \$25,000 for this effort. The total funding for each project is as follows: INCAP (\$2.2 million for two years), Health Promoter Training Project (\$379,000 for 30 months).

The Mission bilateral health project No. 520-033 will provide training for 1,500 rural health promoters and 900 traditional midwives in three rural departments, under the Primary Health Care Component, using a methodology similar to the DS/POP/Research projects. All of these community personnel will serve as contraceptive distributors which complements the medical supervision and contraceptive logistics support provided under the current and proposed bilateral population projects.

4. Community Based Distribution Projects

APROFAM will receive assistance from other donors to implement community based distribution projects with the same guidelines as those funded by AID. This will make it possible to maintain an expanded program and to better evaluate the impact of projects and to reach populations such as those living on large private agricultural plantations which do not have access to MOH clinics.

FPIA is funding a combined CBD project with the Eastern Coffee Growers Association and the Sugar Growers Association, and a second CBD project with the National Coffee Growers Association. These projects will provide family planning services to 7,000 users who reside on privately owned plantations at a yearly cost of \$63,705. The associations also make significant financial contributions to the projects.

World Neighbors is supporting a CBD project through APROFAM in Tactic, Alta Verapaz. This project provides training in health and hygiene, improved agricultural practices, and family planning in the context of community development. The project budget is \$8,600 yearly and averages slightly more than 500 acceptors per trimester.

#### 5. Adolescent Fertility

The problem of high adolescent fertility in Guatemala is considered an extremely sensitive one and all assistance in this area to date has been provided through intermediary organizations.

The Pathfinder Fund provides funding which averages \$35,000 per year for a teen center run by APROFAM. This center counsels adolescents and their families in the areas of social and psychological well being, health and reproduction, vocational and educational training, and other activities. A medical clinic at the site provides contraceptive services and counseling to those who request them.

Development Associates provides assistance to the Guatemalan Sex Education Association which conducts sex education activities throughout the poorest areas of Guatemala City and provides barrier contraceptives through adolescent distributors. Additional support for this project will be requested through FPIA if Development Associates is unable to continue funding for family planning services activities.

#### 6. Contraceptive Distribution by Private Doctors

This Pathfinder project provides an average of \$40,000 yearly to train rural and urban Guatemalan private doctors in family planning methods and provide them with contraceptives for distribution to clients at a low price. Motivational pamphlets are also provided to the doctors for distribution. This year training is also being provided in minilaparotomy, vasectomy, and IUD insertions.

#### 7. Training Unit

In 1979, APROFAM formally established a training unit with the aid of Development Associates, IPPF and AID. The other donor organizations will continue to provide assistance to this unit and AID will cover a portion of the costs under this bilateral project.

The training unit conducts courses for APROFAM project personnel, MOH personnel, and a large number of different groups in the private sector. This training program forms an integral part of the total APROFAM program and has enabled the organization to respond to requests for high quality family planning training programs in a number of areas such as supervision, training of trainers, and family planning methods.

The funding breakdown for the unit is approximately as follows: AID (\$50,000 yearly), Development Associates (\$35,000), and IPPF (\$25,000 yearly).

#### 8. Evaluation Unit

APROFAM's evaluation unit provides services to all ongoing projects and is responsible for collection and analysis of data for future planning. This unit receives institutional support from IPPF with a yearly budget figure of \$4,245 which includes some international training and technical assistance. INCARPAL, a research component of Columbia University also provides technical support to the unit valued at \$8,200.

The following table illustrates the anticipated other donor population inputs to Guatemala in the years 1982-86. Projections of other donor assistance beyond FY 1983 assume a continuation of recent assistance levels by these organizations. However, since other donor projects are funded on a fiscal year basis, USAID cannot guarantee the continuance of these funding levels beyond FY 1983. Future cuts in the assistance of these organizations could not be assumed by the Mission with the exceptions which are discussed in the Financial Constraints Analysis.

| <u>Donor</u>                             | <u>FY 1982</u> | <u>FY 1983</u> | <u>FY 1984</u> | <u>FY 1985</u> | <u>FY 1986</u> | <u>TOTALS</u>  |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| AVS                                      | 400,000        | 478,104        | 490,000        | 475,000        | 400,000        | 1,843,104      |
| P'finder                                 | 360,000        | 89,189         | 125,000        | 120,000        | 98,000         | 432,189        |
| DAI                                      | 150,000        | 77,696         | 50,000         | 60,000         | 50,000         | 237,696        |
| FPIA                                     | 100,000        | 75,000         | 80,000         | 80,000         | 80,000         | 315,000        |
| Pop.Cncil                                | 50,000         | 16,565         | -- --          | -- --          | -- --          | 16,565         |
| IPPF                                     | 473,000        | 452,124        | 510,000        | 500,000        | 475,000        | 1,937,124      |
| UNFPA                                    | 584,000        | 202,000        | 250,000        | 300,000        | 300,000        | 1,052,000      |
| JHopkins                                 | 40,000         | 26,000         | 28,000         | 30,000         | 30,000         | 114,000        |
| Wrld Nghbrs                              | --             | 19,846         | 21,000         | 22,000         | 23,000         | 85,846         |
| ST/Resrc                                 | 100,000        | 110,000        | 80,000         | -- --          | -- --          | 190,000        |
| PAHO                                     | 50,000         | 50,000         | 50,000         | 50,000         | 50,000         | 200,000        |
| Others (Col<br>U., Chic U.,<br>IFRP,CDC) | 375,000        | <u>200,000</u> | <u>200,000</u> | <u>200,000</u> | <u>200,000</u> | <u>800,000</u> |
| TOTALS                                   | 2,682,000      | 1,796,524      | 1,884,000      | 1,837,000      | 1,706,000      | 9,905,524      |

### E. Project Strategy

High fertility is a major development problem confronting Guatemala that the Mission has addressed with a three part strategy since inception of the Mission Population Program: 1) The Mission has supported a program through APROFAM to provide information, education and communication campaigns about family planning concurrent with a contraceptive distribution program that provides the poor with access to quality contraceptives at affordable prices. With succeeding projects, the distribution system has been expanded to include specialized programs for hard-to-reach groups such as the various Indigenous populations, and migrant workers. Other distributor organizations such as the MOH and MCI have also been supported. This project will again expand the availability of services, this time through commercial sector activities in a national CRS program. 2) The Mission has also supported the development, usually through other donors, of clinical family planning services and of training in clinical family planning services for service providers. These services and the training have been provided through APROFAM, MOH hospitals and private physicians. 3) The Mission has moved towards the adoption of a positive population policy by the GOG that will be translated into action by the use of GOG funds through programs administered by the Ministries of Health, Education, and Labor. APROFAM has until recently been the primary vehicle to reach private sector and GOG officials who are in a position to influence the formal adoption of a comprehensive policy. The RAPID Analysis and PIPOM programs are now available to be used to reduce the amount of time required to develop an awareness of population problems and increased public and private support for family planning programs.

The Project strategy is to expand the availability of family planning services throughout Guatemala through several different channels. This strategy is designed to insure that populations not adequately covered by one institution are covered by another. APROFAM has been the major family planning provider in Guatemala for many years. Despite this intense effort, the national fertility rates have remained high, and the Guatemalan government's political commitment to family planning has remained weak. This project will broaden the political base of support for population activities in Guatemala by involving two government ministries and several influential private organizations in the direct provision of family planning services.

The Ministry of Health has a vast network of health facilities throughout Guatemala. By insuring that family planning services will be available on demand in the clinics, APROFAM will be free to mount an intensive public relations campaign to increase the usage of these clinics. This campaign will be coordinated with the MOH through the monthly committee meetings and publicity will be offered to the MOH in such areas as vaccination, breast feeding, pap smear campaigns and other activities. A public relations agency has been selected by APROFAM and the Mission to carry out the IEC campaign as recommended by the 1981 evaluation by Juarez and

Associates. A subsequent evaluation by APROFAM and the Mission of the new posters and radio messages produced by this agency indicates a striking and vivid increase in quality.

This project will also increase the coverage of family planning throughout Guatemala by the incorporation of Guatemala commercial pharmacies in the CRS program, and by the provision of family planning services by women's and other local development organizations. Some of these development organizations have worked for years in a particular area of Guatemala and have gained the confidence of various local populations in a way that has escaped larger national organizations such as APROFAM and the MOH. The community infrastructure of these organizations already exists and the major cost of providing family planning services to these groups will be contraceptives, training, and supervision. The high cost of salaries and institutional support will be avoided, thus making these activities extremely cost-effective in terms of reaching additional family planning users and in expanded political support for population activities in Guatemala.

At the end of the project, the Mission anticipates that the CRS and MOH project components will be completely self-supporting and require no further financial assistance with the exception of donated contraceptives. APROFAM and selected private organizations will continue to require reduced assistance in order to continue the promotion of family planning and to provide high quality family planning services to the most indigent segments of the Guatemalan population. If no future funding were available, APROFAM could become financially self-sufficient by competing with private hospitals for family planning acceptors with the capacity to pay high rates for services. However, services to the indigent poor and Indian populations would have to be greatly reduced or eliminated. It is recommended that the 1987 project evaluation consider the possibility of additional financial assistance to APROFAM and selected private organizations in order to continue to provide services to the population most in need.

### III. PROJECT DESCRIPTION

#### A. Introduction

The sector goal is to improve the health and socio/economic welfare of the poor by increasing access to family planning services and information.

The purpose of this project is to expand the availability of family planning services through public, private and commercial sector activities.

The end of project status which will indicate that the project purpose has been achieved is as follows:

1. Current users of family planning methods in facilities covered by the project will increase from 100,000 covered by the current AID project to 400,000. This figure includes purchases of contraceptives in commercial pharmacies under the CRS program and those served by private physicians as a result of the IEC component of this project and the Pathfinder Private Physicians' Project. The following Table illustrates the estimated number of family planning acceptors anticipated over the life of the project as a result of each project component.

Cumulative Number of Family Planning acceptors (in 000's)<sup>1</sup>

| Fiscal Year  | <u>1983</u> | <u>1984</u> | <u>1985</u> | <u>1986</u> | Estimated<br>Cost to AID<br>Per Acceptor<br>of Temporary<br>Method <sup>2</sup> |
|--|-------------|-------------|-------------|-------------|---|
| APROFAM a) CBD   | 25          | 30          | 35          | 40          | \$9.62  |
| b )Clinic<br>(Including<br>Voluntary<br>Sterili-<br>zation)    | 25          | 35          | 40          | 45          | -2  |
| c) Private Physicians<br>as result IEC &<br>Pathfinder Project | 2           | 3           | 3           | 4           | -2  |
| MOH a) Health Clinics  | 25          | 35          | 45          | 50          | \$1.80  |
| b) Voluntary Health<br>Promoter & Mid-<br>wives                | 4           | 5           | 8           | 17          | \$40.73   |
| CRS  | 20          | 50          | 75          | 100         | \$21.10   |
| Other Private Organ-<br>izations                               | 4           | 5           | 9           | 12          | \$18.03   |
| Non AID <sup>3</sup>   | <u>146</u>  | <u>135</u>  | <u>127</u>  | <u>124</u>  | <u>(0)</u>  |
| TOTAL  | 251         | 298         | 342         | 387         |   |

(1) Voluntary Sterilization acceptors are included only in the year of their operation. Since project began late FY 82, no significant number of acceptors can be attributed to this project.

(2) Calculation impossible for project components offering both reversible and surgical methods.

(3) Reflects acceptors generated by independent private physicians and hospitals, non CRS sales in commercial pharmacies, other non-AID funded PVOs and public sector health services.

The number of acceptors in the above table was based on current service statistics in the cases of APROFAM and the MOH with allowances for improved coverage of the APROFAM CBD program, an expanded and improved IEC program, and an improved logistics system for MOH clinics. The CRS acceptor estimates were calculated by AID/Washington consultants using previous marketing surveys, contraceptive prevalence survey data, and results obtained from similar projects in other countries. The acceptors for private organizations are based on numbers of acceptors obtained by the independent campesino movement and other private organizations working in Guatemala including project concern and the Berhorst Clinic.

2. An effective MOH, APROFAM, AID family planning coordinating committee will meet monthly with strong support from the highest levels of the GOG.

3. Family planning will be desensitized as a controversial activity in Guatemala through the IEC campaigns of APROFAM and the CRS implementing organization, and the adoption of a national population policy will become possible.

The following project activities will be undertaken to achieve this end of project status:

(1) A network of providers of family planning services will be established throughout Guatemala including 500 MOH clinics, 2,500 MOH rural health promoters and traditional midwives, 8 APROFAM clinics, 600 APROFAM community based contraceptive distributors, and 30 PVO health clinics.

(2) Contraceptives will be readily available at reduced prices in 1,200 commercial pharmacies and 5,000 retail sales outlets.

(3) The awareness of family planning services available in their respective areas will rise to 95% for the ladino population and 85% for the indian population.

The project components are more fully described by implementing institution in the following section.

#### B. Contraceptive Retail Sales (CRS) Program

The Contraceptive Retail Sales (CRS) Program will enable the poor majority to purchase quality contraceptives at affordable prices from existing private retail outlets throughout the country. CRS will constitute a new activity in this project, unlike most activities under the APROFAM and MOH components which are already ongoing under AID Grant Project 520-0263. In effectively establishing a private CRS program, this component will complement other GOG and PVO contraceptive distribution channels (i.e. CBD and MOH distribution) which will receive continuing funding under this project.

The CRS program will be implemented by a profit making organization which was legally incorporated in Guatemala on March 17, 1982, and known under Guatemalan law as an Anonymous Society (S.A.). This organization was established with \$5,000 equity as required under Guatemalan law which was provided by APROFAM. The Board of Directors will be appointed by a meeting of APROFAM, the law office which performed the incorporation, and other interested parties (General Membership).

To date, successful CRS programs have been established in Colombia, Mexico, Thailand, Jamaica and other countries. In Guatemala, the new CRS Company will draw on a large potential market for contraceptives in the country. Currently, 1,200 pharmacies and 15-18,000 other retail outlets are operating in Guatemala. In addition, the Guatemalan Contraceptive Prevalence Survey (CPS) of 1978 indicated that 382,600 Guatemalan women desired to contracept but were not doing so. This group (and their spouses) represent a new and growing market for contraceptives. By promoting inexpensive contraceptives through a national commercial network, the CRS program will generate new acceptors in areas such as the Highlands and the South Coast where contraceptive supplies are inadequate or prohibitively expensive or where demand is lacking due to unfamiliarity with family planning. Little or no substitute demand is expected from current purchasers of high priced contraceptives given richer customers' resistance to buying cheaper products associated with poor people, given the geographic concentration of the program in potential acceptor areas, and given the results of similar programs implemented in Mexico and Colombia. Additional information concerning the basis of market demand projections for the CRS Corporation is contained in Annex J, and in the 1978 Contraceptive Prevalence Survey.

AID will provide funding for the various costs associated with establishing and operating the CRS Company. First, it will work with APROFAM and other local private organizations in recruiting a Board of Directors drawn from influential business and political leaders in Guatemala. Directors will include a doctor, lawyer, representative of a pharmaceutical company, member of the Guatemalan Chamber of Commerce, a newspaper publisher or other mass media representative, and a representative of a woman's organization. AID will reimburse each Director a nominal fee of \$100.00 per trimester in return for his or her services.

The Board of Directors will meet at least once a month during the first year of the project in order to provide guidance and support to the CRS Company's staff during start-up of the program; thereafter, it will meet once every three months. Apart from operational overseeing, the Board of Directors will devote time to explaining the purpose of the CRS program to the general public, and to broadening the support for family planning in both public and private sectors. In December, 1982 the Board will also sign a formal grant agreement with AID which will fund the activities discussed below.

Day-to-day operations of the CRS Company will be monitored by a full-time administrative and sales staff of seven: a project director, secretary/receptionist, administrative assistant/accountant, three

detailmen/sales promoters, and one messenger/maintenance man. In addition, the Company will contract with APROFAM to provide the part-time services of a warehouse supervisor and his assistant, an accountant and two administrators. AID will fund \$237,000 in salaries, commissions and fringe benefits for the CRS company's full and part-time staff.

All CRS program staff will be hired by March, 1983. During the same month office space will be rented for the staff in Guatemala City. AID will provide \$82,200 for office rent, utilities, and transportation.

A long-term CRS advisor will also begin work in March, 1983, during the same month of the scheduled opening of the CRS company offices. AID will fund \$300,000 for salary, allowances, travel, and administrative and other expenses of a CRS expert who will provide technical assistance for three years of the project. The expert will advise the CRS Board of Directors and CRS administrative staff in implementing the program. In addition he or she will help select or subcontract a CRS Program Director, a public relations firm, and a commercial distributor to carry out key activities of this project component. A more detailed description of this contractor's role and responsibilities is provided in the Scope of Work in Annex G.

As one of its first tasks the CRS company staff, assisted by the long-term CRS advisor, will decide on the precise composition of its contraceptive product mix, particularly the specific oral contraceptive to be sold. "Over the counter" products such as the condom and vaginal foaming tablets only require the registration of the product name and trademark. This process will not take more than three months. However, ethical products such as the pill require such preliminaries as formula registration, chemical analysis, and licensing approval from the Ministry of Health. It is estimated that this process will take at least six months. The ongoing AID Grant Project 520-0263 already contains funding for an APROFAM contracted lawyer to complete this legal registration process by March 1983.

As product registration procedures are completed, the CRS company will contract a public relations agency to manage the national promotion campaign. This campaign will be thoroughly familiar with the Guatemalan target population and local situation. In view of the two-tier nature of the CRS target market, the primary media utilized will be radio for the following reasons:

1. Radio offers higher penetration (approximately 95%) of target market than other media;
2. The unit reach and penetration costs are significantly lower than those of other media (e.g. \$3.50/minute);
3. Almost 80% of households own at least one radio and almost all others have access to a radio.

AID will finance \$673,000 for design and production of radio spots to be broadcast by commercial stations throughout the country. In addition AID will provide \$60,000 for production of printed family planning materials.

The public relations firm will give serious attention to message type and language because of the sensitive nature of family planning. The low level of general knowledge among target groups about family planning dictates an institutional approach together with product and distribution information. Following increased awareness among target groups, radio messages will turn to a product specific promotional campaign. A high product awareness can be anticipated in the third year of operation, judging from results achieved in other CRS markets (e.g. Colombia and Mexico) which share many cultural common denominators with Guatemala. The public relations firm will also assist the CRS company in naming and designing the package for each contraceptive product.

This advertising campaign will be complemented by two other activities under this component. First, the three promoters on the CRS staff will travel to pharmacies and other retail outlets throughout Guatemala during the first three years of the program in order to promote the company's products. Second, APROFAM will conduct six training and orientation sessions per year for pharmacy owners to acquaint them with CRS contraceptive products, as well as with the logistical operation of the system. AID will provide \$22,000 for such training activities. In addition, as CRS products are introduced individually over the first year of the project, the public relations firm will coordinate its activities with family planning promotional messages financed under the APROFAM component.

In June, 1983 the CRS Company will contract one or more existing private commercial firms to repackage and distribute CRS contraceptives to pharmacists throughout the country. Contraceptives for the program will be centrally procured by AID/W, shipped to and warehoused at APROFAM, then transported to a private firm for repackaging suitable for retail sale. Next, a wholesale distributor will deliver the contraceptives to pharmacies and other retail outlets throughout the country. AID will provide \$120,000 for repackaging and \$389,000 for distributing contraceptives under the CRS Program.

The CRS program expects to generate 20,000 new acceptors in FY-1983, and a cumulative total of 100,000 acceptors in FY-1986 through 1,100 pharmacies and 5,000 retail outlets. These projections are realistic in view of the following:

1. Despite the great disparity in retail prices, pharmacists will still make an attractive gross profit margin on CRS products as compared to margins from higher priced commercial brands. By law, pharmacists may realize a gross margin of no more than 25 percent on all oral contraceptives - a margin which will be attainable at proposed CRS wholesale and retail prices of \$0.45 and \$0.60, respectively. However, prices for other types of contraceptives are unregulated. Nonetheless, proposed CRS pricing for such products as condoms and vaginal tablets will permit competitive margins as high as the market will bear.

2. New acceptors will be attracted to buy pharmacists' CRS contraceptives due to their relatively low price (e. g. approximately \$0.60 per cycle for CRS oral contraceptives as opposed to an average price of \$2.50 per cycle for other commercially available brands). They will also be drawn by effective promotion through radio, press, and store display advertising which will be funded by AID under this component.

3. Pharmacists and other retailers will receive project-funded training to acquaint them with and "sell" them on the CRS program.

Apart from meeting acceptor targets, CRS will also become more financially self-sustaining during the life of the project. At the end of four years, projected CRS contraceptive sales revenues should cover all administrative and operational costs, excluding donated contraceptives. By the end of the eighth year of operations, the CRS Company should also be able to cover the cost of donated contraceptives due to the following:

-The program will command a market of well over 200,000 new acceptors by 1990.

-CRS will easily maintain this market share with little outside competition since its customers will consist of new, poor acceptors who are geographically or economically excluded from existing commercial markets. Consequently CRS marketing-related operating costs, such as salesmen, will be below the industry average.

-CRS will gradually introduce higher priced contraceptives such as IUDs and diaphragms which will yield higher profit margins than the lower priced contraceptives.

-Although CRS sales will be targeted exclusively toward new acceptors, as the program gains market recognition a small proportion of the customers of high priced brands may switch to CRS contraceptives. Since 8 year projections of CRS income in the Table below are predicated solely on attraction of new acceptors, such substitution demand will increase sales revenues even further.

Financial projections for the CRS Company over the next eight years are provided in Annex J and CRS market analysis as detailed in Art Danart's Study (1981). A summary table of projected CRS revenues and expenses is given below:

| <u>Year</u> | <u>Expenses</u> | <u>Revenues</u>  |
|-------------|-----------------|------------------|
| 1           | 405,500         | 38,400           |
| 2           | 537,000         | 77,600           |
| 3           | 583,800         | 127,000          |
| 4           | <u>410,200</u>  | <u>210,000</u>   |
| Subtotal    | 1,931,500       | 453,000          |
| 5           | 262,400         | 272,200          |
| 6           | 232,800         | 286,200          |
| 7           | 217,800         | 300,200          |
| 8           | <u>212,800</u>  | <u>315,100</u>   |
| Subtotal    | <u>925,800</u>  | <u>1,173,700</u> |
| Grand Total | 2,557,300       | 1,626,700        |

Revenues generated from sales will be placed in a separate interest bearing bank account until the end of the project. When the project is completed, the management and bank account of the project will be turned over to the CRS corporation to provide reserve and seed capital to continue its activities. An agreement will be signed between the corporation and AID that stipulates that this bank account will be used to continue the CRS project activity.

AID will provide funding to contract outside consultants for general project evaluations during each year of the project. As available, AID/W TDY assistance will also be drawn upon to assist with these evaluations. A review of the CRS program will form a significant portion of these evaluations and their recommendations will be employed in fine-tuning implementation of the program. Additional information on the staffing and organization of the CRS program is contained in Section IV. D. Institutional Analysis and in Annex L.

Contraceptive Retail Sales

Illustrative Budget<sup>1/</sup>

(U.S. \$)

|                        | <u>1982</u>   | <u>1983</u> | <u>1984</u> | <u>1985</u>    | <u>1986</u>    | <u>TOTAL</u>   |
|------------------------|---------------|-------------|-------------|----------------|----------------|----------------|
| Pjt Personnel          | 75,000        | --          | 49,987      | 52,089         | 39,377         | 191,440        |
| Ctr Personnel          | 17,000        | --          | 11,446      | 11,446         | 11,446         | 45,784         |
| Promo & Advtnng        | 263,000       | --          | 103,300     | 207,000        | 159,700        | 733,400        |
| Travel (Pjt Personnel) | 8,000         | --          | 5,400       | 5,400          | 5,400          | 21,600         |
| Contract Fees          | --            | 200,000     | --          | 100,000        | 0              | 300,000        |
| Lcl Admin              | 38,000        | --          | --          | 22,800         | 22,800         | 97,200         |
| Repackaging            | 21,000        | --          | --          | 33,800         | 54,900         | 119,800        |
| Distribution           | 81,000        | --          | --          | 139,800        | 116,200        | 389,100        |
| Conting & Inflat       | <u>13,000</u> | <u>--</u>   | <u>--</u>   | <u>114,467</u> | <u>127,045</u> | <u>309,484</u> |
| Total                  | 518,000       | 200,000     | 106,000     | 686,802        | 536,868        | 2,207,808      |

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<sup>1/</sup> See also detailed component budgets in Annex C.

C. APROFAM Component

Under this component, AID will continue funding APROFAM's activities in community-based distribution of contraceptives; information, education and communication campaigns; specialized family planning services for Indigenous populations; and clinical methods of contraception. The comprehensive range of activities represents an overall expansion and improvement of activities in the current AID Grant Project with APROFAM (520-0263). Such continued AID support will further bolster APROFAM's role as the private sector leader in promoting a population policy for Guatemala.

Ongoing AID grant funding for APROFAM's activities ends on March 31, 1983, and a new grant agreement governing activities under the present project component will be signed between AID and APROFAM in January 1983. Of APROFAM's \$6,222,000 counterpart contribution to this component, 88 percent will be provided by other donor funding sources, and the balance from sales of contraceptives, patient contributions and other resources such as in kind donations of equipment by local companies.

As a first activity under this component, AID will fund the expansion of community based distribution of contraceptives (CBD) from current levels in the ongoing AID grant project. Such CBD activities work through such organizations as campesino groups, agricultural cooperatives, farmers associations, private voluntary organizations, and women's groups. Contraceptive distribution through such groups helps make family planning services available to isolated rural areas not served by APROFAM clinics or MOH facilities. Although these community-based organizations maintain their own office space (mostly outside of Guatemala City), most of their staff is paid under APROFAM's payroll, and all their personnel benefit from APROFAM's training unit.

Currently, APROFAM channels money for such training and staff support to eight separate CBD organizations: Ligas Campesinas, FECOAR, Metropolitano, Club de Madres, and Cooperativa Chiquimula which are funded by AID; the coffee and sugar grower's associations supported by FPJA; and Proyecto Tactic funded by World Neighbors. Together, these programs have a total of 329 active distributors and maintain an average of 16,000 active users and 300 references for voluntary sterilizations or IUD insertions each trimester.

Under the proposed new project, AID will fund a total of \$1,458,000 for CBD activities. In terms of inputs, 60 percent of this amount will pay for salaries and fringe benefits of APROFAM and CBD organization's staff, and the remaining 40% will reimburse training, transportation, per diem, and overhead. In terms of organizations, \$205,000 of AID's funding will support APROFAM's Guatemala City-based staff in providing supervisory and logistical support to CBD distributors; \$1,128,000 will assist the five AID-supported CBD organizations mentioned above; and \$125,000 will support APROFAM's training unit (see detailed budget "Community-Based Distribution" in Annex C, Table 2).

In addition, FPIA and World Neighbors are expected to continue their funding of three other CBD projects. IPPF and Development Associates will also continue to fund approximately half of the costs of APROFAM's training unit through 1987.

Volunteer distributors form a key part of the CBD outreach network. Though distributors' work motivation is largely voluntary, they do receive some compensation by retaining 40 percent of the contraceptives' selling price, returning the remainder to APROFAM. This practice is controlled by APROFAM's supervisors who visit these distributors every six weeks to collect the money, conduct an inventory of contraceptives, provide new contraceptives and answer any new questions the distributor might have. Distributors will also receive AID funded short course training twice a year.

Under the ongoing AID grant project, each distributor was to maintain 50 continuous family planning users. However, experience under the project has indicated that promoters must rely on personal ties such as common kinship, religion, or language in winning acceptors. Since many communities are fractionalized along these lines, 30 is the average number of people any distributor will have a close personal relationship with. Consequently, the volunteer distributor network will be increased by 271 to a total of 600 distributors under the project in order to expand acceptor coverage.

Additional distributors will be formed in nearby community sub-divisions. APROFAM's procedure for forming new distributors is for the salaried promoter to visit the community, describe the CBD program to individual community residents, and inquire as to who would make the best distributor. The person mentioned most often is approached and, if they accept, the community leaders are contacted for their approval. This procedure insures that respected and willing community members are selected for this program.

Despite the expansion in the number of voluntary distributors under this project, supervisory costs will continue to be funded at the same level as under the ongoing project. Additional promoters will almost all be drawn from communities where at least one promoter already exists. And it will represent only a small increase in workload for APROFAM supervisors to maintain records of and make field visits to one or two additional distributors in the same community.

As indicated in the table on page 26, the eight CBD organizations funded by AID and other donors should generate a cumulative total of 40,000 acceptors by 1986. Of this total approximately 33,000 will be generated by the AID funded CBD promoters, with the balance produced by the other donor CBD programs.

A second activity under this component will improve and expand the coverage of APROFAM's current Information, Education, and Communication (IEC) campaign funded under the ongoing AID grant project. The purpose of this publicity campaign is to advertise APROFAM and MOH family planning services

throughout Guatemala in the radio, press, and other media. The campaign will also help stimulate demand for contraceptives from the project's new CRS Program, as well as from private and public organizations whose family planning services will be funded under the project's fourth component.

In addition IEC activities will promote knowledge of family planning among high-ranking public and private officials who are in a position to influence the eventual adoption of a comprehensive population policy in Guatemala. In reaching this audience, the IEC campaign will be coordinated with Guatemalan activities under two centrally funded projects: the Resources for Awareness of Population Impacts on Development (RAPID), and Population Information for Policy-Makers (PIPOM). RAPID will provide a computer analysis of the socio-economic costs of population growth for an audience of planners and economists, while PIPOM will organize seminars and other training on family planning policy issues aimed at key officials in the health sector.

By April 1983 APROFAM will select a local public relations firm in accordance with competitive AID contracting procedures. This firm will produce and distribute family planning radio and newspaper advertisements, direct mailings, posters and pamphlets. APROFAM's staff will also prepare newspaper articles, produce radio advertisements, and maintain a telephone "hot line" which will advise anonymous callers on the availability of family planning services.

The public relations firm will contract 50 rural radio stations and urban radio networks to broadcast four messages a day. The messages will address each of the six barriers to family planning which were identified by the University of Chicago in a 1978 study. Interviews with satisfied users and providers of family planning services will be presented at least once per week. The firm will also provide 6,000 copies of four different family planning posters per year as part of the IEC campaign.

AID will fund the salaries and fringe benefits of a supervisor, production officer, secretary, and assistant at APROFAM, plus their transportation and per diem, for a total of \$203,000. AID will also fund the cost of APROFAM's publicity campaign activities (\$39,000), as well as the production and distribution costs associated with the public relations firm's advertisement effort (\$494,000). The AID budget in Annex C, Table 2 also provides \$94,000 to meet overhead expenses for both APROFAM and the contracted advertising firm. APROFAM's counterpart contribution to the IEC campaign will consist of office space and equipment, and is included in the total component counterpart budget in Annex C, Table 3.

The ongoing indigenous family welfare activity will be continued at modest AID funding levels throughout 1983 because of the unsettled political situation in many geographic areas where there are large concentrations of Indigenous Populations. A small expansion in AID funded Activities is planned for FY 1984 when the political situation should have improved. Twenty-one bilingual communicators and supervisory staff will work in 3 Indigenous linguistic areas of Guatemala, (Quiche, Cakchiquel, plus one other). They will promote family

planning and other primary health care interventions in their own language and use materials and recorded messages developed especially for these populations. This activity reflects the addition of four more bilingual communicators plus one supervisor in one additional linguistic area as compared to the ongoing AID project. The number of acceptors generated by existing promoters is currently 2,000. This figure is expected to triple throughout the four year project period.

Contraceptives will be distributed directly by the bilingual couples and by community based distributors selected by the couples for their leadership among the local Indigenous populations. Primary health care activities will also be carried out emphasizing the use of packaged oral rehydration salts in the treatment of infant diarrhea. The provision of additional health services was recommended by Early (1979) to further raise the status and acceptance of salaried Indians working in these two Indigenous areas. \$532,416 in AID funds will be provided for this project activity (see detailed budget in Annex C, Table 2).

The clinical family planning services (e.g. IUD, voluntary sterilization, and other methods) which APROFAM provides have been funded to date by AVS, IPPF, and other donors. Recent cutbacks in the funding of these organizations by AID/W and the high popularity of voluntary clinical methods of family planning necessitates the enactment of bilateral funding for these services beginning in FY 1984.

Voluntary sterilization is currently the most widely used method of contraception in Guatemala. Data from the PRINAPS Health Promoter Project anthropological study (Hurtado 1981) and surveys by the APROFAM Evaluation Unit show that there is a large demand for this method in areas not currently covered by APROFAM regional clinics and where MOH hospitals do not offer the service. The 1978 Contraceptive Prevalence Survey showed that 6.3% of the national population use voluntary sterilization as their method of choice, higher than any other method including oral contraceptives.

This project activity will enable APROFAM to increase its promotion campaign of clinical family planning methods, to provide training in IUD insertion, minilaparotomy, and vasectomy for MOH physicians in type A health centers and hospitals, and to provide transportation and per diem costs for acceptors who live more than 50 Km. from the nearest clinic. Provision of per diem and transportation expenses to voluntary acceptors is much cheaper than the funding of mobile medical teams to small villages as was done under the AVS intermediary project with APROFAM. No incentives of any kind will be provided to acceptors of this method in accordance with AID regulations.

Thirty MOH physicians from type A health centers and hospitals will be trained over the four year project period to provide vasectomy, minilaparotomy and IUD insertion services. The cost of training MOH physicians in clinical methods of family planning is the established rate for intermediary projects which train private physicians in the same techniques. Ten MOH physicians is the maximum number that APROFAM can train per year given

other project commitments and current facilities. Nine promoter/social workers will work at a personal level to provide education and counseling in clinical family planning methods and to insure that all AID and APROFAM regulations regarding voluntary compliance are scrupulously enforced. Per diem and transportation will be provided for an estimated 6,000 acceptors of clinical family planning methods over a four year period. Total AID funding for clinical family planning services under this component will be \$259,528 over the life of the project (see detailed budget in Annex C, Table 2).

Acceptors generated under the clinical component are projected to reach a cumulative total of 45,000 by FY 1986. APROFAM produced 20,000 family planning acceptors through its clinics in 1981. The projected increase will be due to a more positive attitude toward voluntary sterilization by the MOH, an effective IEC campaign, and unmet demand for voluntary sterilization (i.e. APROFAM was unable to perform 3,000 voluntary sterilizations due to lack of funding last year).

The following summary budget illustrates USAID inputs to each activity for the APROFAM component of this project. Funding will be provided for personnel, per diem/transportation, and training for each project activity. These inputs are detailed in the financial analysis. All personnel and per diem/transportation expenses were transferred from the current bilateral project. In addition, three replacement vehicles are being requested in FY 84. These vehicles will replace existing supervision vehicles for the CBD, Indigenous project, and clinical programs which were purchased in 1977 and are no longer dependable.

APROFAM contributions to the project include \$5.5 million in other donor projects which are described in section II A of this paper and \$0.7 in revenues generated which will be used to support APROFAM administrative expenses excluded from the overhead rate calculation. (See Annex I)

It is estimated that 89,000 acceptors of family planning services will be served directly by APROFAM at the end of the project. A large number of additional acceptors (which cannot be accurately estimated) will have first become aware of family planning through the APROFAM IEC promotion campaign and then served by other providers of family planning services.

APROFAM will continue to receive all AID donated contraceptives which arrive in Guatemala. They will be responsible for the adequate warehousing of these contraceptives and for distribution to other organizations carrying out family planning in Guatemala, including the Ministry of Health and the profit making anonymous society which carries out the CRS project component. APROFAM will continue to receive funding under the ongoing AID grant project to meet logistical expenses of direct distribution of contraceptives. Disbursements for this APROFAM activity under the ongoing project will be completed by March 31, 1982. At that time it is anticipated that the MOH will take over distribution of contraceptives to its own clinics throughout Guatemala with funding provided under the MOH component of this project which is discussed below.

A P R O F A M  
S U M M A R Y  
A I D F U N D E D

|  | <u>1983</u>    | <u>1984</u>    | <u>1985</u>    | <u>1986</u>      | <u>TOTAL</u>     |
|--|----------------|----------------|----------------|------------------|------------------|
| COMMUNITY BASED DISTRIBUTION           | 316,265        | 367,094        | 373,239        | 401,768          | 1,458,366        |
| INFORMATION & COMMUNICATION            | 197,024        | 206,458        | 210,631        | 215,221          | 829,334          |
| INDIGENOUS FAMILY WELFARE<br>PROJECT   | 104,949        | 124,019        | 147,340        | 156,108          | 532,416          |
| CLINICAL FAMILY PLANNING<br>SERVICES   | <u>---</u>     | <u>82,386</u>  | <u>86,377</u>  | <u>90,765</u>    | <u>259,528</u>   |
| Sub Total                              | 618,238        | 779,957        | 817,587        | 863,862          | 3,079,644        |
| COMMUNICATION & EVALUATION<br>CAMPAIGN | <u>---</u>     | 17,550         | <u>---</u>     | <u>---</u>       | 17,550           |
| CONTINGENCIES                          | <u>---</u>     | <u>79,751</u>  | <u>171,693</u> | <u>267,797</u>   | <u>519,241</u>   |
| TOTAL                                  | <u>618,238</u> | <u>877,258</u> | <u>989,280</u> | <u>1,131,659</u> | <u>3,616,435</u> |

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D. MOH Component

The Guatemalan Ministry of Health will continue to receive ongoing Grant Project assistance in FY 84 in the areas of medical supervision, and contraceptive logistics. New assistance will be provided under the project in the areas of clinical family planning methods and production of family planning promotional materials in FY years 84-86.

The medical supervision program provides an average of one medical supervisory visit per month to all of the approximately 550 MOH health posts where a family planning program is being carried out by an auxiliary nurse. The visiting medical supervisors review the progress of the family planning program including submission of required statistics, adherence to MOH and AID regulations, examinations of clients, investigations of reported side effects from contraceptive use, and review of references for clinical methods of family planning. The continuance of this program will guarantee adherence to AID and MOH regulations concerning family planning and effectively eliminate the major constraint to family planning that has been expressed by the MOH over the last 5 years (i.e. lack of medical supervision of family planning). AID will provide one half (\$38,000) of the current costs of the supervision in FY 1984. In FY 1985 the MOH will assume all costs related to medical supervision of family planning.

Funding will be provided for the continuation of contraceptive logistics activities in FY 84. These activities will either be integrated with the MOH medicine distribution system or be conducted by APROFAM as a separate project activity. A formal evaluation scheduled for November, 1982, will determine which institution carries out this activity. The evaluation will report on the performance of the MOH and APROFAM which have each provided contraceptives to half of the rural health posts and health centers in Guatemala since July, 1981. The evaluation will be based on timely arrival of solicited products, adequate record-keeping and financial control, and timely submission of required statistics.

Based on this evaluation the implementing institution selected will provide transportation, record keeping, and financial control for contraceptive shipments to all health centers and health posts in Guatemala throughout the four year project period. The advantages of the MOH assuming responsibility are that they will be serving their own facilities and thus be better accepted at the local level and that they can combine this service with the delivery of medicines and medical equipment to the same facilities. They also will not require external financing to carry on these activities. The advantage of APROFAM continuing to supply the contraceptives is that they have a proven record of success and a very strong commitment to family planning. The project will provide transportation and per diem expenses for personnel who implement the project in FY 1984 and replacement vehicles in FY 1985. \$196,400 will be provided in FY years 84-85 for these activities.

A new MOH family planning activity will be the provision of clinical family planning services within MOH type A health centers and maternity

hospitals. Ten MOH physicians in MOH Maternity hospitals and type A health centers will be selected per year for training in IUD insertion, vasectomy, and minilaporatomy by APROFAM. These physicians will be selected from areas where APROFAM clinics or MOH hospitals are not currently providing these clinical family planning methods and where there is sufficient population to generate a constant demand for these services. APROFAM and AID will approve the selection of physicians for training. Specifically, APROFAM may decline to train any physician who does not demonstrate the surgical aptitude necessary for the provision of these family planning methods. The MOH will also provide facilities and patients for training if APROFAM facilities are overprogrammed with other training activities. It is estimated that each trained MOH physician will provide a total of at least 100 acceptors with clinical methods of family planning per year. Funding for this physician training was previously included in the APROFAM component budget.

Two thousand voluntary village health promoters and trained midwives, and 650 salaried auxiliary nurses in health posts will provide person-to-person educational activities concerning the availability of these methods, and the APROFAM IEC campaign will provide localized radio messages with the same information.

The project will provide simple surgical equipment kits valued at \$350 to each MOH physician who successfully completes APROFAM training. This equipment is detailed in Annex "E" and will be provided to the physician following successful completion of the required training. The equipment will remain with the MOH institution in the event of physician transfer and in this case the replacement physician may be considered for training under the same project account. A fund for approved physical improvements in MOH hospitals and type A health centers will be established to insure that the trained physicians are able to perform the operations safely and meet the demand for this service. Total project funding for MOH clinical family planning activities will be \$70,500 over the period FY 84-86.

The project will also provide \$27,000 over a three year period for the MOH to prepare pamphlets promoting family planning in their health posts and health centers. There is a scarcity of educational materials concerning family planning, and these materials are quite necessary given the busy state of many of these clinics. The MOH also wishes to produce their own educational materials rather than rely on APROFAM materials which tend to promote APROFAM as an organization as well as to provide family planning information. The new project will enable the MOH to produce 30,000 copies of three family planning posters to be used in MOH clinics. A commercial printer will be contracted to produce the materials in order to insure timely production and distribution. This capability will improve the active provision of family planning services in the extended network of MOH health clinics which frequently are the only health facilities serving given geographic areas.

The following summary budget illustrates USAID inputs for each activity of the MOH component of this project. MOH counterpart includes the

assumption of all operating costs for family planning in FY 1985 and 1986 and salaries and infrastructure as listed in Table 5 of Annex "C". AID funding will be provided for medical supervision, contraceptive logistics including replacement vehicles in FY 1985, surgical equipment, authorized improvements in MOH operating facilities, and promotional materials. Contraceptive logistics budget figures are estimated from the current bilateral project. The medical kits will be purchased from the Pathfinder Fund and have been specially designed to meet the needs of rural health clinics which provide voluntary sterilization services. Improvements in MOH facilities will include the provision of emergency equipment where it does not presently exist, the remodeling of an existing room to provide voluntary sterilization services where hospital operating rooms are overcrowded with major surgery cases, additional equipment such as operating tables, lamps, and recovery room beds, and other authorized improvements if it is determined by the MOH and USAID that these improvements will allow the local facility to better respond to the demand for voluntary sterilization services. The 30,000 family planning promotional pamphlets will be distributed to all MOH health centers and health posts for distribution to interested clients who arrive at these facilities for any reason.

An estimated 67,000 new family planning acceptors will be served by the MOH by 1986 at an estimated cost of \$1.80 per acceptor. As of December, 1981 the MOH was serving approximately 20,000 acceptors through its health facilities. The number of acceptors is expected to rise to 50,000 by FY 1986 due to the impact of the IEC campaign, better medical supervision, and expansion of family planning services from 65% to 100% of all health facilities. In addition, MOH Voluntary Health Promoters and midwives trained under AID's Community, Health and Nutrition Loan and under the SINAPS and PRINAPS Projects are expected to increase acceptors from 4,000 in FY 1982 to 17,000 in FY 1986.

#### E. Family Planning Support for Other Private and Public Organizations

There are currently more than 150 private voluntary organizations working in Guatemala, and a recent GOG study funded by the Pathfinder Fund identified 98 women's organizations working in Guatemala. These organizations represent a great potential for significantly expanding the number of persons reached by family planning education and services. The organizations are already formed and operating and many have expressed a desire to APROFAM and/or the Mission for training in family planning delivery methods. The Mission provided \$60,000 in direct bilateral assistance to three private organizations in the implementation of Project 520-0263: The National Coffee Association, the Independent Campesino Labor Movement, and the Rural Health Committee of Totonicapan. Each of these organizations was able to provide family planning services to populations not covered under existing APROFAM or MOH programs.

National "mass production" family planning programs have occasionally failed to achieve targeted results due to an impersonal delivery system. Government and donor organization targets put great pressure on local workers

INTEGRATED FAMILY PLANNING SERVICES  
MINISTRY OF HEALTH

ILLUSTRATIVE BUDGET AID FUNDS  
(US \$)

AID FUNDED

|  | <u>FY-83</u> | <u>FY-84</u> | <u>FY-85</u> | <u>FY-86</u> | <u>TOTAL</u> |
|--|--------------|--------------|--------------|--------------|--------------|
| <u>MEDICAL SUPERVISION</u>   |              |              |              |              |              |
| <u>PER DIEM</u>  |              |              |              |              |              |
| 144 doctors x \$11 x 24 Medical Posts  | ---          | 38,016       | ---          | ---          | 38,016       |
| TOTAL PER DIEM   | ---          | 38,016       | ---          | ---          | 38,016       |
| <u>TRANSPORTATION</u>  |              |              |              |              |              |
| 144 doctors \$5 x 24 Medical Posts   | ---          | 17,280       | ---          | ---          | 17,280       |
| TOTAL TRANSPORTATION   | ---          | 17,280       | ---          | ---          | 17,280       |
| Sub Total Medical Superv.  | ---          | 55,296       | ---          | ---          | 55,296       |
| <u>LOGISTICS SYSTEM</u>  |              |              |              |              |              |
| <u>PER DIEM</u>  |              |              |              |              |              |
| Drivers & Helpers<br>12 x \$11 x 200 days/Year   | ---          | 26,400       | ---          | ---          | 26,400       |
| TOTAL PER DIEM   | ---          | 26,400       | ---          | ---          | 26,400       |
| <u>TRANSPORTATION</u>  |              |              |              |              |              |
| Mileage and Maintenance for<br>4 pick-ups & 2 Diesel trucks                                    | ---          | 70,000       | ---          | ---          | 70,000       |
| TOTAL TRANSPORTATION   | ---          | 70,000       | ---          | ---          | 70,000       |
| <u>VEHICLE REPLACEMENT</u>   |              |              |              |              |              |
| 4 pick ups at \$10,000   | ---          | ---          | 40,000       | ---          | 40,000       |
| 2 trucks at \$30,000   | ---          | ---          | 60,000       | ---          | 60,000       |
| TOTAL VEHICLE REPLACEMENT  | ---          | ---          | 100,000      | ---          | 100,000      |
| Sub Total Logistics System   | ---          | 96,400       | 100,000      | ---          | 196,400      |
| <u>CLINICAL FAMILY PLANNING</u>  |              |              |              |              |              |
| 30 Sets of Surgical Equipment for<br>vasectomy, minilaporatomy and<br>I.U.D insertion at \$350 | ---          | 3,500        | 3,500        | 3,500        | 10,500       |
| Improvements in MOH Hospital and<br>Health Center Operating rooms<br>2000 x 30                 | ---          | 20,000       | 20,000       | 20,000       | 60,000       |
| Sub Total Family Planning  | ---          | 23,500       | 23,500       | 23,500       | 70,500       |
| <u>FAMILY PLANNING PROMOTIONAL MATERIALS</u>   |              |              |              |              |              |
| 30,000 pamphlets at \$ 0.30 unit   | ---          | 9,000        | 9,000        | 9,000        | 27,000       |
| Sub Total Fam Plng. Mat.   | ---          | 9,000        | 9,000        | 9,000        | 27,000       |
| Sub Total MOH  | ---          | 184,196      | 132,500      | 32,500       | 349,196      |
| Contingencies  | ---          | 18,420       | 27,825       | 10,075       | 56,320       |
| TOTAL MINISTRY OF HEALTH   | ---          | 202,616      | 160,325      | 42,575       | 405,516      |

to either meet a given quota of acceptors or lose their jobs. This may lead local workers to give brief descriptions of family planning methods which fail to allay the doubts or answer the questions of the couples involved. Family planning is a highly personal decision and is a difficult topic to discuss with a stranger who may not be of the same sex, language group, or culture. This project will address this problem by involving other grassroots Guatemalan organizations in the provision of family planning services. These organizations include cooperatives, mothers clubs, labor organizations, business affiliations, and community development committees. One of their common characteristics is a close feeling of kinship between members and their leaders. The Rural Health Committee of Xolsacmalja, Totonicapan achieved more than 12% usage of family planning in a totally Indian community. The national average for family planning usage among Indians is only 4%.

The infrastructure of these private organizations is already in place and many of them have expressed strong support for family planning for this reason. The major investments in these organizations will not be financial but AID and GOG Ministry of Labor staff time to finalize the proposals, and provide supervision and evaluation services. The involvement of several private organizations in family planning will also assist in the development of support for a favorable national population policy which guarantees poor Guatemalans access to family planning information and services. The AID Mission in Guatemala will be responsible for determining that there is no duplication in effort among the recipients of AID assistance in family planning.

This project will enable the Mission to provide contraceptives, family planning training and educational materials to private and public organizations which solicit these services.

The Independent Campesino Movement labor organization is designated as a recipient of assistance under this project component. The Movimiento Campesino Independiente (MCI) is a labor union, organized to protect and improve the economic and social interests of its members, and to provide legal advice and other services as part of a social security plan. The MCI was recognized by the Government of Guatemala on June 19, 1969. MCI has received support from the American Institute for Free Labor (AIFLD) and now is affiliated with the Federacion Internacional de los Trabajadores de las Plantaciones Agricolas y Similares (FITPAS) based in Geneva, Switzerland.

At MCI request, the Pathfinder Fund financed a family planning CBD program on March 1st, 1978. This MCI family planning program received three years of Pathfinder support averaging \$35,000 per year and then was continued by the Mission under Project 520-0263. The program has been improved by the recruitment of more efficient distributors, training of personnel, and providing services not only for its affiliated members but also for members of other labor unions such as SITRABI, which is active in the banana plantations in the department of Izabal.

Since AID has been financing the MCI family planning project, AID representatives have visited their distributors in the field and confirmed firsthand that the areas have extremely difficult access, are densely populated and families have an average of more than six children. Service statistics have been encouraging with 240 new family planning users reported for April, 1982, by eight promoters working in extremely isolated areas. There were 1,976 continuing users reported for the same month. Distributor record-keeping methods have been reduced to a minimum to allow distributors with very little formal education to effectively participate in the program. This project will enable MCI to continue their family planning program.

Eligibility criteria for other private organizations<sup>1/</sup> which desire to add family planning to their existing activities are as follows:

1. The services that the organization provides include women as recipients and the organization membership includes women.
2. The organization meets normal AID PVO proposal standards.
3. The membership or population covered by these organizations is at least 2,000 people to insure cost effectiveness.
4. Adequate provision is made for medical supervision of oral contraceptives and clinical methods of family planning in accordance with current MOH policy.
5. A covenant to any AID-private organization grant agreement would require that the organization coordinate with other organizations which may be offering family planning services in the same geographic area to avoid duplication of effort. For example, MCI is currently responsible for family planning services on banana plantations in Izabal province while APROFAM has responsibility for the coffee, sugar and cotton plantations of the south coastal region.
6. The organization agrees to provide family planning services or referrals for services to its members for all contraceptive methods upon request of that member.
7. The organization specifically agrees to either provide family planning services or training in family planning with the AID funds provided.
8. The organization demonstrates a programmatic and financial commitment to continue the activities when project funding ends.

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<sup>1</sup> To date five additional expressions of interest in family planning assistance have been received from the Seventh Day Adventists, the National Program for marginal areas, and the student Welfare Division of the Ministry of Education, the Maternal Child Health Association of Guatemala, and the Altrusa Club. All of these proposals would add family planning services or family planning and sex education to their current ongoing activities.

9. The proposed private organization activities meet project objectives and are as cost effective as other components of this project.

Funding will be provided to a maximum of five private organizations per year to provide family planning services, training, and education to their membership and to the population living in the same areas. Priority in selection of these organizations will be given to those organizations working in areas not currently covered by either the MOH or APROFAM. Priority will also be given to service delivery activities before training and educational activities. The National Women's Office will screen potential women's organizations for appropriate project proposals and submit them to AID. The Vice Minister of Labor has formally agreed to this arrangement and to provide logistical support. (See Annex "F" and the GOG counterpart budget)

The Mission has currently received preliminary project proposals from eight private organizations with budgets ranging from \$10,000 to \$50,000. Project inputs in each fiscal year have been calculated based on these project proposals and are detailed in the following summary budget. Anticipated counterpart funding includes salaries, transportation, and facilities utilized for current project activities and is described in Table 10 of Annex "C".

An estimated 12,000 acceptors will result from these project activities by 1986. The promoters of four private organizations (Project Concern, MCI, ANACAFE, and the Rural Health Committee of Totonacapan) currently serve approximately 2,000 acceptors. Given the acceptor rate experience of the four previously mentioned organizations, the new private organizations should be able to generate at least 12,000 acceptors by 1986.

Under this project component AID will sign a maximum of five one year grant agreements per fiscal year at an average cost of \$30,000 with private organizations to provide family planning services and training. Follow-on funding would be authorized only in exceptional circumstances when further support could significantly contribute to the national population program.

A I D  
PRIVATE ORGANIZATIONS BUDGET  
AID FUNDED

|                       | <u>1983</u>            | <u>1984</u>             | <u>1985</u>             | <u>1986</u>             | <u>TOTAL</u>            |
|-----------------------|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Personnel             | 13,650                 | 22,500                  | 22,500                  | 22,500                  | 81,150                  |
| Training              | 27,300                 | 45,000                  | 45,000                  | 45,000                  | 162,300                 |
| Travel & Per Diem     | 22,750                 | 37,500                  | 37,500                  | 37,500                  | 135,250                 |
| Promotional Materials | 27,300                 | 45,000                  | 45,000                  | 45,000                  | 162,300                 |
| Contingencies         | <u>---</u>             | <u>15,000</u>           | <u>30,000</u>           | <u>45,000</u>           | <u>90,000</u>           |
| TOTAL                 | <u>91,000</u><br>===== | <u>165,000</u><br>===== | <u>180,000</u><br>===== | <u>195,000</u><br>===== | <u>631,000</u><br>===== |

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F. Project Beneficiaries

The beneficiaries of this project will be all members of the poor population of reproductive age who desire either to limit fertility or to space the births of their children. The project will increase coverage of family planning services to 400,000 active users over the life of the project. The majority of these users will be rural poor, but urban poor will also benefit. The following discussion describes how each project activity will benefit various sub-populations of the target group.

The CRS project component will impact most heavily on the rural poor in the Altiplano, South Coast, and Eastern Regions of Guatemala. It will reach both Ladino and Indian populations in roughly equal numbers as both of these populations make extensive use of commercial pharmacies. CRS commercial outlets will be established in some poor areas of Guatemala City, and the urban poor will therefore also benefit to some degree from this component.

The APROFAM CBD activities will largely benefit rural Ladinos. However, the Urban CBD program will generate approximately 25% of the projected number of users over the four year project period. Indians will form approximately 15% of the CBD acceptors but will form 100% of the anticipated number of users for the Indigenous Family Welfare Project which is basically a culturally sensitive CBD program run completely by Indian communicators. The APROFAM IEC activity will devote 80% of its resources to rural areas and 20% to Guatemala City.

Approximately 60% of the beneficiaries of the APROFAM clinical services activity will be served in Guatemala City and 40% in rural areas. However, these figures do not reflect the fact that many rural people arrive in Guatemala City to use APROFAM's services and that the demand for clinical services is higher in urban areas due in part to the higher awareness levels of this population.

The MOH medical supervision program will provide 100% of its resources to rural areas as will the contraceptive logistics systems. Both of these programs will have complete national coverage in rural areas. The clinical services activity of the MOH will also be 100% concentrated in selected rural areas where no other services of this nature exist. An estimated 90% of the educational materials produced by the MOH will be distributed to rural MOH clinics and 10% to urban MOH facilities.

The private organizations project component will benefit individual sub-populations in both urban and rural areas. The Mission will give priority to projects in isolated rural areas where other service delivery systems are weak or non-existent. However, a substantial number of organizations working in Guatemala City have expressed interest in incorporating family planning services into their ongoing activities and the urban poor will therefore benefit significantly from this project component.

#### IV. PROJECT ANALYSES

##### A. Economic Analysis

The object of this study is to estimate the benefit/cost ratio of the proposed \$20.1 million project. The analysis builds on the report prepared in November 1979, by Dr. David E. Horlacher entitled "Economic and Social Benefits of Family Planning in Guatemala." While that study does not specifically aim at undertaking a benefit/cost analysis of the proposed project ( a task carried out in this PP), it contains a substantial amount of information used in the present analysis and arrived at a number of significant conclusions summarized below.

##### 1. The Horlacher Report

Dr. Horlacher's study estimates the social benefits that would result from reducing Guatemala's total fertility rate (or TFR -- defined as the number of births that would occur to an average woman over her lifetime) from the current level of 5.9 to 3.2 by the year 2000. If this goal were achieved, the major benefits would be as follows:

- . Arable land per capita would be 28% greater in the year 2000.
- . Per capita income would be 28% greater.
- . The economic dependency ratio would decrease from 272 per thousand to 203 in the year 2000
- . Projected government expenses for social services in the year 2000 would be 104 million quetzales less.
- . Capital per worker would be 6% greater.
- . The number of new housing units needed would decline by 353,000, resulting in a saving of 1.76 million quetzales that would be invested in productive facilities.
- . The number of primary school age children would be reduced by 712,000.
- . By the year 2000, there would be 94% more births if the TFR remains at 5.9.
- . The annual saving to the government on health care would be Q32 million.

Thus, Dr. Horlacher's report concludes that the economic and social benefits would be enormous. On the basis of the cost estimates he provides, the average cost of providing protection to an average couple varies from a low of Q1.04 to high of Q3.55 per year. Even if one raises the assumed

cost of protection to Q10 per couple/year, and assumes that it takes about five years on the average to prevent one birth, the cost of preventing a birth would come to only Q50, which amounts to "a small fraction of the cost of educating, housing, and providing employment for a child resulting from an additional birth."<sup>1/</sup> The report does not attempt to estimate this cost, which is the benefit or "saving" derived by society from the prevention of an average birth. This will be undertaken in the following analysis.

## 2. Methodology Employed In The Benefit/Cost Calculation

The methodology employed in the benefit/cost calculation is as follows:

a) Estimating the number of births prevented by project: The Mission hopes to be able to reach 400,000 couples over the four-year project implementation period (1983-86). We estimated that the number of couples reached would be 400,000 -- or 100,000 additional couples per year during 1983-86. The number of births prevented as a result was based on a general fertility rate (GFR -- defined as the number of births per thousand women of childbearing age per year) of 178, based on data provided in the Horlacher report. Thus, close to 17,800 births annually would be prevented over 1983-1986. Cumulatively through 1987, a total of 71,200 births would be prevented (see footnote 1 of Table 1 for details of the calculation).

b) Cost of Project: The annual cost of the project is developed in detail in the financial analysis section of this project paper, and is reproduced in column 4 of Table 1. Note that it includes the total cost of the project (including the part to be financed by the GOG) and stops in 1986. The project will be carried on by the government beyond 1986. However, our analysis abstracts from any costs or additional benefits following completion of the project implementation period.

c) The benefits: The stream of annual benefits was estimated over the 18-year period 1983-2000. This stream is composed of three types of savings related to birth prevention: savings on education, health, and housing.

1. Saving on Education: The government's 1982 education budget calls for a total expenditure of Q162.3 million. Deducting Q24.4 million in earthquake reconstruction expenditures and outlays for culture and fine arts (which are not necessarily a function of the size of the population), we are left with Q137.9 million, which we then divided by the estimated number of school-age children (age 5 to 14), equal to 1.97 million. Thus, the average cost of educating a child in 1982 is Q70 per year. This average was then multiplied by the cumulative numbers of births prevented to

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<sup>1/</sup> Horlacher, op. cit., P 31.

arrive at the total savings on education outlays resulting from the

ii Saving on Health: The total Ministry of Health's budget for 1982 after deducting earthquake reconstruction expenditures comes to Q125.8 million. We estimated that the cost of providing health care to children age 0 to 14, plus maternity care, amounts to at least 50% of the total Ministry of Health budget, or to Q62.9 million. We then divided this outlay by the total number of children (3,234,000) to arrive at an annual health care cost per child of Q19.5. This figure was then multiplied by the cumulative number of births prevented as a result of the project. (For details of the calculation, see footnote 2 of Table 1.)

iii Saving on Housing: Based on the assumptions of an average cost of \$6,500 per housing unit, <sup>2/</sup> a useful life of 50 years and an average of five occupants per housing unit, the annual per capita saving on housing resulting from the prevention of one birth is estimated at \$26. This average was then multiplied by the cumulative number of births prevented projected in Column 3 of Table 1.

These various benefits were then totalled in Column 9 of Table 1. The next step was to discount both costs and benefits. The latter were discounted over the 18-year projection period 1983-2000.

d) The Discount Rate: An annual discount rate of 9% was used in the analysis. This discount rate is actually on the high side because the benefits were projected in constant 1982 dollars. Assuming an annual inflation rate of about 8%, a discount rate of 9% would be consistent with a nominal interest rate of 17%. This is precisely the pattern that prevailed in the U.S. in 1981, a period during which the prime rate charge by banks on short-term business loans fluctuated between 17 and 20%, while the cost of living index increased by 9%. This meant a real interest rate of 8 to 11%. The expectation of a real rate of return of 9% on social investment projects is actually on the high side.

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1/ Note that all projections are in constant 1982 Quetzales.

2/ Prof. Horlacher uses a unit housing cost of \$5,000 in his 1979 report. However, this figure is almost certainly an underestimate, particularly if account is taken of the inflation that has occurred over the past three years.

### 3. Results Obtained And Significance

The resulting benefit/cost ratio is 2.54 (see bottom of Table 1). While this ratio is extremely favorable, it would be even higher if a more complete analysis of the project could be undertaken. The benefits in the calculation actually substantially understate the magnitude of the true benefits that can be expected from the project for two reasons:

a) The standard "present value" methodology that was applied here substantially understates the true social benefits owing to the discounting process. By discounting future benefits to the present time, the project measures the value to the investor at the time the investment is made -- in this case, in 1982. The benefits obviously would be substantially greater if they were assessed from the viewpoint of future generations, which in the case of a family planning project, are the main intended beneficiaries. Family planners must take a long-term view, and not restrict the assessment of benefits to those accruing to the present generation. This is amply borne out by Professor Horlacher's findings which quantified the enormous savings to society -- and increases in productivity -- resulting from lowering the total fertility rate from 5.9 to 3.2 by the year 2000. We have noted his finding that, by the year 2000, there would be 94% more births if the TFR remained at 5.9.

b) A second reason why the methodology employed understates the true benefit/cost ratio is the implicit assumption underlying our analysis that those born during the 1983-2000 projection period would be able to find employment upon reaching adulthood. This is implicit in the savings calculation in Table 1 which assumes zero social costs for people older than 14. Thus, no allowance is made for any costs related to "employment generation." This assumption is highly optimistic in a society characterized by substantial underemployment, a situation that has worsened in recent years.

In conclusion: The "true" benefit/cost ratio is likely to be substantially above the 2.5 figure derived from the three benefits quantified -- and discounted to the present -- in the analysis presented above.

TABLE I

**BENEFIT/COST CALCULATION OF PROPOSED ADDITION TO  
FAMILY PLANNING PROJECT**  
(In constant 1952 dollars)

|       | (1)<br>Number of<br>New Couples<br>Reached | (2)<br>Number of Births<br>Prevented <sup>1/</sup> | (3)<br>Cumulative<br>Total | (4)<br>Annual<br>Cost of<br>Project | (5)<br>Costs<br>Discounted<br>at 9%/yr. | (6)-(8)<br>Annual Benefits from Project<br>(In \$1000)        |  |  |           | (9)<br>Total Benefits<br>Col. (5)+(7)+(8)<br>(Undiscounted) | (10)<br>Benefits<br>Disc. at<br>5% yr. | Year |
|-------|--|--|----------------------------|-------------------------------------|---|---|--|--|-----------|---|--|------|
|       |  |  |                            |                                     |   | Saving on<br>Education <sup>2/</sup><br>\$70 per<br>child/yr. | Saving on<br>Health <sup>3/</sup><br>\$19.5 per<br>child/yr. | Saving on<br>Housing <sup>4/</sup><br>\$26 per<br>person/yr. | Total     |   |  |      |
| 1953  | 100,000                                    | 5,933  | 5,933                      | 3,499                               | 3,497                                   | -   | 115.7  | 154.2  | 269.9     | 269.9   | 0                                      |      |
| 1954  | 100,000                                    | 17,800   | 23,733                     | 3,257                               | 4,823                                   | -   | 462.8  | 617.1  | 1,079.9   | 970.7   | 1                                      |      |
| 1955  | 100,000                                    | 17,800   | 41,533                     | 3,470                               | 4,604                                   | -   | 609.9  | 1,070.9  | 1,680.8   | 1,550.5   | 2                                      |      |
| 1956  | 100,000                                    | 17,800   | 59,333                     | 3,629                               | 4,547                                   | -   | 1,157.0  | 1,547.7  | 2,509.7   | 2,084.7   | 3                                      |      |
| 1957  | -  | 11,867   | 71,200                     | -                                   | -                                       | -   | 1,333.4  | 1,851.2  | 3,233.6   | 2,295.0   | 4                                      |      |
| 1958  | -  | -  | -                          | -                                   | -                                       | 415.3   | 1,333.4  | 1,851.2  | 3,554.9   | 2,375.4   | 5                                      |      |
| 1959  | -  | -  | -                          | -                                   | -                                       | 1,561.3   | 1,333.4  | 1,851.2  | 4,800.9   | 2,922.2   | 6                                      |      |
| 1960  | -  | -  | -                          | -                                   | -                                       | 2,907.3   | 1,333.4  | 1,851.2  | 6,146.9   | 3,352.6   | 7                                      |      |
| 1961  | -  | -  | -                          | -                                   | -                                       | 4,153.3   | 1,333.4  | 1,851.2  | 7,332.9   | 3,710.2   | 8                                      |      |
| 1962  | -  | -  | -                          | -                                   | -                                       | 4,984.0   | 1,333.4  | 1,851.2  | 8,223.6   | 3,754.9   | 9                                      |      |
| 1963  | -  | -  | -                          | -                                   | -                                       | 4,984.0   | 1,333.4  | 1,851.2  | 8,223.6   | 3,473.7   | 10                                     |      |
| 1964  | -  | -  | -                          | -                                   | -                                       | 4,984.0   | 1,333.4  | 1,851.2  | 8,223.6   | 3,156.9   | 11                                     |      |
| 1965  | -  | -  | -                          | -                                   | -                                       | 4,984.0   | 1,333.4  | 1,851.2  | 8,223.6   | 2,923.8   | 12                                     |      |
| 1966  | -  | -  | -                          | -                                   | -                                       | 4,984.0   | 1,333.4  | 1,851.2  | 8,223.6   | 2,652.4   | 13                                     |      |
| 1967  | -  | -  | -                          | -                                   | -                                       | 4,984.0   | 1,333.4  | 1,851.2  | 8,223.6   | 2,450.9   | 14                                     |      |
| 1968  | -  | -  | -                          | -                                   | -                                       | 4,984.0   | 1,333.4  | 1,851.2  | 8,223.6   | 2,257.7   | 15                                     |      |
| 1969  | -  | -  | -                          | -                                   | -                                       | 4,984.0   | 1,333.4  | 1,851.2  | 8,223.6   | 2,071.3   | 16                                     |      |
| 1970  | -  | -  | -                          | -                                   | -                                       | 4,984.0   | 1,333.4  | 1,851.2  | 8,223.6   | 1,900.3   | 17                                     |      |
| TOTAL | 400,000                                    | 71,200   | 71,200                     | 20,115                              | 17,473                                  | 53,293.2  | 21,933.0   | 23,310.7   | 105,225.9 | 44,352.2  |  |      |

$$B/C \text{ ratio: } \frac{44,352.2}{17,473.0} = 2.54$$

<sup>1/</sup>The General Fertility Rate (GFR or number of births per 1000 women of childbearing age - 15 to 49) for Guatemala is estimated at 170 (Source: Report by David Horlicker). However, most pregnancies prevented in one year will result in reduced births only in the following year. Thus, it was assumed that in 1953, out of 17,000 (100,000 x .170) pregnancies presented, only 1/3 of this number, or 5,933 births, will have been prevented in that year. The balance of 11,067 births prevented is carried over to 1954. In that year, another 5,933 births is prevented for the second 100,000 couples bringing the total births prevented that year to 17,800 (5,933 + 11,867). This same number is added in both 1955 and 1956. In 1957, the net addition is only 11,867 as no new couples will be reached in that year.

<sup>2/</sup>The total education budget for 1952 was Q162.3 million. From this, we deducted Q19.6 million in earthquake reconstruction expenditures and the Q100 million budget for culture and fine arts (assumed not to be a direct function of population growth). The resulting figure (Q132.0 million) was then divided by the estimated number of school age children (5 to 14, or 1,528,400 children), yielding \$70 as the cost of educating a child. This average was then multiplied by the cumulative number of births prevented in Column 3.

<sup>3/</sup>The total Ministry of Health budget for 1952, after deducting earthquake reconstruction expenditures, is Q125.8 million. The proportion of child-der age 0 to 14 in the population is about 44%. In 1952, they totalled about 3,234,000. However, owing to the expense of maternity care, it appears reasonable that the proportion of the Ministry of Health budget attributable to child and maternity care is larger than the proportion of the child population. We have assumed that 30% of the MCH budget is attributable to child and maternity care. On this assumption, the saving per birth prevented is estimated as follows:

$$\frac{Q125.8 \text{ million} \times .3}{3,234,000 \text{ children}} = Q19.5$$

<sup>4/</sup>The average was then multiplied by the cumulative number of births prevented as projected in Column 3.

<sup>5/</sup>Based on the gross floor area of an average cost of \$6,500 per housing unit, a useful life of 50 years, an average of five occupants per housing unit, and that this saving amount will not be permitted to deteriorate (data based on David Horlicker's report, except for the average number of occupants which is estimated as 5.000). The maintenance of \$6,500 / 50 years / 5 persons = \$26 per capita. This average was then multiplied by the cumulative number of births prevented as projected in Col. 3.

B) Technical Analysis

1. Demographic Impact

The main project purpose is to increase the number of family planning users to 400,000 couples by the end of 1987. Achievement of this purpose would result in a decrease in the crude birth rate from 45.1/1000 in 1978 to 36.6 per thousand in 1986 and a cumulative prevention of 71,800 births over the project period with the corresponding health, social, and economic benefits to individual families and to Guatemala.

Tables I and II show the estimated and projected number of users for each family planning method during the period 1978-1986 and the percentage of married women of 15-44 using contraception by method. These tables are based on an analysis of contraceptive prevalence surveys in Guatemala and elsewhere and on the observation that an increase in 1% in contraceptive prevalence correlates with a decrease of 0.45 in the crude birth rate.

As a point of departure for these estimates, data from the 1978 CDC/APROFAM Contraceptive Prevalence Survey was used to estimate contraceptive use by method and source of method. The survey estimated a contraceptive prevalence of 18.1% of married women of reproductive age, i.e. a total of 163,000 contracepting couples in 1978. The Mission estimates that active users increased to 200,000 by 1981 -- equivalent to 20.2% of married women in reproductive age (MWRA). For subsequent years, the previous experience of other countries such as Panama and El Salvador was utilized as a guide. Between two recent surveys in those countries, contraceptive prevalence increased by an average of 4 percentage points per year. That sort of growth is achievable among Guatemala's Ladino population, but much less likely among the Indigenous population. In the projections it was assumed that Ladino contraceptive use would increase as rapidly in Guatemala as did use in El Salvador and Panama. For the Indigenous population, half of the Ladino rate was assumed for a national average increase of 3 percentage points per year in contraceptive prevalence during the project period. This is a net of 200,000 new users during the project period. Other results of the 1978 CPS confirm that this goal is reasonable. The survey reported that 32% of MWRA who were not using contraception desired to use a method - an estimated 234,000 women. This pool of potential clients has undoubtedly increased because of IEC activities and the steady increase of the population of MWRA.

TABLE No. I

PERCENTAGE OF MARRIED WOMEN AGE 15-44 USING CONTRACEPTION, BY METHOD

|                          | <u>1978*</u> | <u>1979</u> | <u>1980</u> | <u>1981</u> | <u>1982</u> | <u>1983</u> | <u>1984</u> | <u>1985</u> | <u>1986</u> | <u>1987</u> |
|--------------------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Any Method               | 18.1         | 18.7        | 19.4        | 20.2        | 21.8        | 23.8        | 27.5        | 30.7        | 33.8        | 36.9        |
| Orals                    | 5.4          | 5.2         | 5.5         | 5.7         | 6.2         | 7.0         | 7.9         | 8.3         | 8.9         | 9.6         |
| Condom                   | 0.7          | 0.7         | 0.7         | 0.8         | 1.0         | 1.5         | 2.2         | 2.7         | 3.2         | 3.7         |
| IUD                      | 1.3          | 1.1         | 0.7         | 0.6         | 0.9         | 1.1         | 1.3         | 1.4         | 1.5         | 1.5         |
| Sterilization            | 6.3          | 7.0         | 7.7         | 8.2         | 8.8         | 9.5         | 11.0        | 13.1        | 14.7        | 16.3        |
| Other <u>1/</u>          | 1.5          | 1.7         | 1.9         | 2.0         | 2.1         | 2.3         | 2.9         | 3.1         | 3.4         | 3.8         |
| Less Effective <u>2/</u> | 2.9          | 3.0         | 2.9         | 2.9         | 2.8         | 2.4         | 2.2         | 2.1         | 2.1         | 2.0         |

\*1978 CDC/APROFAM Contraceptive Prevalence Survey

1/ Includes injectable, spermicides, diaphragm

2/ Includes rhythm, withdrawal

TABLE NO. II

MEAN NUMBER OF USERS BASED ON PAST, CURRENT AND PROJECTED CONTRACEPTIVE  
PREVALENCE, BY METHOD  
(000)

|                              | <u>1978*</u> | <u>1979</u> | <u>1980</u> | <u>1981**</u> | <u>1982</u> | <u>1983</u> | <u>1984</u> | <u>1985</u> | <u>1986</u> | <u>1987</u> |
|------------------------------|--------------|-------------|-------------|---------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Any Method                   | 163          | 174         | 187         | 200           | 223         | 251         | 298         | 342         | 387         | 435         |
| Orals                        | 49           | 49          | 53          | 57            | 63          | 74          | 86          | 93          | 102         | 113         |
| Condom                       | 6            | 7           | 7           | 8             | 10          | 16          | 24          | 30          | 37          | 44          |
| IUD                          | 12           | 10          | 7           | 6             | 9           | 12          | 14          | 16          | 17          | 18          |
| Sterilization                | 57           | 65          | 74          | 81            | 90          | 100         | 119         | 146         | 168         | 192         |
| Other <sup>1/</sup>          | 14           | 16          | 18          | 20            | 21          | 24          | 31          | 35          | 39          | 45          |
| Less Effective <sup>2/</sup> | 26           | 28          | 28          | 29            | 29          | 25          | 24          | 23          | 24          | 24          |

\* Derived from 1978 CDC/APROFAM Contraceptive Prevalence Survey

\*\* Based on USAID estimates and available data

<sup>1/</sup> Includes injectable, spermicides, diaphragm

<sup>2/</sup> Includes rhythm, withdrawal

## 2. Contraceptive Technologies

This project will rely on oral contraceptives, IUDs, condoms, foams, and voluntary surgical sterilization. References to other institutions for "natural" methods (Billings, sympto-thermic observation) will also be provided. This cafeteria of family planning methods responds to the range of interests and desires for spacing and family-size limitation among Guatemalans. The modern contraceptive methods are no longer experimental and their effectiveness under a variety of field conditions is proven. Since method failures (i.e. pregnancy) result more from human error than from technical shortcomings of the contraceptive methods, appropriate education and counseling of family planning clients are necessary to ensure correct usage. Training and seminars for service providers under all four components of this project will help ensure the proper instruction of users. Training materials in Spanish adapted to Guatemala and tested manuals for correct contraceptive use will be available for all components of this project.

When proper screening and patient management techniques are undertaken (particularly when compared to the health risks of pregnancy in Guatemala), side effects from contraceptive use are manageable. The relative safety of the various methods depends, in part, on the particular characteristics of the users with respect to age, health, parity, personality etc. After careful instruction, the user must consider the safety of his/her method relative to the desired level of assurance not to become pregnant. When the variety of modern methods are offered, as in this project, the user can make a reasonable choice. Trained health personnel will also be available to manage side effects once a method is chosen. Often the problem requires only counseling but, if not, an alternative method can be selected.

Continued use will depend on informed selection of a method as well as attentive counseling efforts. Special attention will be paid throughout this project to training appropriate personnel in both these areas. In addition, regular supervision during this project will help to ensure that personnel are giving adequate attention to appropriate method selection and counseling.

a) Voluntary Sterilization: Voluntary sterilization is the most secure, the most requested and the most used family planning method in Guatemala. Laparoscopy, minilaparotomy, and vasectomy will be available through APROFAM clinics in Guatemala City, Coatepeque, Escuintla and Zacapa. Training will be provided for selected MOH physicians from selected hospitals and type A health centers in minilaparotomy and vasectomy. The Minister of Health has specifically requested assistance in this area, thus political objections to the program are unlikely. The APROFAM IEC program will promote voluntary sterilizations as the method of choice for couples who desire no more children.

b) IUD: IUD's will be provided through APROFAM clinics, MOH health centers, and private physicians. Training will be provided to MOH physicians in health centers who have not previously received such training.

The Mission will continue to encourage the training of nurses in IUD insertion through intermediary projects but no funding for this training is included under the present project and no such request has been received from the Minister of Health. Copper T's, Lippes Loops and sterilizing solution will be provided by the project contraceptive budget.

c) Oral Contraceptives: The project will provide one standard and one low dose oral contraceptive for distribution in clinics, community based distribution programs, and the contraceptive retail sales program. The Ministry of Health will provide medical supervision for the distribution of oral contraceptives by non-physicians. Other brands of oral contraceptives will be provided by UNFPA and IPPF to the MOH and APROFAM respectively.

d) Barrier Methods: Condoms, foaming tablets, creams and jellies will be provided by the project for distribution by all providers of family planning services. The CRS publicity campaign will begin with a major promotion of repackaged barrier contraceptives because of the shorter time needed to register these products.

e) Natural Family planning: All project personnel will provide explanations and referrals to couples interested in natural family planning methods. These referrals will be made to the Integrated Family Center of Guatemala (CENTROFAM) which has been actively promoting and teaching these methods.

### 3. Adequacy of Delivery System

Reaching the predominantly rural Guatemalan population in a reasonably rapid and cost-effective manner will require a community-based outreach methodology in addition to adequate clinic-based services for supervision and referrals. To date, the efforts of APROFAM and the MOH to deliver community-based services have been successful in most Ladino areas of the country but not always successful in the Indian areas. The present challenge is to expand the coverage of these community-based programs.

The project proposes to increase the community coverage through the CRS program and the involvement of additional local private organizations in the provision of non-clinical family planning services. Annis and Hurtado (1978) reported that one half of all contraceptive users in the large predominantly Indian province of El Quiché obtained their contraceptives through commercial pharmacies despite the presence of APROFAM and MOH family planning services throughout most of the province. Annis (1980) concluded that there is a significant underuse of MOH clinics in the largely Indian provinces of San Marcos, Totonicapan, and Solola and that distance was not a primary factor in this under-utilization. It can be concluded that the CRS project component in the private sector will successfully reach large numbers of Indian couples who desire to plan their families, and who largely reject public sector health services but frequently utilize commercial pharmacies.

Private sector pharmacy owners are interested in making sales and presumably these merchants have learned to communicate well with the Indian population which represents a major market for them. Their profit margins (approximately 30 cents per cycle) will be similar for the new CRS brands of contraceptives as for the more expensive brands and they will thus provide a major source of private sector initiative to promoting the use of contraceptive methods.

The presence of more than 18,000 existing commercial retail outlets in Guatemala insures that the project goal of 5,000 outlets retailing the CRS contraceptives can be obtained with a distribution covering all regions of Guatemala.

#### 4. Development of a Positive National Population Policy

The involvement of several GOG Public and private organizations in the direct provision of family planning services will broaden the base of support for a national population policy. Two AID Washington funded projects, RAPID Analysis and PIPOM, will provide funding for activities directed specifically at decision makers in Guatemala. The Rapid Analysis will analyze the current economic factors in Guatemala with respect to population growth and develop a presentation for national planning leaders which will graphically illustrate the consequences of continued population growth. The PIPOM project will provide resources to APROFAM to conduct high level campaigns among Guatemalan decision makers to promote family planning and to conduct studies to support the need for these programs. The local AID Mission will again serve as coordinator of these activities to insure that no duplication of effort occurs. A positive national population policy is the first step to increased commitment of GOG funds to family planning and the reduction of dependence on external donors for these programs.

#### C. Social Soundness Analysis

##### 1. Target Population and Beneficiaries

The beneficiaries of this project will be all members of the poor population of reproductive age who desire either to limit their fertility or to space the births of their children.

The project will provide 400,000 couples of reproductive age with family planning services by 1986 and will provide family planning education and information activities for the entire nation via mass media and interpersonal communication activities.

The Guatemalan population is composed of two distinct ethnic groups: Ladinos which comprise 57% of the population and Indians which comprise 43%. In general, the Ladino classification is applied to those people who have adopted a Western life style or have European ancestry. Spanish is either their first or principal language although they may, in some cases, continue to speak an Indian language. They wear Western type clothing

and display a preference for mass-produced consumer products. Income is usually derived from commerce or service industries or from professional occupations, although in largely non-Indian eastern Guatemala, many Ladinos are still practicing farmers. Finally, Ladinos possess cultural norms and values which are distinct from those of Indians: The nuclear opposed to the extended family as the basic social unit; a class consciousness and quest for upward mobility; determination of social status on the basis of acquired wealth; a secular brand of Roman Catholicism in which the overt practice of religion is much more expected of women than of men; and an ideology which emphasizes the welfare of the individual over that of the group.

The Indian classification is applied to descendants of the ancient Maya who have not yet adopted Western practices and values, most of whom live in the Western and Central highlands. They are native speakers of one of the 22 indigenous language sub-groups of Man, Quiche, Cakchiquel and Kekchi, although some of the men, and to a notably lesser degree the women, are conversant in Spanish. Many Indians continue to wear native dress, although women adhere more strictly to this practice than men. Their main source of income is derived from agriculture as either day laborers, subsistence farmers, or low to medium market-oriented growers, with some supplementing their farm income by producing and marketing handicrafts. No formal class structure exists within the Indian community, although gradations of wealth do exist. Capital gain is desired but does not directly elicit status and rank. Social rank is a product of age and prestige, the latter often acquired through contributions of both time and money to the cofradia (religious brotherhood) system or from performing valued community roles such as shaman or midwife.

Some mention should be made concerning socio-political comparisons between the Ladino and Indian groups. Ladinos tend to participate in political activities while traditionally, the Indian population has been apolitical, making political stands only when land ownership was imperiled. However, as better information becomes available to Indian communities and consciousness is awakened, Indians are becoming more politically active.

## 2. Strategy for Indian Areas

The Mayan culture is a high fertility culture as reflected in birth rates as high as 47 per one thousand in some highland communities. Yet despite such high birth rates and low rates of contraceptive use there are still indications of fertility control or its equivalent. Although abortion is considered a sin in the traditional Indian culture, and the Catholic church reinforces this belief, Indian women possess universal knowledge of its use and constitute at least part of the high number of abortion cases referred to earlier. There are also indications, unsupported by firm statistics, of infanticide. Another practice which has been observed is the "thinning of the flock", which occurs in large families where there is a closely spaced child between a younger and older sibling. When this child becomes ill, no efforts may be made to save it, while heroic efforts will be made to save the other siblings. It is clear that painful decisions are often made to control family size.

Anderson et. al. (1981) concluded that birth rates were approximately equal for Indian and Rural Ladino populations despite the fact that contraceptive use was five times greater among rural Ladinos. They concluded that prolonged breast feeding among Indian populations might have caused most of this difference. Reduced nutritional status and lower coital frequency among Indians are offered as other possible explanations. Unreported infant mortality among Indian populations is discounted as a possible explanation because the termination of breastfeeding with its contraceptive effect would occur simultaneously and lead to a new pregnancy.

It is not clear whether prolonged breast feeding, or some other factor such as knowledge of a local contraceptive or abortifacient is responsible for these comparative birth rates, but it can be presumed that motivation for smaller families is somehow influencing Indian fertility behavior.

There is additional evidence that despite cultural inhibitions and reservations about contraceptive technology, there is interest in Indigenous communities in controlling family size. The Guatemala Contraceptive Prevalence survey found that 30% of Indian women want family planning. Because the traditional culture is eroding at a rapid pace, Indian families are being forced to face a number of changes, largely as a result of economic pressures, which lead to the recognition of the growing burden of large families, particularly in areas of decreasing quality and quantity of tillable land. Following a transitional period in which Indians learn how to handle new technologies, there is reason to believe that family planning will be increasingly adopted.

Several barriers have been identified to the acceptance of modern contraceptives by Indian couples (Early 1979). Foremost among them are the diversity of languages and culture among the Maya themselves. Language classifications in Guatemala do not take into account that Indians classified as speaking one of the official 22 dialects frequently cannot understand Indians from a different geographic region who are classified as speaking that same dialect. There is therefore no one specific Indian language or culture that outsiders can familiarize themselves with and use on a national level such as Quechua in Bolivia and Peru. Women are more frequently monolingual than men and it is essential that these women be reached with family planning information in their own language as the woman is frequently the first marital partner to seek family planning.

Among the traditional Indian populations there is a certain degree of fear and rejection of any new technology. Early (1979) states that this is especially true of a technology involving the physical body and touching on sexuality. The traditional culture has a strong puritanical note and the sexual act is seen as sinful, but a necessary sin to have children.

APROFAM chose to address these and other barriers by employing male-female teams of bilingual communicators who spoke the local language. These couples promote family planning and other development activities in

Indian villages close to their own homes. It was quickly discovered that Indians are very practical and want successful results and not just talk. The communicators were not accepted until they began to carry contraceptives and various medicines used in primary health care. Family planning acceptance began to rise quickly with this change. The main factor which has inhibited higher acceptance rates has been the local politically inspired violence which has restricted travel and supervision to project areas. The level of violence has been considerably reduced in the last two months and this project activity should begin to grow once again. The long term effects on the Indian cultures of this violence are unknown at the present time.

The strategy in Indian areas will be to employ local male and female Indian residents as promoters and distributors in community based family planning programs. The number of these promoters and distributors currently funded under the ongoing AID grant project will be expanded slightly during the life of the project. These same promoters and distributors will also assist APROFAM's IEC program to develop locally and culturally appropriate taped messages and educational materials for their areas.

The project will draw on the experience of the Mission's past Basic Rural Education and Basic Village Education Projects in designing these radio programs, and in mixing them to best advantage with promoters, distributors, and other media. Moreover, it will use as appropriate, non-formal education methodologies and materials developed under the Mission's proposed Integrated Non Formal Education Project in FY 1982. Despite the use of radio promotion in Indian areas, communication about family planning by word-of-mouth will probably remain the most effective medium. Primary health care services such as oral rehydration will also be provided by these Indian personnel to enhance their creditability and to offer additional services to this much neglected sector of the population.

### 3. Strategy for Ladino Areas

The social-cultural outlook among the rural Ladino population is considerably more positive towards acceptance of family planning than for Indian Populations. Socio-demographic data indicate higher literacy among the Ladino population which has resulted in greater exposure to mass media and new technology as well as better husband and wife communication, as noted in the 1978 University of Chicago-APROFAM study on ethnic differences and family planning acceptance. Favorable rural ladino predisposition toward using some method of family planning was similarly evidenced in the 1978 Guatemala Contraceptive Prevalence Survey.

Unlike Indian rationales, reasons given by rural Ladinos for not using contraception were not principally socio-cultural in nature. For example, 14% stated that non-usage was because of fear of side effects, while rejection for religious reasons was given by only 4.6% of the respondents. Knowledge of where to obtain family planning service was cited as the major barrier to usage: Although 34% of the non-users indicated that they wanted to use a method, 51% of non users who wanted to contracept did not know where services could be obtained.

A followup study to the 1978 Contraceptive Prevalence Survey (Chen et.al. 1982) concluded that accessibility to contraceptive sources consistently corresponded to contraceptive use among rural Ladino populations when demographic and socio cultural factors were controlled. This relationship was not observed for Indian populations.

The strategy in rural Ladino areas will therefore be to increase the number of community-based distributors, to provide specific detailed information via radio on all local outlets where family planning services may be obtained and to provide radio and person-to-person messages which clarify the side effects of each contraceptive method and counter the false rumors which will inevitably arise concerning these methods.

#### 4. Strategy for Guatemala City

In Guatemala City the number of eligible couples currently using contraception, according to the 1978 Guatemala Contraceptive Prevalence Survey, was 41.5%. This figure bears out the premise that availability of services combined with better education results in increased usage. A higher proportion of Guatemala City residents (64%) knew where to obtain services and were obviously making use of this information.

The project will continue to support APROFAM clinical services and expanded community based contraceptive distribution programs in all marginal areas of the capital. Radio IEC messages will emphasize the locations of clinics and the availability of the telephone information hotline and will be broadcast only on radio stations with a large listening audience in the poorer sections of the capital city.

#### 5. Cultural Acceptability

In summary, it appears that, while there is considerable socio-cultural variability in attitudes toward family planning, there are enough positive indicators which suggest that increased efforts to extend information and services can make a significant impact on population growth in the country, particularly if such extension efforts are culturally and medically sensitive.

#### 6. SOCIAL CONSEQUENCES

This family planning project will impact on the family unit in several ways. In general terms, the project will allow families to better chart their future with some consistency. The family members which receive the most benefits in the Guatemalan social setting will be the young children and the mothers. The former will have a higher probability of escaping from malnutrition and a greater opportunity of receiving an education, thus allowing them to participate to a greater extent in the social and economic life of the community and country. Mothers will have an opportunity to allocate more time to activities outside the home, which will in turn contribute to increasing the general economic welfare of the family.

Improvement of maternal health will also be a major benefit of the project. This combination of factors, when aggregated by the number of recipient families, will make a significant impact on improving the quality of life for the sectors of the society which the project affects.

#### 7. Strategy for Decision Makers

Socio-anthropological studies are usually restricted to the beneficiary populations or culturally distinct populations in a country. This section will present a description of the average influential policy maker in Guatemala representing both the public and private sectors. These policy makers frequently have little contact with the poor and their situation. They are aware that problems of poverty exist, especially since the recent violence in Guatemala has erupted. However, they have a rather fatalistic view that the majority of the people have always been poor and that they are likely to remain poor in the foreseeable future.

Most of these policy makers are aware of the demographic pressures facing Guatemala and other countries and are very likely to have practiced family planning themselves. One medical doctor in the Ministry of Health recently offered the observation that "Nobody opposes family planning in Guatemala; we just have not overcome the inertia to make it happen."

There appears to be a perception at the highest levels of GOG decision makers that family planning is a controversial program. These attitudes are perhaps based on the opposition of vocal minorities in Guatemala which attack family planning for various religious, political and moral reasons. The University of San Carlos has traditionally opposed all activities directly or indirectly associated with the government including family planning. Indeed, during the leftist government of Jacobo Arbenz in the early 1950's, the University adopted a rightist stance. Religious groups may view family planning as promoting promiscuity or express the fatalistic view that family planning is interfering with divine plans. Family planning is also frequently confused with abortion rather than as a means of preventing the need for abortion.

The actual situation in Guatemala does not equal this perception. Many Catholic priests have spoken openly of the need for family planning. Newspapers, with one exception, have been openly supportive of family planning and have printed weekly editorial messages supplied by APROFAM. The opposition to family planning at the University of San Carlos Medical School has disappeared and APROFAM has provided family planning training for fifth year medical students from that University with assistance from Development Associates and John Hopkins University. The APROFAM Indigenous project activity has also clearly established that the two largest Indian cultures in Guatemala readily accept family planning services when they are offered in a culturally acceptable delivery system.

Many influential decision makers, by the very nature of their positions, have developed the outlook that change is possible and that problems can be addressed and overcome. However, often because of the vehemence of a vocal minority opposition, these decision makers tend to avoid dealing with the need for providing low cost family planning services for all sectors of the population. This avoidance of the issue often leaves the vigorous promotion of family planning with dedicated private organizations. The strategy of this project and the Mission population program will be to involve as many influential decision makers as possible in actual family planning activities. Once a small family planning project has been carried out by a non-traditional provider of family planning services, the acceptance and desire of the population for these services becomes readily apparent. The most successful population country programs have involved wide government support. The RAPID Analysis, PIPOM, and bilateral project will involve Guatemalan decision makers, private organizations, Mission and Embassy personnel in population activities and serve to overcome the inertia or reluctance to face the difficult population problems which face Guatemala.

#### D. INSTITUTIONAL ANALYSIS

##### 1. APROFAM

##### a. General Description

In 1976, a study by the Central American School of Business, Administration (INCAE) looked at APROFAM's management capability, e.g., personnel policies, staffing patterns, decision making process, financial and administrative controls, internal communications, etc. This study concluded that APROFAM had the "strongest general management capabilities of any of the six IPPF affiliates in Central America".

Our view of the Association's implementation of activities confirms this positive evaluation of APROFAM's overall management capability. Despite rapid expansion of activities, APROFAM's overall management capacity has improved in the last five years.

APROFAM uses a traditional hierarchical administrative system. Seven department directors, who report directly to the executive director, supervise specific projects and activities, supported by a small centralized administrative staff (Exhibit 1). The Administrative Director, who also reports directly to the Executive Director, coordinates departmental planning/evaluation activities and serves as the principal liason between APROFAM and donor agencies. Although the administrative structure looks like many in Guatemala, APROFAM's uniqueness is a function of staff dedication to family planning and willingness to seek solutions to management problems as they arise.

In 1981, APROFAM's budget supported a staff of 188 persons. Financial assistance was received from six international organizations (Table 2). The program implemented 19 distinct project activities, an unusually high number for a private family planning association in the Western Hemisphere.

APROFAM has demonstrated its ability to successfully implement a wide variety of programs. Between 1977-1979, the Association's operating budget tripled, staff increased correspondingly, and a diverse set of urban and rural activities were initiated. Many organizations would have been taxed by such growth, and others would have disintegrated under the pressure. APROFAM, however, seems to have thrived and learned from the experience.

b. Management Systems

APROFAM has a full range of formal management systems, e.g., payroll, personnel, reporting, internal audit, external audit, inventory supply and control, program evaluation, etc. A procedural manual exists for major administrative tasks. Despite formal, rigid procedures, the Association is administered relatively well: Payroll is on time; commercial bills are paid regularly; distribution points rarely suffer stock-outs of contraceptive supplies; donor agencies receive required reports; management data exist and are reasonably accessible and accurate; and budget projections have been quite good in the last few years.

It should be emphasized that APROFAM's management structure survived the 1976-79 rapid program growth. In fact, all evidence suggests the Association's logistic, planning, supervisory, data collection and reporting capability has generally improved during the 1977-82 grant period.

c. Ability to Manage a Further Expanded Education and Service Delivery System

APROFAM's proven ability to rapidly expand its organization and services suggests that no major institutional barriers will impede implementation of this project. Some necessary changes currently underway include decentralization, i.e., the opening of three regional offices, improvement of the management information system, strengthening of the supervisory system and provision of improved training to distributors.

Decentralization will permit the production of locally relevant information messages and use of local radio stations, and make possible closer supervision of field outreach activities. Improvement of its management information system will increase the validity of the periodic evaluations which will determine changes in program direction. Supervisory skills up-grading and better distributor training will insure a higher level of cultural acceptability, medical soundness and efficiency of service delivery.

A major constraint to expansion of family planning services and education outreach has been a lack of coordination between APROFAM and the Ministry of Health. To insure coordination, a joint APROFAM/MOH/AID unit has been created to oversee project implementation.

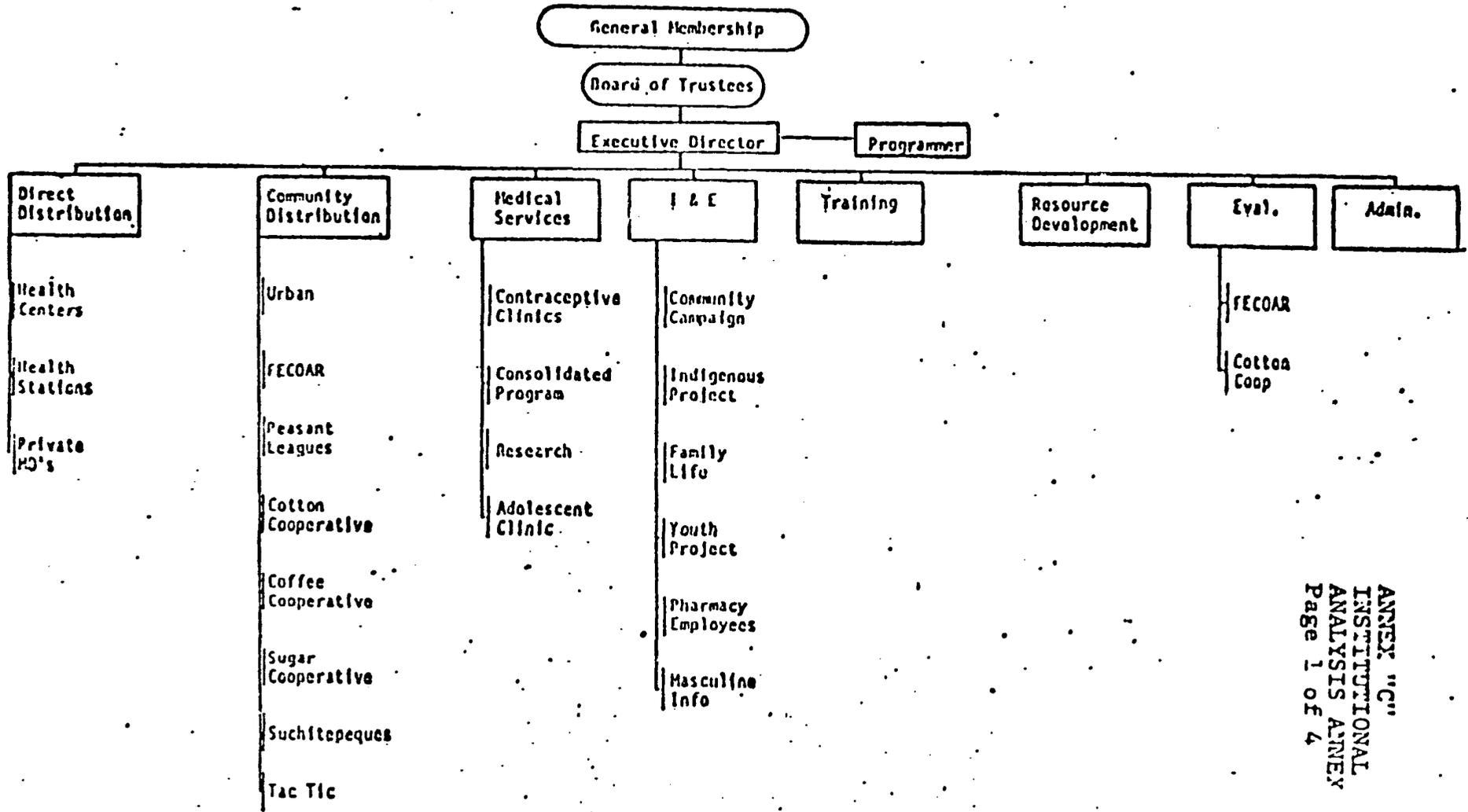
d. APROFAM Overhead Rate

A covenant was included in the previous Project Agreement with APROFAM which required submission to AID of a calculation of APROFAM's overhead rate with supporting documentation prior to disbursement of second year funding. In November, 1981, APROFAM submitted to the Mission such a detailed explanation and computation of their overhead rate. Based on a review of these calculations and supporting documentation undertaken by Mission financial analysts, an overhead rate equal to 12.8% of direct costs was authorized on November 24, 1981 (see Annex I). These calculations were based on 1980 figures. A covenant will be included in the APROFAM Grant Agreement which will require re-submission of overhead rate calculations prior to third year funding or upon request of either party.

The decision to fund APROFAM overhead expenses was made in 1976 when APROFAM was asked by AID to undertake a major expansion of its ongoing program. These expansions included nationwide CBD programs and more recently a culturally sensitive family planning service delivery program for the largest of the 23 Guatemalan indigenous groups who form 43% of the entire Guatemalan population. The rapid expansion of these programs required a considerable investment in such basics as infrastructure (regional offices) and staff (accountants) to meet the objectives of these new project activities which directly impacted on the most underprivileged segments of the AID target population.

This situation was similar to the situation of other LAC area countries and the Western Hemisphere Office of IPPF entered into negotiations with the AID Auditors and Contracts Office on overhead rate calculation methodology which would apply to all local IPPF affiliates in the region which received AID assistance. The methodology agreed upon is presented as Annex "I" of this project paper and states that no institutional support expenses currently paid by other donors may be included in the overhead rate calculation. The Mission has verified the validity of the agreed upon methodology and confirmed that APROFAM's overhead should be 12.8%. (See Annex "I").

Exhibit 1. - APROFAM



ANNEX "C"  
 INSTITUTIONAL  
 ANALYSIS ANNEX  
 Page 1 of 4

TABLE 2

APROFAM STAFF 1982

|                                       |     |
|---------------------------------------|-----|
| Information, Education, Communication | 18  |
| Clinical/Medical                      | 103 |
| Community Based Distribution          | 33  |
| Evaluation                            | 4   |
| Administration                        | 21  |
| Executive Director's Office           | 9   |
|                                       | —   |
|                                       | 188 |
|                                       | —   |

MAJOR APROFAM FUNDING SOURCES - 1982

|                           |                |
|---------------------------|----------------|
| AID                       | \$498,549      |
| Pathfinder Fund           | 75,530         |
| World Neighbors           | 17,520         |
| Association for Voluntary |                |
| Sterilization             | 456,488        |
| Development Associates    | 39,570         |
| FPIA                      | 53,467         |
| <u>IPPF</u>               | <u>403,400</u> |
| TOTAL                     | \$1,544,524    |

2. Ministry Of Health

Financial Status

The MOH budgets, both operational and investment, have been increasing both in real terms and as a percentage of GOG total budget, thus demonstrating the GOG's continued and increasing commitment to the health sector. The following table presents the details of the MOH expenditures for 1978 through 1982. Even though the total GOG budget shows an increase of 57% over the 5 year period the MOH budget increased 148% over the same period.

An analysis of the 1982 budget discloses that the Health Sector represents 10% of the total GOG budget. The Ministry of Health has 9% in the allocation by Ministries and other GOG organizations, ranking in fourth place after the Ministries of Public Works, Finance, and Education. A breakdown of the MOH budget discloses that 21% corresponds to personnel costs and 48% is comprised of supplies and materials, machinery and equipment, and construction and improvements. The supply and materials component increased from 16% in 1981 to 19% in 1982. This increase represents both greater costs and an increase in supplies

These budgets represent GOG confidence in the MOH administrative ability and also the ability of the MOH to secure a greater proportionate share of the total GOG Budget. These budgets also lend credence to the ability of MOH to assume all operating costs of the family planning program in FY 1985.

(000's)

|                       | <u>1982</u> | <u>1981</u> | <u>1980</u> | <u>1979</u> | <u>1978</u> |
|-----------------------|-------------|-------------|-------------|-------------|-------------|
| Total GOG Budget      | 1,481       | 1,467       | 1,280       | 1,056       | 943         |
| MOH Total Budget      | 139         | 138         | 109         | 80          | 56          |
| % of GOG Budget       | 9.38        | 9.40        | 8.52        | 7.58        | 5.94        |
| <hr/>                 |             |             |             |             |             |
| MOH Operating Budget  | 83          | 92          | 77          | 69          | 45          |
| % of GOG Total Budget | 5.60        | 6.27        | 8.52        | 6.54        | 4.77        |
| MOH Investment Budget | 56          | 46          | 32          | 11          | 11          |
| % of GOG Budget       | 3.78        | 3.13        | 2.50        | 1.04        | 1.17        |

### Medical Supervision

Rural Health care falls within the hierarchical structure of the Directorate General of Health Services (See the MOH organizational chart, Table 3). The 22 geographic departments of Guatemala are divided into 24 health areas (20 departments are co-terminal with the health area, two departments are divided into two health areas each). Each health area has an area chief who reports directly to the Director General of Health Services. Subordinate to the area chiefs are the district chiefs, physicians who are based at health centers and are responsible for supervision of all MOH health facilities; i.e., health centers and posts within their districts.

There are two categories of MOH health centers. Type-B health centers have beds and are staffed by a senior medical student, allied health personnel and, sometimes, by a rural health technician. Type-A health centers have beds and are staffed by two physicians, one of which is the district chief and the other may be a senior medical student, and from 4-10 nurses and other allied health workers including a sanitary inspector and a social worker. Type-A health centers usually have a small number of beds for maternity patients, trauma cases, or patients under observation, pending possible transfer to a hospital.

In addition to health centers and posts, there are 37 MOH hospitals throughout the nation, including one in each of the departments. While hospitals are nominally under the charge of the area chiefs, they draw upon separate budgets not controlled by the area chiefs. Each hospital is administered by a director.

The considerable independence from the area chiefs which hospitals enjoy is shared by a number of centrally controlled programs, including the National Immunization Program, Malaria Control and Tuberculosis Control. These programs are managed by the Ministry independently of the area chiefs. Additionally, while the area chief is theoretically responsible for all MOH activities in his area, this decentralization of responsibilities has not been accompanied by a decentralization of authority for allocating human and financial resources. Such management and budgetary decisions continue to be made in the Director General's office. These relationships have been helpful to the current bilateral project in that all MOH facilities providing family planning services (i. e. health centers and health posts) are under the official control of the Director General of health services. The current Director General, Dr. Francisco Zambroni, was a key participant in the development and implementation of the ongoing MOH family planning project.

The central authority mentioned above will be extremely valuable to this project by insuring that reluctant local MOH health centers and health posts offer family planning services on demand and not just one particular morning or afternoon per week as is the case in some scattered institutions at the present time.

Supervision of MOH activities at the health center and health post levels falls within the hierarchical structure of the Directorate General of Health Services. The Director General supervises the health area chiefs who are responsible for the health care system in each department. Subordinate to the area chiefs are the district chiefs. Health personnel under the district physician's charge include nurses, sanitary inspectors, rural health technicians (TSR), social workers and auxiliary nurses. Fifth year medical students (EPS's) assigned to work at rural health facilities for six months are jointly supervised by the district physician and the area supervisor of the medical faculty of San Carlos University.

At the level of the health post, the lowest order health facility, where no physician is in attendance, the rural health technician and the auxiliary nurse have supervisory responsibilities over health promoters and traditional midwives, respectively. The rural health technician also works with community organizations.

The district physician's responsibilities include planning, implementing and evaluating all health programs at the district level; verification that all of these activities are in agreement with the National Health Plan; training health personnel in supervision methodology; and reporting to the area chief on a monthly basis.

Fundamental to the district physician's role as director of the MOH health care system in his district is his responsibility to supervise the activities of the health posts. A major constraint to the district physician's adequately carrying out the necessary supervisory visits to health posts has been the fact that districts are not allocated sufficient per diem funds to permit year-round regularly scheduled visits. All per diem funds available to a district are usually exhausted early in the year. This project will provide additional funds in FY 1984 for per diem and for the reimbursement of district physicians for mileage costs of privately owned vehicles or for commercial transportation. The MOH will assume the cost of these payments on a permanent basis in 1985.

By making possible the effective medical supervision of family planning activities at health posts, as required by Guatemalan law, this assistance will eliminate a major constraint to the expansion of family planning services delivery through the MOH rural health care infrastructure.

### 3. National Drugstore (Ministry of Health)

Droguería Nacional (National Drugstore) is the agency of the Ministry of Health in charge of procurement and distribution of medical equipment, medical supplies and office supplies to hospitals, health centers, health posts and MOH offices.

The National Drugstore operates out of an administrative office and three warehouses, one for medical equipment, one for office supplies, and one for medicines. All are located in Guatemala City. Since November, 1978,

the medicine warehouse has been operating in temporary quarters pending assignment of a permanent facility. Adequate warehousing space is available for a three month supply of contraceptives. The Mission health loan 520-033 includes funding for a regional warehouse in Totonicapan which will significantly increase warehouse space.

The medicine warehouse is staffed by approximately 20 people who receive MOH medicines and allocate them in response to requisitions received from health centers and health posts.

In the past, Drogueria Nacional relied on the MOH motor pool to ship the medicines to the headquarters of the health Area Chiefs. The medicines were packed in individual boxes in Guatemala City for each health center and health post and transported to the Area Chiefs on a planned yearly schedule. The vehicles transported medical equipment, medicines, and office supplies at the same time.

AID provided 6 trucks to the MOH through the current bilateral project. These trucks have been responsible for medicine deliveries to all parts of Guatemala and contraceptive deliveries to one half of Guatemala, e.g. the Western altiplano region. The Directorate General of Health Services has been able to control the movement of these trucks due to the fact that the bilateral project also provides operating expenses, i.e. gasoline and maintenance. No trip may be undertaken using these trucks without the authorization of the Directorate General of Health Services even though the National Drugstore reports directly to the Ministry of Health.

The MOH Component of the current project will enable the Directorate General of Health Services to continue this control and assume the responsibility for insuring that contraceptive deliveries are made in a timely manner.

The area provincial headquarters are responsible for further shipment to health centers and health posts. An estimated 80% of the area headquarters and health centers have vehicles which they can use to distribute supplies to all health facilities within their areas of operation. Where this is not feasible, the consignee must send someone by public transport or other means to pick up supplies.

The MOH has encountered difficulties in carrying out the terms of the current bilateral project agreement which has been well-documented in CDC trips reports (1981, 1982). These difficulties have been both logistical and political. The logistical problems were principally that the National Drughouse Warehouse did not readily understand their role and that the Directorate General of Health Services found supervision of the National Drug Warehouse difficult because they reported directly to the Minister of Health. Specifically, the division of the country in two parts, one served by APROFAM and one served by the National Drug Warehouse was confusing and the quota system developed by CDC consultants whereby the National Drug warehouse would send a certain number of unsolicited contraceptives to every MOH

facility in the altiplano half of the country was also not clarified until a personal visit to the warehouse by USAID personnel. The most recent CDC trip report (Oberle, April 1982) stated that this problem has now been overcome and the only difficulty described was that some shipments were delayed from 13-18 days due to the disturbances caused by the election campaign and the coup. These shipments which are now made on a regular basis also include medicines and medical supplies for the MOH health clinics.

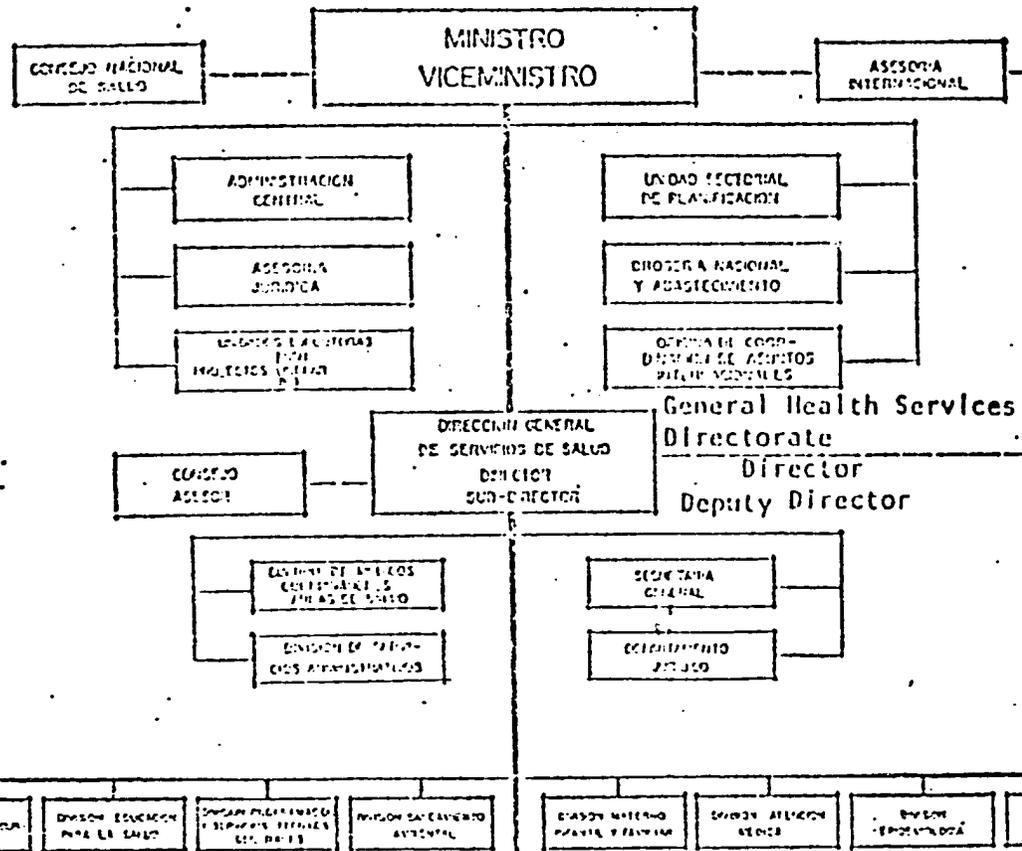
The 1977 Guatemala Health Sector Assessment cited logistical constraints as a major impediment to expanding the coverage of the rural health care system. Bernhart (1980, 1981) also described the problems associated with lack of medicines and inappropriate medicines in the MOH clinics. The schedules adopted for medicines and contraceptives by the DGSS and Drogueria Nacional have produced major improvements in the MOH logistics system. A regional drug and contraceptive warehouse will be constructed in Totonicapan funded by the USAID Health Project 520-033 which will further increase the MOH's ability to make timely deliveries of medicines and contraceptives to its clinics.

The Mission, APROFAM, and the MOH have decided to postpone a decision on the implementing institution for the contraceptive logistics system in the next four years until the MOH has had additional time to correct all snags in the national logistics system. Such a decision is now scheduled for November, 1982 with implementation in January, 1983. It should be pointed out that the MOH has agreed to accept all operating costs of this system in 1985 whereas APROFAM would require AID financing for an indefinite period to continue contraceptive deliveries to MOH clinics.

TABLE 1

Ministry of Health and Social Assistance  
 Minister  
 Vice Minister  
 National Health Council

MINISTERIO DE SALUD PUBLICA Y ASISTENCIA SOCIAL



Central Administration

Legal Advice

Special Executing Units - IES

Advisory Council

Health Area Supervisory Doctors

Administrative Services Division

External Advisors.

Sectorial Planning Unit

National Drugstore

International Coordination Office

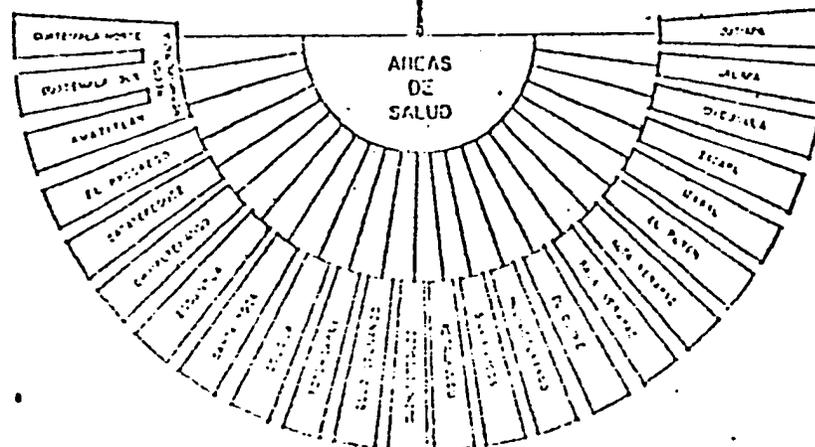
General Health Services Directorate

Director  
 Deputy Director

General Secretariat

Legal Department

Health Areas



Divisions  
 Laboratory  
 Human Resources  
 Health Education  
 Programming & Tech. Services  
 Environmental Health

Divisions  
 Maternal, Family and Child  
 Medical Attention  
 Epidemiology  
 Tuberculosis  
 Malaria

#### 4. National Women's Office (ONAM)

The National Women's Office (ONAM) was officially established on June 10, 1981, within the Ministry of Labor with the purpose of stimulating women's participation in activities related to the country's development. This resulted from the negotiations of a group of Guatemalan women within the Government of Guatemala (GOG) and recommendations which emanated from national and international seminars.

ONAM's office is located in Guatemala City and its organization includes the following: A general Assembly formed by delegates from various private and public institutions which meet monthly, a Board of Directors, an Advisory Board, several work commissions, and an Administrative Office which when fully staffed will consist of seven employees. (See Annex K for further details)

ONAM is fully supported by the GOG, with high level expertise to assist women's organizations in the development of family planning project proposals. The Mission's Women in Development Officer, the APROFAM Fund Raising Director, and a key MOH counterpart, the head of nursing, are also active members of the ONAM advisory board. The quality of ONAM's personnel is borne out by their progress in completing an analysis of laws and regulations for the protection of Guatemalan women and in performing an ongoing survey of male and female working conditions in the country.

ONAM will not receive money for their services directly from AID but through each individual project developed with an organization which requests their technical assistance.

#### 5. Formation of A Contraceptive Retail Sales Company in the Republic of Guatemala (Sociedad Anonima, S. A.)

This section will discuss the selection of a corporation (Sociedad Anonima S. A.) to carry out the CRS project component. Commercial companies in Guatemala are governed by the Commercial Code (=Codigo Mercantil). The four most common forms of business organizations are the following:

- . Corporation (Sociedad Anonima)
- . General Partnership (Sociedad Colectiva)
- . Limited Partnership (Sociedad en Comandita)
- . Limited Liability Company (Sociedad de Responsabilidad Limitada)

Joint ventures and cooperatives have only limited recognition and are not commonly used. Another option is that of registering as a branch of a foreign company. The requirements for establishing branch operations do not differ substantially from those for establishing a local company. The differences between the various types of commercial organizations relate principally to registration procedures and financial liability of the participants. Financial liability is limited to capital contributions, except in the case of partners of a general partnership. Business organizations must execute a public instrument of organization, which is registered in the Public Register of Commerce (Registro Mercantil). In addition, notice of formation of the entity must be published in one or more newspapers of wide circulation. Any change or extension of the original instrument of organization must also be effected by public instrument and be registered. Annex K provides a detailed description of the important features of the specific forms of business organizations in Guatemala.

#### Conclusions Relative To The Selection Of A CRS Company

The CRS project will face certain constraints:

- 1) Family planning is still considered a politically sensitive issue in Guatemala by some influential leaders. There may be a need to maintain a discreet and almost anonymous profile particularly when highly explicit advertising messages begin to be produced.
- 2) Market penetration by APROFAM, MOH, and the private commercial sector indicate that approximately 70% of potential contraceptive users are yet to be reached.

Upon close examination and analysis of the laws and regulations governing the formation of a profit-making company in Guatemala, the Corporation (Sociedad Anonima or "S. A.") offers advantages and benefits which dovetail with the short and long-range objectives of CRS more ideally than do those offered by the other types of organizations.

The Sociedad Anonima offers the following distinct advantages and benefits which are not and cannot be offered by other types of organizations:

- 1) Control of the company remains in the hands of person or persons retaining ownership of the shares, without having to reveal the names or name of those owners, since they can be made out to "bearer";
- 2) Changes in policy, norms, procedures, philosophy, goals, etc. can be effected without having to publish a public announcement of those changes: Company officers can be empowered by shareholders with the authority to effect such changes;

- 3) From the public and governmental relations points-of-view, the prestige and acceptance of the Sociedad Anonima is far superior, and is even more evident when commercial relations must be established with banks, insurance companies, suppliers, etc.;
- 4) In the event of litigation, the anonymity and privacy of shareholders, company officers and personnel are protected: A company appointed attorney will be able to handle all such affairs, without exposing company-related individuals to court subpoenas, bank account embargos, or even possible arrest;
- 5) Initial investment costs for formation can be amortized within one year, after which the operation of a Sociedad Anonima is conservatively estimated to be proportionately 10%-15% less in cost than the other types;

In view of these immediate and tangible advantages and benefits offered by a Sociedad Anonima, it is recommended that this type of company be formed to carry out the CRS project component.

#### Administrative Logistics

The CRS company will be the key organization in assuring promotion and sales of contraceptives under the CRS component. Important logistical steps involved in carrying out these tasks are outlined below:

1. Family Planning commodities will be provided through APROFAM as part of their annual supply;
2. The contraceptives will be delivered to a local pharmaceutical company for value-added repackaging on a monthly or quarterly basis depending on demand. The commodities will then be returned to APROFAM's family planning warehouse following repackaging.
3. The distributing company will withdraw with family planning commodities on a pre-arranged basis (i.e., telephone orders) from the APROFAM warehouse for transfer to their own private distribution warehouse.
4. The distributor's fleet will provide direct delivery to commercial pharmacies, and other proprietary outlets in urban and rural areas.
5. Distributor will invoice retailers in accordance with their respective credit ratings:

AAA - 60-days-date-of invoice  
AA - 30-days-date-of invoice  
A - 15-days-date-of invoice  
Others - C. O. D.

6. The retailers will sell the contraceptives to the public at the established price responding to the demand created by the promotion and advertising campaign.

As discussed previously, the Sociedad Anonima character of the CRS Campaign will endow it with the necessary independence, prestige and limited liability to implement the CRS Component. The quality of the corporation personnel will also be crucial in helping it to carry out these activities. All personnel to be hired must be Guatemalan citizens and supportive of CRS social objectives. Specific responsibilities of key personnel are described below:

PROJECT DIRECTOR - 3 years marketing experience with consumer products, plus a working knowledge of English, and basic administrative skills; responsible for planning, organizing, directing, and controlling all CRS operations.

SECRETARY/RECEPTIONIST 2 years executive secretarial experience, plus working knowledge of English; responsible for general office coordination, written verbal communication; filing, and record keeping.

ADMINISTRATIVE AS-SISTANT/ACCOUNTANT - 3 years accounting/auditing experience with basic administrative skills; responsible for financial activities/controls, plus banking/cashier activities, and will assume office management responsibilities in Project Director's absence.

SALES PROMOTERS - 1 year sales experience with consumer products, plus knowledge of territory, as well as valid driver's licence; responsible for meeting assigned sales quotas, maintaining customer relations, sales promotion activities, detailing doctors and pharmacists and market surveys.

MESSENGER

- 1 year experience or equivalent, plus valid driver's license; responsible for office services (mail delivery/pickup, sales order's handling, office cleaning, maintenance, and repairs.

The long-term contractor (see Scope of Work in Annex G) financed by AID under the CRS component will work closely with the CRS corporation staff to help them carry out these responsibilities effectively.

E. FINANCIAL ANALYSIS AND PLAN

1. Financial Plan

a. Summary Financial Plan - Total Project

The proposed project will total \$8.5 million provided as a grant by AID. \$1.9 million will be utilized by the new CRS program, \$3.1 million to support APROFAM activities, \$0.4 million for the Ministry of Health, \$0.5 million for other eligible private and public organizations, \$1.6 million for contraceptives, \$0.1 for evaluation, and \$1.0 for contingencies and inflation.

Project funding will begin in CY 82 and will end in CY 87. Table I below, Financial Plan, contains summary figures by component and by funding source.

TABLE I  
FINANCIAL PLAN  
SUMMARY FIGURES BY COMPONENT AND BY FUNDING SOURCE  
(US \$000)

|                            | <u>AID</u> | <u>Counter-</u><br><u>part</u> | <u>TOTAL</u> |
|----------------------------|------------|--------------------------------|--------------|
| APROFAM                    |            |                                |              |
| Ministry of Health         | 3,097      | 6,221                          | 9,318        |
| Ministry of Labor          | 349        | 3,389                          | 3,738        |
| Contraceptive Retail Sales | ---        | 161                            | 161          |
| Private Organization       | 1,898      | 453                            | 2,351        |
| Contraceptives             | 541        | 167                            | 708          |
| Project Evaluation         | 1,611      | ---                            | 1,611        |
| Contingency & Inflation    | 115        | ---                            | 115          |
|                            | <u>975</u> | <u>---</u>                     | <u>975</u>   |
| TOTAL                      | 8,586      | 10,391                         | 18,977       |
|                            | =====      | =====                          | =====        |

AID grant funding will be provided in fiscal years 1983 through 1986 as presented in Table II below.

TABLE II

PLANNED FY OBLIGATIONS  
(US \$000)

| <u>FY</u> | <u>APROFAM</u> | <u>MOH</u> | <u>CRS</u> | <u>P.O.</u> | <u>EVAL.</u> | <u>CONTR.</u> | <u>TOTAL</u> |
|-----------|----------------|------------|------------|-------------|--------------|---------------|--------------|
| 1982      | ---            | ---        | 518        | --          | --           | ---           | 518          |
| 1983      | 618            | ---        | 100        | 91          | --           | ---           | 809          |
| 1984      | 877            | 203        | 460        | 165         | 25           | 404           | 2,134        |
| 1985      | 989            | 160        | 580        | 180         | 10           | 529           | 2,448        |
| 1986      | <u>1,132</u>   | <u>42</u>  | <u>550</u> | <u>195</u>  | <u>80</u>    | <u>678</u>    | <u>2,677</u> |
| TOTAL     | 3,616          | 405        | 2,208      | 631         | 115          | 1,611         | 8,586        |
|           | *****          | *****      | *****      | *****       | *****        | *****         | *****        |

Projection of Expenditures by Fiscal Year is included in Table III below.

TABLE III  
SUMMARY BUDGET BY  
PROJECT EXPENDITURES BY FISCAL YEAR  
(US \$000)

| <u>FY</u> | <u>APROFAM</u> | <u>MOH</u> | <u>CRS</u>   | <u>PRIV.</u><br><u>ORG.</u> | <u>EVALUA-</u><br><u>TION</u> | <u>CONTRA-</u><br><u>CEPT.</u> | <u>TOTAL</u> |
|-----------|----------------|------------|--------------|-----------------------------|-------------------------------|--------------------------------|--------------|
| 1982      | ---            | ---        | ---          | ---                         | ---                           | ---                            | ---          |
| 1983      | 309            | ---        | 300          | 68                          | ---                           | ---                            | 677          |
| 1984      | 748            | 152        | 448          | 147                         | 25                            | 404                            | 1,924        |
| 1985      | 933            | 171        | 580          | 176                         | 10                            | 529                            | 2,399        |
| 1986      | 1,060          | 71         | 530          | 191                         | 80                            | 678                            | 2,610        |
| 1987      | <u>566</u>     | <u>11</u>  | <u>350</u>   | <u>49</u>                   | <u>---</u>                    | <u>---</u>                     | <u>976</u>   |
| TOTAL     | <u>3,616</u>   | <u>405</u> | <u>2,208</u> | <u>631</u>                  | <u>115</u>                    | <u>1,611</u>                   | <u>8,586</u> |

The breakdown of AID contribution by Foreign Exchange and Local Currency by funding source is shown below:

TABLE IV

SUMMARY BUDGET BY  
COMPONENT AND CURRENCY UTILIZATION  
(US \$000)

|                            | <u>TOTAL</u> | <u>FX</u> | <u>LC</u> |
|----------------------------|--------------|-----------|-----------|
| APROFAM                    | 3,097        | 40        | 3,057     |
| Ministry of Health         | 349          | ---       | 349       |
| Contraceptive Retail Sales | 1,898        | 300       | 1,598     |
| Private Organizations      | 541          | ---       | 541       |
| Contraceptives             | 1,611        | 1,611     | ---       |
| Evaluations                | 115          | 115       | ---       |
| Contingencies              | 975          | ---       | 975       |
|                            | <hr/>        | <hr/>     | <hr/>     |
| TOTAL                      | 8586         | 2,066     | 6,520     |
|                            | *****        | *****     | *****     |

b. Summary Financial Plan

Following is general description of Inputs by Project Component. For complete detail of following budgets see appropriate tables in Annex "C".

i. APROFAM

The proposed project with APROFAM will total \$9.3 million of which \$3.1 million will be provided as a grant by AID and the remaining \$6.2 million as APROFAM counterpart. Table V below, Financial Plan, contains summary figures by cost component.

TABLE V  
FINANCIAL PLAN - APROFAM  
(US\$000)

| <u>Project Element</u>            | <u>AID</u>   | <u>Counter-</u><br><u>part</u> | <u>TOTAL</u> |
|-----------------------------------|--------------|--------------------------------|--------------|
| Community-Based Contribution      | 1,458        | 2,104                          | 3,562        |
| Information Educ. & Communic.     | 829          | 914                            | 1,743        |
| Indigenous Family Welfare Project | 532          | 498                            | 1,030        |
| Clinical Family Planning Services | 260          | 2,677                          | 2,937        |
| Communic. & Evaluation Campaign   | 18           | 28                             | 46           |
| Sub Total                         | 3,097        | 6,221                          | 9,318        |
| Inflation & Contingency           | 519          | ---                            | 519          |
| TOTAL                             | <u>3,616</u> | <u>6,221</u>                   | <u>9,837</u> |
|                                   | =====        | =====                          | =====        |

For detailed costing of all inputs refer to Annex "C", Table I.

ii. Ministry of Health

The proposed project with the Ministry of Health will total \$3.7 million of which \$0.3 will be provided as a grant by AID and the remaining \$3.4 as MOH counterpart. Table VI below, Financial Plan, contains summary figures by cost component:

TABLE VI  
FINANCIAL PLAN MOH  
(US \$000)

|                                       | <u>AID</u> | <u>Counter-<br/>part</u> | <u>TOTAL</u> |
|---------------------------------------|------------|--------------------------|--------------|
| Medical Supervision                   | 55         | 2,047                    | 2,102        |
| Logistic System                       | 196        | 670                      | 866          |
| Clinical Family Planning              | 71         | 672                      | 743          |
| Family Planning Promotional Materials | 27         | ---                      | 27           |
| Sub Total                             | 349        | 3,389                    | 3,738        |
| Contingency & Inflation               | 56         | ---                      | 56           |
| TOTAL                                 | 405        | 3,389                    | 3,794        |
|                                       | =====      | =====                    | =====        |

iii. Ministry of Labor

The Ministry of Labor will participate with \$161,000 as counterpart for the project which will be used to support the National Women's Office.

iv. Contraceptive Retail Sales

The proposed project with CRS will total \$2.4 million of which \$1.9 will be provided as grant by AID and the remaining \$0.5 as CRS counterpart. Table VII below, Financial Plan, contains summary figures by cost component.

TABLE VII  
FINANCIAL PLAN - CRS  
(US \$000)

|                             | <u>AID</u> | <u>Counter-<br/>part</u> | <u>TOTAL</u> |
|-----------------------------|------------|--------------------------|--------------|
| Project Personnel           | 191        | 45                       | 236          |
| Contractor Personnel        | 46         | 9                        | 55           |
| Promotion and Advsetisement | 733        | 177                      | 910          |
| Travel Project Personnel    | 22         | 9                        | 31           |
| Contractor Fees             | 300        | 72                       | 372          |
| Local Administration        | 97         | 23                       | 120          |
| Repackaging                 | 120        | 27                       | 147          |
| Distribution                | 389        | 91                       | 480          |
| Sub Total                   | 1,898      | 453                      | 2,351        |
| Contingency & Inflation     | 310        | ---                      | 310          |
| TOTAL                       | 2,208      | 453                      | 2,661        |

v. Private Organizations

The proposed project with P.O. will total \$0.7 million of which \$0.5 million will be provided as a grant by AID and the remaining \$0.2 million as P.O. counterpart. Table VIII below contains summary figures by cost component

TABLE VIII  
FINANCIAL PLAN PRIVATE ORGANIZATION  
(US \$000)

| <u>Project Element</u>    | <u>AID</u> | <u>Counter-<br/>part</u> | <u>TOTAL</u> |
|---------------------------|------------|--------------------------|--------------|
| Personnel                 | 81         | 22                       | 103          |
| Training                  | 163        | ---                      | 163          |
| Travel & Per Diem         | 135        | 44                       | 179          |
| Promotional Materials     | 162        | ---                      | 162          |
| Equipment & Facilities    | ---        | 101                      | 101          |
| Sub Total                 | 541        | 167                      | 708          |
| Contingencies & Inflation | 90         | ---                      | 90           |
| TOTAL                     | 631        | 167                      | 798          |

vi. Contraceptives

AID will provide \$1.6 million for the acquisition of contraceptives.

vii. Project Evaluation

AID will provide \$115,000 for evaluation of the project.

viii. Contingency & Inflation

To allow for unforeseen costs and to add on inflation factor an amount equal to 10% of project costs was included beginning in year two. This amount is compounded in succeeding years.

2. Financial Analysis

a. APROFAM

i. Financial Viability

APROFAM's Financial Statements show it to be a well-managed institution. In December 1981 "Tuncho Granados & Asociados" (External Auditors) completed the audit for the year 1981. Financial statements included in Annex "C" have been compiled from the audit report. APROFAM's fiscal year coincides with the calendar year.

As a non-profit organization and affiliate of IPPF, APROFAM's financial statements since 1980 are presented according to International Planned Parenthood Federation (IPPF) accounting practices. Although these differ in some extent from generally accepted accounting principles it is the opinion of Mission financial analysts and external auditors that the accounts of APROFAM fairly represent its financial position. The most important differences are as follows:

-The year end contraceptive inventories and other long life supplies are not included in balance sheets; these inventories are registered as expenses during the year.

-Buildings, whose ownership title has not specific maturity, are not depreciated.

-Vehicles, furniture and equipment, other medical assets and audio equipment are registered as expenses of the fiscal period in which they are acquired.

-Fixed assets granted by other institutions are not registered at all.

The major source of APROFAM's gross income is received from international organizations. For the most part these cash donations are tied to specific project activities on a cost reimbursable basis, and therefore do not contribute to net income generation. In addition to project related income APROFAM received donations of equipment and contraceptives which are not tied to specific projects. This equipment and receipts from the sale of contraceptives offset some administrative costs of operating the organization.

Although APROFAM must rely on donations for carrying out operations, its success in managing these donations and designing projects in such a way so as to maintain a sound financial condition is evidenced in the Financial Statements included in Annex "C".

b) Budgetary Analysis

As a non-profit social service organization which relies on donations from international donors, APROFAM does not have a fixed annual budget. However, from 1979 to 1981, donations have averaged \$1,505,355. In 1981 international donors included AID \$450,464; IPPF \$385,400; The Pathfinder Fund \$64,546; World Neighbors \$15,724; Association for Voluntary Sterilization \$446,406; Development Associates, Inc. \$29,647; Family Planning International Assistance \$34,968; and other donors \$52,047. Table 11 of Annex "C" shows a comparison of donations received over the past three years.

c) Project Replicability

We cannot predict at what level APROFAM will be able to continue project funded activities after AID assistance terminates, since untied financing is always difficult to project. However, APROFAM's successful fund raising efforts give positive indications that sufficient resources can be generated for family planning activities from a variety of public and private donor agencies.

One of the objectives of this project is to continue and expand the coordinated private sector and Ministry of Health effort in the delivery of family planning services with a concomitant increase in GOG financial contributions. The MOH has agreed to absorb a continually increasing share of the costs of family planning activities. There is no guarantee that the APROFAM family planning project will continue after AID inputs cease. However, its past performance, as well as expected increased MOH financial involvement which will reduce the burden on APROFAM, provide a reasonable expectation that these activities will continue.

.V. IMPLEMENTATION AND EVALUATION PLAN

A. Implementation Schedule

The Project Implementation Schedule below indicates the timing of key events under all four components of the project. Initial obligation of

project funds will occur December, 1982-January, 1983, with the signature of Grant Agreements between AID and the new CRS Corporation and between AID and private organizations requesting funding for family planning. Three evaluations are scheduled throughout the life of the project, and analysis of their recommendations will assist with overall management of the project and adherence to the proposed implementation schedule.

The major new activity under this project is inauguration of a Contraceptive Retail Sales (CRS) Program. Consequently, most of the steps outlined in the Implementation Schedule are concerned with the installation of this program. Project activities under the APROFAM and MOH components are all largely ongoing under the current AID Grant Project 520-0263, and AID is funding largely personnel salaries, training, and related expenses (see Annex C). Therefore, only expansions or modifications of these activities are presented in the Implementation Schedule. The final project component, Family Planning assistance to private and public organizations, will also constitute a new activity, and timing of funding proposals and signature of individual grant agreements is indicated below:

PROJECT IMPLEMENTATION SCHEDULE

| <u>Event</u>  | <u>Responsible Institution (s)</u>      | <u>Date</u>     |
|---|---|-----------------|
| CRS Feasibility Studies Completed   | Mission, AID/W, APROFAM, Futures Groups | May, 1982       |
| Project Paper Completed and Approved  | Mission, AID/W                          | June, 1982      |
| Procedure Established for Selection of the L/T CRS Contractor                                       | Mission, AID/W                          | August, 1982    |
| Board of Directors Recruited for CRS Company  | Mission, APROFAM                        | September, 1982 |
| Agreement of Understanding Signed by ONAM to Provide TA and Supervision to Women's Groups           | MOL, Mission                            | October, 1982   |
| Completion of Outside Evaluation Concerning Future Implementation of Contraceptive Logistics System | Contractor, AID, MOH,                   | November, 1982  |

|  |  |                |
|--|--|----------------|
| CRS Agreement Signed   | Mission and CRS Company                                | December, 1982 |
| Complete review of Private Organization Proposals For FP               | Mission  | December, 1982 |
| Signature of APROFAM Grant Agreement                                   | Mission, APROFAM                                       | January, 1983  |
| Signature of FP Grant Agreements with 5 Organizations                  | Mission and 5 Private Organizations                    | January, 1983  |
| CRS Long Term Contractor Begins Work                                   | Contractor, Mission, AID/W                             | March, 1983    |
| CRS Project Director and Staff Recruited and Hired                     | CRS Company, Board of Directors                        | March, 1983    |
| CRS Company Office Opened  | CRS Company  | April, 1983    |
| Public Relations Agency Contracted                                     | CRS Company  | April, 1983    |
| New Contraceptive Products Registered                                  | CRS Company, APROFAM, Lawyer                           | April, 1983    |
| IEC Contract with Public Relations Agency Signed                       | Mission, APROFAM                                       | May, 1983      |
| CRS Contracts for Repackaging and Distribution Arranged                | CRS Company  | June, 1983     |
| CBD Distribution Staff Increased to 600 Distributors                   | APROFAM  | May, 1983      |
| Training of 600 CBD Distributors Started                               | APROFAM  | June, 1983     |
| CRS Promotion and Sales Begin  | CRS Company, Public Relations Agency Distribution Firm | July, 1983     |
| Receive Additional Proposals for FP Funding From Private Organizations | Mission, Private Organizations                         | October, 1983  |

|   |                                |                |
|---|--------------------------------|----------------|
| Tripartite Grant Agreement Signed   | MOH, APROFAM, and AID          | October, 1983  |
| APROFAM Begins Training of MOH Physicians   | APROFAM, MOH                   | November, 1983 |
| MOH Begins Design of FP Promotional Materials   | MOH                            | November, 1983 |
| 5 Additional Agreements Signed with Private FP Organizations  | Mission, Private Organizations | January, 1984  |
| Commercial Printing of Promotional Materials  | MOH, Commercial Printer        | March, 1984    |
| Mid-Term Project Evaluation   | Mission, AID/W, Contractor     | June, 1984     |
| Begin Training of MOH Physicians under APROFAM And MOH Components   | Mission, MOH, APROFAM          | October, 1984  |
| Begin MOH Physicians Training and Complete Operating Room Renovations and Equipment Purchase for MOH Facilities | APROFAM, MOH                   | October, 1984  |
| MOH Assumes Operation and Cost of Medical Supervision and Contraceptive logistics                               | MOH, APROFAM                   | October, 1984  |
| 5 Additional FP Agreements Signed with Private Organizations  | Mission, Private Organizations | January, 1985  |
| Expand Indigenous Promoters by three Couples in one new Linguistic Area   | APROFAM                        | January, 1985  |
| Complete Procurement of 9 Vehicles for Project  | Mission, MOH, APROFAM          | January, 1985  |
| Begin Initial 3 week Training Course for 3 new Indian Promoter Couples  | APROFAM                        | February, 1985 |
| Second Year Project Evaluation  | Outside Consultant Mission     | November, 1985 |

|   |                                |                 |
|---|--------------------------------|-----------------|
| Long-Term Advisor Completes   | Contractor                     | March, 1986     |
| 5 Additional Agreements Signed with Private FP Organizations  | Mission, Private Organizations | January, 1986   |
| Contraceptive Prevalence Survey Completed   | Contractor                     | September, 1986 |
| Third Year Project Evaluation   | Contractor                     | February, 1987  |
| Completion of related MOH Physician Training, and of Operating Room Renovations and Equipment Procurement | MOH, APROFAM                   | March, 1987     |
| Final Project Evaluation and Complete Transfer of CRS Activities to CRS company                           | Outside Consultant, Mission    | March, 1987     |

B. Procurement and Contracting Procedures

Nine vehicles (three four-wheel drive automobiles, four pick-up trucks, and two large capacity trucks) will be provided for the project under host country procurement procedures. In addition, 30 vasectomy and 30 minilaparotomy kits will be procured through the Pathfinder Fund. Finally, all contraceptives funded by AID under the project will be centrally procured through AID/W. All such procurement will be from the United States. (Geographic Code 000). (See contraceptive shadow sheets at Annex "H".)

A commercial printer will be competitively contracted by the MOH to print educational family planning materials under the MOH component. Training materials (stationery, writing materials, charts, etc.) For the APROFAM and MOH components will be competitively procured by these agencies from local suppliers. Furthermore, design and production of print and electronic advertising materials for the CRS and IEC promotional campaigns will be bid and eventually contracted to one or more local public relations firms.

In addition to contracting a public relations firm, the CRS Company will also competitively contract the services of a local distribution and a repackaging firm to carry out these activities under the CRS component. A long-term contractor will assist with these and other activities under this component through a competitive direct AID contract. Also, two kinds of short-term technical assistance are expected to be available to the Mission during the life of the project: Consultants contracted by intermediary organizations to assist their FP projects in Guatemala, and direct-hire TDYs from AID/W.

C. USAID Monitoring Requirements

The monitoring of this project will be the primary responsibility of the Mission Population Officer. The Mission Women in Development Officer will share monitoring responsibility with the Population Officer for implementation of the Private Organizations component. These two officers will be assisted by a Mission project committee which includes the Chief of the Public Health Division, the Public Health Project Assistant, one representative of both the Program Office and the Project Development Office, and one financial analyst from the Controller's Office. A long term resident advisor will be contracted for a three year period who will have primary management responsibility for the CRS component. This advisor will report to the Mission Population Officer on a regular basis.

The Project will also receive short term technical assistance on a regular basis from AID/Washington funded central contracts. CDC will continue to assist in contraceptive logistics and contraceptive prevalence surveys. Columbia University will provide evaluation assistance and the University of Chicago will provide technical assistance in IEC. AID/Washington will also provide technical assistance as required. Representatives of intermediary funded projects will visit Guatemala as required to monitor their projects in coordination with the Mission.

The Mission representatives will hold regular implementation meetings with each implementing institution. APROFAM meetings will be with the Executive Director and MOH meetings with the Director General of Health Services. CRS meetings will be with the Project Director and the Resident Advisor. The Mission Women in Development Officer will meet regularly with ONAM to monitor progress in the Private Organizations component.

The Mission will undertake frequent field visits to directly observe project activities. These visits will be undertaken on a monthly basis if other Mission business permits.

Quarterly reports including family planning service statistics will be submitted to USAID by each implementing institution. These reports will be analyzed by USAID officers to determine project progress. The annual external financial audits of APROFAM will be checked by the Mission Controller's Office each year for conformity and sound fiscal management. Project evaluation reports will also be utilized in the ongoing project management process.

D. Processing Of Project Agreements And Obligation Of Project Funds

The individual components proposed in this project paper are viewed as separate and related activities of one overall family planning project for Guatemala. These project components will be coordinated by a national family planning Coordinating Committee consisting of representatives from the Ministry of Health, APROFAM and AID. Funding will be obligated through individual agreements with each implementing agency. The

obligating agreement with the Ministry of Health will be a Tripartite Project Grant Agreement including AID and APROFAM. It will require a list of norms and procedures to be followed by MOH personnel in implementing the MOH Family Planning program as a condition to any disbursement under the grant. This type of agreement will insure that components of the contraceptive logistics system may be transferred from one organization to another if project evaluations indicate that such a transfer is necessary.

An agreement of understanding will be signed with the Ministry of Labor which will provide technical assistance and coordination to separate women's organizations by the National Women's Office which is located in this Ministry. The director of the National Women's Office will determine if each individual organization meets the criteria for funding established by AID in the Agreement with the Ministry of Labor and described in the Project Description Section of the Project Paper. Individual Grant Agreements will then be signed between the Mission and the Private Women's organizations.

The Mission has requested that ONAM act as host country coordinating institution to handle the approval and supervision of the sub-grant project activities. If ONAM accepts, all project funding under this project component will be through a yearly grant to ONAM.

The following procedure will be followed by either the Mission or ONAM in the actual selection of the individual grants to be awarded to private organizations:

1. Applications will be publically solicited from as many organizations as may wish to undertake family planning activities.
2. Prescribed eligibility requirements and selection criteria will be prepared by ONAM and the Mission for use in formally rating the applications.
3. The applications will be rated in numerical order based on the selection criteria developed in step 2.
4. Grant agreements will be signed with each organization in order of rating until available funding for that fiscal year is completely obligated.

Additional Grant Agreements will be signed with private organizations which meet the eligibility criteria for funding established by AID in the Project Description Section of this Project Paper.

Separate Grant Agreements will be signed with APROFAM to carry out the project activities described in Section B of the Project Description, and with the "Anonymous Society" organization formed to carry out the CRS project component. The grant agreement with the "Anonymous Society" corporation will specifically include the following legal provisions except as AID may otherwise agree in writing:

1. The shareholders of the Corporation shall be approved by AID and no shares of stock other than those required under the laws of Guatemala for the incorporation of a sociedad anonima shall be issued. No shares of stock shall be transferred without AID approval.

2. Before FY 85 or \$1,000,000 is obligated, whichever comes first, AID will undertake a detailed evaluation of CRS activities including a financial analysis on the S.A. corporation in order to determine if it is self-sustaining or warrants further financial assistance. If the S.A. is found to be financially self-sufficient, AID funding will be reduced for this component.

3. The Corporation will not incur any indebtedness, other than for normal operating expenses in the ordinary course of business, without AID approval.

4. AID approval will be required for all subcontracts financed by the grant.

5. AID approval shall be required for any changes in the charter of the Corporation.

6. The membership of the Board of Directors of the Corporation shall be subject to AID approval.

7. The Corporation shall not declare dividends without the approval of AID.

8. In the event of liquidation, any remaining unencumbered assets of the Corporation shall be transferred to APROFAM or such other entity active in the field of family planning as AID may approve.

9. The Corporation shall not conduct any commercial activities other than those directly related to the contraceptive retail sales program without the prior approval of AID.

10. The Corporation will provide sufficient security for any advances approved by AID for project implementation.

This proposed system of obligations will yield an average of two Project Grant Agreements with GOG Institutions and five Grant Agreements with private organizations per year, a workload that the Mission has been able to maintain under the present bilateral Health and Population Program.

#### E. Evaluation Plan

The current Mission population program has benefitted from continuous evaluation by experts funded by AID/Washington. Such experts have

assisted the Mission through contracts with Columbia University, the University of Chicago, the Centers for Disease Control, Johns Hopkins University, and the American Public Health Association. It is anticipated that these resources will be available to the Mission on a continuing basis.

The Project budget contains funding for three outside evaluations during FY 84, FY 85 and FY 86. The first project evaluation will be performed by the Mission and AID/Washington in FY 83 without external assistance. The evaluation will closely examine project implementation and adherence to project time schedules. All barriers to timely project implementation will be identified and a plan of action prepared to overcome these barriers. The service statistics of APROFAM and the MOH will be examined and priority areas identified for expanded supervision.

An outside evaluation team will be contracted in FY 1984 to perform a midterm project evaluation. Emphasis will be given to the CRS project component. Sales figures and operating expenses will be closely examined to determine the progress of the implementing corporation in attaining financial self-sufficiency. Advertising messages and promotional techniques will be analyzed by geographic region and recommendations provided for the improvement of these campaigns. The MOH, APROFAM, and Private Organizations' family planning programs will be examined to determine if they are meeting established project targets and if there is any competition or duplication of effort in a given geographic area.

The CRS project component will again be evaluated by an outside consultant in FY 1985. The evaluation will focus on sales generated and progress toward financial self-sufficiency. Sales records will be examined for each region of the country and recommendations for improvements in project administration will be provided to the implementing corporation.

The final project evaluation will consist of two parts: A contraceptive prevalence survey will be carried out in September, 1986, at a cost of \$55,000 which will repeat the basic demographic and contraceptive usage questions of the 1978 and 1982 surveys. These data will be analyzed by CDC, Atlanta, and their final report will be available in February, 1987, to an evaluation team contracted to perform the final project evaluation. This team will present a study of the demographic impact over the past four years and attempt to identify the portion of population decline attributable to the project. The final evaluation will also study extensively the financial state of the CRS Corporation and the ability of the GOG and APROFAM to carry on family planning activities with reduced or no donor financial assistance. The contributions of private organizations in the provision of family planning services for special populations to the overall family planning effort will be evaluated using service statistics and the costs of providing these services. The final evaluation will make a recommendation to the Mission as to future population assistance in Guatemala. \$115,000 will be needed for these outside evaluations as outlined in the Summary Project Budget.

PROJECT DESIGN SUMMARY  
LOGICAL FRAMEWORK

Annex "A"

Life of Project:  
From FY 83 to FY 86  
Total U. S. Funding \$8,586,000  
Date Prepared: May 28, 1982

Project Title & Number: EXPANSION OF FAMILY PLANNING SERVICES - PROJECT 520-0288

| NARRATIVE SUMMARY  | OBJECTIVELY VERIFIABLE INDICATORS   | MEANS OF VERIFICATION   | IMPORTANT ASSUMPTIONS  |
|--|---|---|--|
| <p>Program or Sector Goal: The broader objective to which this project contributes:<br/>Improve socio/economic welfare of poor by increasing access to F.P. services and information.</p>  | <p>Measures of Goal Achievement:<br/>Decrease of birth rate from 41 per 1,000 to 36 by end of project.</p>  | <p>National studies to be done in 1982 and 1986 based on 1978 National Contraceptive Usage Study data.</p>  | <p>Assumptions for achieving goal targets:<br/>The population perceives the importance of F.P. as a basic need.</p>  |
| <p>Project Purpose:<br/>To expand availability of family planning services through public, private, and commercial sector activities.</p>  | <p>Conditions that will indicate purpose has been achieved: End of project status.<br/>Current family planning users in activities funded by project increase to 400,000. GOG, APROFAM, and Private Sector coordinating family planning effort. Acceptance of family planning in rural areas increases in proportion to urban.</p>  | <p>National Contraceptive Usage Studies in 1982 and 1986 providing analysis by Urban &amp; Rural Areas. Service statistics by private and public sector participating institutions.</p> | <p>Assumptions for achieving purpose:<br/>GOG support of family planning as part of the National Health Plan and consequent GOG willingness to participate actively in F.P. Private sector organizations continue to participate in F.P. activities.</p>       |
| <p>Outputs:<br/>1. F.P. services and counseling available in all MCH health facilities. Community based F.P. services established in rural areas not having ready access to MOH fixed clinics system.<br/>2. Contraceptives readily available at affordable prices in retail outlets throughout the country.<br/>3. Information on family planning available through mass media.</p> | <p>Magnitude of Outputs:<br/>1. 650 MCH facilities, 8 APROFAM clinics, 500 community based distributors and 30 identified PO's providing F.P. services.<br/>2. Contraceptives available at reduced prices in 1,200 commercial pharmacies and 5,000 retail sales outlets.<br/>3. 95% Ladino and 85% Indian populations aware of F.P. services available in their area.</p> | <p>1. MCH statistics<br/>APROFAM statistics.<br/>2. CRS Sales Records.<br/>3. MCH management info. system.<br/>4. Routine reports of APROFAM Indian monitors.</p>                       | <p>Assumptions for achieving outputs:<br/>1. All facilities providing services are staffed by trained personnel and receiving necessary MOH support.<br/>2. No GOG curtailment of information campaigns.<br/>3. No major disruptions in commercial sector.</p> |
| <p>Inputs:<br/>AID Contribution<br/>GOG Contribution<br/>Other Donors<br/>AVS<br/>IPPF<br/>UNFPA</p>   | <p>Implementation Target (Type and Quantity)<br/>AID - SERVICE \$ 6,681,000<br/>IEC<br/>AVS \$ 1,205,000<br/>IPPF \$ 1,243,000<br/>UNFPA \$ 1,937,000<br/>GOG \$ 1,052,000<br/>Others \$ 3,550,000<br/>(combined) \$ 2,001,000</p>  | <p>Review of project financial records. AID project agreements; other donor project agreements.</p>   | <p>Assumptions for providing inputs:<br/>Inputs are made in a timely fashion. Continued other donor willingness and capacity to meet commitments.</p>  |

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5C(1) - COUNTRY CHECKLIST

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

A. GENERAL CRITERIA FOR COUNTRY ELIGIBILITY

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

The present project is designed to assist the needy through the provision of family planning services.

2. FAA Sec. 113. Has particular attention been given those programs, projects, and activities which tend to integrate women into the national economies of developing countries, thus improving their status and assisting the total development effort?

The Ministry of Labor through the recently established Office of Women is working to enhance the status of women.

3. FAA Sec. 481. Has it been determined that the government of the recipient country has failed to take adequate steps to prevent narcotic drugs and other controlled substances (as defined by the Comprehensive Drug Abuse Prevention and Control Act of 1970) produced or processed, in whole or in part, in such country, or transported through such country, from being sold illegally within the jurisdiction of such country to U.S. Government personnel or their dependents, or from entering the U.S. unlawfully?

Guatemala does take adequate steps to prevent narcotics traffic.

4. FAA Sec. 629(b). If assistance is to a government, has the Secretary of State determined that it is not dominated or controlled by the International Communist movement?

Yes.

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- A. 5. FAA Sec. 620(c). If assistance is to a government, is the government liable as debtor or unconditional guarantor on any debt to a U.S. citizen for goods or services furnished or ordered where (a) such citizen has exhausted available legal remedies and (b) the debt is not denied or contested by such government? No.
6. FAA Sec. 620(c)(1). If assistance is to a government, has it (including government agencies or subdivisions) taken any action which has the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property of U.S. citizens or entities beneficially owned by them without taking steps to discharge its obligations toward such citizens or entities? No.
7. FAA Sec. 620(a), 620(f), 620D; Continuing Resolution Sec. 511, 512 and 513; ISICA of 1938 Secs. 717 and 721. Is recipient country a Communist country? Will assistance be provided to Angola, Cambodia, Cuba, Laos or Vietnam? (Food and humanitarian assistance distributed directly to the people of Cambodia are excepted). Will assistance be provided to Afghanistan or Mozambique without a waiver? Are funds for El Salvador to be used for planning for compensation, or for the purpose of compensation, for the confiscation, nationalization, acquisition or expropriation of any agricultural or banking enterprise, or property or stock thereof? No.
8. FAA Sec. 620(i). Is recipient country in any way involved in (a) subversion of, or military aggression against, the United States or any country receiving U.S. assistance, or (b) the planning of such subversion or aggression? No.

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9. FAA Sec. 620(j). Has the country permitted, or failed to take adequate measures to prevent, the damage or destruction, by mob action, of U.S. property? No.
10. FAA Sec. 620(k). Does the program furnish assistance in excess of \$100,000,000 for the construction of a productive enterprise, except for productive enterprises in Egypt that were described in the Congressional Presentation materials for FY 1977, FY 1980 or FY 1981? No.
11. FAA Sec. 620(l). If the country has failed to institute the investment guaranty program for the specific risks of expropriation, inconvertibility or confiscation, has the AID Administrator within the past year considered denying assistance to such government for this reason? N/A
12. FAA Sec. 620(m). Is the country an economically developed nation capable of sustaining its own defense burden and economic growth and, if so, does it meet any of the exceptions to FAA Section 620(m)? No.
13. FAA Sec. 620(o); Fishermen's Protective Act of 1967, as amended, Sec. 5. If country has seized, or imposed any penalty or sanction against, any U.S. fishing activities in international waters, N/A
- a. has any deduction required by the Fishermen's Protective Act been made?
- b. has complete denial of assistance been considered by AID Administrator?

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A. 14. FAA Sec. 620(g); Continuing Resolution Sec. 518.  
(a) Is the government of the recipient country in default for more than six months on interest or principal of any AID loan to the country? (b) Is the country in default exceeding one year on interest or principal on any U.S. loan under a program for which the Continuing Resolution appropriates funds?

No.

15. FAA Sec. 620(e). If contemplated assistance is development loan or from Economic Support Fund, has the Administrator taken into account the percentage of the country's budget which is for military expenditures, the amount of foreign exchange spent on military equipment and the amount spent for the purchase of sophisticated weapons systems? (An affirmative answer may refer to the record of the annual "Taking into Consideration" memo: "Yes, taken into account by the Administrator at time of approval of Agency OYB." This approval by the Administrator of the Operational Year Budget can be the basis for an affirmative answer during the fiscal year unless significant changes in circumstances occur.)

Yes. The Administrator has approved the Operational Year Budget which has been forwarded to Congress, and in so doing has taken into account the relevant questions regarding military expenditures.

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

No..

17. FAA Sec. 620(u). What is the payment status of the country's U.N. obligations? If the country is in arrears, were such arrearages taken into account by the AID Administrator in determining the current AID Operational Year Budget?

Country is not delinquent.

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A. 18. FAA Sec. 620A; Continuing Resolution Sec. 421. Has the country aided or abetted, by granting sanctuary from prosecution to, any individual or group which has committed an act of international terrorism? Has the country aided or abetted, by granting sanctuary from prosecution to, any individual or group which has committed a war crime?

No.

19. FAA Sec. 666. Does the country object, on the basis of race, religion, national origin or sex, to the presence of any officer or employee of the U.S. who is present in such country to carry out economic development programs under the FAA?

No.

20. FAA Sec. 669, 670. Has the country, since August 3, 1977, delivered or received nuclear enrichment or reprocessing equipment, materials, or technology, without specified arrangements or safeguards? Has it detonated a nuclear device after August 3, 1977, although not a "nuclear-weapon State" under the nonproliferation treaty?

No.

B. FUNDING SOURCE CRITERIA FOR COUNTRY ELIGIBILITY

1. Development Assistance Country Criteria.

a. FAA Sec. 102(b)(4). Have criteria been established and taken into account to assess commitment progress of the country in effectively involving the poor in development, on such indexes as: (1) increase in agricultural productivity through small-farm labor intensive agriculture, (2) reduced infant mortality, (3) control of population growth, (4) equality of income distribution, (5) reduction of unemployment and (6) increased literacy.

Analysis has been performed by Mission and taken into account in its planning.

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- B.1. b. FAA Sec. 104(d)(1) If appropriate, is this development (including Sahel) activity designed to build motivation for smaller families through modification of economic and social conditions supportive of the desire for large families in programs such as education in and out of school, nutrition, disease control, maternal and child health services, agricultural production, rural development, assistance to urban poor and through community-based development programs which give recognition to people motivated to limit the size of their families?

This population planning project is designed to build motivation for smaller families through a centrally relevant information, education and communication component as well as wider availability of family planning services.

2. Economic Support Fund Country Criteria.

a. FAA Sec. 502B. Has the country (a) engaged in a consistent pattern of gross violations of internationally recognized human rights or (b) made such significant improvements in its human rights record that furnishing such assistance is in the national interest?

N/A

b. FAA Sec. 532(f). Will ESF assistance be provided to Syria?

c. FAA Sec. 609. If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made?

d. FAA Sec. 620B. Will ESF be furnished to Argentina?

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**5C(2) PROJECT CHECKLIST**

Listed below are statutory criteria applicable generally to projects with FAA funds and project criteria applicable to individual funding sources: Development Assistance (with a subcategory for criteria applicable only to loans); and Economic Support Fund.

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

**A. GENERAL CRITERIA FOR PROJECT**

1. Continuing Resolution  
Unnumbered; FAA Sec. 634A;  
Sec. 653(b).

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

**Included in Congressional Presentation.**

**Yes.**

2. FAA Sec. 611(a)(1). Prior to obligation in excess of \$100,000, will there be (a) engineering, financial other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?

**Yes.**

3. FAA Sec. 611(a)(2). If further legislative action is required within recipient country, what is basis for reasonable expectation that such action will be completed in time to permit orderly accomplishment of purpose of the assistance?

**Further legislation is not required.**

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- A. 4. FAA Sec. 611(b); Continuing Resolution Sec. 501. If for water or water-related land resource construction, has project met the standards and criteria as set forth in the Principles and Standards for Planning Water and Related Land Resources, dated October 25, 1973? N/A
5. FAA Sec. 611(c). If project is capital assistance (e.g., construction), and all U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability effectively to maintain and utilize the project? N/A
6. FAA Sec. 209. Is project susceptible of execution as part of regional or multilateral project? If so why is project not so executed? Information and conclusion whether assistance will encourage regional development programs. No. Project is Guatemala specific in terms of private and public organizations involved and in terms of target group addressed. However, methodologies and information from this project will be informally shared with other countries in the Central American Region.
7. FAA Sec. 601(a). Information and conclusions whether project will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; and (c) encourage development and use of cooperatives, and credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions. (a) No, except to encourage use of US produced contraceptives. (b) yes, by bolstering the Family Planning activities of APROFAM, a private voluntary organization and by creating a private commercial retail sales (CRS) program. (c) yes, by assisting some of these organizations with Family Planning services in the Community Based Distribution (CBD) project activity. (d) Yes, by creating a CRS program which will provide price competition in the local contraceptives market. (e) N/A (f) Some labor and trade groups will receive Family Planning services under the project.
8. FAA Sec. 601(b). Information and conclusion on how project will encourage U.S. private trade and investment abroad and encourage private U.S.

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A.B. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).

Project will make use of US produced contraceptives, and will in part draw on US based technical advisors in implementing the project.

9. FAA Sec. 612(b), 636(b); Continuing Resolution Sec. 508. Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars.

Guatemala is providing a substantial contribution to the project in local currency. No U.S. owned foreign currencies are available for utilization in this project.

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

No.

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

Yes.

12. Continuing Resolution Sec. 522. If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity?

N/A

**B. FUNDING CRITERIA FOR PROJECT**

1. Development Assistance Project Criteria

a. FAA Sec. 102(b), 111, 111, 201(5). Extent to which activity will (a) effectively involve the poor in development, by extending access to economy at local level, increasing labor-

(a) The project will insure wide participation of the poor in the benefits of development by extending access to affordable family planning services at the local level. (b) The role of cooperatives in family planning will be enhanced through their participation in the project

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C.1.a. intensive production and the use of appropriate technology, spreading investment out from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using the appropriate U.S. institutions; (b) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (e) utilize and encourage regional cooperation by developing countries?

b. FAA Sec. 103, 103A, 104, 105, 106, 107. Is assistance being made available:  
(include only applicable paragraph which corresponds to source of funds used. If more than one fund source is used for project, include relevant paragraph for each fund source.)

(1) [103] for agriculture, rural development or nutrition; if so (a) extent to which activity is specifically designed to increase productivity and income of rural poor; 103A if for agricultural research, full account shall be taken of the needs of small farmers, and extensive use of field testing to adapt basic research to local conditions shall be made; (b) extent to which assistance is used in coordination with programs carried out under Sec. 104 to help improve nutrition of the people of developing countries

as community based distributors of contraceptives. (c) The project will rely on the local resources and self help of a variety of local public and private agencies in implementing the project. (d) Women and women's organizations will be direct project beneficiaries. Most salaried and volunteer providers of family planning services will be women.  
(e) N/A.

N/A

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B.1.b.(1) through encouragement of increased production of crops with greater nutritional value, improvement of planning, research, and education with respect to nutrition, particularly with reference to improvement and expanded use of indigenously produced foodstuffs; and the undertaking of pilot or demonstration of programs explicitly addressing the problem of malnutrition of poor and vulnerable people; and (c) extent to which activity increases national food security by improving food policies and management and by strengthening national food reserves, with particular concern for the needs of the poor, through measures encouraging domestic production, building national food reserves, expanding available storage facilities, reducing post harvest food losses, and improving food distribution.

N/A

(2) [104] for population planning under sec. 104(b) or health under sec. 104(c); if so, (i) extent to which activity emphasizes low-cost, integrated delivery systems for health, nutrition and family planning for the poorest people, with particular attention to the needs of mothers and young children, using paramedical and auxiliary medical personnel, clinics and health posts, commercial distribution systems and other modes of community research.

The project will provide a mechanism which will enable paramedics and community volunteers to provide family planning services at health posts and community-based distribution points in rural areas at a cost affordable to the poorest people.

(4) [105] for education, public administration, or human resources development; if so, extent to which activity strengthens nonformal education, makes formal education more relevant, especially for rural families and urban poor, or strengthens management capability of institutions enabling the poor to participate in development;

N/A

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5.1.b.(4) and (ii) extent to which assistance provides advanced education and training of people in developing countries in such disciplines as are required for planning and implementation of public and private development activities.

No.

(5) [106; ISDCA of 1980, Sec. 304] for energy, private voluntary organizations, and selected development activities; if so, extent to which activity is: (i) (a) concerned with data collection and analysis, the training of skilled personnel, research on and development of suitable energy sources, and pilot projects to test new methods of energy production; (b) facilitative of geological and geophysical survey work to locate potential oil, natural gas, and coal reserves and to encourage exploration for potential oil, natural gas, and coal reserves; and (c) a cooperative program in energy production and conservation through research and development and use of small scale, decentralized, renewable energy sources for rural areas;

N/A

(ii) technical cooperation and development, especially with U.S. private and voluntary or regional and international development organizations;

(iii) research into, and evaluation of, economic development process and techniques;

(iv) reconstruction after natural or manmade disaster;

(v) for special development problems, and to enable proper utilization of earlier U.S. infrastructure, etc., assistance;

(vi) for programs of urban development, especially small laborintensive enterprises, marketing systems, and financial or other institutions to help urban poor participate in economic and social development.

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- 8.1. c. [107] is appropriate effort placed on use of appropriate technology? (relatively smaller, cost-saving, labor using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor.) N/A
- d. FAA Sec. 110(a). Will the recipient country provide at least 25% of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or has the latter cost-sharing requirement been waived for a "relatively least developed" country)? Yes.
- e. FAA Sec. 110(b). Will grant capital assistance be disbursed for project over more than 3 years? If so, has justification satisfactory to Congress been made, and efforts for other financing, or is the recipient country "relatively least developed"? No.
- f. FAA Sec. 251(b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civil education and training in skills required for effective participation in governmental processes essential to self-government. The project recognizes the economic necessity and the desire of the people to limit family size, will encourage institutional development of the Ministry of Health unit charged with supervising and coordinating family planning activities, and will provide information and education to enable people to make rational decisions about family planning.
- g. FAA Sec. 122(b). Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth? The activity gives reasonable promise of contributing to self-sustaining economic growth by lowering the population growth rate.
2. Development Assistance Project Criteria (2000-1991)
- a. FAA Sec. 122(c). Information and conclusion on capacity of the country to N/A

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B.2.a. repay the loan, at a reasonable rate of interest.

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

N/A

3. Project Criteria Solely for Economic Support Fund

a. FAA Sec. 531(b). Will this assistance promote economic or political stability? To the extent possible, does it reflect the policy directions of FAA Section 102?

N/A

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

N/A

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5C(3) - STANDARD ITEM CHECKLIST

Listed below are the statutory items which normally will be covered routinely in those provisions of an assistance agreement dealing with its implementation, or covered in the agreement by imposing limits on certain uses of funds.

These items are arranged under the general headings of (A) Procurement, (B) Construction, and (C) Other Restrictions.

A. Procurement

1. FAA Sec. 602. Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed? Yes.
  
2. FAA Sec. 604(a). Will all procurement be from the U.S. except as otherwise determined by the President or under delegation from him? Yes.
  
3. FAA Sec. 604(d). If the cooperating country discriminates against U.S. marine insurance companies, will commodities be insured in the United States against marine risk with a company or companies authorized to do a marine insurance business in the U.S.? N/A
  
4. FAA Sec. 604(e); ISDCA of 1980 Sec. 705(a). If offshore procurement of agricultural commodity or product is to be financed, is there provision against such procurement when the domestic price of such commodity is less than parity? (Exception where commodity financed could not reasonably be procured in U.S.) N/A
  
5. FAA Sec. 603. Is the shipping excluded from compliance with requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 100% of the gross tonnage of commodities No.

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A.5. (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S.-flag commercial vessels to the extent that such vessels are available at fair and reasonable rates?

6. FAA Sec. 621. If technical assistance is financed, to the fullest extent practicable will such assistance, goods and professional and other services be furnished from private enterprise on a contract basis? If the facilities of other Federal agencies will be utilized, are they particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs?

Yes.

7. International Air Transport Fair Competitive Practices Act, 1974. If air transportation of persons or property is financed on grant basis, will provision be made that U.S. carriers will be utilized to the extent such service is available?

Yes.

8. Continuing Resolution Sec. 505. If the U.S. Government is a party to a contract for procurement, does the contract contain a provision authorizing termination of such contract for the convenience of the United States?

Yes.

B. Construction

1. FAA Sec. 601(d). If capital (e.g., construction) project, are engineering and professional services of U.S. firms and their affiliates to be used to the maximum extent consistent with the national interests?

N/A

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- B. 2. FAA Sec. 611(c). If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable? N/A
3. FAA Sec. 620(k). If for construction of productive enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed \$100 million? N/A
- C. Other Restrictions
1. FAA Sec. 122(b). If development loan, is interest rate at least 2% per annum during grace period and at least 3% per annum thereafter? N/A
2. FAA Sec. 301(d). If fund is established solely by U.S. contributions and administered by an international organization, does Comptroller General have audit rights? N/A
3. FAA Sec. 626(h). Do arrangements exist to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries? Yes.
4. Continuing Resolution Sec. 514  
If participants will be trained in the United States with funds obligated in FY 1981, has it been determined either (a) that such participants will be selected otherwise than by their home governments, or (b) that at least 20% of the FY 1981 fiscal year's funds appropriated for participant training will be for participants selected otherwise than by their home governments? N/A

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C. 5. Will arrangements preclude use of financing:

a. FAA Sec. 104(f). To pay for performance of abortions as a method of family planning or to, motivate or coerce persons to practice abortions; to pay for performance of involuntary sterilization as a method of family planning, or to coerce or provide financial incentive to any person to undergo sterilization?

Yes, it is precluded.

b. FAA Sec. 620(c). To compensate owners for expropriated nationalized property?

Yes.

c. FAA Sec. 660. To provide training or advice or provide any financial support for police, prisons, or other law enforcement forces, except for narcotics programs?

Yes.

d. FAA Sec. 662. For CIA activities?

Yes.

e. FAA Sec. 636(i). For purchase, sale, long-term lease, exchange or guaranty of the sale of motor vehicles manufactured outside U.S., unless a waiver is obtained.

Yes.

f. Continuing Resolution Sec. 504. To pay pensions, annuities retirement pay, or adjusted service compensation for military personnel?

Yes.

g. Continuing Resolution Sec. 506. To pay U.S. assessments, arrearages or dues.

Yes.

h. Continuing Resolution Sec. 507. To carry out provisions of FAA section 202(d) (Transfer of FAA funds to multilateral organizations for lending.)

Yes.

i. Continuing Resolution Sec. 502. To finance the export of nuclear equipment fuel, or technology or to train foreign nationals in nuclear fields?

Yes.

|                           |                         |                                     |                    |
|---------------------------|-------------------------|-------------------------------------|--------------------|
| AID HANDBOOK 3, App 5C(3) | TRANS. MEMO NO.<br>3:41 | EFFECTIVE DATE<br>December 16, 1940 | SECTION<br>5C(3)-4 |
|---------------------------|-------------------------|-------------------------------------|--------------------|

C.5. j. Continuing Resolution Sec. 510. Will assistance be provided for the purpose of aiding the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights?

Yes, it is precluded.

k. Continuing Resolution Sec. 516. To be used for publicity or propaganda purposes within U.S. not authorized by Congress?

Yes.

**A P R O F A M**  
**S U M M A R Y**  
AID Funded

|                                     | <u>1983</u>    | <u>1984</u>    | <u>1985</u>    | <u>1986</u>      | <u>TOTAL</u>     |
|-------------------------------------|----------------|----------------|----------------|------------------|------------------|
| COMMUNITY BASED DISTRIBUTION        | 316,265        | 367,094        | 373,239        | 401,768          | 1,458,366        |
| INFORMATION & COMMUNICATION         | 197,024        | 206,458        | 210,631        | 215,221          | 829,334          |
| INDIGENOUS FAMILY WELFARE PROJECT   | 104,949        | 124,019        | 147,340        | 156,108          | 532,416          |
| CLINICAL FAMILY PLANNING SERVICES   | ---            | 82,386         | 86,377         | 90,765           | 259,528          |
| Sub Total                           | 618,238        | 779,957        | 817,587        | 863,862          | 3,079,644        |
| COMMUNICATION & EVALUATION CAMPAIGN | ---            | 17,550         | ---            | ---              | 17,550           |
| CONTINGENCIES                       | ---            | 79,751         | 171,693        | 267,797          | 519,241          |
| <b>TOTAL</b>                        | <u>618,238</u> | <u>877,258</u> | <u>989,280</u> | <u>1,131,659</u> | <u>3,616,435</u> |

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A P R O F A M  
COMMUNITY BASED DISTRIBUTION  
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|   | <u>1983</u>          | <u>1984</u>          | <u>1985</u>          | <u>1986</u>          | <u>TOTAL</u>          |
|---|----------------------|----------------------|----------------------|----------------------|-----------------------|
| <b><u>SALARIES</u></b>                            |                      |                      |                      |                      |                       |
| Director<br>\$855 x 12 Mos.                       | 10,260               | 11,286               | 12,415               | 13,656               | 47,617                |
| Rural Distributor<br>\$319 x 12 Mos.              | 3,828                | 4,211                | 4,632                | 5,095                | 17,766                |
| Secretary<br>\$338 x 12 Mos.                      | 4,056                | 4,462                | 4,908                | 5,393                | 18,819                |
| Warehouseman<br>\$248 x 12 Mos.                   | <u>2,976</u>         | <u>3,274</u>         | <u>3,601</u>         | <u>3,961</u>         | <u>13,812</u>         |
| Sub Total   | 21,120               | 23,233               | 25,556               | 28,105               | 98,014                |
| Fringe Benefits (26.8%)                           | <u>5,660</u>         | <u>6,226</u>         | <u>6,849</u>         | <u>7,532</u>         | <u>26,267</u>         |
| <b>TOTAL SALARIES</b>                             | <b>26,780</b>        | <b>29,459</b>        | <b>32,405</b>        | <b>35,637</b>        | <b>124,281</b>        |
| <b><u>PER DIEM</u></b>                            |                      |                      |                      |                      |                       |
| Director<br>\$22/Day x 10 Days/Mo x 12 Mos.       | 2,640                | 2,640                | 2,640                | 2,640                | 10,560                |
| Rural Distributor<br>\$18/Day x 20 Days x 12 Mos. | <u>4,320</u>         | <u>4,320</u>         | <u>4,320</u>         | <u>4,320</u>         | <u>17,280</u>         |
| <b>TOTAL PER DIEM</b>                             | <b>6,960</b>         | <b>6,960</b>         | <b>6,960</b>         | <b>6,960</b>         | <b>27,840</b>         |
| <b><u>TRANSPORTATION</u></b>                      |                      |                      |                      |                      |                       |
| Director<br>\$200/Mo. x 12 Mos.                   | 2,400                | 2,400                | 2,400                | 2,400                | 9,600                 |
| Rural Distributor<br>\$200/Mo. x 12 Mos.          | <u>2,400</u>         | <u>2,400</u>         | <u>2,400</u>         | <u>2,400</u>         | <u>9,600</u>          |
| <b>TOTAL TRANSPORTATION</b>                       | <b>4,800</b>         | <b>4,800</b>         | <b>4,800</b>         | <b>4,800</b>         | <b>19,200</b>         |
| Replacement vehicle for Super-<br>vision          | <u>---</u>           | <u>10,000</u>        | <u>---</u>           | <u>---</u>           | <u>10,000</u>         |
| Sub Total   | 38,540               | 51,219               | 44,165               | 47,397               | 181,321               |
| Overhead 12.8%                                    | <u>4,933</u>         | <u>6,556</u>         | <u>5,653</u>         | <u>6,067</u>         | <u>23,209</u>         |
| <b>TOTAL DIRECTION</b>                            | <b><u>43,473</u></b> | <b><u>57,775</u></b> | <b><u>49,818</u></b> | <b><u>53,464</u></b> | <b><u>204,530</u></b> |

**A P R O F A M**  
**COMMUNITY BASED DISTRIBUTION**  
AID Funded

|  | <u>1983</u>   | <u>1984</u>   | <u>1985</u>   | <u>1986</u>   | <u>TOTAL</u>   |
|--|---------------|---------------|---------------|---------------|----------------|
| <b><u>LIGAS CAMPESINAS</u></b>                 |               |               |               |               |                |
| <b><u>SALARIES</u></b>                         |               |               |               |               |                |
| 1 Chief<br>\$536 x 12 Mo.                      | 6,432         | 7,075         | 7,783         | 8,561         | 29,851         |
| 3 Promoters<br>\$252 x 3 x 12 mos.             | 9,072         | 9,979         | 10,977        | 12,075        | 42,103         |
| Sub Total Salaires                             | 15,504        | 17,054        | 18,760        | 20,636        | 71,954         |
| Fringe Benefits (26.8%)                        | 4,155         | 4,570         | 5,028         | 5,530         | 19,283         |
| <b>TOTAL SALARIES</b>                          | <b>19,659</b> | <b>21,624</b> | <b>23,788</b> | <b>26,166</b> | <b>91,237</b>  |
| <b><u>PER DIEM</u></b>                         |               |               |               |               |                |
| 1 Chief \$20 x 15 x 12                         | 3,600         | 3,600         | 3,600         | 3,600         | 14,400         |
| 3 Promoters \$70 x 3 x 12                      | 2,520         | 2,520         | 2,520         | 2,520         | 10,080         |
| <b>TOTAL PER DIEM</b>                          | <b>6,120</b>  | <b>6,120</b>  | <b>6,120</b>  | <b>6,120</b>  | <b>24,480</b>  |
| <b><u>TRANSPORTATION</u></b>                   |               |               |               |               |                |
| 1 Chief \$200 x 12                             | 2,400         | 2,400         | 2,400         | 2,400         | 9,600          |
| 3 Promoters \$40 x 3 x 12                      | 1,440         | 1,440         | 1,440         | 1,440         | 5,760          |
| <b>TOTAL TRANSPORTATION</b>                    | <b>3,840</b>  | <b>3,840</b>  | <b>3,840</b>  | <b>3,840</b>  | <b>15,360</b>  |
| <b><u>TRAINING</u></b>                         |               |               |               |               |                |
| 3 Promoters x 2 courses x 5 days<br>x \$15/day | 450           | 450           | 450           | 450           | 1,800          |
| 25 dist. x 2 courses x 3 days at<br>\$10/Day   | 1,500         | 1,500         | 1,500         | 1,500         | 6,000          |
| <b>TOTAL TRAINING</b>                          | <b>1,950</b>  | <b>1,950</b>  | <b>1,950</b>  | <b>1,950</b>  | <b>7,800</b>   |
| <b><u>MATERIALS</u></b>                        |               |               |               |               |                |
| <b>TOTAL MATERIALS</b>                         | <b>2,000</b>  | <b>3,000</b>  | <b>3,500</b>  | <b>4,000</b>  | <b>12,500</b>  |
| Sub Total Ligas Campesinas                     | 33,569        | 36,534        | 39,198        | 42,076        | 151,377        |
| 12.8% Overhead                                 | 4,297         | 4,676         | 5,017         | 5,386         | 19,376         |
| <b>TOTAL LIGAS CAMPESINAS</b>                  | <b>37,866</b> | <b>41,210</b> | <b>44,215</b> | <b>47,462</b> | <b>170,753</b> |

## A P R O F A M

COMMUNITY BASED DISTRIBUTION  
AID Funded

|   | <u>1983</u>   | <u>1984</u>   | <u>1985</u>   | <u>1986</u>   | <u>TOTAL</u>   |
|---|---------------|---------------|---------------|---------------|----------------|
| <u>FECOAR</u>                                       |               |               |               |               |                |
| <u>SALARIES</u>                                     |               |               |               |               |                |
| 3 Promoters \$246 x 3 x 12 Mos.                     | 8,856         | 9,742         | 10,716        | 11,788        | 41,102         |
| Fringe Benefits (26.8%)                             | <u>2,373</u>  | <u>2,611</u>  | <u>2,872</u>  | <u>3,159</u>  | <u>11,015</u>  |
| TOTAL SALARIES                                      | 11,229        | 12,353        | 13,588        | 14,947        | 52,117         |
| <u>PER DIEM</u>                                     |               |               |               |               |                |
| 3 Promoters \$70 x 3 x 12 Mos.                      | <u>2,520</u>  | <u>2,520</u>  | <u>2,520</u>  | <u>2,520</u>  | <u>10,080</u>  |
| TOTAL PER DIEM                                      | 2,520         | 2,520         | 2,520         | 2,520         | 10,080         |
| <u>TRANSPORTATION</u>                               |               |               |               |               |                |
| 3 Promoters \$40 x 3 x 12 Mos.                      | <u>1,440</u>  | <u>1,440</u>  | <u>1,440</u>  | <u>1,440</u>  | <u>5,760</u>   |
| TOTAL TRANSPORTATION                                | <u>1,440</u>  | <u>1,440</u>  | <u>1,440</u>  | <u>1,440</u>  | <u>5,760</u>   |
| <u>TRAINING</u>                                     |               |               |               |               |                |
| 3 Promoters x 2 courses x 5 days<br>at \$15/Day     | 450           | 450           | 450           | 450           | 1,800          |
| 25 Distributors x 2 courses<br>x 3 days at \$10/day | <u>1,500</u>  | <u>1,500</u>  | <u>1,500</u>  | <u>1,500</u>  | <u>6,000</u>   |
| TOTAL TRAINING                                      | 1,950         | 1,950         | 1,950         | 1,950         | 7,800          |
| <u>MATERIALS</u>                                    |               |               |               |               |                |
| TOTAL MATERIALS                                     | <u>3,000</u>  | <u>4,500</u>  | <u>5,000</u>  | <u>5,000</u>  | <u>17,500</u>  |
| Sub Total FECOAR                                    | 20,139        | 22,763        | 24,498        | 25,857        | 93,257         |
| 12.8% Overhead                                      | <u>2,578</u>  | <u>2,914</u>  | <u>3,136</u>  | <u>3,310</u>  | <u>11,938</u>  |
| TOTAL FECOAR  | <u>22,717</u> | <u>25,677</u> | <u>27,634</u> | <u>29,167</u> | <u>105,195</u> |

**A P R O F A M**  
**COMMUNITY BASED DISTRIBUTION**  
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|                              | <u>1983</u>   | <u>1984</u>   | <u>1985</u>   | <u>1986</u>   | <u>TOTAL</u>   |
|------------------------------|---------------|---------------|---------------|---------------|----------------|
| <b><u>METROPOLITANO</u></b>  |               |               |               |               |                |
| <b><u>SALARIES</u></b>       |               |               |               |               |                |
| 1 Supervisor \$455 x 12 Mos. | 5,460         | 6,006         | 6,607         | 7,268         | 25,341         |
| 6 Promoters \$243 x 12 Mos.  | 17,496        | 19,246        | 23,096        | 25,406        | 85,244         |
| 1 Secretary \$262 x 12 Mos.  | 3,144         | 3,458         | 3,804         | 4,184         | 14,590         |
| 1 Promoter \$266 x 12 Mos.   | 3,192         | 3,511         | 3,862         | 4,248         | 14,813         |
| 1 Janitor \$187 x 12 Mos.    | 2,244         | 2,468         | 2,715         | 2,986         | 10,413         |
| Sub Total Salaries           | 31,536        | 34,689        | 40,084        | 44,092        | 150,401        |
| Fringe Benefits (26.8%)      | 8,452         | 9,297         | 10,743        | 11,817        | 40,309         |
| <b>TOTAL SALARIES</b>        | <b>39,988</b> | <b>43,986</b> | <b>50,827</b> | <b>55,909</b> | <b>190,710</b> |
| <b><u>TRANSPORTATION</u></b> |               |               |               |               |                |
| 1 Supervisor \$40 x 12 Mos.  | 480           | 480           | 480           | 480           | 1,920          |
| 6 Promoters \$30 x 12 Mos.   | 2,160         | 2,160         | 2,160         | 2,160         | 8,640          |
| <b>TOTAL TRANSPORTATION</b>  | <b>2,640</b>  | <b>2,640</b>  | <b>2,640</b>  | <b>2,640</b>  | <b>10,560</b>  |
| <b><u>MATERIALS</u></b>      |               |               |               |               |                |
| <b>TOTAL MATERIALS</b>       | <b>6,000</b>  | <b>8,000</b>  | <b>8,500</b>  | <b>9,000</b>  | <b>31,500</b>  |
| Sub Total Metropolitan       | 48,628        | 54,626        | 61,967        | 67,549        | 232,770        |
| 12.8% Overhead               | 6,224         | 6,992         | 7,932         | 8,646         | 29,794         |
| <b>TOTAL METROPOLITANO</b>   | <b>54,852</b> | <b>61,618</b> | <b>69,629</b> | <b>76,195</b> | <b>262,294</b> |

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|   | <u>1983</u>    | <u>1984</u>    | <u>1985</u>    | <u>1986</u>    | <u>TOTAL</u>   |
|---|----------------|----------------|----------------|----------------|----------------|
| <b><u>CLUB DE MADRES</u></b>                    |                |                |                |                |                |
| <b><u>SALARIES</u></b>                          |                |                |                |                |                |
| 1 Supervisor \$484 x 12 Mos.                    | 5,808          | 6,389          | 7,028          | 7,731          | 26,956         |
| 1 Promoter \$170 x 12 Mos.                      | 2,040          | 2,244          | 2,468          | 2,715          | 9,467          |
| 1 Secretary \$194 x 12 Mos.                     | 2,328          | 2,561          | 2,817          | 3,099          | 10,805         |
| 1 Driver \$170 x 12 Mos.                        | 2,040          | 2,244          | 2,468          | 2,715          | 9,467          |
| 15 Educators \$224x 12 Mos.                     | <u>40,320</u>  | <u>44,352</u>  | <u>48,787</u>  | <u>53,666</u>  | <u>187,125</u> |
| Sub Total Salaries                              | 52,536         | 57,790         | 63,568         | 69,926         | 243,820        |
| Fringe Benefits (26.8%)                         | <u>14,080</u>  | <u>15,488</u>  | <u>17,036</u>  | <u>18,740</u>  | <u>65,344</u>  |
| TOTAL SALARIES                                  | 66,616         | 73,278         | 80,604         | 88,666         | 309,164        |
| <b><u>PER DIEM</u></b>                          |                |                |                |                |                |
| 1 Supervisor \$20 x 15 x 12 Mos.                | 3,600          | 3,600          | 3,600          | 3,600          | 14,400         |
| 1 Driver \$15 x 12 Mos.                         | 2,700          | 2,700          | 2,700          | 2,700          | 10,800         |
| 9 Educators \$60 x 12 Mos.                      | 6,480          | 6,480          | 6,480          | 6,480          | 25,920         |
| 1 Promoter \$70 x 12 Mos.                       | <u>840</u>     | <u>840</u>     | <u>840</u>     | <u>840</u>     | <u>3,360</u>   |
| TOTAL PER DIEM                                  | 13,620         | 13,620         | 13,620         | 13,620         | 54,480         |
| <b><u>TRANSPORTATION</u></b>                    |                |                |                |                |                |
| 1 Supervisor \$600 x 12 Mos.                    | 7,200          | 7,200          | 7,200          | 7,200          | 28,800         |
| 9 Rural Educators \$35 x 12 Mos.                | 3,780          | 3,780          | 3,780          | 3,780          | 15,120         |
| 6 Urban Educators \$30 x 12 Mos..               | 2,160          | 2,160          | 2,160          | 2,160          | 8,640          |
| 1 Promoter \$35 x 12 Mos.                       | <u>420</u>     | <u>420</u>     | <u>420</u>     | <u>420</u>     | <u>1,680</u>   |
| TOTAL TRANSPORTATION                            | 13,560         | 13,560         | 13,560         | 13,560         | 54,240         |
| <b><u>TRAINING</u></b>                          |                |                |                |                |                |
| 9 Promoters x 2 courses x 5 days<br>at \$15     | 1,350          | 1,350          | 1,350          | 1,350          | 5,400          |
| 25 Leaders x 2 courses x 3 days<br>at \$10      | 1,500          | 1,500          | 1,500          | 1,500          | 6,000          |
| 90 Distributors x 2 courses<br>x 3 days at \$10 | <u>5,400</u>   | <u>5,400</u>   | <u>5,400</u>   | <u>5,400</u>   | <u>21,600</u>  |
| TOTAL TRAINING                                  | 8,250          | 8,250          | 8,250          | 8,250          | 33,000         |
| <b><u>MATERIALS &amp; FORMS</u></b>             |                |                |                |                |                |
| Total Materials and Forms                       | <u>6,000</u>   | <u>7,500</u>   | <u>8,000</u>   | <u>8,500</u>   | <u>30,000</u>  |
| Sub Total Club de Madres                        | 108,046        | 116,208        | 124,034        | 132,596        | 480,884        |
| 12.8% Overhead                                  | <u>13,830</u>  | <u>14,875</u>  | <u>15,876</u>  | <u>16,972</u>  | <u>61,553</u>  |
| TOTAL CLUB DE MADRES                            | <u>121,876</u> | <u>131,083</u> | <u>139,910</u> | <u>149,568</u> | <u>542,437</u> |

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|  | <u>1983</u>   | <u>1984</u>   | <u>1985</u>   | <u>1986</u>   | <u>TOTAL</u>  |
|--|---------------|---------------|---------------|---------------|---------------|
| <u>COOPERATIVE CHIOUIMULJA</u>                     |               |               |               |               |               |
| <u>SALARIES</u>                                    |               |               |               |               |               |
| 2 Promoters \$155 x 12 Mos.                        | 3,720         | 4,092         | 4,501         | 4,951         | 17,264        |
| Fringe Benefits 26.8%                              | <u>997</u>    | <u>1,097</u>  | <u>1,206</u>  | <u>1,327</u>  | <u>4,627</u>  |
| TOTAL SALARIES                                     | <u>4,717</u>  | <u>5,189</u>  | <u>5,707</u>  | <u>6,278</u>  | <u>21,891</u> |
| <u>PER DIEM</u>                                    |               |               |               |               |               |
| -2 Promoters \$70 x 12 Mos.                        | <u>1,680</u>  | <u>1,680</u>  | <u>1,680</u>  | <u>1,680</u>  | <u>6,720</u>  |
| TOTAL PER DIEM                                     | <u>1,680</u>  | <u>1,680</u>  | <u>1,680</u>  | <u>1,680</u>  | <u>6,720</u>  |
| <u>TRANSPORTATION</u>                              |               |               |               |               |               |
| 2 Promoters \$40 x 12 Mos.                         | <u>960</u>    | <u>960</u>    | <u>960</u>    | <u>960</u>    | <u>3,840</u>  |
| TOTAL TRANSPORTATION                               | <u>960</u>    | <u>960</u>    | <u>960</u>    | <u>960</u>    | <u>3,840</u>  |
| <u>TRAINING</u>                                    |               |               |               |               |               |
| 2 Promoters 2 courses x 5 days<br>at \$15/day      | <u>300</u>    | <u>300</u>    | <u>300</u>    | <u>300</u>    | <u>1,200</u>  |
| 15 Distributors x 2 courses<br>x 3 days x \$10/Day | <u>900</u>    | <u>900</u>    | <u>900</u>    | <u>900</u>    | <u>3,600</u>  |
| TOTAL TRAINING                                     | <u>1,200</u>  | <u>1,200</u>  | <u>1,200</u>  | <u>1,200</u>  | <u>4,800</u>  |
| <u>EDUCATIONAL MATERIAL</u>                        |               |               |               |               |               |
| TOTAL EDUC. MATERIAL                               | <u>1,200</u>  | <u>1,200</u>  | <u>1,500</u>  | <u>1,800</u>  | <u>5,700</u>  |
| Sub Total Cooperativa                              | <u>9,757</u>  | <u>10,279</u> | <u>11,047</u> | <u>11,918</u> | <u>42,951</u> |
| 12.8% Overhead                                     | <u>1,249</u>  | <u>1,309</u>  | <u>1,414</u>  | <u>1,525</u>  | <u>5,497</u>  |
| TOTAL COOPERATIVA                                  | <u>11,006</u> | <u>11,538</u> | <u>12,461</u> | <u>13,443</u> | <u>48,448</u> |

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COMMUNITY BASED DISTRIBUTION  
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|   | <u>1983</u> | <u>1984</u> | <u>1985</u> | <u>1986</u> | <u>TOTAL</u> |
|---|-------------|-------------|-------------|-------------|--------------|
| <b><u>TRAINING UNIT</u></b>               |             |             |             |             |              |
| <b><u>SALARIES</u></b>                    |             |             |             |             |              |
| 1 Assitant \$319 x 12                     | 3,828       | 4,211       | 4,632       | 5,095       | 17,766       |
| 1 Promoter \$545 x 12 Mos.                | 6,540       | 7,194       | 7,913       | 8,704       | 30,351       |
| 1 Social Worker \$424 x 12 Mos.           | 5,088       | 5,597       | 6,157       | 6,773       | 23,615       |
| Sub Total                                 | 15,456      | 17,002      | 18,702      | 20,572      | 71,732       |
| Fringe Benefits (26.8%)                   | 4,142       | 4,557       | 5,012       | 5,513       | 19,224       |
| TOTAL SALARIES                            | 19,598      | 21,559      | 23,714      | 26,085      | 90,956       |
| <b><u>MATERIALS</u></b>                   |             |             |             |             |              |
| TOTAL MATERIALS                           | 2,100       | 2,300       | 2,502       | 2,700       | 9,602        |
| Replacement of Vehicle                    | ---         | 10,000      | ---         | ---         | 10,000       |
| Sub Total Training Unit                   | 21,698      | 33,859      | 26,216      | 28,785      | 110,558      |
| 12.8% Overhead                            | 2,777       | 4,334       | 3,356       | 3,684       | 14,151       |
| TOTAL TRAINING UNIT                       | 24,475      | 38,193      | 29,572      | 32,469      | 124,709      |
| <b>TOTAL COMMUNITY BASED DISTRIBUTION</b> |             |             |             |             |              |
|   | 316,265     | 367,094     | 373,239     | 401,768     | 1,458,366    |

INDIGENOUS FAMILY WELFARE PROJECT

Annex C - Table 2  
Page 9 of 26 Pages

|  | AID Funded     |                |                |                |                |
|--|----------------|----------------|----------------|----------------|----------------|
|  | 1983           | 1984           | 1985           | 1986           | TOTAL          |
| <u>SALARIES</u>                                |                |                |                |                |                |
| 1 Chief \$550 x 12 Mos.                        | 6,600          | 7,360          | 8,096          | 8,906          | 30,962         |
| 1 Supervisor \$350 x 12 Mos.                   | 4,200          | 4,620          | 5,082          | 5,590          | 19,492         |
| 1 Secretary \$260 x 12 Mos.                    | 3,120          | 3,432          | 3,775          | 4,153          | 14,480         |
| 14 Bilingual Communicators<br>\$165 x 12 Mos.  | 27,720         | 30,492         | 33,541         | 36,895         | 128,648        |
| 4 Communicators \$150 x 12 Mos.                | ---            | ---            | 7,200          | 7,920          | 15,120         |
| 1 Supervisor \$300 x 12 Mos.                   | ---            | ---            | 3,600          | 3,960          | 7,560          |
| Sub Total                                      | 41,640         | 45,904         | 61,294         | 67,424         | 216,262        |
| Fringe Benefits (26.8%)                        | 11,160         | 12,302         | 16,427         | 18,070         | 57,959         |
| <b>TOTAL SALARIES</b>                          | <b>52,800</b>  | <b>58,206</b>  | <b>77,721</b>  | <b>85,494</b>  | <b>274,221</b> |
| <u>PER DIEM</u>                                |                |                |                |                |                |
| 1 Chief \$ 20 x 15 x 12 Mos.                   | 3,600          | 3,600          | 3,600          | 3,600          | 14,400         |
| 1 Supervisor \$15 x 20 x 12 Mos.               | 3,600          | 3,600          | 3,600          | 3,600          | 14,400         |
| 14 Communicators \$70 x 12 Mos.                | 11,760         | 11,760         | 11,760         | 11,760         | 47,040         |
| 4 Communicators \$70 x 12 Mos.                 | ---            | ---            | 3,360          | 3,360          | 6,720          |
| 1 Supervisor \$15 x 20 x 12 Mos.               | ---            | ---            | 3,600          | 3,600          | 7,200          |
| <b>TOTAL PER DIEM</b>                          | <b>18,960</b>  | <b>18,960</b>  | <b>25,920</b>  | <b>25,920</b>  | <b>89,760</b>  |
| <u>TRANSPORTATION</u>                          |                |                |                |                |                |
| 1 Chief \$200 x 12 Mos.                        | 2,400          | 2,400          | 2,400          | 2,400          | 9,600          |
| 1 Supervisor \$150 x 12 Mos.                   | 1,800          | 1,800          | 1,800          | 1,800          | 7,200          |
| 14 Communicators \$50 x 12 Mos.                | 8,400          | 8,400          | 8,400          | 8,400          | 33,600         |
| 4 Communicators \$50 x 12                      | ---            | ---            | 2,400          | 2,400          | 4,800          |
| 1 Supervisor \$150 x 12                        | ---            | ---            | 1,800          | 1,800          | 3,600          |
| <b>TOTAL TRANSPORTATION</b>                    | <b>12,600</b>  | <b>12,600</b>  | <b>16,800</b>  | <b>16,800</b>  | <b>58,800</b>  |
| <u>TRAINING</u>                                |                |                |                |                |                |
| 14 Communicators x \$10 x 5 x<br>2 courses     | 1,400          | 1,400          | 1,400          | 1,400          | 5,600          |
| 14 Communicators x \$5 x 2 x<br>2 courses      | 280            | 280            | 280            | 280            | 1,120          |
| <b>TOTAL TRAINING</b>                          | <b>1,680</b>   | <b>1,680</b>   | <b>1,680</b>   | <b>1,680</b>   | <b>6,720</b>   |
| <u>EDUCATIONAL MATERIAL AND MEDICINES</u>      |                |                |                |                |                |
|  | 7,000          | 8,500          | 8,500          | 8,500          | 32,500         |
| <b>TOTAL</b>                                   | <b>7,000</b>   | <b>8,500</b>   | <b>8,500</b>   | <b>8,500</b>   | <b>32,500</b>  |
| <u>REPLACEMENT VEHICLE</u>                     |                |                |                |                |                |
|  | ---            | 10,000         | ---            | ---            | 10,000         |
| <b>TOTAL VEHICLE</b>                           | <b>---</b>     | <b>10,000</b>  | <b>---</b>     | <b>---</b>     | <b>10,000</b>  |
| Sub Total                                      | 93,040         | 109,946        | 130,621        | 138,394        | 472,001        |
| 12.8% Overhead                                 | 11,909         | 14,073         | 16,719         | 17,714         | 60,415         |
| <b>TOTAL INDIGENOUS FAMILY WELFARE PROJECT</b> | <b>104,949</b> | <b>124,019</b> | <b>147,340</b> | <b>156,108</b> | <b>532,416</b> |

A P R O F A M  
 INFORMATION AND COMMUNICATION  
 AID Funded

|  | <u>1983</u>    | <u>1984</u>    | <u>1985</u>    | <u>1986</u>    | <u>TOTAL</u>   |
|--|----------------|----------------|----------------|----------------|----------------|
| <b><u>SALARIES</u></b>                       |                |                |                |                |                |
| 1 Supervisor \$855 x 12 Mos.                 | 10,260         | 11,286         | 12,415         | 13,656         | 47,617         |
| 1 Production Officer \$665 x 12 M.           | 7,980          | 8,778          | 9,656          | 10,622         | 37,036         |
| 1 Secretary \$371 x 12 Mo.                   | 4,452          | 4,897          | 5,387          | 5,926          | 20,662         |
| 1 Assistant \$319 x 12 Mo.s.                 | <u>3,828</u>   | <u>4,211</u>   | <u>4,632</u>   | <u>5,095</u>   | <u>17,766</u>  |
| Sub Total                                    | 26,520         | 29,172         | 32,090         | 35,299         | 123,081        |
| Fringe Benefits (26.8%)                      | <u>7,107</u>   | <u>7,818</u>   | <u>8,600</u>   | <u>9,460</u>   | <u>32,895</u>  |
| <b>TOTAL SALARIES</b>                        | <b>33,627</b>  | <b>36,990</b>  | <b>40,690</b>  | <b>44,759</b>  | <b>156,066</b> |
| <b><u>PER DIEM</u></b>                       |                |                |                |                |                |
| 1 Supervisor \$20/Day x 10 days<br>x 12 Mos. | 2,400          | 2,400          | 2,400          | 2,400          | 9,600          |
| 1 Production Officer \$18 x 15<br>x 12 Mos.  | 3,240          | 3,240          | 3,240          | 3,240          | 12,960         |
| 1 Assistant \$15 x 10/Days x<br>12 Mos.      | <u>1,800</u>   | <u>1,800</u>   | <u>1,800</u>   | <u>1,800</u>   | <u>7,200</u>   |
| <b>TOTAL PER DIEM</b>                        | <b>7,440</b>   | <b>7,440</b>   | <b>7,440</b>   | <b>7,440</b>   | <b>29,760</b>  |
| <b><u>TRANSPORTATION</u></b>                 |                |                |                |                |                |
| 1 Supervisor \$150 x 12 Mos.                 | 1,800          | 1,800          | 1,800          | 1,800          | 7,200          |
| 1 Production Officer \$300 x 12 Mos.         | <u>2,400</u>   | <u>2,400</u>   | <u>2,400</u>   | <u>2,400</u>   | <u>9,600</u>   |
| <b>TOTAL TRANSPORTATION</b>                  | <b>4,200</b>   | <b>4,200</b>   | <b>4,200</b>   | <b>4,200</b>   | <b>16,800</b>  |
| <b><u>PUBLICITY CAMPAIGN</u></b>             |                |                |                |                |                |
| Advertisement Production                     | 6,000          | 6,230          | 6,230          | 6,230          | 24,690         |
| Interviews Production                        | 3,600          | 3,738          | 3,738          | 3,738          | 14,814         |
| Urban Radio Messages                         | 20,400         | 21,182         | 21,182         | 21,182         | 83,946         |
| Rural Radio Messages                         | 45,000         | 46,748         | 46,748         | 46,748         | 185,244        |
| Posters & Pamphlets                          | 25,000         | 25,966         | 25,966         | 25,966         | 102,898        |
| Newspaper Advertisement                      | 5,000          | 5,184          | 5,184          | 5,184          | 20,552         |
| Distribution Costs                           | <u>15,000</u>  | <u>15,552</u>  | <u>15,552</u>  | <u>15,552</u>  | <u>61,656</u>  |
| Sub Total                                    | 120,000        | 124,600        | 124,600        | 124,600        | 493,800        |
| <b><u>APROFAM</u></b>                        |                |                |                |                |                |
| Telephone Campaign                           | 5,000          | 5,000          | 5,000          | 5,000          | 20,000         |
| Newspaper Articles                           | 2,400          | 2,400          | 2,400          | 2,400          | 9,600          |
| Radio Advertisement                          | <u>2,000</u>   | <u>2,400</u>   | <u>2,400</u>   | <u>2,400</u>   | <u>9,200</u>   |
| Sub Total                                    | <u>9,400</u>   | <u>9,800</u>   | <u>9,800</u>   | <u>9,800</u>   | <u>38,900</u>  |
| <b>TOTAL PUBLICITY CAMPAIGN</b>              | <b>129,400</b> | <b>134,400</b> | <b>134,400</b> | <b>134,400</b> | <b>532,600</b> |
| Sub Total                                    | 174,667        | 183,030        | 186,730        | 190,799        | 735,226        |
| 12.8% Overhead                               | <u>22,357</u>  | <u>23,428</u>  | <u>23,901</u>  | <u>24,422</u>  | <u>94,108</u>  |
| <b>TOTAL INFO. &amp; COMMUNIC.</b>           | <b>197,024</b> | <b>206,458</b> | <b>210,631</b> | <b>215,221</b> | <b>829,334</b> |

**A P R O F A M**  
**CLINICAL FAMILY PLANNING SERVICES**  
**AID Funded**

|   | <u>1983</u> | <u>1984</u> | <u>1985</u> | <u>1986</u> | <u>TOTAL</u> |
|---|-------------|-------------|-------------|-------------|--------------|
| <b><u>SALARIES</u></b>  |             |             |             |             |              |
| 1 Supervisor \$300 x 12   | ---         | 3,600       | 3,960       | 4,356       | 11,916       |
| 9 Educators \$225 x 12 x 9  | ---         | 24,300      | 26,730      | 29,403      | 80,433       |
| Sub Total   | ---         | 27,900      | 30,690      | 33,759      | 92,349       |
| Fringe Benefits (26.8%)   | ---         | 7,477       | 8,225       | 9,047       | 24,749       |
| <b>TOTAL SALARIES</b>   | ---         | 35,377      | 38,915      | 42,806      | 117,098      |
| <b><u>PER DIEM</u></b>  |             |             |             |             |              |
| 1 Supervisor \$15 x 15 days x 12/Mo.  | ---         | 2,700       | 2,700       | 2,700       | 8,100        |
| 9 Educators 9 x \$70 x 12 Mos.  | ---         | 7,560       | 7,560       | 7,560       | 22,680       |
| <b>TOTAL PER DIEM</b>   | ---         | 10,260      | 10,260      | 10,260      | 30,780       |
| <b><u>TRANSPORTATION</u></b>  |             |             |             |             |              |
| 1 Supervisor \$200 x 12 Mos.  | ---         | 2,400       | 2,400       | 2,400       | 7,200        |
| 9 Educators \$50 x 12 Mos. x 9  | ---         | 5,400       | 5,400       | 5,400       | 16,200       |
| 200 patients \$4.00 each  | ---         | 8,000       | 8,000       | 8,000       | 24,000       |
| <b>TOTAL TRANSPORTATION</b>   | ---         | 15,800      | 15,800      | 15,800      | 47,400       |
| <b><u>TRAINING</u></b>  |             |             |             |             |              |
| 9 Educators x \$10 x 15 days x<br>2 courses                                 | ---         | 2,700       | 2,700       | 2,700       | 8,100        |
| 10 Doctors x \$115 x 5 days   | ---         | 5,750       | 5,750       | 5,750       | 17,250       |
| 10 Nurses x \$15 x 5 days   | ---         | 750         | 750         | 750         | 2,250        |
| <b>TOTAL TRAINING</b>   | ---         | 9,200       | 9,200       | 9,200       | 27,600       |
| <b><u>SEMINARS</u></b>  |             |             |             |             |              |
| 2 Seminars for 25 doctors<br>and 15 nurses. two days<br>x \$15 x 2 x 40 x 2 | ---         | 2,400       | 2,400       | 2,400       | 7,200        |
| <b>TOTAL SEMINARS</b>   | ---         | 2,400       | 2,400       | 2,400       | 7,200        |
| <b><u>VEHICLE REPLACEMENT</u></b>   |             |             |             |             |              |
| Replacement Vehicle for Supervisor  | ---         | 10,000      | ---         | ---         | 10,000       |
| <b>TOTAL</b>  | ---         | 10,000      | ---         | ---         | 10,000       |
| Sub Total   | ---         | 73,037      | 76,575      | 80,466      | 230,078      |
| 12.8% Overhead  | ---         | 9,349       | 9,802       | 10,299      | 29,450       |
| <b>TOTAL</b>  | ---         | 82,386      | 86,377      | 90,765      | 259,528      |

A P R O F A M  
 COMMUNICATION & EVALUATION CAMPAIGN  
 AID Funded

|   | <u>1984</u>   |
|---|---------------|
| <u>SALARIES</u>                           |               |
| 2 Supervisors \$350 x 3 Mos. x 2          | 2,100         |
| 4 Interviewers \$300 x 2 Mos. x 4         | 2,400         |
| 2 Drivers \$225 x 2 Mos. x 2              | <u>900</u>    |
| TOTAL SALARIES                            | 5,400         |
| <u>PER DIEM</u>                           |               |
| <u>Rural Area</u>                         |               |
| 2 Supervisors \$20 x 30 days x 2          | 1,200         |
| 4 Interviewers \$15 x 30 days x 4         | 1,800         |
| 2 Drivers \$15 x 30 days x 2              | 900           |
| <u>Urban Area</u>                         |               |
| 2 Supervisors \$5 x 10 x 2                | 100           |
| 4 Interviewers \$5 x 10 x 4               | 200           |
| 2 Drivers \$5 x 10 x 2                    | <u>100</u>    |
| TOTAL PER DIEM                            | 4,300         |
| <u>RENTAL OF VEHICLES</u>                 |               |
| 2 Vehicles \$850/M x 2 Mos.               | <u>3,400</u>  |
| TOTAL RENTAL OF VEHICLES                  | 3,400         |
| <u>TRANSPORTATION</u>                     |               |
| <u>Rural Area</u>                         |               |
| \$40/day x 30 days                        | 1,200         |
| <u>Urban Area</u>                         |               |
| \$25/day x 10 days                        | <u>250</u>    |
| TOTAL TRANSPORTATION                      | 1,450         |
| <u>STATIONERY AND SUPPLIES</u>            |               |
|   | <u>600</u>    |
| TOTAL STATIONERY & SYPLIES                | 600           |
| <u>DATA PROCESSING</u>                    |               |
| Codification                              | 400           |
| Programming and Cleaning                  | 500           |
| Computer's Time                           | <u>1,500</u>  |
| TOTAL DATA PROCESSING                     | 2,400         |
| TOTAL COMMUNICATION & EVALUATION CAMPAIGN | <u>17,550</u> |

**A P R O F A M**  
**COUNTERPART CONTRIBUTION**

|                                   | <u>1983</u>                      | <u>1984</u>                      | <u>1985</u>                      | <u>1986</u>                      | <u>TOTAL</u>                     |
|-----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| <b><u>OTHER DONORS</u></b>        |                                  |                                  |                                  |                                  |                                  |
| AVS                               | 478,000                          | 540,140                          | 610,358                          | 689,705                          | 2,318,203                        |
| Pathfinders Fund                  | 77,000                           | 87,010                           | 98,321                           | 111,103                          | 373,434                          |
| FPIA                              | 63,000                           | 71,190                           | 80,445                           | 90,903                           | 305,538                          |
| Vecinos Mundiales                 | 20,000                           | 22,600                           | 25,538                           | 28,858                           | 96,996                           |
| Development Associates            | 41,000                           | 46,330                           | 52,353                           | 59,159                           | 198,842                          |
| IPPF                              | 450,000                          | 508,500                          | 574,605                          | 649,304                          | 2,182,409                        |
| <b>Total Donations</b>            | <b><u>1,129,000</u></b>          | <b><u>1,275,770</u></b>          | <b><u>1,441,620</u></b>          | <b><u>1,629,032</u></b>          | <b><u>5,475,472</u></b>          |
| <b><u>APROFAM REVENUES</u></b>    |                                  |                                  |                                  |                                  |                                  |
| Sale of Contraceptives            | 100,000                          | 115,000                          | 132,250                          | 149,443                          | 496,693                          |
| Patient Contributions             | 40,000                           | 46,000                           | 52,900                           | 60,835                           | 199,735                          |
| Local Resources                   | 10,000                           | 11,500                           | 13,225                           | 15,209                           | 49,934                           |
| <b>Total Revenues APROFAM</b>     | <b><u>150,000</u></b>            | <b><u>172,500</u></b>            | <b><u>198,375</u></b>            | <b><u>225,487</u></b>            | <b><u>746,362</u></b>            |
| <b>TOTAL COUNTERPART CONTRIB.</b> | <b><u>1,279,000</u></b><br>===== | <b><u>1,448,270</u></b><br>===== | <b><u>1,639,995</u></b><br>===== | <b><u>1,854,519</u></b><br>===== | <b><u>6,221,784</u></b><br>===== |

Other Donor Contributions have been estimated to increase by 13% of Prior Year.

Other Donor Contributions have been estimated to grow by 15% of Prior Year Total.

INTEGRATED FAMILY PLANNING SERVICES  
MINISTRY OF HEALTH

ILLUSTRATIVE BUDGET AID FUNDS  
(US \$)  
AID Funded

|  | <u>FY-83</u> | <u>FY-84</u> | <u>FY-85</u> | <u>FY-86</u> | <u>TOTAL</u> |
|--|--------------|--------------|--------------|--------------|--------------|
| <u>MEDICAL SUPERVISION</u>   |              |              |              |              |              |
| <u>PER DIEM</u>  |              |              |              |              |              |
| 144 doctors x \$11 x 24 Medical Posts  | ---          | 38,016       | ---          | ---          | 38,016       |
| TOTAL PER DIEM   | ---          | 38,016       | ---          | ---          | 38,016       |
| <u>TRANSPORTATION</u>  |              |              |              |              |              |
| 144 doctors \$5 x 24 Medical Posts   | ---          | 17,280       | ---          | ---          | 17,280       |
| TOTAL TRANSPORTATION   | ---          | 17,280       | ---          | ---          | 17,280       |
| Sub Total Medical Superv.  | ---          | 55,296       | ---          | ---          | 55,296       |
| <u>LOGISTICS SYSTEM</u>  |              |              |              |              |              |
| <u>PER DIEM</u>  |              |              |              |              |              |
| Drivers & Helpers<br>12 x \$11 x 200 days/Year   | ---          | 26,400       | ---          | ---          | 26,400       |
| TOTAL PER DIEM   | ---          | 26,400       | ---          | ---          | 26,400       |
| <u>TRANSPORTATION</u>  |              |              |              |              |              |
| Mileage and Maintenance for<br>4 pick-ups & 2 Diesel trucks                                    | ---          | 70,000       | ---          | ---          | 70,000       |
| TOTAL TRANSPORTATION   | ---          | 70,000       | ---          | ---          | 70,000       |
| <u>VEHICLE REPLACEMENT</u>   |              |              |              |              |              |
| 4 pick ups at \$10,000   | ---          | ---          | 40,000       | ---          | 40,000       |
| 2 trucks at \$30,000   | ---          | ---          | 60,000       | ---          | 60,000       |
| TOTAL VEHICLE REPLACEMENT  | ---          | ---          | 100,000      | ---          | 100,000      |
| Sub Total Logistics System   | ---          | 96,400       | 100,000      | ---          | 196,400      |
| <u>CLINICAL FAMILY PLANNING</u>  |              |              |              |              |              |
| 30 Sets of Surgical Equipment for<br>vasectomy, minilaporatomy and<br>I.U.D insertion at \$350 | ---          | 3,500        | 3,500        | 3,500        | 10,500       |
| Improvements in MOH Hospital and<br>Health Center Operating rooms<br>2000 x 30                 | ---          | 20,000       | 20,000       | 20,000       | 60,000       |
| Sub Total Family Planning  | ---          | 23,500       | 23,500       | 23,500       | 70,500       |
| <u>FAMILY PLANNING PROMOTIONAL MATERIALS</u>   |              |              |              |              |              |
| 30,000 pamphlets at \$ 0.30 unit   | ---          | 9,000        | 9,000        | 9,000        | 27,000       |
| Sub Total Fam Plng. Mat.   | ---          | 9,000        | 9,000        | 9,000        | 27,000       |
| Sub Total MOH  | ---          | 184,196      | 132,500      | 32,500       | 349,196      |
| Contingencies  | ---          | 18,420       | 27,825       | 10,075       | 56,320       |
| TOTAL MINISTRY OF HEALTH   | ---          | 202,616      | 160,325      | 42,575       | 405,516      |

GOVERNMENT OF GUATEMALA COUNTERPART

| <u>DESCRIPTION</u>          | <u>1983</u>    | <u>1984</u>    | <u>1985</u>    | <u>1986</u>      | <u>TOTAL</u>     |
|-----------------------------|----------------|----------------|----------------|------------------|------------------|
| <u>MINISTRY OF HEALTH</u>   |                |                |                |                  |                  |
| Doctor Salaries (15%)       | 155,520        | 163,296        | 171,461        | 180,034          | 670,311          |
| Nurses Salaries (15%)       | 216,000        | 226,800        | 238,140        | 250,047          | 930,987          |
| Total Salaries              | <u>371,520</u> | <u>390,096</u> | <u>409,601</u> | <u>430,081</u>   | <u>1,601,298</u> |
| <u>MEDICAL FACILITIES</u>   |                |                |                |                  |                  |
| Health Posts                | 198,000        | 207,900        | 218,295        | 229,210          | 853,405          |
| Health Centers              | 114,048        | 119,750        | 125,738        | 132,025          | 491,561          |
| Total Medical Facil.        | <u>312,048</u> | <u>327,650</u> | <u>344,033</u> | <u>361,235</u>   | <u>1,344,966</u> |
| Medical Supervision         | ---            | 38,000         | 76,000         | 76,000           | 190,000          |
| Contraceptive Logistics     | ---            | ---            | 96,400         | 96,400           | 192,800          |
| Total                       | <u>---</u>     | <u>38,000</u>  | <u>172,400</u> | <u>172,400</u>   | <u>382,800</u>   |
| <u>WAREHOUSE FACILITIES</u> | 10,000         | 10,000         | 10,000         | 10,000           | 40,000           |
| <u>STATISTICAL SERVICES</u> | 5,000          | 5,000          | 5,000          | 5,000            | 20,000           |
| TOTAL MOH                   | <u>698,568</u> | <u>770,746</u> | <u>941,034</u> | <u>978,716</u>   | <u>3,389,064</u> |
| <u>MINISTRY OF LABOR</u>    | 37,440         | 39,312         | 41,278         | 43,342           | 161,372          |
| TOTAL COUNTERPART           | <u>736,008</u> | <u>810,058</u> | <u>982,312</u> | <u>1,022,058</u> | <u>3,550,436</u> |

## CONTRACEPTIVE RETAIL SALES

## ILLUSTRATIVE BUDGET

(US \$)

AID Funded

|                            | <u>1983</u>             | <u>1984</u>             | <u>1985</u>             | <u>1986</u>             | <u>TOTAL</u>              |
|----------------------------|-------------------------|-------------------------|-------------------------|-------------------------|---------------------------|
| Project Personnel          | 49,987                  | 49,987                  | 52,089                  | 39,377                  | 191,440                   |
| Contractor Personnel       | 11,446                  | 11,446                  | 11,446                  | 11,446                  | 45,784                    |
| Promotion & Advertising    | 159,700                 | 207,000                 | 207,000                 | 159,700                 | 733,400                   |
| Travel (Project Personnel) | 5,400                   | 5,400                   | 5,400                   | 5,400                   | 21,600                    |
| Contractor Fees            | 100,000                 | 100,000                 | 100,000                 | ---                     | 300,000                   |
| Local Administration       | 22,800                  | 28,800                  | 22,800                  | 22,800                  | 97,200                    |
| Repackaging                | 10,100                  | 21,000                  | 33,800                  | 54,900                  | 119,800                   |
| Distribution               | 27,300                  | 105,800                 | 139,800                 | 116,200                 | 389,100                   |
| Contingencies & Inflation  | <u>15,029</u>           | <u>52,943</u>           | <u>114,467</u>          | <u>127,045</u>          | <u>309,484</u>            |
| TOTAL                      | <u>401,762</u><br>===== | <u>582,376</u><br>===== | <u>686,802</u><br>===== | <u>536,868</u><br>===== | <u>2,207,808</u><br>===== |

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5-21-82

CONTRACEPTIVE RETAIL SALES

ILLUSTRATIVE BUDGET

(US \$)

AID Funded

|   | <u>1983</u>   | <u>1984</u>   | <u>1985</u>   | <u>1986</u>   | <u>TOTAL</u>   |
|---|---------------|---------------|---------------|---------------|----------------|
| <b><u>PROJECT PERSONNEL</u></b>                           |               |               |               |               |                |
| Project Director  | 14,400        | 14,400        | 14,400        | 14,400        | 57,600         |
| Secretary/Receptionist                                    | 4,200         | 4,200         | 4,800         | 4,800         | 18,000         |
| Admin. Assistant/Accountant                               | 6,000         | 6,000         | 6,600         | 6,500         | 25,200         |
| 3. Detailmen/Sales Promoters                              | 9,000         | 9,000         | 9,000         | ---           | 27,000         |
| Messenger/Maintenance                                     | 1,800         | 1,800         | 2,100         | 2,100         | 7,800          |
| Sub Total   | 35,400        | 35,400        | 36,900        | 27,900        | 135,600        |
| Fringe Benefits (26.8%)                                   | 9,487         | 9,487         | 9,889         | 7,477         | 36,340         |
| <b>TOTAL SALARIES &amp; BENEFITS</b>                      | <b>44,887</b> | <b>44,887</b> | <b>46,789</b> | <b>35,377</b> | <b>171,940</b> |
| <b><u>INCENTIVE AWARDS</u></b>                            |               |               |               |               |                |
| Bonus or Commission Calculated on Sales Volume (Optional) | 5,100         | 5,100         | 5,300         | 4,000         | 19,500         |
| <b>TOTAL PROJECT PERSONNEL</b>                            | <b>49,987</b> | <b>49,987</b> | <b>52,089</b> | <b>39,377</b> | <b>191,440</b> |
| <b><u>CONTRACTOR PERSONNEL (APROFAM)</u></b>              |               |               |               |               |                |
| <b><u>SALARIES</u></b>                                    |               |               |               |               |                |
| Warehouse Supervisor & Assistant (1/3 time)               | 2,400         | 2,400         | 2,400         | 2,400         | 9,600          |
| Accountant (25% time)                                     | 2,700         | 2,700         | 2,700         | 2,700         | 10,800         |
| 2 Administrators (10% time)                               | 3,000         | 3,000         | 3,000         | 3,000         | 12,000         |
| Sub Total   | 8,100         | 8,100         | 8,100         | 8,100         | 32,400         |
| Fringe Benefits (26.8%)                                   | 2,171         | 2,171         | 2,171         | 2,171         | 8,684          |
| <b>TOTAL SALARIES &amp; BENEFITS</b>                      | <b>10,271</b> | <b>10,271</b> | <b>10,271</b> | <b>10,271</b> | <b>41,084</b>  |
| <b><u>INCENTIVE AWARDS</u></b>                            |               |               |               |               |                |
| Bonus or Commission Calculated on Sales Volume (Optional) | 1,175         | 1,175         | 1,175         | 1,175         | 4,700          |
| <b>TOTAL CONTRACTOR PERSONNEL</b>                         | <b>11,446</b> | <b>11,446</b> | <b>11,446</b> | <b>11,446</b> | <b>45,780</b>  |

CONTRACEPTIVE RETAIL SALES  
ILLUSTRATIVE BUDGET

Annex "C"  
Table 7  
Page 18 of 26 Pages

(US \$)  
AID Funded

|   | <u>1983</u>    | <u>1984</u>    | <u>1985</u>    | <u>1986</u>    | <u>TOTAL</u>   |
|---|----------------|----------------|----------------|----------------|----------------|
| <u>PROMOTION &amp; ADVERTISING</u>  |                |                |                |                |                |
| <u>Radio</u>  |                |                |                |                |                |
| 30 Stations x 30" spots x 12 spots<br>daily x 7-1/2 months x \$630/monthly<br>years 1 & 4 | 141,700        | ---            | ---            | 141,700        | 283,400        |
| 30 stations x 30" spots x 12 spots<br>daily x 10 months x /630 monthly<br>years 2 and 3   | ---            | 189,000        | 189,000        | ---            | 378,000        |
| Production costs two of one 30" spot<br>with 60 copies                                    | 3,000          | 3,000          | 3,000          | 3,000          | 12,000         |
| <u>PRINT</u>  |                |                |                |                |                |
| Promotional literature P.O.P.<br>material (150 M x 10¢ each)                              | <u>15,000</u>  | <u>15,000</u>  | <u>15,000</u>  | <u>15,000</u>  | <u>60,000</u>  |
| TOTAL PROMOTION & ADVERT.   | <u>159,700</u> | <u>207,000</u> | <u>207,000</u> | <u>159,700</u> | <u>733,400</u> |
| <u>TRAINING</u>   |                |                |                |                |                |
| In-country Training 4 courses/yr<br>\$600 each  | 2,400          | 2,400          | 2,400          | 2,400          | 9,600          |
| Training & Orientation Meetings<br>2 per year \$1,500                                     | <u>3,000</u>   | <u>3,000</u>   | <u>3,000</u>   | <u>3,000</u>   | <u>12,000</u>  |
| TOTAL TRAINING  | <u>5,400</u>   | <u>5,400</u>   | <u>5,400</u>   | <u>5,400</u>   | <u>21,600</u>  |
| <u>CONTRACTOR FEE</u>   |                |                |                |                |                |
| Salary, Allowances, Travel, etc.  | 60,000         | 60,000         | 60,000         | ---            | 180,000        |
| Administrative Expenses   | <u>40,000</u>  | <u>40,000</u>  | <u>40,000</u>  | ---            | <u>120,000</u> |
| TOTAL CONTRACTOR FEE  | <u>100,000</u> | <u>100,000</u> | <u>100,000</u> | ---            | <u>300,000</u> |
| <u>LOCAL ADMINISTRATION</u>   |                |                |                |                |                |
| Office Rent \$400/Mo.   | 4,800          | 4,800          | 4,800          | 4,800          | 19,200         |
| Office Utilities (Electricity<br>Gas, Water) \$300/Mo.                                    | 3,600          | 3,600          | 3,600          | 3,600          | 14,400         |
| Telephone, Cables, Telex (local<br>and long distance) \$200/Mo.                           | 2,400          | 2,400          | 2,400          | 2,400          | 9,600          |
| Vehicle Subsidy on mileage basis<br>(4 vehicles x \$250/Mo. x 12/Mo.)                     | <u>12,000</u>  | <u>12,000</u>  | <u>12,000</u>  | <u>3,000</u>   | <u>39,000</u>  |
| TOTAL LOCAL ADMIN.  | <u>22,800</u>  | <u>22,800</u>  | <u>22,800</u>  | <u>13,800</u>  | <u>82,200</u>  |

**CONTRACEPTIVE RETAIL SERVICES**

**ILLUSTRATIVE BUDGET**

(US \$)  
AID Funded

|  | <u>1983</u>   | <u>1984</u>    | <u>1985</u>    | <u>1986</u>    | <u>TOTAL</u>   |
|--|---------------|----------------|----------------|----------------|----------------|
| <b>REPACKAGING</b>   |               |                |                |                |                |
| <b>CONDOMS</b>   |               |                |                |                |                |
| 40,000 x \$0.10  | 4,000         | ---            | ---            | ---            | 4,000          |
| 78,000 x \$0.10  | ---           | 7,800          | ---            | ---            | 7,800          |
| 120,000 x \$0.10   | ---           | ---            | 12,000         | ---            | 12,000         |
| 180,000 x \$0.10   | ---           | ---            | ---            | 18,000         | 18,000         |
| <b>FOAMING TABLETS</b>   |               |                |                |                |                |
| 15,000 x \$0.10  | 1,500         | ---            | ---            | ---            | 1,500          |
| 42,000 x \$0.10  | ---           | 4,200          | ---            | ---            | 4,200          |
| 68,000 x \$0.10  | ---           | ---            | 6,800          | ---            | 6,800          |
| 117,000 x \$0.10   | ---           | ---            | ---            | 11,700         | 11,700         |
| <b>ORAL CONTRACEPTIVES</b>   |               |                |                |                |                |
| 92,000 x \$0.05  | 4,600         | ---            | ---            | ---            | 4,600          |
| 180,000 x \$0.05   | ---           | 9,000          | ---            | ---            | 9,000          |
| 300,000 x \$0.05   | ---           | ---            | 15,000         | ---            | 15,000         |
| 504,000 x \$0.05   | ---           | ---            | ---            | 25,200         | 25,200         |
| <b>TOTAL REPACKAGING</b>   | <b>10,100</b> | <b>21,000</b>  | <b>33,800</b>  | <b>54,900</b>  | <b>119,800</b> |
| <b>DISTRIBUTION</b>  |               |                |                |                |                |
| Distributor operates a 25% markup based on delivered at warehouse cost | <u>27,300</u> | <u>105,800</u> | <u>139,800</u> | <u>116,200</u> | <u>389,100</u> |
| <b>TOTAL DISTRIBUTION</b>  | <b>27,300</b> | <b>105,800</b> | <b>139,800</b> | <b>116,200</b> | <b>389,100</b> |

CONTRACEPTIVE RETAIL SERVICES  
 COUNTERPART BUDGET  
 (US \$)

|   | <u>1983</u>            | <u>1984</u>            | <u>1985</u>             | <u>1986</u>             | <u>TOTAL</u>            |
|---|------------------------|------------------------|-------------------------|-------------------------|-------------------------|
| Funds Generated by<br>Counterpart Company<br>Budget by Source of<br>Contraception <u>1/</u> |                        |                        |                         |                         |                         |
| Condom Sales  | 7,600                  | 14,800                 | 22,800                  | 34,200                  | 79,400                  |
| Vaginal Tablet Sales  | 3,200                  | 8,800                  | 14,300                  | 24,600                  | 50,900                  |
| Oral Contraceptive<br>Sales   | <u>27,600</u>          | <u>54,000</u>          | <u>90,000</u>           | <u>151,200</u>          | <u>322,800</u>          |
| <b>TOTAL</b>  | <u>38,400</u><br>===== | <u>77,600</u><br>===== | <u>127,100</u><br>===== | <u>210,000</u><br>===== | <u>453,100</u><br>===== |

1/ These numbers are based on the following sources:

Tables entitled "Mean Number of Projected Oral Contraceptive Users,  
 by Source of Contraception"

Estimated CRS Budget, "VII REPACKAGING"

Report entitled "PRELIMINARY PROPOSAL FOR A CONTRACEPTIVE RETAIL  
 SALES PROJECT" Page 10 V. Pricing Strategy.

Project Revenues.

A I D  
PRIVATE ORGANIZATIONS BUDGET  
AID Funded

|                       | <u>1983</u>            | <u>1984</u>             | <u>1985</u>             | <u>1986</u>             | <u>TOTAL</u>            |
|-----------------------|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Personnel             | 13,650                 | 22,500                  | 22,500                  | 22,500                  | 81,150                  |
| Training              | 27,300                 | 45,000                  | 45,000                  | 45,000                  | 162,300                 |
| Travel & Per Diem     | 22,750                 | 37,500                  | 37,500                  | 37,500                  | 135,250                 |
| Promotional Materials | 27,300                 | 45,000                  | 45,000                  | 45,000                  | 162,300                 |
| Contingencies         | <u>---</u>             | <u>15,000</u>           | <u>30,000</u>           | <u>45,000</u>           | <u>90,000</u>           |
| TOTAL                 | <u>91,000</u><br>===== | <u>165,000</u><br>===== | <u>180,000</u><br>===== | <u>195,000</u><br>===== | <u>631,000</u><br>===== |

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5-21-82

PRIVATE ORGANIZATIONS COUNTERPART

|   | <u>1983</u>            | <u>1984</u>            | <u>1985</u>            | <u>1986</u>            | <u>TOTAL</u>            |
|---|------------------------|------------------------|------------------------|------------------------|-------------------------|
| <u>MOVIMIENTO CAMPESINO INDEPENDIENTE (MCI)</u> |                        |                        |                        |                        |                         |
| A. Rental of Office Space                       | 1,200                  | 1,380                  | 1,587                  | 1,825                  | 5,992                   |
| B. Office Furniture & Equip.                    | 2,335                  | 2,685                  | 3,088                  | 3,551                  | 11,659                  |
| C. Audiovisual Equipment                        | 1,630                  | 1,874                  | 2,156                  | 2,479                  | 8,139                   |
| D. Vehicle                                      | 5,000                  | 5,750                  | 6,613                  | 7,604                  | 24,967                  |
| E. Administrative Costs                         | <u>1,300</u>           | <u>1,495</u>           | <u>1,719</u>           | <u>1,977</u>           | <u>6,491</u>            |
|   | 11,465                 | 13,184                 | 15,163                 | 17,436                 | 57,248                  |
| <u>OTHER PRIVATE ORGANIZATIONS</u>              |                        |                        |                        |                        |                         |
| Salaries, Transportation and Facilities         | <u>20,000</u>          | <u>30,000</u>          | <u>30,000</u>          | <u>30,000</u>          | <u>110,000</u>          |
| TOTAL   | <u>31,465</u><br>===== | <u>43,184</u><br>===== | <u>45,163</u><br>===== | <u>47,436</u><br>===== | <u>167,298</u><br>===== |

MCI counterpart is estimated to increase 15% each year.

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5-21-82

A P R O F A M  
 COMPARATIVE STATEMENT OF DONATIONS  
 (US \$)

|   | <u>1979</u>               | <u>1980</u>               | <u>1981</u>               |
|---|---------------------------|---------------------------|---------------------------|
| AID   | 309,939                   | 610,621                   | 450,644                   |
| IPPF  | 424,337                   | 356,750                   | 385,400                   |
| PATHFINDERS FUND                            | 110,188                   | 52,191                    | 64,546                    |
| WORLD NEIGHBORS                             | 14,443                    | 14,479                    | 15,724                    |
| ASS'N FOR VOLUNTARY STERILIZATION           | 427,813                   | 435,314                   | 446,406                   |
| DEVELOPMENT ASSOCIATES, INC.                | ---                       | 39,517                    | 29,647                    |
| FAMILY PLANNING INTERNATIONAL<br>ASSISTANCE | ---                       | 68,654                    | 34,968                    |
| OTHER DONORS                                | <u>113,766</u>            | <u>67,672</u>             | <u>52,047</u>             |
| TOTAL                                       | <u>1,400,486</u><br>===== | <u>1,645,198</u><br>===== | <u>1,479,382</u><br>===== |

FA:VMir6n/rl  
 5-21-82

A P R O F A M  
COMPARATIVE INCOME STATEMENTS (AUDITED)  
(US \$)  
FOR FISCAL YEARS ENDING

|                         | <u>12/31/79</u>  | <u>12/31/80</u>  | <u>12/31/81</u>  |
|-------------------------|------------------|------------------|------------------|
| <u>INCOME</u>           |                  |                  |                  |
| Donations - Cash        | 1,539,840        | 1,833,349        | 1,698,151        |
| Miscellaneous           | <u>58,330</u>    | <u>56,489</u>    | <u>24,775</u>    |
| Total Income            | 1,598,170        | 1,889,838        | 1,722,926        |
| <br>                    |                  |                  |                  |
| <u>EXPENSES</u>         |                  |                  |                  |
| Administrative Expenses | 188,547          | 199,801          | 222,063          |
| Project Expenses        | <u>1,291,893</u> | <u>1,448,352</u> | <u>1,440,502</u> |
| Total Expenses          | 1,480,440        | 1,648,153        | 1,662,565        |
| <br>                    |                  |                  |                  |
| <u>NET INCOME</u>       | <u>117,730</u>   | <u>241,685</u>   | <u>60,361</u>    |

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5-21-82

A P R O F A M  
 COMPARATIVE CONSOLIDATED BALANCE SHEETS (AUDITED)  
 (US \$)  
 AS OF

|   | <u>1979</u>    | <u>1980</u>      | <u>1981</u>      |
|---|----------------|------------------|------------------|
| <u>ASSETS</u>                               |                |                  |                  |
| <u>Current Assets</u>                       |                |                  |                  |
| Cash  | 42,518         | 155,849          | 218,033          |
| Accounts Receivable                         | <u>206,736</u> | <u>273,823</u>   | <u>176,945</u>   |
| Total Current Assets                        | 249,254        | 429,672          | 394,978          |
| <br>  |                |                  |                  |
| <u>Fixed Assets</u>                         | <u>639,880</u> | <u>668,203</u>   | <u>676,687</u>   |
| <br>  |                |                  |                  |
| TOTAL ASSETS                                | <u>889,134</u> | <u>1,097,875</u> | <u>1,071,665</u> |
|   | =====          | =====            | =====            |
| <br>  |                |                  |                  |
| <u>LIABILITIES AND SOCIAL FUND (EQUITY)</u> |                |                  |                  |
| Accounts Payable                            | 93,292         | 192,287          | 217,369          |
| Liabilities - Long-Term                     | 310,000        | 190,000          | 227,343          |
| Reserve for Social Benefits                 | 152,989        | 141,048          | 154,761          |
| Social Fund                                 | <u>332,853</u> | <u>574,540</u>   | <u>472,192</u>   |
| <br>  |                |                  |                  |
| TOTAL LIABILITIES & SOCIAL FUND             | <u>889,134</u> | <u>1,097,875</u> | <u>1,071,575</u> |
|   | =====          | =====            | =====            |

FA:VMir6n/rl  
 5-21-82

A P R O F A M

COMPARATIVE STATEMENT OF CHANGES IN FINANCIAL POSITION

(US \$)

FOR FISCAL YEARS ENDING

|  | <u>12/31/79</u> | <u>12/31/80</u> | <u>12/31/81</u> |
|--|-----------------|-----------------|-----------------|
| <b>FUNDS PROVIDED BY:</b>                            |                 |                 |                 |
| Net Income   | 117,730         | 241,685         | 60,361          |
| Non Cash Items:                                      |                 |                 |                 |
| Depreciation   | 57,007          | ---             | ---             |
| Fund for Severance Pay                               | 20,753          | ---             | 50,575          |
| Working Capital Provided by Operations               | <u>195,490</u>  | <u>241,685</u>  | <u>110,936</u>  |
| <b>Other Sources of Working Capital:</b>             |                 |                 |                 |
| Bank Loan  | 120,000         | ---             | ---             |
| Sale of Assets                                       | 1,890           | ---             | ---             |
| Decrease in Accounts Receivable                      | ---             | ---             | 96,878          |
| Reclassification of Short Term Loan                  | ---             | ---             | 37,343          |
| Increase in Loans and Advances of Other Donors       | ---             | ---             | <u>102,681</u>  |
| <b>Total Working Capital</b>                         | <u>317,380</u>  | <u>241,685</u>  | <u>347,838</u>  |
| <b>FUNDS USED FOR:</b>                               |                 |                 |                 |
| Increase in Accounts Receivable                      | ---             | 67,087          | ---             |
| Decrease in Accounts Payable and Accrued Liabilities | ---             | 21,005          | 10,256          |
| Reclassification of Long-Term Loans                  | ---             | ---             | 67,343          |
| Severance Pay  | 32,339          | 11,941          | 36,862          |
| Building Construction                                | ---             | 28,321          | 8,484           |
| Social Fund Adjustment                               | ---             | ---             | 162,709         |
| Acquisition of Office Furniture and Equipment        | <u>249,167</u>  | ---             | ---             |
| <b>Total Funds Uses</b>                              | <u>281,506</u>  | <u>128,354</u>  | <u>285,654</u>  |
| <b>Increase or Decrease in Working Capital</b>       | <u>35,874</u>   | <u>113,331</u>  | <u>62,184</u>   |



-- IT SHOULD BE CLEAR IN THE PP THAT THE PROJECT DESIGN IS NOT DEPENDENT ON OTHER DONOR FINANCING, UNFPA IN PARTICULAR, WHOSE CONTRIBUTIONS ARE UNCERTAIN DURING LIFE OF PROJECT. MISSION SHOULD ENSURE CRITICAL ELEMENTS ARE INCLUDED IN BILATERAL PROGRAM AND NOT DEPENDENT ON SUPPORT FROM INTERMEDIARIES WHOSE PROGRAMS ARE BEING CUT BACK. 2

### 3. IMPLEMENTING AGENCIES.

-- A. THE RELATIONSHIP BETWEEN IMPLEMENTING AGENCIES AS WELL AS EACH ENTITY'S ROLE AND RESPONSIBILITY SHOULD BE EXPLICITLY STATED IN THE PP. IT SHOULD ALSO BE CLEAR IN THE PP WITH WHICH ORGANIZATION(S) THE PROJECT AGREEMENT(S) WILL BE SIGNED. THERE SHOULD ALSO BE A DISCUSSION OF HOW THE ACTIVITIES OF THE VARIOUS ORGANIZATIONS WILL BE COORDINATED AND WHO WILL MANAGE THE PROJECT.

-- B. MANY CONCERNS WERE RAISED IN REFERENCE TO THE ESTABLISHMENT AND OPERATIONS OF A NEW ORGANIZATION TO IMPLEMENT THE CRS PROGRAM. RECOMMEND THAT MISSION HAVE A GUATEMALAN LAWYER LOOK AT ALTERNATIVES (I.E. COOPERATIVES, NON-PROFIT ORGANIZATIONS, APROFAM, ETC.) TO ESTABLISHING AN AUTONOMOUS QUOTE PROFIT MAKING UNQUOTE INSTITUTION. SUGGEST THAT INFORMATION IN THIS REGARD BE FORWARDED TO THE REGIONAL LEGAL ADVISOR, OR AT RLA'S OPTION, TO GC/LAC FOR A LEGAL OPINION PRIOR TO SUBMISSION OF PP. THE PP SHOULD DISCUSS THE ADVANTAGES AND THE DISADVANTAGES AS WELL AS THE LEGAL RAMIFICATIONS OF THE VARIOUS ALTERNATIVES AND PROVIDE ADEQUATE

JUSTIFICATION AND DETAILED DESCRIPTION OF THE ENTITY CHOSEN TO IMPLEMENT THE CRS PROGRAM.

-- C. QUESTIONS WERE RAISED CONCERNING THE RESULTS TO DATE OF TRANSFERRING THE RESPONSIBILITY FOR THE LOGISTICS OF THE GUATEMALA DIRECT DISTRIBUTION PROGRAM ACTIVITIES FROM APROFAM TO THE MOH. THE PP SHOULD DISCUSS THE STATUS OF THE TRANSFER AND INCLUDE A REALISTIC ASSESSMENT OF WHETHER THE MOH HAS THE INSTITUTIONAL CAPABILITY TO ASSUME THIS RESPONSIBILITY.

### 4. FINANCIAL CONSIDERATIONS.

-- A. THE FINANCIAL PLAN IN THE PP SHOULD SHOW A BREAKDOWN OF ALL PROJECTED COSTS INCLUDING CONTRACTIVES PER COMPONENT OVER LIFE OF PROJECT. THE PP SHOULD ALSO INCLUDE A DETAILED ANALYSIS OF APROFAM'S SOURCES AND USES OF FUNDING. THIS IS OF PARTICULAR INTEREST IN DETERMINING IF THE FUNDING OF OVERHEAD OR INDIRECT COSTS ARE JUSTIFIABLE. IF INDIRECT COSTS ARE PRESENTLY BEING MET BY OTHER CONTRIBUTIONS, IT IS OUR POSITION THAT AID GRANT FUNDS SHOULD NOT FINANCE THESE INDIRECT COSTS. IF, HOWEVER, THERE ARE COSTS INCURRED AS A RESULT OF PROJECT ACTIVITIES, IT WOULD BE JUSTIFIABLE TO INCLUDE SUCH COSTS IN THE PROJECT'S BUDGET.

-- B. THE PP SHOULD DETAIL HOW PROJECT FUNDS WILL BE OBLIGATED AND DISBURSED AND THE MANNER IN WHICH FUNDS WILL BE CHANNELLED TO THE VARIOUS IMPLEMENTING INSTITUTIONS.

-- C. ACTIVITIES UNDER THE FOURTH COMPONENT OF THE PROJECT (SUPPORT FOR PRIVATE AND PUBLIC ORGANIZATIONS)

MUST EITHER BE IDENTIFIED AND DESCRIBED IN DETAIL IN THE PP OR ELIGIBILITY CRITERIA RELATED TO THE OVERALL PROJECT MUST BE OUTLINED IN THE PP ACCORDING TO WHICH THESE ACTIVITIES WILL BE SELECTED SUBSEQUENT TO PROJECT AUTHORIZATION. (3)

-- D. THE PP SHOULD INCLUDE AN ANALYSIS OF HOW PROJECT ACTIVITIES WILL BE FINANCED AFTER THE TERMINATION OF AID FUNDS, ESPECIALLY IN REGARD TO THE CRS PROGRAM.

-- E. THE CURRENT LIFE OF PROJECT FUNDING PROGRAMMED IS DOLS 8.611 MILLION, WHEREAS THE BUDGET IN THE PID IS FOR DOLS 12.737 MILLION. THE RATIONALE FOR THIS

INCREASE IN FUNDING IS NOT CLEAR. IN VIEW OF LIMITED RESOURCES, SUGGEST THAT MISSION CAREFULLY REVIEW BUDGET TO SEE WHERE CUTS CAN BE MADE, ESPECIALLY IN REGARD TO PROVIDING FUNDING FOR OVERHEAD COSTS AND FOR PRIVATE AND PUBLIC ORGANIZATIONS. IT SHOULD BE NOTED THAT THE GOG COUNTERPART CONTRIBUTION SHOULD BE 25 PERCENT OF TOTAL PROJECT COST. HAIG

BT

#8941

PACKING LIST

Annex "E"  
Page 1 of 2

MEDICAL KIT NO. 8 - MINILAP KIT - to consist of the following 27 items:

|   |         |
|---|---------|
| Instrument pan and cover, s/s, 12 3/4" X 6 3/4" X 4", with metal latch.   | 1 ea.   |
| Forceps, dressing, straight, 5 1/2".                                      | 1 ea.   |
| Forceps, tissue, std. pattern, 5 1/2".                                    | 1 ea.   |
| Forceps, mosquito, Halstead, curved, 5".                                  | 4 ea.   |
| Forceps, uterine tenaculum, Schroeder-Braun, 9 1/2".                      | 1 ea.   |
| Forceps, sponge, Foerster, straight, serrated jaws, 9 1/2".               | 1 ea.   |
| Forceps, intestinal, Babcock, 6 1/2".                                     | 2 ea.   |
| Forceps, (clamp), towel, Backhaus, 5 1/2".                                | 4 ea.   |
| Forceps, hemostatic, Rochester-Ochsner, 8".                               | 2 ea.   |
| Forceps, tonsil, Sawtell, 7 1/2".   | 2 ea.   |
| Syringe, control, 10cc.   | 2 ea.   |
| Syringe, hypodermic, 10cc.  | 4 ea.   |
| Retractor set, double-ended, U.S. Army.                                   | 1 ea.   |
| Retractor set, Richardson-Eastman.  | 2 ea.   |
| Holder, needle, Mayo-Hegar, broad jaw, 7".                                | 1 ea.   |
| Needle, abdominal, Keith, triangular point, straight, 2 1/2".             | 1/2 dz. |
| Needle, catgut, Mayo, 1/2 circle, taper point, regular eye, Size 6.       | 1 dz.   |
| Needle, surgeon's, regular design, with cutting edge, 1/2 circle, Size 6. | 1 dz.   |
| Needle, hypodermic, reusable, 22G X 1 1/2".                               | 1 dz.   |
| Scissors, operating, std. pattern, straight, blunt and blunt tips, 6".    | 1 ea.   |
| Scissors, tonsil, Metzenbaum, curved or slightly curved on flat, 7".      | 1 ea.   |
| Speculum, vaginal, Graves, medium.  | 1 ea.   |
| Handle, surgical knife, Size #3.  | 1 ea.   |
| Blades, surgical, stainless steel, Size 15.                               | 2 dz.   |
| Catheter, urethral, female, #14 French.                                   | 1 ea.   |
| Ramathibodi uterine elevator.   | 1 ea.   |
| Glass, medicine.  | 1 ea.   |

PACKING SLIP



AMERICAN MEDICAL INSTRUMENT CORP.

133-14 39th AVENUE, FLUSHING, N. Y. 11354



CONTRACT NO.....GS-005-15090

DATE PACKED.....JUN 1977

| ITEM NO.   | SUPPLIES /SERVICES  | QUANTITY | UNIT |
|--|---|----------|------|
| <p><b>MEDICAL KIT NO. 5 — VASECTOMY</b><br/>Each kit to consist of the following 16 items:</p> |   |          |      |
| 2.   | Instrument pan and cover, s/a, 12-3/4" x 6 3/4" x 4" with metal latch.                | 1        | ea   |
| 3.   | Clamps, towel, Backhaus, 3-1/2".  | 4        | ea   |
| 5.   | Control syringe, Luer-Lok, 5cc.   | 1        | ea   |
| 13.  | Forceps, curved, 5-1/2", box-lock.  | 4        | ea   |
| 19.  | Forceps, Allis intestinal, standard pattern, box-lock, 6", 5 x 6 teeth.               | 2        | ea   |
| 21.  | Forceps, Kelly, artery, straight, 5-1/2".   | 2        | ea   |
| 24.  | Handle, surgical knife, No. 3.  | 1        | ea   |
| 25.  | Holder, needle, Collier, box-lock, 5".  | 1        | ea   |
| 27.  | Needle, Keith abdominal, triangular point, straight, 2-1/2". (6 needles per package). | 1        | dz   |
| 28.  | Needles, Mayo, 1/2 circle, taper point, regular eye, size 6. (6 per package).         | 2        | pk   |
| 29.  | Needles, hypodermic, 22 gauge, 1/2" long, reusable (12 per package).                  | 1        | pk   |
| 30.  | Needles, hypodermic, 25 gauge, 1/4" long, reusable (12 per package).                  | 1        | pk   |
| 33.  | Scissors, Knapp Iris, 4", curved.   | 1        | ea   |
| 48.  | Blades, Surgical, carbon steel, Size 15. (6 blades per package).                      | 4        | pk   |
| 50.  | Syringe, hypodermic, Luer-Lok, 5cc.   | 4        | ea   |
| 56.  | Scissors, suture, blunt and blunt, 4-1/2".  | 1        | ea   |



MINISTERIO DE SALUD PUBLICA  
Y ASISTENCIA SOCIAL

GUATEMALA, C. A.

Sr. Eliseo Carrasco  
Director de A.I.D. Misión Guatemala  
Presente.

Estimado Señor Carrasco:

En relación a las conversaciones entre representantes de la Dirección General de Servicios de Salud de este Ministerio y la División de Salud Pública de la Misión AID en Guatemala, me complace informarle que estamos interesados en el mejoramiento de la salud de los guatemaltecos, en consecuencia solicitamos ayuda financiera de la Institución bajo su dirección para llevar a cabo las actividades siguientes:

1. Supervisión médica de actividades de Salud Materno Infantil y Familiar.
2. Sistema logístico para entregar medicamentos y anticonceptivos a Centros y Puestos de Salud del Ministerio de Salud Pública y Asistencia Social.
3. Adiestramiento quirúrgico para 30 médicos del Ministerio de Salud Pública y Asistencia Social en vasectomía y mini laparotomía.
4. Producción de material educativo en el Area de Salud Familiar.

En tal virtud, le agradeceré se sirva aceptar la presente solicitud para que dicho apoyo sea realizado, suscribiéndome muy atentamente,

  
Dr. ADOLFO CASTAÑEDA FELICE  
Ministro de Salud Pública  
y Asistencia Social



|      |         |
|------|---------|
| NUM. | 2845    |
| REF. | 1. 10 0 |

Al contestar sírvase mencionar el  
Número de referencia de esta nota.

Info. Copy PHD

Info. Copy Program

Necessary Action Draft

reply to Director

Due Date 6-7-82

Date Routed 5-24-82 By K91

**APROFAM**

APARTADO POSTAL 1004

TELS. 81089 - 81586

CABLE: ASOFAMGUA

Ref. No. 616-82

24 de mayo de 1982

Sr. Eliseo Carrasco  
Director AID  
Presente

Estimado señor Carrasco:

Por este medio estamos enviando nuestra solicitud formal de ayuda financiera para realizar las actividades de :

- Distribución Comunitaria, Urbana y Rural
- Campaña de Comunicaciones por medios masivos
- Desarrollo Rural del Altiplano
- Servicios Clínicos

La solicitud anterior comprende el período de 1983 a 1986 de acuerdo a los presupuestos presentados en su oportunidad.

En espera de una resolución favorable a nuestra solicitud, aprovecho la oportunidad para suscribirme muy atentamente,

A P R O F A M



DR. ROBERTO SANTISO GALVEZ  
DIRECTOR EJECUTIVO

RSG/vic

# MOVIMIENTO CAMPESENO INDEPENDIENTE

(Personalidad Jurídica Acuerdo Gubernativo del 19 de Junio de 1969)

8a. Avenida 20-22, Zona 1 - Oficina 51, 5o. Piso - Teléfono 83134

Ciudad de Guatemala

**AFILIADO A:** Federación Internacional de los Trabajadores de las Plantaciones Agrícolas  
y Similares, FITPAS, con sede en Ginebra, Suiza.

---

Guatemala, 28 de mayo de 1982.-

Señor Eliseo Carrasco,  
Director de Misión AID en Guatemala,  
Presente.

Señor Director:

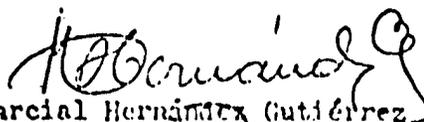
De manera atenta me permito formular ante usted la siguiente solicitud:

El MCI ha venido realizando con éxito las actividades de planificación familiar rural y distribución comunitaria de anticonceptivos, como es de su conocimiento por los informes rendidos oportunamente.

Es propósito de nuestra Organización continuar dicha actividad en los años subsiguientes, en beneficio de los afiliados, sus familias y los miembros de la comunidad a que pertenecen, y es por ello que por este medio hacemos formal solicitud de asistencia económica para la continuación de dicho programa por el período comprendido de 1983 a 1986.

Como en programas anteriores, estamos en posibilidad de ofrecer como contrapartida la colaboración de actividades, bienes y servicios que realiza el Movimiento Campesino Independiente, MCI, consistentes en espacio para oficina, uso de vehículo y equipo propiedad de la entidad, utilización de proyector de cine y proyectores de filmas y mobiliario en general de la Organización.

Al rogar a usted se sirva tomar en consideración nuestra petición a efecto de que se incluya en las actividades futuras de esa Misión en el campo de la planificación familiar, hago propicia la oportunidad para reiterarle las muestras de mi consideración.



Marcial Hernández Gutiérrez  
Secretario de Cultura y Propaganda



MINISTERIO DE TRABAJO  
Y PREVISION SOCIAL

GUATEMALA, C. A.

1564

ANNEX F  
Page 4 of 4

|      |                |
|------|----------------|
| REF. | ARC/tys.       |
| NUM. | 461/C-21.1/82. |

AL CONTESTAR, SIRVASE MENCIONAR EL  
NUMERO Y REFERENCIA DE ESTA NOTA.

Guatemala, junio 18 de 1982.

Señor  
Eliseo Carrasco,  
Director de la Agencia  
Internacional para el  
Desarrollo ( AID )  
c/o Embajada Americana en  
Guatemala,  
Ciudad de Guatemala.

Señor Director:

Me complace dar respuesta a su atenta  
nota de fecha 2 de junio del corriente año, por me-  
dio de la cual solicita la aprobación de este Minis-  
terio para que la Oficina Nacional de la Mujer actúe  
como una oficina de coordinación y asesoría técnica  
y colabore en la preparación de los proyectos que  
las distintas organizaciones de mujeres propongan a  
la Agencia Internacional para el Desarrollo (AID) pa-  
ra su financiamiento y para que actúe como unidad eje-  
cutora de los proyectos que así se convenga.

Sobre el particular, tengo el agrado de  
comunicar a usted, que este Despacho con todo gusto  
autoriza a la Oficina Nacional de la Mujer (ONAM) pa-  
ra que brinde la colaboración solicitada por esa Agen-  
cia.

Hago propicia la oportunidad para reiterar  
al señor Director, las muestras de mi aprecio y consi-  
deración.

LICENCIADO MARIO CASTILLO PARADA  
VICEMINISTRO DE TRABAJO Y PREVISION SOCIAL  
ENCARGADO DEL DESPACHO



|             |             |
|-------------|-------------|
| Action Copy | HRD         |
| Info. Copy  | PRM         |
| Necessary   | Appropriate |
|             | Handling    |
| Due Date    |             |
| Date Routed | 6/24/82     |

CONTRACEPTIVE RETAIL SALES - CONTRACTOR SCOPE OF WORK

A. Objective

To implement a commercial contraceptive distribution program in Guatemala, the following activities will be addressed by contractor:

1. Background Information

a. Contractor will subcontract with a market research agency for the purpose of assisting in the development of a marketing plan which shall include but not necessarily be limited to the following:

- Statement of trends in socio-economic demographic status and key indicators relating to the commercial market and to the public and voluntary family planning programs.
- A list of all types of contraceptives available in the country along with a list of the distributors and manufacturers.
- A description of the activity levels of various components of the medical delivery systems.
- Estimates of appropriate trade channels which could be used for commercial contraceptive distribution and justification for their use.
- Estimate of desired contraceptive price levels to achieve optimum consumption.
- Estimate of the number of retail outlets which would be reached by the program and their geographic coverage.
- An updated plan for making the program self-sufficient when AID/W and USAID financial support is removed.
- The issue of separate promotion, products, packaging, brand name, and pricing for the rural indigenous population will be carefully studied by the Contractor and the Market Research organization; the marketing plan will specify the most effective approach or approaches for penetrating this market.
- Operational management flow chart for the CRS project including the relationship between each critical element of the project and the interrelationships between the project and organizations that can impact on success or failure.

- Outline of how promotion and sales will begin in several areas and be expanded nationwide, and the corresponding dates for the phasing.
- The marketing plan will include specific measures for training the sales promoters and sellers of the CRS Oral Contraceptives; a method or methods will be developed for communicating pertinent information about the pill i.e., contraindications and major and minor side effects; how to deal with them, and appropriate referral facilities.

## 2. Procedural Elements of the Program

a. Within the first three months of the program Contractor and CRS Company will identify an individual with appropriate marketing and management background.

- CRS company, USAID, and AID/W approval is required before this person is hired by the Contractor.
- The Contractor will train this individual on the job and provide other training deemed appropriate.
- This person will become the Project Director within six months after nationwide sales begin.

b. The marketing design will be submitted within 4 months for joint review and revision if necessary, to CRS Company, USAID/Guatemala and AID/W personnel.

- Each organization will have 15 working days to revise, reject or approve said documents.

c. The selected and approved advertising agency will submit an advertising program to include but not necessarily be limited to the following: brand names, package designs, logos, advertising copy for radio, design for point-of-purchase promotional materials, design of dispensing containers, development of a slogan or slogans.

- The advertising plan will be approved by the Contractor, CRS Company, USAID/Guatemala and AID/W.
- Each organization will have ten working days from receipt of advertising plan to revise, reject or approve said document.

d. After the review, the Contractor will proceed to set up the project in country within a period of approximately 5 months and will include the following:

- Solidify relations and collaborate with CRS Company, manufacturers and representatives of the medical, pharmaceutical and business communities.
- Begin to negotiate, as appropriate, distribution agreements with one or more distribution firms.
- Selection of the distributing firms to be subcontracted for implementation of this project is to be made in accordance with AID Procurement Regulations.
- Firms must have existing or potential nationwide coverage.
- The Contractor will notify AID of how he proposes to select distributor and how the selection process conforms to the criteria outlined in the contract.
- AID will notify the Contractor within 30 days if it concurs with the selection criteria.
- Concurrence for selection of distributing firm(s) will be given by the Office of Contract Management with the Project Monitor's recommendations.
- Review and refine marketing design in concert with selected distribution firm(s).
- Select market research firm to undertake the pretesting of the promotional campaign.
- Establish guidelines for a monitoring and control system to facilitate measurement of project progress and submit same to contract monitor for approval.
- Make arrangements for warehousing of commodities received by USAID/Guatemala for the project.
- Establish fiscal and inventory control procedures and submit to USAID and CRS Company for approval.

### 3. Project Organization

a. When the foregoing has been accomplished, the first action phase of the project will begin. This phase will last 1-6 months during which time the following will be completed by the Contractor and the CRS Company:

- Sign distribution agreement.
- Sign advertising agreement.
- Hire and train sales personnel.
- Develop consumer instructional materials.

b. The advertising plan will be implemented by the following:

- Production of point-of-sale promotional material.
- Production of repackaging material as required and approved by AID/W, USAID and CRS Company.
- Establishment of procedures and timetable for evaluating advertising effectiveness.

c. Develop a collaborative program with CRS Company program so that efforts towards motivating people to use contraceptives are enhanced and coordinated.

d. Within 10-16 months from signing of the contract, the project will launch the national campaign of sales and advertising of contraceptives at subsidized prices throughout Guatemala.

e. The Contractor's local Representative (CR) will monitor and coordinate this effort with the assistance of the Project Director.

- Within six to nine months of national launch, the Contractor's Representative will leave the daily management responsibilities to the Project Director for the duration of the contract.

- Provisions will be made to permit the Contractor's Representative up to six months of continued supervision from the Contractor's permanent location or in Guatemala as conditions warrant.

4. Evaluation Procedures

a. During Phase II and Phase III, AID/W will make regular evaluations of the contract as prescribed in AID regulations.

b. Within 12 months of national sales launch, there will be an intensive evaluation performed by two people (with at least one from outside of AID) and AID/W. This intensive evaluation will be in conformance with AID criteria.

c. This evaluation will make recommendations as to the appropriate time frame for Contractors Representative to return to Contractors headquarters.

TABLE 1

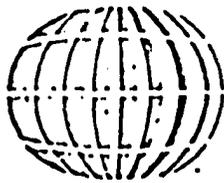
1984 ABS

Guatemala

PROGRAM ANALYSIS OF ORAL CONTRACEPTIVE AND CONDOM SUPPLIES  
(in thousands)

|  | 1981 | 1982  | 1983  | 1984  | 1985  | 1986  | 1987  |
|--|------|-------|-------|-------|-------|-------|-------|
| <b>A. Annual Stock Requirements</b>  |      |       |       |       |       |       |       |
| 1. Married Women of Reproductive Age   | 992  | 1,022 | 1,053 | 1,084 | 1,115 | 1,146 | 1,178 |
| 2. Desired annual contraceptive level as a percent of MWRA                   |      |       |       |       |       |       |       |
| a. Orals   | 5.7  | 6.2   | 7.0   | 7.9   | 8.3   | 8.9   | 9.5   |
| b. Condoms   | 0.8  | 1.0   | 1.5   | 2.2   | 2.7   | 3.2   | 3.7   |
| 3. Stock requirement to satisfy desired contraceptive availability/use level |      |       |       |       |       |       |       |
| a. Orals   | 735  | 824   | 958   | 1,113 | 1,203 | 1,326 | 1,455 |
| b. Condoms   | 794  | 1,022 | 1,580 | 2,385 | 3,011 | 3,667 | 4,359 |
| <b>B. Annual New Supplies From Non-AID Bilateral Sources</b>                 |      |       |       |       |       |       |       |
| 1. Private Commercial Sector   |      |       |       |       |       |       |       |
| a. Orals   |      |       |       |       |       |       |       |
| b. Condoms   |      |       |       |       |       |       |       |
| 2. Other Donors  |      |       |       |       |       |       |       |
| a. Orals   |      |       |       |       |       |       |       |
| b. Condoms   |      |       |       |       |       |       |       |
| 3. Host Country Government Procurement                                       |      |       |       |       |       |       |       |
| a. Orals   |      |       |       |       |       |       |       |
| b. Condoms   |      |       |       |       |       |       |       |
| <b>4. Total New Supplies</b>   |      |       |       |       |       |       |       |
| a. Orals   | 0    | 0     | 0     | 0     | 0     | 0     | 0     |
| b. Condoms   | 0    | 0     | 0     | 0     | 0     | 0     | 0     |

INTERNATIONAL  
**Planned  
Parenthood**  
FEDERATION



Western Hemisphere Region

October 16, 1981

Mr. Paul Cohn  
Public Health Officer  
USAID ROCAP  
8a Calle 7-86 Zona 9  
Guatemala City, Guatemala

Dear Mr. Cohn:

I am writing to you at the request of Sr. Ramiro Eduardo of your office regarding the Guatemalan Family Planning Association (APROFAM) and their proposed calculation of administrative overhead.

METHOD OF OVERHEAD CALCULATION

The method employed is based on that described in OMB Circular Number 22, Section No. 3 of the Federal Cost Principles. On page 46025 of this publication, the Federal Register explains the method applied by the Association - that of simplified allocation. This method was chosen because the organization's major functions share almost equally APROFAM's indirect costs.

The simplified allocation separates the organization's total costs into direct and indirect costs and divides the indirect costs, which we have defined in the 1980 audit as Administration and General Services (AGS), by an equitable distribution base. Paragraph D.2.c. defines the distribution base or denominator of the formula as either total direct costs or direct salaries, wages and fringes. The calculation is as follows:

$$\text{RATE} = \frac{\text{Indirect Costs (AGS)}}{\text{Total Direct Costs}}$$

OR

$$\frac{\text{Indirect Costs (AGS)}}{\text{Total Direct Salaries and fringes}}$$

IPPF ANNUAL GRANT TO APROFAM

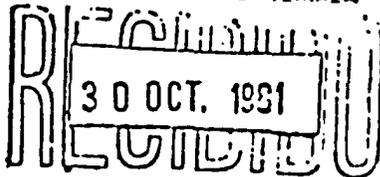
Based on an annual Work Program Budget presentation the Association is granted a general support grant for a calendar period. This cash and commodity grant is not assigned to any one project or program category. It is in support of the Association's entire activities. APROFAM may therefore commingle IPPF fund with their own, and if need be, utilize them to temporarily supplement funding of projects financed by other donors when reimbursements are delayed. Because of this funding philosophy, it is inappropriate to state that administration or indirect costs are solely financed by IPPF; our funds are not restricted in their support as are AID's grants to APROFAM.

FEDERACIÓN  
INTERNACIONAL DE  
**Planificación  
de la Familia**

Page 1 of 7

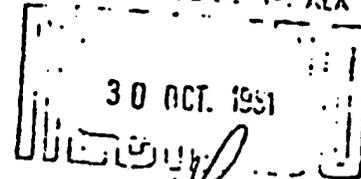
Región del Hemisferio Occidental

ASOCIACION PRO - BIENESTAR DE  
LA FAMILIA DE GUATEMALA



ADMINISTRACIÓN

ASOCIACION PRO - BIENESTAR DE  
LA FAMILIA DE GUATEMALA



SECRETARIA

./..

-2-

In 1980, The Association received US\$349,050 from the IPPF. This amount is documented in the attached "Certificate of 1980 Cash Grant" issued by our Central Office. The 1980 Price Waterhouse figure is incorrect as it has included income earned in 1979, but received January 1980. (Our accounting system is kept on an accrual rather than cash basis.)

AID-WASHINGTON'S CONTRIBUTION TO IPPF

In 1980, the IPPF received US\$12,300,000 from AID-Washington, this amount is certified in the attached Central Office audit and represents a general support grant to this organization. These funds are used to provide grants to the various family planning associations around the world.

For this analysis of overhead, it is useful to segregate AID-Washington's contribution to the Guatemalan Association through the IPPF general support grant. This exercise prevents possible duplication of AID funding.

|   |        |   |   |
|---|--------|---|---|
| Percent of AID income<br>to total IPPF world-wide<br>income | 24.48% | = | <u>US\$12,300,000 AID 1980 contribution</u> |
|   |        |   | US\$50,240,051 All Global Income            |

IPPF Grant to APROFAM                      \$ 349,050

Percent of AID Income                      X .2448

AID-Washington support to APROFAM  
through its IPPF grant                      \$ 85,447

OVERHEAD CALCULATION: SIMPLIFIED METHOD/DIRECT COST BASE

STEP 1 Deduct from expenditure any disallowed expenses, such as interest and other financial costs.

|                                 |           |                  |        |
|---------------------------------|-----------|------------------|--------|
| Total Expenditures              | 1,648,153 |                  |        |
| Less: Total Disallowed Interest | ( 14,727) |                  |        |
| Net Allowed Expenditures        |           | 1,633,426        | 100%   |
| Administration (AGS)            | 199,801   |                  |        |
| Less: Disallowed AGS Interest   | ( 14,618) | ( 185,183)       | 11.34% |
| Net Allowed Direct Expenditures |           | <u>1,448,243</u> | 88.66% |

STEP 2 Deduct AID-Washington Support from APROFAM expenses proportionate to AGS (indirect) and project (direct) expenditures.

|                              | <u>Total Allowed</u> |          | <u>Net Allowed AGS (Indirect)</u> |            | <u>Net Allowed Direct</u> |
|------------------------------|----------------------|----------|-----------------------------------|------------|---------------------------|
| Expenditures                 | 1,633,426            | (100%) = | 185,183                           | (11.34%) + | 1,448,243 (88.66%)        |
| Less: AID-Washington Support | ( 85,447)            | =        | (9,690)                           | +          | (75,757)                  |
| Expenditures Net Support     | <u>\$1,547,979</u>   | =        | <u>\$175,493</u>                  | +          | <u>\$1,372,486</u>        |

STEP 3 Overhead calculation where the base is defined as total allowed direct costs.

|                                |   |                  |   |        |
|--------------------------------|---|------------------|---|--------|
| <u>Net indirect (AGS) Cost</u> | = | <u>175,493</u>   | = | 12.79% |
| <u>Net Direct Cost Base</u>    |   | <u>1,372,486</u> |   |        |

OVERHEAD CALCULATION: SIMPLIFIED METHOD/DIRECT LABOR BASE

STEP 1 Identify the Direct Labor of Association personnel and consultants by Administration (indirect) and project (direct) cost pools.

|                    | <u>Total<br/>Expenditure</u> | =        | <u>Administration<br/>(Indirect)</u> | +        | <u>Projects<br/>(Direct)</u> |
|--------------------|------------------------------|----------|--------------------------------------|----------|------------------------------|
| Direct Salaries    | 858,853                      | =        | 102,928                              | +        | 755,925                      |
| Direct Consultants | + 44,858                     | =        | 7,568                                | +        | 37,290                       |
| <b>Total Labor</b> | <b>903,711</b>               | <b>=</b> | <b>110,496</b>                       | <b>+</b> | <b><u>793,215</u></b>        |

STEP 2 Calculate the proportion of Direct Labor expenses to Total Allowed Direct Expenditures per indirect & direct cost pool. (NOTE: This percentage will be applied to AID support to determine allowed direct labor costs).

a) Total Allowed Direct Expenditures

Total expenditures 1,648,153  
Less: Disallowed Interest Expense ( 14,727)

Less: Allowed Indirect (AGS) Expenses ( 185,493)

Total Allowed Direct Expenditures (Net of AGS Expense) 1,447,933

b)  $\frac{\text{Total Direct Labor}}{\text{Total Allowed Direct Costs}} = \frac{793,215}{1,447,933} = 54.78\%$

STEP 3 Determine and deduct the AID/Washington support from direct labor base.

|  |                         |
|--|-------------------------|
| Total Direct Labor                           | \$793,215               |
| Less: AID/Washington support to Direct Costs | \$ 75,757               |
| Direct Labor/Total Direct                    | X <u>.5478</u>          |
|  | ( <u>41,500</u> )       |
| <b>Net Direct Labor Base</b>                 | <b><u>\$751,715</u></b> |

STEP 4 Determine indirect cost pool by deducting AID/Washington support & Disallowed expenses from AGS (indirect) expenditures.

AGS (Indirect) Costs 199,801  
Less: AID Support of AGS ( 9,690)  
Less: Disallowed Interest Exp. (14,618)

Net Allowed Indirect Cost Pool 175,493

-5-

STEP 5 Overhead calculation where the base is defined as total allowed, direct labor net of AID support through IPPF Grant:

$$\frac{\text{Net indirect (AGS) Cost}}{\text{Net allowed direct labor base}} = \frac{175,493}{751,715} = 23.35 \%$$

CONCLUSIONS:

Using the Association's 1980 audited "Statement of Functional Expenses by Category", we arrive at two possible overhead rates:

a. direct labor rate of 23.35 %

OR

b. total direct cost rate of 12.79 %

Both rates were calculated according to the "Simplified allocation method" described on page 46029 of Circular A-122 "Cost Principles for Non-Profit Organizations."

I hope that this information has answered all the remaining questions. Should you require additional details, please contact the Association in order that they may forward your inquiries on to me.

Sincerely yours,

  
Leslie S. Varkonyi  
Financial Analyst

cc: Agatha Ogazon, Regional Financial Controller  
Alvaro Monroy, Program Advisor  
Dr. Roberto Santiso, APROFAM Executive Director  
Victor Hugo Fernandez, APROFAM Administrator ←  
Gerardo Godoy, APROFAM Financial Director

AGENCY FOR INTERNATIONAL DEVELOPMENT  
United States A.I.D. Mission to Guatemala  
American Embassy  
Guatemala City, Guatemala, C. A.

Guatemala,  
24 de noviembre de 1981

Guatemala,  
November 24, 1981

CARTA DE EJECUCION No. 8

IMPLEMENTATION LETTER No. 8

Convenio de Donación de fecha 7 de  
abril de 1980

Grant Agreement dated April 7, 1980

No. de Proyecto: 520-0263(A)

Project No.: 520-0263(A)

SERVICIOS INTEGRADOS DE PLANIFICACION  
FAMILIAR

INTEGRATED FAMILY PLANNING SERVICES

Doctor  
Roberto Santiso G.  
Director Ejecutivo  
Asociación Pro-Bienestar  
de la Familia (APROFAM)  
4a. Avenida 2-18, Zona 1  
Ciudad

Doctor  
Roberto Santiso G.  
Executive Director  
Association for  
Family Welfare (APROFAM)  
4a. Avenida 2-18, Zone 1  
Guatemala City, Guatemala

Estimado Dr. Santiso,

Dear Dr. Santiso,

Acusamos recibo de la carta de APROFAM No. 1368-81 de fecha 17 de septiembre de 1981 y de la carta de fecha 16 de octubre de 1981 de la Sra. Leslie S. Varkonyi, Analista Financiera de IPPF, dirigidas al Sr. Paul Cohn, Jefe de la División de Salud Pública de AID. La información de estas cartas satisface los requisitos de la Sección "C", Disposiciones Especiales, del Anexo "A" al Convenio de Donación 520-0263(A).

We acknowledge receipt of APROFAM letter No. 1368-81 dated September 17, 1981 and of the letter dated October 16, 1981 from Mrs. Leslie S. Varkonyi, IPPF Financial Analyst, to Mr. Paul Cohn, Chief AID Public Health Division. The information in these letters satisfies Section "C", Special Provisions, of Grant Agreement Annex "A", Project 520-0263(A).

CEP # 8  
520-0263(A)

- 2 -

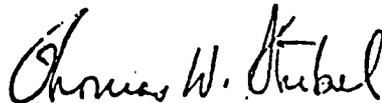
PIL # 8  
520-0263(A)

Nos complace informarle que esta Misión acepta el 12.8% del total de Costos Directos como la tasa permanente de Costos Indirectos reembolsables por AID hasta que APROFAM o AID solicite un reajuste.

Nos es grato saludarlo y suscribirnos atentamente.

We are pleased to inform you that this Mission accepts 12.8% of total Direct Costs as the permanent overhead reimbursable by AID until such time as either APROFAM or AID requests an adjustment.

Sincerely,



Thomas W. Stukel  
Director, a.i.

ANNEX J: FINANCIAL ANALYSIS OF CRS FISCAL SELF-SUFFICIENCY

This analysis will support the conclusions in the Main Project Paper that the CRS program can become financially self-sufficient in four years, with the exception of donated contraceptives and completely self-sufficient in eight years. Following Table I is a summary cash flow for a eight-year period. We used constant dollars for the computation of both program costs and revenues generated. Because any inflation factor we chose would be the same for both inflows and outflows it would have no effect on net results. It is expected that operating expenses will be progressively reduced over this period by reduction in promotion and personnel.

TABLE I

CASH FLOW TO CRS COMPANY  
(US \$000)

| <u>SOURCES</u> | <u>YR 1</u> | <u>YR 2</u> | <u>YR 3</u> | <u>YR 4</u> | <u>YR 5</u> | <u>YR 6</u> | <u>YR 7</u> | <u>YR 8</u> |
|----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Beginning Bal. | ---         | 38.4        | 116.0       | 343.0       | 453.0       | 462.8       | 516.2       | 598.6       |
| Income         | 38.4        | 77.6        | 127.0       | 210.0       | 272.2       | 286.2       | 300.2       | 315.1       |
| AID Subsidy    | 400.5       | 537.0       | 583.8       | 410.2       | ---         | ---         | ---         | ---         |
| TOTAL SOURCES  | 438.9       | 653.0       | 826.8       | 863.2       | 725.2       | 749.0       | 816.4       | 913.7       |
| <u>USES</u>    |             |             |             |             |             |             |             |             |
| Oper. Exp.     | 400.5       | 537.0       | 583.8       | 410.2       | 262.4       | 232.8       | 217.8       | 212.8       |
| TOTAL USES     | 400.5       | 537.0       | 583.8       | 410.2       | 262.4       | 232.8       | 217.8       | 212.8       |
| Ending Bal.    | 38.4        | 116.0       | 243.0       | 453.0       | 462.8       | 516.2       | 598.6       | 700.9       |

The CRS Program's budget will follow a marketing approach and strategy that conform to successful formulae developed in the private sector, while sharing significant common denominators that have been identified in AID-funded CRS Programs now achieving targeted goals (e.g., Colombia, El Salvador, Mexico).

Because of the two significant breakeven points, i.e., after year four when direct AID support ends and after year eight when donated contraceptives will have to be purchased, our analysis is divided into two parts, the first four years and year five and beyond.

Table II, Summary Component Costs, attached, shows a yearly breakdown by input of costs incurred by the CRS Company.

The first four years will cover the development and launch period when expenses will be high and revenues low. During the first two years, the highest percentage of development costs, plus advertising and promotion costs, will be invested. These costs cannot be covered by revenue generated by sales of family planning commodities. In addition, the costs of at least two years of administration will be included. It is assumed that three sales promoters

will be hired within eight months after the Contractor's Representative will start up the CRS Program, and that the advertising and promotion campaign will begin during the subsequent six to nine months after start-up.

Table III below gives breakdown of Selling Costs by Year:

TABLE III  
SELLING COSTS  
(US \$000)

| CATEGORY            | Y              | E              | A              | R              | TOTAL          |
|---------------------|----------------|----------------|----------------|----------------|----------------|
|                     | <u>1</u>       | <u>2</u>       | <u>3</u>       | <u>4</u>       |                |
| PROJECT PERSONNEL   | 36,000         | 36,000         | 36,000         | 22,500         | 130,500        |
| CONTRACT. PERSONNEL | 15,000         | 15,000         | 15,000         | 15,000         | 60,000         |
| LOCAL ADMIN.        | 15,900         | 15,900         | 15,900         | 1,500          | 49,200         |
| REPACKAGING         | 10,100         | 21,000         | 33,800         | 54,900         | 119,800        |
| DISTRIBUTION        | 27,300         | 105,800        | 139,800        | 116,200        | 389,100        |
| SUB TOTAL           | <u>104,300</u> | <u>193,700</u> | <u>240,500</u> | <u>210,100</u> | <u>748,600</u> |

Costs related to personnel, repackaging, warehousing, distribution and transportation will represent 45.9 per cent of total estimated operating expenses. The operations involved with product repackaging, warehousing and distribution will be structured for professional management with effective controls. A comprehensive, efficient and effective sales delivery service will be provided by a distribution organization specializing in the pharmaceutical and consumer product fields. Whereas the ratio of sales costs to sales revenues will be high (\$748,000 vs. \$453,000) for the first four years of operation, the in-place systems (e.g., repackaging, distribution, etc.) will have the capability of handling significantly increased volumes at little

extra sales cost. Average expenses for travel and transportation per sales promoter per month will be \$250, while average monthly salary plus incentives will be \$450. Thus, sales promoter monthly cost will be approximately \$700 or a total of \$2,100 for the three sales promoters monthly for the first three years only. Following the promotional and sales work of this team, smaller outlets will be served by regional wholesalers and sub-distributors overseen by the Exclusive Distributors's sales force at no increase in cost, while still achieving the social objectives of the CRS Program.

Table IV below gives breakdown of Advertising and Promotion Costs by year.

TABLE IV

ADVERTISING AND PROMOTION COSTS  
(US \$000)

|                     | <u>Y</u><br><u>1</u> | <u>E</u><br><u>2</u> | <u>A</u><br><u>3</u> | <u>R</u><br><u>4</u> | <u>TOTAL</u> |
|---------------------|----------------------|----------------------|----------------------|----------------------|--------------|
| ADVERT. & PROMOTION | 159,900              | 207,000              | 207,000              | 159,900              | 733,800      |

Advertising and promotion costs will be the largest single line item, representing 44.9 per cent of total estimated operating expenses. Its cost effectiveness will be measured in terms of sales initiated and image created. In view of the two-tier (Indigenous and Ladino) nature of the CRS Company's target market, the primary media will be radio for the following reasons:

- Offers higher penetration of target market than other media;
- Unit reach and penetration costs are significantly lower than other media (e.g., \$3.50 per minute).
- Almost 80 per cent of households have at least one radio.

Serious attention will be given to message type and language because of the sensitive nature of family planning. The low level of general knowledge among target groups about family planning commodities will prescribe an institutional approach linked with product and distribution information. For the launch campaign, the specific intent will be to soft-sell family planning commodities in deference to any possible backlash or adverse criticism from the general public or special interests' groups. In the light of such constraints and limitations, the advertising campaign will attempt to achieve heightened awareness for family planning in general and the CRS Company's products in particular, as well as to create a link between the government's family planning policy and the CRS Company's program. By the end of the third year it is expected that increased knowledge about family planning commodities will be achieved among target groups. Radio messages will then promote specific and sales motivation themes.

Table V below gives a breakdown in Administrative Costs by year:

TABLE V

ADMINISTRATIVE COSTS  
(US \$000)

| <u>ADMINISTRATIVE COSTS</u><br><u>CATEGORY</u> | <u>Y</u><br><u>1</u> | <u>E</u><br><u>2</u> | <u>A-</u><br><u>3</u> | <u>R</u><br><u>4</u> | <u>TOTAL</u> |
|--|----------------------|----------------------|-----------------------|----------------------|--------------|
| PROJECT PERSONNEL                              | 24,000               | 24,000               | 24,000                | 22,500               | 94,500       |
| TRAINING                                       | 5,400                | 5,400                | 5,400                 | 5,400                | 21,600       |
| LOCAL ADMIN.                                   | 6,900                | 6,900                | 6,900                 | 6,900                | 27,600       |
| SUB TOTAL                                      | 36,300               | 36,300               | 36,300                | 34,800               | 143,700      |

Administrative costs will represent 8.8 per cent of total estimated operating expenses, the major component being salaries. The CRS Company will be staffed with four administrative employees during the first four years: Project Director; Secretary/Receptionist; Administrative Assistant/Accountant; Messenger. During this development and launch period, Contractor Personnel will be: two Administrators - 10 per cent of time; one Accountant - 25 per cent of time; one Warehouse Supervisor and one Assistant - 33 per cent of time. Training expense will be invested in providing approximately 150 pharmacy owners and salespersons with orientation and training about family planning commodities each year, thereby covering all "A" pharmacies (250) and most of the "B" pharmacies (500) during the four year period. This program will be built around a 15 to 20-minute audio-visual presentation (using donated APROFAM didactics materials), supported by a reference manual to be left with retailers and a supply of consumer brochures. Twice-a-year participation in orientation and training meetings will be budgeted for the Project Director, who, in turn, will share the experience and knowledge with the sales promoters. Local Administration expense will cover: office rent (\$400 per month for approximately 150 square meters of functional space), utilities (electricity, propane gas, water = \$300 per month), plus telephone (local and long distance), cable and telex (\$250 per month). Subsidizing of the Project Director's vehicle for use in administrative affairs on behalf of the CRS Company will be budgeted at \$125 per month, which represents 50 per cent of the total subsidy, while the other 50 per cent will be charged to sales expense.

B. SUMMARY YEARS 1-4

The four-year operating expense budget for the AID-funded CRS Company is based on many of the factors and experiences gained from other CRS markets (Colombia, El Salvador, Mexico). The main key to its being successfully implemented will be the professional management that will foster a recognition of and an active contribution to cost-control. The design and structure of this four-year budget will heighten personal motivation to drive for targeted objectives and priorities within established budgetary limitations.

PROGRAM COSTS YEAR FIVE THROUGH EIGHT

It is anticipated that the CRS Company's estimated operating expenses will progressively lower and then level off during this four-year period, while revenues generated from sales of donated family planning commodities are expected to grow at an average annual rate of 6.6 per cent.

Table VI below gives detailed costs for years five through eight for the Selling Component broken down by year:

TABLE VI

SELLING COSTS  
(US \$000)

| <u>CATEGORY</u>   | <u>Y</u><br><u>5</u> | <u>E</u><br><u>6</u> | <u>A</u><br><u>7</u> | <u>R</u><br><u>8</u> | <u>TOTAL</u>   |
|-------------------|----------------------|----------------------|----------------------|----------------------|----------------|
| PROJECT PERSONNEL | 22,500               | 22,500               | 22,500               | 22,500               | 90,000         |
| CONTRACT. PERSON. | 5,000                | 5,000                | 5,000                | 5,000                | 20,000         |
| LOCAL ADMIN.      | 1,500                | 1,500                | 1,500                | 1,500                | 6,000          |
| REPACKAGING       | 49,400               | 45,000               | 45,000               | 40,000               | 179,400        |
| DISTRIBUTION      | 83,800               | 75,000               | 75,000               | 75,000               | 308,800        |
| SUB TOTAL         | <u>162,200</u>       | <u>149,000</u>       | <u>149,000</u>       | <u>144,000</u>       | <u>604,200</u> |

Costs related to personnel, repackaging, warehousing, distributing and transportation will represent 65.3 per cent of total estimated operating expenses, about 19 per cent higher than in the previous four year period, but in estimated absolute figures will represent a decrease of \$144,400 or 19.3 per cent. While personnel and travel expense are expected to stabilize during this four-year period, repackaging and distribution costs will be lowered through higher volume contract renegotiating and restructuring with the two contract suppliers, feasibility of which is forecasted on the high idle capacity prevalent in the pharmaceutical industry here in Guatemala, coupled with the no-risk, guaranteed value-added nature of donated family planning commodities. Distribution contract renegotiating will be predicated on the guaranteed overhead-absorbing and product returns' low risk nature of family planning commodities. These relatively stabilizing cost factors in selling expense will contribute significantly to total self-sufficiency being achieved by the close of the eight year.

Table VII below shows breakdown of Advertising and Promotion costs for years five to eight:

TABLE VII

ADVERTISING AND PROMOTION  
(US \$000)

|                 | <u>Y</u><br><u>5</u> | <u>E</u><br><u>6</u> | <u>A</u><br><u>7</u> | <u>R</u><br><u>8</u> | <u>TOTAL</u>   |
|-----------------|----------------------|----------------------|----------------------|----------------------|----------------|
| ADVERT. & PROM. | 60,000               | 45,000               | 30,000               | 30,000               | <u>165,000</u> |

When compared to the first four years of estimated operating expense, promotional costs will show a reduction of \$568,800 in absolute terms. This significant contraction will reflect the changes in strategy and thrust: from an institutional approach linked with product and distribution information to a "hard sell" maintenance campaign to promote specific product and sales motivation themes. The multiplier effect of similar and successful campaigns in other CSM/CRS Programs is expected to enhance the "pull-through" demand and consumption of family planning commodities at a significantly lower ratio of promotional monies invested to revenues generated by sales: \$1.00 : \$7.10.

Table VIII below gives Administrative Costs for years five through eight breakdown by line item and year:

TABLE VIII

ADMINISTRATIVE COSTS  
(US \$000)

| <u>CATEGORY</u>   | <u>Y</u><br><u>5</u> | <u>E</u><br><u>6</u> | <u>A</u><br><u>7</u> | <u>R</u><br><u>8</u> | <u>TOTAL</u>  |
|-------------------|----------------------|----------------------|----------------------|----------------------|---------------|
| PROJECT PERSONNEL | 22,500               | 22,500               | 22,500               | 22,500               | 90,000        |
| TRAINING          | 5,400                | 4,000                | 4,000                | 4,000                | 17,400        |
| LOCAL ADMIN.      | <u>6,900</u>         | <u>6,900</u>         | <u>6,900</u>         | <u>6,900</u>         | <u>27,600</u> |
| SUB TOTAL         | <u>34,800</u>        | <u>33,400</u>        | <u>33,400</u>        | <u>33,400</u>        | <u>135,00</u> |

Administrative costs (\$135,000) will represent 14.6 per cent of total estimated operating expenses (\$925,800) for this four-year period, while in budgetary terms it will be a difference of \$8,700 in comparison with the first four-year period. All line items are expected to remain unchanged with the exception of training: orientation and training about family planning commodities of pharmacy owners and salespersons will be progressively scaled downward as coverage of "A" and "B" outlets is attained.

D. SUMMARY YEARS 5-8

Given the continuation of donated family planning commodities and a positive trend in the stabilizing of variable cost factors, the goals and objectives targeted for the CRS Company during this second four-year period will contribute to the preparation for becoming financially self-sufficient at the

close of this period, provided there is no significant quali-quantitative decrease in promotional thrust and/or erosion in distribution efficiency and/or disproportionate pricing of the family planning commodities.

(ID0008r)

GRAPH NUMBER 1 - Expense, Income, Retail Sales (\$)

A. SUMMARY TABLE

| <u>YEAR</u>        | <u>EXPENSE</u>   | <u>%</u>     | <u>INCOME</u>    | <u>%</u>     | <u>RETAIL SALES</u> | <u>%</u>     |
|--------------------|------------------|--------------|------------------|--------------|---------------------|--------------|
| 1                  | 400,500          | 9.9          | 38,400           | 1.8          | 80,400              | 1.5          |
| 2                  | 537,000          | 13.3         | 77,600           | 3.6          | 163,300             | 3.0          |
| 3                  | 583,800          | 14.5         | 127,000          | 5.9          | 266,400             | 4.8          |
| 4                  | 410,200          | 10.2         | 210,000          | 9.7          | 439,700             | 7.9          |
| 5                  | 262,400          | 6.5          | 272,200          | 12.5         | 572,000             | 10.4         |
| <u>SUB-TOTAL</u>   | <u>2,193,900</u> |              | <u>725,200</u>   |              | <u>1,521,700</u>    |              |
| 6                  | 232,800          | 5.8          | 286,200          | 13.2         | 722,400             | 13.1         |
| 7                  | 217,800          | 5.4          | 300,200          | 13.9         | 757,800             | 13.8         |
| 8                  | 212,800          | 5.3          | 315,100          | 14.5         | 795,700             | 14.4         |
| 9                  | 579,000          | 14.4         | 256,500          | 11.8         | 835,500             | 15.2         |
| 10                 | 594,000          | 14.7         | 283,200          | 13.1         | 877,200             | 15.9         |
| <u>SUB-TOTAL</u>   | <u>1,836,400</u> |              | <u>1,441,200</u> |              | <u>3,988,600</u>    |              |
| <u>GRAND TOTAL</u> | <u>4,030,300</u> | <u>100.0</u> | <u>2,166,400</u> | <u>100.0</u> | <u>5,510,300</u>    | <u>100.0</u> |

B. EXPENSE

For the second five-year period (i. e., years 6 through 10) of the CRS Company's operations, total estimated operating expenses will be decreased to US\$1.8 million which will represent a cost reduction of 16.3 percent when compared with the first five years' operating expenses of US\$2.2 million. These cost efficiencies will be achieved by:

- Continued optimally efficient utilization of salaried personnel.
- Continual recognition of and active contributions to cost control.

C. INCOME

Estimated income of US\$1.4 million for the years 6 through 10 will represent a 98.7 percent increase over the first five years (US\$725 thousand) of the CRS Company's operations. The estimated annual average increase of 2.5 percent for the first five-year period is expected to decline to an estimated 0.3 percent during years 6 through 10 because of the following reasons:

- o Donated family planning commodities will end at the close of the eighth year.
- o Cost of family planning commodities purchased from commercial manufacturers will increase total overhead expenses by an annual average of 87.4 percent in years 9 and 10.

D. RETAIL SALES

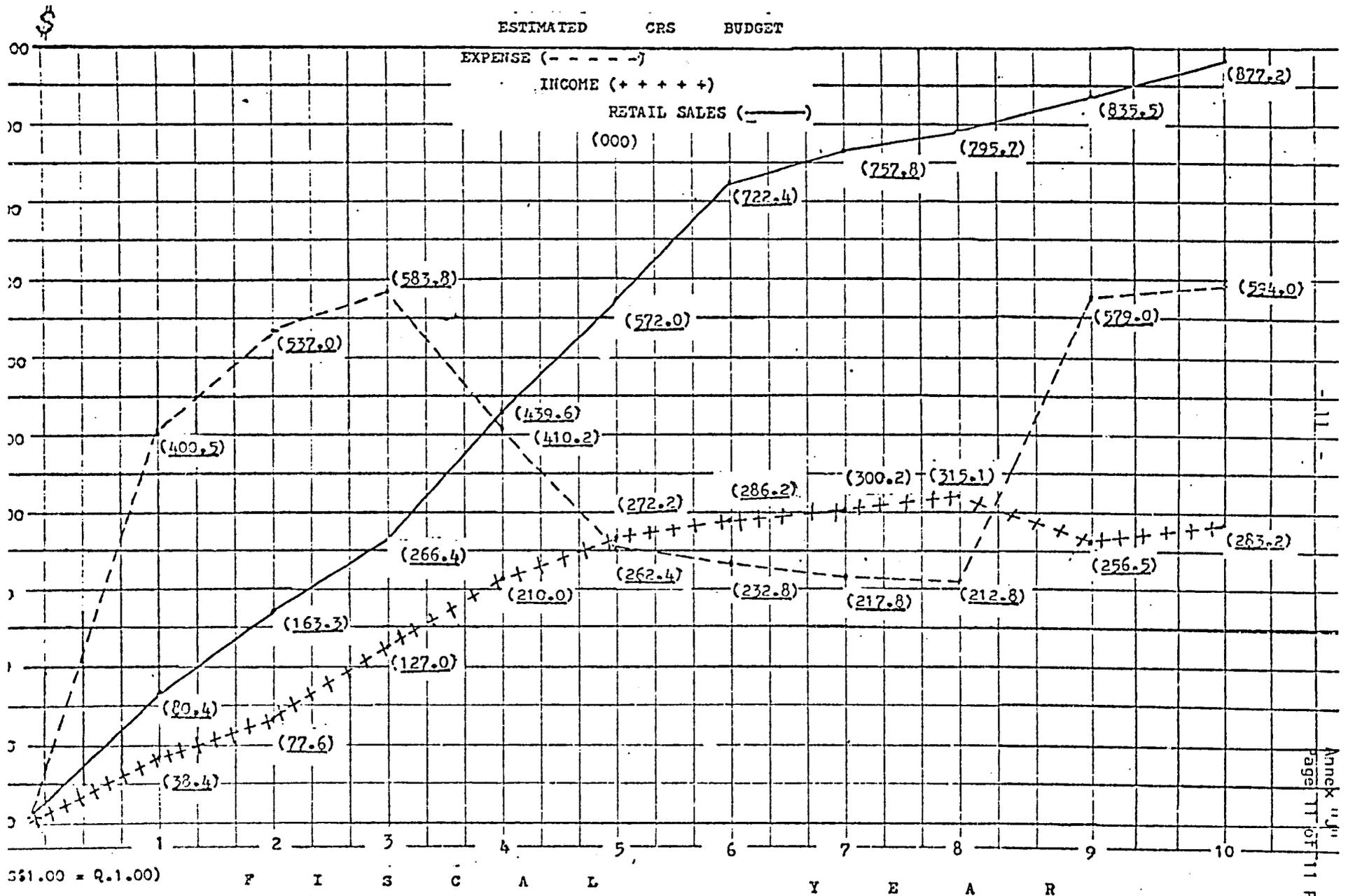
Total estimated family planning commodities' sales of US\$3.0 million for the second five-year period are expected to be 162.1 percent higher than in the first five-year period (US\$2.2 million), with all products contributing to these sales increases. No currency devaluations are forecast for the ten-year period, while gradual restabilization of exchange convertibility is expected in that same period. Given the forecasting of a 20 percent price increase beginning in the sixth year, major sales improvements will result from upgrading the product mix to higher-priced products and achieving a larger market share, at the same time maintaining overall price stability with no competition anticipated in the target markets.

E. SUMMARY

Given the number of variables (e. g., political stability, economic recovery) upon which these estimates and forecasts will be predicated, the underlying strengths of the Guatemalan CRS Company Program as evidenced by the favorable trends in Expense, Income and Retail Sales, when viewed in the light of significant common denominators shared with successful CRS Programs (e. g., Colombia, El Salvador, Mexico), will offer conclusions that will confirm the feasibility and viability of its becoming self-sufficient by the close of the eighth year.

The first two years of total self-sufficiency (i. e., years 9 and 10) will produce gross income from sales of \$612.7 thousand and \$643.4 thousand respectively. When operating costs of \$579.0 thousand and \$594.0 thousand are deducted, the CRS Company will have a net income (before taxes) of \$33.7 thousand and \$49.4, respectively.

Graph No. 2



Additional Information concerning ONAM and CRS Organizations

I. ONAM

The National Women's Office (ONAM) is part of the GOG's Ministry of Labor. The various bodies and staff offices which make up ONAM are detailed below:

- General Assembly

1. One delegate from each government ministry.
2. One delegate from the Supreme Court of Justice.
3. One delegate from the National Economic Planning Council.
4. One delegate from the General Directorate of Community Development.
5. One delegate from the Social Welfare Secretariat of the Presidency.
6. One delegate from the Departmental Government of Guatemala.
7. One delegate from the Municipality of Guatemala.
8. One delegate from the Indigenous Institute.
9. Six delegates from the following autonomous and private institutions.
  - Coordinating Committee of Agricultural, Commercial, Industrial and Financial Associations (CACIF).
  - Publicity Media Association.
  - Civic Association of Feminine Associations (ACAF)
  - Social Welfare Council

- Guatemala Association for Family Welfare (APROFAM).

All of these delegates work for ONAM without pay (ad honorem) and their designation lasts two years.

- Board of Directors formed by a President, Vice-President, Secretary, Treasurer, Voter I and Voter II; all of which are representatives to ONAM.
- Advisory Board-formed by representatives from national and international organizations.
- Work Commissions composed of delegates to ONAM.
  1. Regulations Commission which is responsible for preparing the official constitution of ONAM.
  2. Investigation Commission which is performing a survey on labor aspects comparing women and men workers. This Commission will be in charge of carrying out a study on the situation of Guatemalan women at the national level.
  3. Law Compilation Commission which has compiled and analyzed laws and regulations for the protection of Guatemalan women.
  4. Planning Commission which is responsible for developing the ONAM Action Plan, based on investigations being performed by the investigation commission.
- The Administrative office. When fully staffed, the Administrative Office will be made up of a technical director, deputy director, economist, secretary, 2 social workers and, a janitor. However, presently only the deputy director, the secretary and one social worker have been assigned to ONAM by the GOG. It is expected that ONAM's budget will be increased by the GOG to complete the contracting of personnel.

## II. CRS

USAID funded a study by a Guatemalan lawyer to research the MOH appropriate legal organization for the Contraceptive Retail Sales (CRS) Corporation. A summary description of the four possible organizational options has been drawn from this study and is summarized below:

### i. CORPORATION (SOCIEDAD ANONIMA, S. A.)

The liability of shareholders in a corporation is limited to the extent of their ownership of shares. Obtaining government authorizations for formation of a corporation and subsequent registration are normally routine but some times dilatory procedures (e.g., 3 to 12 months).

Capital or bearer shares may be nominated and both are transferable; nominative shares by endorsement and recording in the company's stock register and bearer shares by more physical transfer. Corporations may issue more than one class of capital shares.

The regulations governing capitalization (minimum, authorized, subscribed and paid-in capital) as well as the laws relative to public offerings of corporate shares must be described in great detail in the registration of the organization. Because of the critical nature of these requirements, the preparation of this document be assigned to a competent and experienced attorney-at-law who specializes in commercial law. APROFAM has contracted such an attorney with Mission funding.

Corporations constituted abroad or within one of the other Central American countries may establish branches within Guatemala by complying with the authorization and registration requirements stipulated for share-issuing companies. In these cases, the corporation must furnish proof that it has been organized in accordance with the laws of its country of domicile and that its organization and purpose are not contrary to the laws of Guatemala.

A total of \$5,000 must be demonstrated as evidence of financial solvency prior to the formation of a Sociedad Anonyma. No other registration fees or issuances of shares are required.

### ii. GENERAL PARTNERSHIP (SOCIEDAD COLECTIVA)

The principal feature of the general partnership is the joint, several and unlimited liability with respect to third parties. The firm name must contain the name of one or more of the

partners. The business affairs of the partnership can be managed by one or more designated partners.

iii. LIMITED PARTNERSHIP (SOCIEDAD EN COMANDITA)

The limited partnership is composed of both general and limited partners. Limited partners may not take part in the representation and management of the firm and their liability is limited to their capital contributions. At least one partner must have unlimited liability. Limited partnerships may take the form of share-issuing partnerships in which case they are controlled by laws governing corporations.

iv. LIMITED LIABILITY COMPANY ( SOCIEDAD DE RESPONSABILIDAD LIMITADA)

Limited liability companies are similar to corporations in that liability is limited to the capital contributions of the partners. However, the number of shareholders is limited and the reporting requirements are less stringent. The firm name must contain the name of one or more of the partners.

BUFETE ASOCIADO  
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OFICINA 10  
TELEFONO 26358  
GUATEMALA

LEGAL OPINION  
CONCERNING ESTABLISHMENT OF  
CRS CORPORATION

Guatemala,  
junio 4, 1982.

ASUNTO: Razones legales por las cuales una asociación no lucrativa se halla impedida para realizar actividades lucrativas.

De conformidad con la consulta formulada, el infrascrito se permite exponer:

1.- El Código de Comercio establece la calidad de los comerciantes individuales y sociales, indicando en ambos casos la característica esencial del lucro como resultado de sus actividades (mercantiles), y más - que un resultado, se infiere que es un fin de dicha actividad.

2.- De conformidad con el Código Civil, las agrupaciones humanas con fines sociales se dividen en: a) asociaciones no lucrativas; y b) asociaciones lucrativas ( Sociedades). Las asociaciones no lucrativas - como APROFAM - son civilmente capaces, determinándose su capacidad por la ley civil y sus reglamentos y estatutos, los cuales deben estar aprobados por el Ejecutivo ( a través del Ministerio de Gobernación ). Como resultado de su capacidad civil, son responsables de los actos de sus representantes que en el ejercicio de sus funciones, violen la ley o no la cumplan.

Una de las causas de disolución de las asociaciones no lucrativas es a petición del Ministerio Público, al comprobarse que sus actuaciones son contrarias a la ley. En el presente caso, la Ley de la materia y sus propios estatutos ( 3o. Estatutos de APROFAM) indican que la entidad es no

SP.

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Annex "L"  
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lucrativa.

3.- Los anteriores criterios legales son confirmados por la Ley del Impuesto Sobre la Renta, que exime de su aplicación a las asociaciones no lucrativas. De ello se deduce que una asociación no lucrativa no puede dedicarse en nombre propio al comercio.

En esa misma concordancia, la Cuona Anual de Sociedades, declara no afectas a las asociaciones no lucrativas.

En consecuencia, el Infrascrito Abogado y Notario,

OPINA:

I. Las Asociaciones no lucrativas, como su nombre lo dice, se constituyen sin fines de lucro, lo cual les permite hallarse exentas de impuestos, tasas y contribuciones.

II. Es contra su propia naturaleza el dedicarse a actividades mercantiles, que por definición son lucrativas.

III.- Las Asociaciones no lucrativas se rigen por sus estatutos, previamente aprobados por el Organismo Ejecutivo, y en el presente caso APROFAM se define a sí misma, como entidad no lucrativa, por lo que sería contrario a su propia naturaleza el dedicarse a actividades de lucro.

IV. Toda actividad comercial o mercantil es por esencia lucrativa, y en tal sentido está regida por una ley especial: El Código de Comercio.

**BUFETE ASOCIADO**  
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FUNDAMENTO LEGAL: Artículos 2, 8, 23 inc. 6, 24 inc. 14 del Estatuto de Gobierno. Artículos 15 inc. 3, inc 4, 18, 24, 25, 31 del Código Civil. Artículos 1, 2, 10 del Código de Comercio. Artículo 2 inc b de la Ley del Impuesto Sobre la Renta. Artículo 5 del Decreto 16-72 del Ministerio de Finanzas Públicas. Artículo 3 de los Estatutos de APROFAM.

  
f. Lic. Mario Efraín Flores Barrientos.



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

ANNEX M  
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ENVIRONMENTAL THRESHOLD DECISION

Project Location : Guatemala

Project Title and Number : Expansion of Family Planning Services  
520-0288

Funding : \$10,737,000 Grant

Life of Project : 4 years

IEE Prepared by : Ricardo Perez, USAID/Guatemala

Recommended Threshold Decision : Negative Determination

Bureau Threshold Decision : Concurrence with recommendation

Action : Copy to Eliseo Carrasco, Director  
USAID/Guatemala

: Copy to Ricardo Perez, USAID/Guatemala

: Copy to Susan Schaeffer, LAC/DR

: Copy to IEE file

James S. Hester Date 30 June 82

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

RECORD COPY

INITIAL ENVIRONMENTAL EXAMINATION

Project Location: Guatemala  
Project Title : Expansion of Integrated Planning Services  
Funding : \$10,737,000  
Life of Project : Four Years  
IEE Prepared by : Ricardo Pérez, Mission Environmental Coordinator  
- December 1, 1981

Recommended Threshold Decision:

Negative Determination  
(See Part 4)

Mission Director's Concurrence:



Eliseo Carrasco  
Director  
USAID/Guatemala

**PROJECT DESIGN SUMMARY  
LOGICAL FRAMEWORK**

Life of Project:  
From FY 83 to FY 86  
Total U. S. Funding 10,736,500 million  
Date Prepared: 30 November 1981

Project Title & Number: **EXPANSION OF FAMILY PLANNING SERVICES - PROJECT 520-0288**

| NARRATIVE SUMMARY   | OBJECTIVELY VERIFIABLE INDICATORS   | MEANS OF VERIFICATION   | IMPORTANT ASSUMPTIONS   |
|---|---|---|---|
| <p><b>Program or Sector Goal:</b> The broader objective to which this project contributes:<br/>Satisfy basic human needs of poor by increasing access to F.P. services and information.</p>   | <p><b>Measures of Goal Achievement:</b><br/>Decrease of birth rate from 37 per 1,000 to 33 by end of project.</p>   | <p>National studies to be done in 1982 and 1986 based on 1978 National Contraceptive Usage Study data.</p>  | <p><b>Assumptions for achieving goal targets:</b><br/>The population perceives the importance of F.P. as a basic need.</p>  |
| <p><b>Project Purpose:</b><br/>To expand availability of family planning services through public, private, and commercial sector activities.</p>  | <p>Conditions that will indicate purpose has been achieved: End of project status.<br/>Current family planning users in activities funded by project increase to 500,000. GOG, APROFAM, and Private Sector coordinating family planning effort. Acceptance of family planning in rural areas increases in proportion to urban.</p>  | <p>National Contraceptive Usage Studies in 1982 and 1986 providing analysis by Urban &amp; Rural Areas. Service statistics by private and public sector participating Institutions.</p> | <p><b>Assumptions for achieving purpose:</b><br/>GOG support of family planning as part of the National Health Plan and consequent GOG willingness to participate actively in F.P. Private sector organizations continue to participate in F.P. activities.</p>       |
| <p><b>Outputs:</b> 1. F.P. services and counseling available in all MOH health facilities. Community based F.P. services established in rural areas not having ready access to MOH fixed clinics system.<br/>2. Contraceptives readily available at affordable prices in retail outlets throughout the country.<br/>3. Information on family planning available through mass media.</p> | <p><b>Magnitude of Outputs:</b> 1. 600 MOH facilities, 8 APROFAM clinics, 500 community based distributors and 30 identified PVO's providing F.P. services.<br/>2. Contraceptives available at reduced prices in 1,200 commercial pharmacies and 5,000 retail sales outlets.<br/>3. 95% Ladino and 85% Indian populations aware of F.P. services available in their area.</p> | <p>1. MOH statistics<br/>APROFAM statistics.<br/>2. CRS Sales Records.<br/>3. MOH management info. system.<br/>4. Routine reports of APROFAM Indian monitors.</p>                       | <p><b>Assumptions for achieving outputs:</b><br/>1. All facilities providing services are staffed by trained personnel and receiving necessary MOH support.<br/>2. No GOG curtailment of information campaigns.<br/>3. No major disruptions in commercial sector.</p> |
| <p><b>Inputs:</b><br/>AID Contribution<br/>GOG Contribution<br/><u>Other Donors</u><br/>AVS<br/>IPPF<br/>UNFPA<br/>UHPFA</p>  | <p><b>Implementation Target (Type and Quantity)</b><br/>AID - SERVICE \$ 8,667,000<br/>IEC \$ 2,070,000<br/>AVS \$ 1,500,000<br/>IPPF \$ 1,600,000<br/>UNFPA \$ 1,052,000<br/>GOG \$ 2,578,000<br/>Others<br/>(combined) \$ 2,648,000</p>   | <p>Review of project financial records. AID project agreements; other donor project agreements.</p>   | <p><b>Assumptions for providing inputs:</b><br/>Inputs are made in a timely fashion. Continued other donor willingness and capacity to meet commitments.</p>  |

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The goal of the project is to satisfy the basic human needs of the poor by increasing access to family planning services and information.

The purpose is to expand availability of family planning services through public, private, and commercial sector activities.

This project will consist of four distinct components:

1. A national contraceptive retail sales (CRS) program which will provide the poor majority with access to quality contraceptives through existing commercial outlets at affordable prices.
2. Continued support of APROFAM in its on-going activities of community based distribution of contraceptives (CBD), Information, Education, and Communication (IEC) campaigns concerning family planning, specialized family planning services for Indigenous populations where the current acceptance of family planning is low and clinical Family Planning Services.
3. Support for the Ministry of Health (MOH) in the development of educational materials for its family planning program in continuing the contraceptive logistics and medical supervision systems developed under Project 520-0263.
4. Support for private and public organizations including the Independent Campesino Labor organization, the Rotary Club, and the Ministry of Labor in the provision of family planning services.

Impact Identification and Evaluation

Environmental  
Impact

A. Land Use

- |  |          |
|--|----------|
| 1. Changing the character of the land through: |          |
| a. increasing the population                   | POSITIVE |
| b. extracting natural resources                | NONE     |
| c. land clearing                               | NONE     |
| d. changing soils character                    | NONE     |
| 2. Altering natural defenses                   | NONE     |
| 3. Foreclosing important uses                  | NONE     |
| 4. Jeopardizing man or his works               | POSITIVE |

B. Water Quality

- |                                   |      |
|-----------------------------------|------|
| 1. Physical state of water        | NONE |
| 2. Chemical and biological states | NONE |
| 3. Ecological balance             | NONE |

C. Atmospheric

- |                    |      |
|--------------------|------|
| 1. Air additives   | NONE |
| 2. Air pollution   | NONE |
| 3. Noise pollution | NONE |

D. Natural Resources

- |  |      |
|--|------|
| 1. Diversion, altered use of water       | NONE |
| 2. Irreversible, inefficient commitments | NONE |

|  |          |
|--|----------|
| <b>E. <u>Cultural</u></b>                  |          |
| 1. Altering physical symbols               | LITTLE   |
| 2. Changes in cultural patterns            | POSITIVE |
| <b>F. <u>Socioeconomic</u></b>             |          |
| 1. Changes in economic/employment patterns | LITTLE   |
| 2. Changes in population                   | POSITIVE |
| <b>G. <u>Health</u></b>                    |          |
| 1. Changing a natural environment          | LITTLE   |
| 2. Eliminating an ecosystem element        | NONE     |
| 3. Eliminating deleterious conditions      | LITTLE   |
| <b>H. <u>General</u></b>                   |          |
| 1. International impacts                   | NONE     |
| 2. Controversial impacts                   | LITTLE   |
| 3. Larger program impacts                  | LITTLE   |

### Discussion of Impacts

In the short run, the project will have very little impact on the environment but it will have an effect on cultural patterns in the area of human reproduction and maternal and child health. Over a ten to twenty-year period, it will have a salutary effect on the economy and employment patterns. Also, the current population growth rate of 2.9% annually should progressively decline, thus having a positive impact on other AID-sponsored programs in Guatemala. Controversial impacts will be minimal because GOG participation will legitimize the activities contemplated hereunder. Additionally, cultural sensitivities will be taken into account in the development and delivery of educational messages and in delivery of services.

### Conclusions and Recommendations for Threshold Decision

From the description of the project and the foregoing identification and evaluation of its expected impacts, it is concluded that the project will not have a significant foreseeable effect on the environment. A Negative Determination is therefore recommended.