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

ROCAP  
PROJECT PAPER  
REGIONAL DEVELOPMENT SUPPORT

AID/LAC/P-593

PROJECT NUMBER: 596-0162

UNCLASSIFIED

1

AGENCY FOR INTERNATIONAL DEVELOPMENT

**PROJECT DATA SHEET**

1. TRANSACTION CODE

A = Add  
 C = Change  
 D = Delete

Amendment Number

DOCUMENT CODE

3

2. COUNTRY/ENTITY  
 ROCAP

3. PROJECT NUMBER

596-0162

4. BUREAU/OFFICE

in America and the  
 ibbean

05

5. PROJECT TITLE (maximum 40 characters)

Regional Development Support

6. ESTIMATED DATE OF OBLIGATION

MM DD YY  
 07 31 95

(Under 'B.' below, enter 1, 2, 3, or 4)

A. Initial FY 90

B. Quarter 4

C. Final FY 95

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

A. FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	465	155	620	1,625	875	2,500
(Grant)	( 465 )	( 155 )	( 620 )	( 1,625 )	( 875 )	( 2,500 )
(Loan)	( )	( )	( )	( )	( )	( )
Other U.S.	1.					
	2.					
Host Country						
Other Donor(s)						
<b>TOTALS</b>	465	155	620	1,625	875	2,500

9. SCHEDULE OF AID FUNDING (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) PSEE	700	700		1,202		380		1,202	
(2) HE				531		155		531	
(3) EHN				767		85		767	
(4)									
<b>TOTALS</b>				2,500		620		2,500	

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

510 610 870

11. SECONDARY PURPOSE CODE

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

A. Code TNG NUTR BWB BW BR ENV  
 B. Amount

13. PROJECT PURPOSE (maximum 480 characters)

To promote Central American Consensus on economic and social development strategies which ensure that future growth will be more responsibly implemented and equitably shared.

14. SCHEDULED EVALUATIONS

Interim MM YY MM YY Final MM YY  
 09 93 09 95

15. SOURCE/ORIGIN OF GOODS AND SERVICES

000  941  Local  Other (Specify) CACM

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

I certify that the methods of payment and audit plan are in compliance with the Payment Verification Policy.

*Gary Byllesby*  
 Gary Byllesby, CONT

17. APPROVED BY

Signature *Ronald L. Nicholson*  
 Title Ronald L. Nicholson  
 Acting Regional Director

Date Signed MM DD YY  
 09 06 90

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

MM DD YY

2X

## INSTRUCTIONS

The approved Project Data Sheet summarizes basic data on the project and must provide reliable data for entry into the Country Program Data Bank (CPDB). As a general rule blocks 1 thru 16 are to be completed by the originating office or bureau. It is the responsibility of the reviewing bureau to assume that whenever the original Project Data Sheet is revised, the Project Data Sheet conforms to the revision.

Block 1 - Enter the appropriate letter code in the box, if a change, indicate the Amendment Number.

Block 2 - Enter the name of the Country, Regional or other Entity.

Block 3 - Enter the Project Number assigned by the field mission or an AID/W bureau.

Block 4 - Enter the sponsoring Bureau/Office Symbol and Code. *(See Handbook 3, Appendix 5A, Table 1, Page 1 for guidance.)*

Block 5 - Enter the Project Title *(stay within brackets; limit to 40 characters)*.

Block 6 - Enter the Estimated Project Assistance Completion Date. *(See AIDTO Circular A-24 dated 1/26/78, paragraph C, Page 2.)*

Block 7A. - Enter the FY for the first obligation of AID funds for the project.

Block 7B. - Enter the quarter of FY for the first AID funds obligation.

Block 7C. - Enter the FY for the last AID funds obligations.

Block 8 - Enter the amounts from the 'Summary Cost Estimates' and 'Financial Table' of the Project Data Sheet.

**NOTE: The L/C column must show the estimated U.S. dollars to be used for the financing of local costs by AID on the lines corresponding to AID.**

Block 9 - Enter the amounts and details from the Project Data Sheet section reflecting the estimated rate of use of AID funds.

Block 9A. - Use the Alpha Code. *(See Handbook 3, Appendix 5A, Table 2, Page 2 for guidance.)*

Blocks 9B., C1. & C2. - See Handbook 3, Appendix 5B for guidance. The total of columns 1 and 2 of F must equal the AID appropriated funds total of 8G.

Blocks 10 and 11 - See Handbook 3, Appendix 5B for guidance.

Block 12 - Enter the codes and amounts attributable to each concern for Life of Project. *(See Handbook 3, Appendix 5B, Attachment C for coding.)*

Block 13 - Enter the Project Purpose as it appears in the approved PID Facesheet, or as modified during the project development and reflected in the Project Data Sheet.

Block 14 - Enter the evaluation(s) scheduled in this section.

Block 15 - Enter the information related to the procurement taken from the appropriate section of the Project Data Sheet.

Block 16 - This block is to be used with requests for the amendment of a project.

Block 17 - This block is to be signed and dated by the Authorizing Official of the originating office. The Project Data Sheet will not be reviewed if this Data Sheet is not signed and dated. Do not initial.

Block 18 - This date is to be provided by the office or bureau responsible for the processing of the document covered by this Data Sheet.

## PROJECT AUTHORIZATION

**Name of Country:** Guatemala, Belize, El Salvador, Honduras, Nicaragua, Costa Rica, Panama and the Regional Office for Central America and Panama (ROCAP)

**Name of Project:** Regional Development Support

**Number of Project:** 596-0162

1. Pursuant to Sections 103, 104, 105 and 106 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Regional Development Support Project for the above mentioned Cooperating Countries, involving planned obligations not to exceed Two Million Five Hundred Thousand Dollars (US\$2,500,000) in development assistance funds over a five-year period from date of authorization subject to the availability of funds in accordance with the AID/OYB allotment process, to finance foreign exchange and local costs for the Project. The planned LOP is five years from the date of initial obligation.

2. The goal of the Project is to promote regional consensus on economic and social development strategies to ensure that future growth is more responsibly implemented and equitably shared. The purpose is to study and prepare for formal AID approval alternative development strategies and programs/projects in areas important to Central America's development in the next decade.

The proposed \$2.5 million five-year project includes activities in information gathering and analysis, policy reform, skills development, and will provide access to quality technical assistance. The Project's funds will be applied across selected functional areas, or components, which will cover a variety of activities with a range of public and private Central American institutions and organizations.

Component 1: Energy and Environment will emphasize rationalizing energy policies and improving efficiency of the generation and delivery of electric power in Central America and Panama, in a way consistent with sound environmental management.

Component 2: Health and Nutrition will be directed, initially, toward the Regional Nutrition Institute (INCAP) with the

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objective of helping that organization become a financially viable contributor to Central American development. A longer-term effort aimed at expanding the role of the private sector in health care, especially in the urban areas, will also be addressed.

Component 3: Education and Training will include a survey of the region's education and training status at all levels, identify priority needs and innovative ways to meet those needs to allow Central America to participate in the global economy, and provide technical staff support for design and implementation of training activities under a variety of ROCAP-funded projects.

Component 4: Shelter and Urban Development will fund bilateral and regional technical assistance to shelter and urban development programs under the technical supervision of the Regional Housing and Urban Development Office (RHUDO/CA).

Component 5: Women in Development will provide funds and technical expertise to carry out ROCAP's approved WID Plan which, in turn, is to increase the participation of women in Central America's development and in its benefits.

Component 6: Project Design and Support will provide funds for evaluation and audit and short-term technical assistance and will fund one long-term PSC position in the Project Development Office to provide technical support for project design.

The Project will be managed by ROCAP's General Development Office. Periodic evaluations will be conducted to determine when new strategies/programs (or revisions to existing ones) require a change in staff or project funding when such projects come on-line, and identification of other long or short-term skills needed to develop strategies and programs for the Central American region in the next decade.

The Project will assist in solidifying and extending the democratic process made by the Central American governments over the past decade by promoting broader consensus among the population on economic and social strategies. In view of current events in Panama and Nicaragua, the Project will also serve to integrate those countries into the economic and social cooperation efforts now at work in the region.

3. The Project Agreements, which may be negotiated and executed by the officer to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority, shall be subject to the following terms and conditions, together with such other terms and conditions as A.I.D. may deem appropriate.

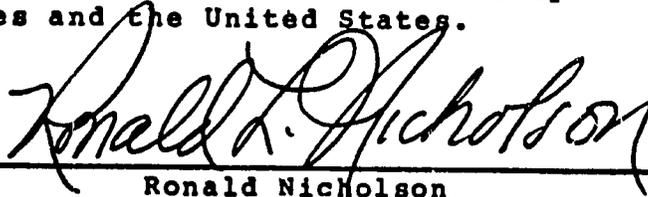
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a. Source and Origin of Commodities, Nationality of Services

Commodities financed by A.I.D. under the Project shall have their source and origin in the United States, except as A.I.D. may otherwise agree in writing. Except for ocean shipping, the suppliers of commodities or services shall have the United States as their place of nationality, 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 only on flag vessels of the United States.

b. Waiver Regarding Nationality of Technical Assistance

I hereby approve a waiver of normal A.I.D. requirements with respect to the nationality of services to permit the suppliers of technical services under this Project to have as their place of nationality the Cooperating Countries and the United States.



Ronald Nicholson  
Acting Regional Director

4 Sept. 90

Date

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## I. SUMMARY AND RECOMMENDATIONS

### A. Summary

The Regional Development Support (RDS) Project is intended to assist the Central American public and private sector in identifying key development issues and needs in the 90's; and help design coherent strategies to address these. The Project responds to fast-emerging problems which will impede development in the next 5-10 years, if not addressed promptly. The Project is also designed with sufficient flexibility to allow the AID/ROCAP Mission to respond quickly and effectively to rapid changes now occurring in Central America's perception of regional priorities; as well as in the USG's changing view of, and interactions with the region -- particularly with the Bush Initiative.

The Project purpose is to study and prepare for formal AID approval alternative development strategies and programs/projects in areas/important to Central America's development in the next decade. This 5-year Project will fund activities in information gathering and analysis, policy reform, skills development, and will provide access to quality technical assistance in a wide variety of areas.

Project funds will be applied across selected functional areas, or components, which will cover a wide variety of activities with a range of public and private Central American institutions and organizations: Component 1, Energy and Environment will emphasize and rationalize energy policies improving efficiency of the generation and delivery of electric power in Central America and Panama, which are consistent with sound environmental management. Component 2, Health and Nutrition will be directed, initially, toward the Regional Nutrition Institute (INCAP) with the objective of helping that organization become a financially viable contributor to Central American development. A longer-term effort aimed at expanding the role of the private sector in health care, especially in urban areas, will also be addressed. Component 3, Education and Training will include a survey of the region's education and training status at all levels, identify priority needs and innovative ways to meet those needs to allow Central America to participate in the global economy; and provide technical staff support for design and implementation of training activities under a variety of ROCAP-funded projects. Component 4, Shelter and Urban Development will fund for advisory services bilateral and regional technical assistance to shelter and urban

development programs under the technical supervision of the Regional Housing and Urban Development office (RHUDO/CA). Component 5, Women in Development, will provide funds and technical expertise to carry out ROCAP's approved WID Plan which, in turn, is to increase the participation of women in Central America's development and in its benefits.

Component 6, Project Design and Support will fund one long-term PSC position in the Project Development Office to provide technical support for project design and short-term technical assistance in support of Project activities.

Component 7, Evaluation and Audit will provide funds for these requirements.

The Project will be managed by ROCAP's General Development Office. Periodic evaluations will be conducted to determine when new strategies/programs (or revisions to existing ones) require a change in staff or project funding when such projects come on-line; and identification of other long or short-term skills needed to develop strategies and programs for the Central American region in the next decade.

The Project will assist in solidifying and extending the democratic process made by the Central American governments over the past decade by promoting broader consensus among the population on economic and social strategies. In view of current events in Panama and Nicaragua, the Project will also serve to integrate those countries into the economic and social cooperation efforts now at work in the region.

#### B. Project Inputs

The project's financial plan is summarized in Table 1, on the following page.

TABLE 1  
REGIONAL DEVELOPMENT SUPPORT PROJECT (596-0162). ILLUSTRATIVE BUDGET

Proj. Des. \$ Support	Energy	HE/N	ED/TRG.	Shelter	WID	Sub-Total	Total
<u>ROCAP Costs</u>							
Evaluation & Auditing						\$50,000	
Staff	\$294,355	\$68,622	\$155,000	\$287,293		\$805,270	\$855,270
<u>Short-Term External Technical Assistance (ROCAP)</u>	\$441,130						\$441,130
<u>Cooperative Agreement Costs</u>							
Program Development Grants	\$50,000	\$68,000	\$35,600		\$50,000		\$203,600
	ICAITI	INCAP	FEDEPRICAP		FEDEPRICAP		
<u>RHUDO/CA</u>							
Staff				\$897,461		\$897,461	
External Techn. Assistance				\$102,539		\$102,539	
Sub-Total							\$1,000,000
<b>TOTAL</b>	\$785,485	\$118,622	\$223,000	\$322,893	\$1,000,000	\$50,000	\$2,500,000

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### C. Recommendations

The Project Review Committee of ROCAP/Guatemala recommends the authorization of \$2,500,000 for the Regional Development Support Project to be distributed in the following manner: Project Design Assistance and Support (\$344,355); Component 1, Energy and the Environment (\$118,622); Component 2, Health and Nutrition (\$223,000); Component 3, Education and Training (\$322,893); Component 4, Shelter, Urban Development and Municipal Services (\$1,000,000); Component 5, Women in Development (\$50,000); Component 6, Project Design and Support (\$735,485); and Component 7, Evaluation and Audit (\$50,000).

## II. PROJECT BACKGROUND AND RATIONALE

### A. Economic and Social Conditions

The region's economies grew rapidly in the 1960s and 1970s driven by favorable prices for their principal export commodities, the protection and incentives of import substitution policies and relative political stability. This period of economic growth came to an abrupt end in the late 1970s by the combined effects of the oil crisis, the breakdown of the Central American Common Market (CACM) and the rupture of social peace in Nicaragua and El Salvador.

In the 1980s all Central American countries experienced significant declines in the level of economic activity. Gross Domestic Product (GDP) dropped sharply in 1979 and per capita income growth became negative, and remained negative each year until 1987, when it was positive at only 0.2%. During most of the 1980s, export prices were low in Nicaragua, El Salvador and Honduras defaulted on regional trade payments, exports fell rapidly, intra-regional trade decreased to pre-1975 levels, investment declined, and capital and people took flight.

At the same time, unemployment remains among the most serious socio-economic concern. As of 1989, the combined unemployment and underemployment rates have grown to alarming proportions fueling the flight of people from the region. Estimates indicate an average rate of 30% unemployment for the then four AID-supported countries.<sup>1</sup>

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<sup>1</sup> Estimated, using country averages of estimates from AID/LAC/DP.

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The problems faced by the region are common to many LDCs: Adverse terms of trade, burdensome external debt, small and depleted domestic markets, high unemployment, deteriorating infrastructure, lack of hard currency reserves, inadequate revenue collections, and weak financial institutions. Moreover, decades of protectionist policies within the CACM have resulted in inefficient production, low standards of quality and limited experience in the export markets.

Economic conditions have substantially improved during the last 3 years. However, the recovery is still precarious. The slowness of the recovery is affected by external factors: external economic trends have been characterized by sluggish world economic growth and unfavorable commodity prices; and anticipated capital inflows have not materialized, in part, but only in part, because of the adverse political climate that still exists in El Salvador.

The region's sociocultural environment is far from uniform. It is characterized at one end of the social spectrum by a conservative and highly traditional society in Guatemala with a heavy indian population, to a much more open, homogeneous and urbanized culture in Costa Rica and Panama, at the opposite end. Similarly, the role of women differs throughout the region. In some countries, women are clearly visible and occupy relatively important high level positions. In others, the role of women in the economy is much more disadvantaged. One of the anticipated benefits of the Project will be to recognize and promote the critical role women play in a region in which one country is led by a woman.

Recently, initiatives of regional economic integration and cooperation announced by the Central American Presidents in their Antigua Declaration, the visit of Secretary of State Baker and his declaration of intention to seek economic cooperation for Central America from OECD countries, and President Bush's announced policy of debt relief and trade liberalization for Latin American countries, have stimulated interest in policy dialogue and policy reforms and in strengthening regional institutions.

After the initial revision of the RDSS this Project will identify new strategies and will generate other Projects. However, to respond to challenges and opportunities of the 1990s, new socioeconomic problems requiring immediate action at the regional level have been identified in the following areas:

1. Energy and the Environment

The shortage of adequate, affordable and reliable supplies of electrical energy constitutes a major impediment to present and future development in Central America and Panama. According to a

recent report of the AID/W Office of Energy<sup>2</sup>, the Central American region is facing an imminent electricity crisis. The aggregate peak load is about 2,500MW and electricity needs are growing at about 5 percent annually. Over the next decade, the region needs, at minimum, an annual addition of 125MW of new electric capacity.

Central America faces a pressing need for more affordable and reliable supplies of electricity to support its economic and social development. However, with a combined external debt of \$14.7 billion in 1988, the region suffers from a severe shortage of the capital required to meet its growing demand for power. Almost all of the Central American countries' external debt relating to energy originates in the electric power sector. The debt of this sector alone amounts to about 25 percent, on average, of the total external debt for the region. Anticipated energy demand increases will necessitate even larger investments in the sector, which could aggravate the already difficult external debt situation at a time when the standard of living in Central America has been static or declining.

While there is no shortage of either renewable or non-renewable generation alternatives, the financing of new generation projects to meet optimum economic development plans is well beyond the means of the countries. Further, because the time required to bring a new plant on line is normally several years and most countries are unable to readily secure financing, an energy crisis is threatening, in the short-term, any of the region's nations.

These factors point to an increasingly difficult and uncertain future. While the quality of electricity service is satisfactory today, the peak load is diminishing capacity reserves, raising the probability of outages and brownouts. The cost of electricity will increase as the energy demand exceeds the production from the most-economic sources, and financial constraints force resort to energy solutions that can be brought on line promptly, albeit uneconomically.

Load resource balances prepared for each country, presented in Annex-B, indicate a potential energy supply deficit in the near future. Under this scenario and considering only the outage of the largest unit, Panama, Costa Rica, and Honduras would run short of energy in 1993-94, while Honduras, Costa Rica and El Salvador would not be able to meet their capacity reserve

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<sup>2</sup> Central America and Panama Electric Power Sector Strategy Review. A Report of the Office of Energy, Bureau for Science and Technology, U.S. Agency for International Development, Washington, DC, April 1990.

criteria as early as 1992. Guatemala, with capacity to meet its demand until the end of the century, relies on a single hydro project that could cause supply problems when it shuts down for maintenance or were it to be damaged by terrorist acts.

Electricity generation in Central America is heavily dependent upon natural resources. Forests, farm lands, and water provide most of the employment and income generated in the region. The depletion of these resources caused by capacity development has been significant. However, it is the use of forest products by the poor, as fuel for domestic purposes and the often unregulated cutting of timber for commercial purposes, that has reached the point where growth is threatened.

There is growing recognition among the Central American leadership that the countries face a common problem with grave consequences. A shortage of electricity will adversely affect investment plans in much needed employment generating activities. Environmental mismanagement has destroyed watersheds and increased sediment loads thus shortening the life of reservoirs for hydroelectric and potable water. The financial toll of these events is significant, as large capital investments, for energy and the environment, will have to be diverted, from an already scarce pool of financial resources. For instance, in El Salvador, power sector investments will total about \$700 million for expansion of generating capacity, \$164 million for distribution, and \$73 million for transmission. In Costa Rica, an average of over \$100 million per year will be required to cover the total power investment program until the year 2000.

## 2. Health and Nutrition

ROCAP has just completed a review of its Health/Nutrition strategy. The findings indicate that, despite significant improvements in regional infant and child mortality rates, as well as immunization coverage, the major causes of death and morbidity in the populous northern tier of countries continue to be infectious diseases among infants and children. Malnutrition also remains high; in Guatemala and Panama, the malnutrition rate has increased. At the same time the southern tier (Costa Rica and Panama) and Belize are experiencing a transition in which heart disease, cancer and accidents are becoming major health problems. Other developments having an impact on the region's health and nutrition status include rapid urbanization, and with it urban pollution and environmental degradation. At the same time, reductions in available resources for health and nutrition make it essential for Central Americans to gear programs to realistic levels of effort, and manage scarce resources much more efficiently and effectively.

Public health institutions throughout the region continue to be ineffective and weak. Demography and diminishing human and financial resources have contributed to the deterioration of the

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health delivery systems of the region. Increased life expectancy and the growing need of health care and inflation-adjusted pension payments for the aged has severely strained the financial resources of the areas' social security systems. Health-care delivery cannot be expanded without large increases in employee and employer contributions, a measure that is opposed by labor unions and private employer associations.

Health care delivery to rural areas, difficult to reach by the social security systems and normally provided by ministries of health, suffers a constant deficiency of personnel and logistics support services.

Similarly, increased efforts are being made throughout the area to identify and agree upon alternative strategies to increase the flow of financing to health care. This will include examinations of possible savings as the result of more efficient public sector health care management and economies of scale achieved by integration of health care resources and facilities.

The private sector already provides a significant portion of health and nutrition services to the population of the Central American republics. Some estimates suggest that over 50% of health expenditures occur in the private sector. Although most private care is probably curative, many private clinics and pharmacies also provide vaccinations, ORS and health education opportunities to a large and important clientele. Private physicians have set up clinics to serve relatively poor populations in semi-urban and rural areas and spend part of their work day in public facilities.

### 3. Education and Training

During the latter half of the century, the governments of Central America have assumed an important role as education providers, from the elementary to the graduate level. It has been only recently, that private college level education has emerged as a viable alternative to the states' university systems. The role of education is fundamental to development. It provides the human resources to manage the development effort. It expands the intellectual horizon of the people to demand better living standards and employment opportunities. It prepares and motivates the population to participate in the democratic process.

Public education in the region has produced mixed results. While access to education has improved, schools and training institutions have not kept pace with the demand for developing the knowledge base and skills required by the modern productive sector.

There is an immediate need to improve basic education and to make it universal. There is also a need to make available

critical management and technical training resources reflecting new technologies and market demands.

Demographic pressures and diminishing resources in the region have taken their toll on already overloaded public education systems. Vital services to combat illiteracy, provide basic academic education, and make available specialized technical training, have been drastically reduced.

There is a growing recognition that education and training is critical to maintain democratic societies. It is also recognized that trained human resources are key to improved productivity and quality of goods and services. Additionally, the role of women in development can be enhanced by addressing their unique needs in the educational and training process.

The private sector has been traditionally reluctant, for ideological reasons, to engage in constructive policy dialogue with government to influence decisions in the basic education field. It is precisely at this level where most of the deficiencies which impact on the educational/training development of the individual originate.

#### 4. Shelter and Urban Development

The combined population of the six Central American countries was close to the 30 million mark at the end of the 1980s. At an annual population growth rate of 3 percent, the population of the region will approach 50 million by the end of the century. Today, 42 percent of that population lives in urban areas. With urban population in the capital cities growing at a higher rate than the country average, the urban population in the region will exceed 50 percent of the total by the year 2000.

Only 30 percent of the urban population in the region is considered to live in satisfactory housing. To eliminate the current shelter deficit and provide for future needs, an estimated 120,000 new units must be produced and another 142,000 must be upgraded annually. Current production, however, is approximately 50,000 shelter solutions per year.

Nor is provision of infrastructure services keeping pace with demand. Potable water is provided to only 66 percent of urban households in El Salvador, 58 percent of urban families in Honduras, and 44 percent in Guatemala. Only in Costa Rica is potable water available to the vast majority of urban households. The percentage of urban population served by sewers is even lower. On average, only 40 percent of the urban population in the region had sewer connections.

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## 5. Women in Development

ROCAP's Women in Development Action Plan is the result of an assessment of its current (and new) project portfolio from a gender perspective, consideration of its strategy of complementing U.S. bilateral assistance programs by supporting institutions and activities that have an impact at the regional level in Central America, a review of its current mission-wide work plan, as well as an assessment of its institutional capacities at the present time.

ROCAP's present Action Plan (FY 90-91), focuses on two of the LAC basic goals: basic policy reforms leading to rapid and sustained economic growth and spreading the benefits of growth. These goals are carried out in seven objectives: agricultural production, export promotion, natural resources management, health and child survival, housing, educational opportunity, and regional economic and trade policy. Consideration of gender issues falls squarely within the scope of these goals and objectives and, to the extent they are acted upon, enhance the likelihood of their achievement.

### B. Role of the Private Sector in Development

As used in this document, "private sector" refers to that segment of a country's economy comprised of organizations owned and managed by individuals, groups, or corporate entities that can operate in an open market to provide goods and services and a return on the investments of the owners, with minimal governmental intervention. In contrast, the "public sector" refers to that segment where government organizations or entities owned and controlled by governments provide good and services.

The major benefits that private sector involvement can bring to developing countries are the introduction of market forces into the productive sector and the attraction of additional financial and other resources, accessible only to the private sector. The introduction of market forces can bring two critical elements: competition and efficiency. This can result in improved system management and mobilization of added resources.

The power sectors of the Central American countries tend to be inefficient in their generation, distribution and administrative systems. Electric power is viewed as a political good rather than as infrastructure for development. Traditionally, electric power tariffs have been set below their economic cost. In Costa Rica, arguably the best case example, electricity tariffs have ranged from 66 percent to 94 percent of their economic cost over the period 1985-1989, and generated only enough revenue in 1989 to cover about 75 percent of the utility's debt service, let alone the costs to cover its operating expenses or finance its expansion. In El Salvador, electricity tariffs would have to be increased immediately by at least 70 percent to cover the

utility's cash flow deficit. For other utilities in the region, the situation is similar.

The combined effect of inadequate tariffs and currency devaluation is that utilities, in Central America, cannot raise sufficient revenues to cover their accumulated debt and finance their expansion plans. Because Central American utilities are in arrears with multilateral credit agencies, they have not been able to secure financing for new generating resources. Instead, they must rely on supplier's credit which, when available, often limits the utilities' choices to suboptimal alternatives.

An analysis of numerous comparative studies of publicly and privately owned and operated utilities in the United States reveals that private enterprise can substantially improve electric power systems and can contribute to the solution of problems afflicting the Central American electric utilities.

First, private ownership and operation tend to result in tariffs being set to cover operational and capital expansion costs. Second, the cost of constructing new capacity is lower for private firms than for public utilities, owing to efficiencies in system design, procurement, and construction management. Third, operating costs of private firms are generally less than costs incurred by public utilities. Fourth, private firms have been shown to adopt innovations at a more rapid rate than public electric enterprises. Finally, publicly owned utilities receive less strict monitoring than do private utilities, allowing public managers more discretion in responding or not responding to customer demands.<sup>1</sup>

In Central America, public sector institutions -- largely the Ministries of Health and the Social Security Institutes -- have been the most important health providers. However, it has been clear for some time that these institutions alone cannot provide adequate coverage, especially in times of severe economic pressures and government austerity.

The private sector plays a crucial role in provision of food. Private commercial producers implement food fortification programs, adding Vitamin A to sugar and iodine to salt. Activities to address food contamination issues also involve the private sector.

The private sector also provides medical supplies and medicines. Several countries are promoting private production of ORS (oral rehydration salts) and exploring possibilities of developing industries to produce syringes, gloves and condoms. Private pharmacies are often a major source of health care and medical advice, as well as providers of medication.

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<sup>1</sup> L. de Alessi, "The Economics of Property Rights: A Review of the Evidence", Research in Law and Economics, Vol 2, 1980.

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Several private voluntary organizations (PVOs) and non-government organizations (NGOs) have important primary health care activities. These involve alternatives to public facilities, as well as implementing pilot programs that often demonstrate more effective and efficient ways to improve health care delivery.

Despite its importance, little is known about the character and quality of health and nutrition services provided by the private sector. The lack of knowledge about this sector is a major constraint on designing appropriate policy and programs to strengthen overall delivery of primary health care.

While basic education remains to a large extent in public sector control, the private sector has made considerable progress as a provider of reasonably priced primary and secondary education for middle-income families. With the exception of Costa Rica, because of its universal public education system, the individual countries are increasing their share of private school students at a faster rate than the region.

Before 1960 public sector universities were practically the only alternative for professional education in the Central American republics. The National University of each country provided training in the traditional professions: medicine, dentistry, pharmacy, law, and engineering. Education in other disciplines, with the exception of accounting, was difficult to obtain.

In the last 30 years, private sector provided university education has become widely available. Privately owned universities, offering new career options, are competing with National Universities in all countries. They are also interested in regional cooperation through a Central American Federation of Private Universities. Additionally, specialized private sector institutes have diversified the educational opportunities available to Central Americans.

Skill development training, with few exceptions, is largely a private sector activity. The private sector with its emphasis on profit making has developed a wide variety of management training units devoted to improve the skills, in functional areas, of those responsible for creating wealth, their managers and employees. However, the private sector has refrained from entering into training activities in areas where the benefit is largely macroeconomic, i.e., agriculture, exports, transportation, etc..

Recently, private sector universities -- notably Rafael Landivar University in Guatemala -- have taken the lead in leadership training of community development groups that are actively working in the promotion of democratic values. Although, it is early to assess the impact of this intervention, the fact that it is taking place is very encouraging for the future

participation of the private sector in the Promotion of Democratic Values component of the proposed project.

C. Relation to A.I.D. and ROCAP Policies and Strategy

1. General

Under the strategy formulated in the November 1987 RDSS, ROCAP will focus on activities which:

- a. affect all Central American countries (i.e. environment, natural resources, human and agricultural disease);
- b. require cooperative solutions (i.e., trade agreements); and/or
- c. for cost-effectiveness reasons, are best dealt with through regional programs (technical support on regional problems and R&D activities).

Within these areas ROCAP will continue to undertake projects supportive of and complementary to those of the bilateral Central American mission portfolios.

III. PROJECT DESCRIPTION

A. Goal, Purpose and Outputs

The Goal is to promote Central American consensus on economic and social development strategies which ensure that future growth will be more responsibly implemented and equitably shared.

The Purpose is to assist in designing alternative private-sector led development strategies and programs in energy, health and nutrition, education and training, democratic initiatives, shelter, urban development and municipal services, and women in development.

By the end of the project, the principal outputs are expected to be the following:

1. Policy fora, workshops and seminars will have been held in all countries in the region to address the role and the needs of the private sector in participating more fully in the component areas;
2. Major policy studies will have been prepared and used to achieve consensus on policies needed to secure greater private sector participation in the delivery of basic services;

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3. Management and technical training needs surveys will have been conducted in the substantive areas and accord on training goals reached;
4. Different strategies for privatizing public service institutions will have been discussed;
5. Strategic goals to promote private sector-led development at the regional and national levels will have been formulated by leaders in the substantive areas; and
6. Strategies to increase the number of women in leadership roles will have been developed.

#### **B. Project Activities**

To accomplish the goal and purpose previously mentioned, the project's resources are to be channeled through four components comprising a number of activities with private and public institutions. Component 1, Energy and Environment will emphasize improving the efficiency and rationalizing energy policies and improving efficiency of the generation and delivery of electric power in Central America and Panama, in a way consistent with sound environmental management. Component 2, Health and Nutrition will be directed, initially, toward the Regional Nutrition Institute (INCAP) with the objective of helping that organization become a financially viable contributor to Central American development. Other regional-level health and nutrition issues in the 90's will also be examined such as expanding the role of the private sector in health care. Component 3, Education and Training will include a survey of the region's education and training status at all levels, identify priority needs and innovative ways to meet those needs to allow Central America to participate in the global economy; and provide technical staff support for design and implementation of training activities under a variety of ROCAP-funded projects. Component 4, Shelter and Urban Development will fund bilateral and regional technical assistance to shelter and urban development programs under the technical supervision of the Regional Housing and Urban Development office (RHUDO/CA). Component 5, Women in Development, will provide funds and technical expertise to carry out ROCAP's approved WID Plan which, in turn, is to increase the participation of women in Central America's development and in its benefits. Component 6, Project Design and Support will fund a long-term PSC Advisor in project design and short-term technical assistance in support of Project activities. Component 7, Evaluation and Audit will provide funds for the requirements.

Each component will encompass the following set of activities: (1) policy development and reform; (2) information gathering and dissemination; (3) skills development and management training; and (4) technical assistance.

### 1. Policy development and reform

Key to private sector-led development in the fields of energy, urbanization, health and education is to have an adequate body of policies and a regulatory framework to improve the decision making process under uncertainty. Normally, the private sector will not participate in investments if the level of uncertainty is too high or if the rules of the game are not clear.

The first task will be to identify the actors in the policy formulation process in the functional areas. These will probably include: government organizations, private sector organizations, international institutions, regulatory agencies, financial institutions, service providers, users, labor and political associations, and the media.

The Project will provide the forum to discuss policy options and strategies. Necessary policy reforms will be initiated on open and constructive dialogue leading to consensus and cooperation among the actors.

An important activity will be the conduct of policy studies. Recommendations for priority policy research areas and criteria for selection of specific studies will be developed in the meetings with the principal actors and will be submitted to ROCAP for approval. Most of the policy studies, especially during the early phases of the project, will be subjects of immediate interest and relevance, that can be studied using existing data and research, leading without delay to discussions of policy alternatives and recommendations.

Some of the studies will be conducted by the long term technical advisor in each area, while others will be conducted under contracts or grants. Comprehensive briefings on the policy studies will be provided at workshops and seminars, permitting full dialogue on selected issues.

### 2. Information gathering and dissemination

A policy study has its greatest value when it is brought to the attention and consideration of people who influence or make policy decisions. Findings will be made available to Missions, PVOs and private and public sector officials. Publication of the findings as articles or monographs on scholarly journal of as wide circulation as possible should be an expected output of the project. Journalistic summaries with a wider audience will also be published in the media.

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### 3. Skills development and management training

The main instrument of human capacity-building and skill development under this project will be training in management of the delivery of services in the project areas.

Training will be conducted largely in the region, drawing on existing institutional abilities to develop skills training in the different project areas. The objective of these sessions will be to provide a forum in which leaders in each sector can achieve greater understanding of each others' problems. The seminars and workshops will also address ways in which common management problems can be solved jointly.

Selected workshops will deal with training needs in the area of negotiation. A principal objective of the Project is to attenuate factionalism. It is therefore vital that decision-makers be offered instruction in negotiating disputes between the sectors.

Training requirements in selected technical areas, particularly those which are key to improved productivity and appropriate technologies, will be surveyed. Focus here will be not only on identification of goals for training interventions at the technical level, but on the training of trainers as well. This is an efficient method of transferring skills and knowledge.

Finally, the Project will seek to develop cooperative arrangements under which public education and training curricula can be made responsive to the needs of the productive sector. The goal will be to make training demand, rather than supply, driven.

### 4. Technical Assistance

ROCAP will undertake a number of activities in the four technical areas, including policy formulation and implementation, policy assessments, public education and training, and institutional development. Additionally, RHUDO/CA will be responsible for carrying out the shelter and urban development program. Each of these areas requires technical support for advice as well as coordination. Thus, a core of functional advisors based in ROCAP will be expanded to guide project implementation and support the bilateral USAIDs in their project development activities.

The advisors to be contracted directly by ROCAP will be in the areas of: energy and the environment, health and nutrition, and education and training.

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Additionally, short-term technical advisors can be contracted to complement the long-term technical advisors' work or to undertake specific activities. The expected needs will be identified by the long-term technical advisors in consultation with the Project Officer and Deputy Mission Director and provided by recognized experts in the subject area. RHUDO/CA through ROCAP, will contract the combination of long-term/short-term technical assistance appropriate for its needs.

### C. Project Management

This section describes how the project will be administered.

Working under the leadership of ROCAP, the Project will rely on established regional or national organizations. ROCAP is already working with some of these institutions, INCAP, FEDEPRICAP, ICAITI, INCAE and others will be identified later. As the Project moves forward, the ROCAP role may change, as discussed below.

#### 1. ROCAP Management

ROCAP will manage the Project through its General Development Office which is responsible for all activities involving the program areas. The USDH Project Officer will have overall responsibility for the Project and will supervise the activities of the GDO technical advisors. A Project Design Officer will be contracted and supervised by the ROCAP Project Development Officer.

#### 2. RHUDO/CA Management

RHUDO/CA will manage the shelter and urban development component of the Project. RHUDO/CA will develop its own strategy and work plan for carrying out its objectives. The office will also be responsible for implementing the work plan and for contracting the appropriate combination of long-term and short-term technical assistance according to its needs. RHUDO/CA will maintain liaison with the ROCAP Project Officer and will provide periodic information on its activities.

Coordination between regional and bilateral policy dialogue in shelter and urban development issues will be the responsibility of RHUDO/CA. RHUDO/CA, in consultation with ROCAP and the USAID Missions, will establish the parameters of the policy dialogue to be initiated with shelter agencies in each country. These efforts will provide the policy basis for the development of seminars, workshops and technical assistance to support policy reform.

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### 3. The Technical Advisors

Each technical advisor will manage his/her project component under the supervision of the USDH Project Officer. The advisor will have as responsibility the overall planning and coordination of the component, including setting priorities for research, training, institutional strengthening, publications and seminars, and reviewing proposals and final products.

### 4. Component Management

Within each project component, the first step will be to establish specific activity priorities--an agenda. This will also serve as the framework for institutional intervention. The agenda will be based on current programs and gradually expanded to include other topics as proposals are received and authorized by ROCAP.

At the beginning of the project, leaders in each project area from the region will be invited to meet to discuss and suggest priorities for the agenda. The Project Officer and the technical advisors will review and recommend the priorities for further study, research or action. The approved priorities will serve as a guide for selecting the action plan for first year activities and for the life of the project. They will also serve to assess the interests and capabilities of the recommending institutions.

In developing the agenda, as well as in the reviews of specific proposals, every effort will be made to determine at the onset who the constituency will be in each case. This will help to decide the kinds of publications, workshops or seminars that will be developed from each successful intervention.

Decisions will also be made about which studies will be conducted in-house, and which contracted. In the latter instance, we expect that some studies will be granted directly to the proponents, while others will be subject to open competition.

### 5. Institutional Strengthening

Most of the project activities will be conducted with the cooperation of participating institutions. It is not possible to determine their identity before developing the Project's agenda. However, an assessment of current capacity of organizations in the project areas will be conducted. The assessment, to be conducted early in the project, will collect and evaluate information on such matters as:

- a. The legal status of the organization (type of entity, overall purpose, degree of autonomy);

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- b. Program focus and activities carried out in recent years (teaching, publishing, seminars, data services, other);
- c. Studies completed (when, for whom, quality of product);
- d. Philosophical or political orientation. if any;
- e. Facilities and equipment (work space, library, computers/word processors, etc.
- f. Personnel structure, qualifications, skills, full-time or part-time staff, salary structure, etc.;
- g. Financial condition, sources, financial accounting/reporting capability;
- h. Current concerns, plans, interests as related to Project's study agenda;
- i. External perceptions of institution's abilities, influence profile areas for interventions.

The assessment will also provide an opportunity to discuss the Project, its purposes and constituencies, and determine which organizations have the interest and ability to become involved in the Project.

The assessment will cover as many regional institutions as is practically possible, and will be coordinated by the technical advisor in each substantive area. The report will rank the institutions according to their capacity for immediate participation in Project activities, or their suitability for institutional strengthening support. Selection of the institution for Project activities will depend on how well the institution's mission matches the Project objectives.

#### D. Detailed Description of Project Components

##### 1. Component 1: Energy and the Environment

Based on the report of energy specialists Hagler-Bailly, an incipient critical shortfall in electric power supply is projected to reach all Central American countries within the next 3-5 years (in Nicaragua and Panama, the shortfall is already being experienced). An estimated \$10 billion investment is needed in increased electric power over the next 10 years. Other multilateral donors, e.g. the IDB and the UNDP, are

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contemplating major financial contributions (\$500 million, or more) for new construction and rehabilitation of the physical generating plant and distribution net. However, even such a large donations will not meet the growing demand.

According to Hagler-Bailly, up to 30% of needed financial investment in electric power could be eliminated, or at least postponed, through the application of efficient utilization and improved policies (e.g. realistic user tariffs). In addition, a key role could be played by the private sector through the use of co-generation; and regional energy security could be greatly enhanced through an efficient, effective power sharing network. It is in this area of policy and utilization improvements that ROCAP can make a significant contribution; and one which will provide an effective complement to large financial investments by others in electric power infrastructure. A new electric energy project -- geared to improved efficiency, private sector involvement and improved planning and policy -- is planned for funding in FY 1992.

The initial stages of this effort are occurring under two existing ROCAP-funded projects: one (\$20 million) carried out by Los Alamos National Laboratories to inventory and help plan for exploitation of alternative energy sources; and the other (\$25 million) for the Central American Rural Electrification Support (CARES) project carried out by NRECA, to improve demand assessment and energy planning, and to promote private sector involvement plus more efficient power utilization. The Los Alamos project is scheduled to end in FY 1991. The CARES project -- funded by Congressional earmarks -- is expected to continue until FY 1993. ROCAP's Regional Energy Advisor is charged with overseeing these existing projects and developing the ROCAP regional electric energy strategy (as part of the RDSS to be updated early in CY 1991), as well as with the design of the proposed, new energy project to follow from the RDSS. The Regional Development Support project will fund the salary of the Energy Advisor.

In support of Project objectives, ROCAP will enter into a Grant with the Central American Research Institute for Industry (ICAITI) to provide training and technical assistance in programs or activities that involve the private sector in power development, and identifying the potential for, and the impediments to, this kind of involvement. At the same time, the Agreement will seek to better orient public utilities to market realities and provide assistance in demand management. Additionally, the Agreement will cover activities oriented to develop an energy strategy for the Central American region and related initiatives. Resulting improvements in policy strategy, and end-use efficiency, along with new private sector power supplies, would serve to significantly reduce public funding requirements for new electric generation projects and rationalize electric useage.

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Specific consultancies funded through the Grant will be identified and agreed to jointly by ICAITI and ROCAP. Consultants and experts supported by the Grant will do some select travel within the region. The Grant will also provide selected technical materials related to the subject matters of the above consultancies as well as support for workshops or seminars that may be carried out as part of the Agreement activities.

The Regional Energy Advisor will monitor implementation of the new project. The REA reports to the General Development Officer and/or the Deputy GDO.

## 2. Component 2: Health and Nutrition

Despite significant improvements in the general health status, the major causes of death and morbidity in the populous northern tier of countries of Central America continue to be infectious diseases among infants and children. For Guatemala, Honduras, El Salvador and Nicaragua, where 80% of the region's population lives, diseases that are preventable through immunization or treated by oral rehydration therapy, infant mortality rates are around 70 per 1,000 live births (in contrast to Costa Rica which has achieved an infant mortality rate of less than 16 per 1,000). Malnutrition, often a contributory cause of death from infectious disease, also remains high. Data from Guatemala and Panama have shown declines in nutrition status over time. In Guatemala, only 31% of the population is consuming the recommended level of calories, while studies of children show that almost 30% are malnourished. PAHO data suggest that perinatal complications are the first or second cause of infant death in most countries of the region. Death in child birth is the fourth cause of death for women in the 22 to 45 age group. Acute respiratory infections are also major contributors to infant mortality; ranging from 11% (in Costa Rica) to 34% (in Guatemala) of infant deaths.

At the same time the southern tier, Costa Rica and Panama, as well as Belize, is experiencing an epidemiological transition due to rapid urbanization of the population. Heart disease, cancer and accidents are replacing infectious diseases as the major health problems in these countries.

To address these conditions, ROCAP has supported the Regional Nutrition Institute, INCAP, for a number of years. Presently, there are two active projects: one for \$12 million to help INCAP develop and disseminate ORT technologies in the region; and the other for \$6 million to help INCAP develop internal capacity to develop and disseminate methods of making food assistance programs more efficient and effective.

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Following the May, 1990 AID/Washington review of ROCAP's Action Plan, it was agreed that ROCAP would design a follow-on project to help consolidate INCAP's managerial/administrative improvements, and provide support to INCAP's transition to a client-oriented technical assistance and applied research institution. Such assistance has, in fact, begun under the two existing projects.

The salary and expenses of a Regional Health/Nutrition advisor will be funded under this project. A PASA executed with the U.S. Department of Agriculture is providing a qualified individual to fill this role. Funded for the first year under PD&S, this position will now be financed under the new RDS project.

The Regional Health/Nutrition Advisor is responsible for developing the Health/Nutrition section of the revised ROCAP RDSS, and for the design of the proposed new INCAP support project. Design of the new project will include:

- o Improved INCAP administration and financial management under a new decentralized configuration;
- o Closer INCAP working relationships and mutually agreed priorities with national and international institutions actively involved in health care in the region;
- o Strengthened INCAP ability to conduct applied research and transfer resultant methodologies.

The development of a sound financial base is key to the survival of INCAP. ROCAP will examine, among other things, a multi-source financed -- opportunities for private sector involvement in health/nutrition services delivery; -- possible region-wide activities to strengthen health/nutrition administration; and -- health and nutritional implications of growing urbanization of region and resultant environmental pollution issues.

Under the proposed Project ROCAP will enter into a Limited Scope Grant Agreement with INCAP to provide technical assistance to plan, analyze and implement activities for the benefit of INCAP and its primary client system, i.e., the health sector in Central America and Panama. Specifically, funds provided by the Grant will be used to contract technical experts in the following areas: management and organization development; resource generation and financial management; increasing private sector participation; food security; and nutrition/health.

Technical support provided through this Grant will include, but

not be limited to, activities and analyses for development of ROCAP's proposed new institutional strengthening project with INCAP. Specific consultancies funded through the Grant will be identified and agreed to jointly by INCAP and ROCAP.

Consultants and experts supported by the Grant will do some select travel within the region. The Grant will also provide selected technical materials related to the subject matters of the above consultancies as well as support costs for workshops or seminars that may be carried out as part of the consultants' activities.

The PASA Health Officer reports to the General Development Officer or the Deputy GDO.

### 3. Component 3: Education and Training

Major training actions are planned under ROCAP's Regional Environmental and Natural Resources project, RENARM. Appropriate sources of this training must be identified, and the participants selected. Further, training programs must be designed for other proposed ROCAP-funded projects; including the on-going INCAP and PROEXAG projects, the proposed Leadership Training Project, and the Energy Policy/Efficiency project. Once these projects are authorized and running, staff support is needed to prepare implementation documentation, and monitor the carrying out of training.

ROCAP's Central American Peace Scholarships (CAPS) Project (under the LAC Bureau's CLASP program) is phasing down, with termination scheduled for September FY92. A total of 160 public auditors, 341 agricultural educators and 140 small business owners and cooperators have received training in the U.S. ranging from 16 weeks to 6 months. Returned participants have taken the lead in networking and in forming regional affinity groups; most notably, the public auditors put on a region-wide seminar on public accountability and ethics; and the small enterprise owners and cooperants are working toward official recognition of their legal status as a group. The remainder of the CAPS program will be devoted to follow-on activities with the returned participants.

There is general agreement among donors and the Central American countries that education is a critically deficient area which must be strengthened rapidly, if the region is to become competitive in the global economy. ROCAP has begun a process of surveying education and training needs -- both in the formal academic system through graduate and post-graduate schools, and on-the-job training in industrial and managerial skills. A more thorough and systematic approach to this process is needed.

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Under the RDS project, ROCAP will recruit a Personal Services Contractor to carry out the tasks described above. This person will serve as a resource to the rest of the ROCAP staff in designing training programs, and carrying much of the day-to-day implementation workload for project-financed training (e.g. doing PIO/Ps; working with training providers and the AID/Washington training office, OIT). The PSC will be responsible for managing CAPS follow-on activities; and for coordinating surveys of region-wide training needs. The contractor will report to the General Development Officer or the Deputy GDO. Moreover, ROCAP will enter into the Program Development Grant with FEDEPRICAP to provide support to private sector universities and institutions. Specifically, FEDEPRICAP will assist the newly formed Central American Federation of Private Universities. Consisting of 11 universities and related institutions, the Association held its founding meeting on July 14, 1990 and committed its members to:

- Promote mutual cooperation, information exchange and cooperation research;
- Develop joint programs and curricula of regional interest, including environmental restoration and protection activities; and
- Provide access to university studies for students who would otherwise have no such opportunity.

The new Association will work to make Central America's universities more open and responsive to the demands of the modern, global economy; promote ideas of free and independent research and teaching; and establish a permanent dialogue to counter intolerance, and freedom of the university system from government interference.

Funds under this activity will help support additional organizing and planning meetings of the Association; conferences and workshops for further development of collaborative activities; observation travel to U.S. universities; information sharing via publications and correspondence; and help in developing a program to sustain the Federation's future efforts. FEDEPRICAP will also assist the Federation in working with RTAC II for development of Spanish language civics textbooks and guides on presentation for teachers for use by primary and secondary schools throughout Central America. The idea is already being developed by USAID/Nicaragua; and the proposed effort is expected to follow this model. RTAC would both design the texts/teacher guides, and distribute.

#### 4. Component 4: Shelter and Urban Development

This component will help address the need to increase and improve shelter and basic infrastructure conditions in the region, encourage private sector participation in shelter and urban programs, and promote employment. It will also help improve the planning, financial management and out-reach of housing and urban development institutions of the region. The technical, managerial and policy skills of key individuals in the shelter sector, in private and public institutions concerned with urban development, will be enhanced as a result of the technical assistance and training elements of this component.

Specifically, RDS project funds will be used to help pay the costs of two years' worth of services by long-term specialists/advisors who will serve on the staff of the Regional Housing Office (RHUDO/CA) based in Tegucigalpa. These advisors will provide technical assistance to the Central American USAIDs with shelter programs. The funds, totalling \$1 million, are scheduled to be deobligated from the 596-0143 (C.A. Shelter & Urban Development) Project, and reobligated under the RDS project, 596-0162, for this purpose. Long-term technical assistance will include an Urban/Municipal Development advisor, a Financial Advisor, and a Housing Policy Advisor. The Central American Business Administration Institute (INCAE) is providing supporting technical assistance in municipal development with an \$800,000 grant executed two years ago with CABEI using project 596-0143 funds. This grant has approximately \$400,000 left to disburse.

If deemed appropriate, part of the \$1 million in deob-reob money may also be used to improve/extend the management information systems of CA organizations involved in shelter and infrastructure, particularly CABEI.

ROCAP's GDO office will have responsibility for oversight, and approval of implementing documents prepared by RHUDO/CA, INCAE, and others.

#### 5. Component 5: Women in Development

ROCAP's Women in Development Plan has been approved by Washington. The Mission is recruiting region-wide for a WID Officer to implement that plan. This project will fund the salary and expenses of the WID Officer, as well as activities included in the WID plan. Among other things, ROCAP intends to fund the start-up of a regional WID newsletter; identify key women's issues in Central America and conduct research on their solutions; identify individuals and groups working in areas of importance to women, and develop networks among them; and strengthen the analysis and actions called for in active and new ROCAP projects to improve women's participation in the process

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and benefits of development. ROCAP will also provide assistance and research results to the other Central American USAIDs in WID matters.

As part of its Grant to FEDEPRICAP under the Project, ROCAP will include funds to help finance the design, organization and start-up of a regional WID newsletter for Central America. Information on WID activities, interest groups, projects, new research and literature will be gathered and published on a monthly basis. The newsletter will be distributed to women's groups, AID Missions and other interested parties, e.g. international donors. Information from the newsletter will also be sent to AID/Washington to keep the central offices advised of WID activities in the Central American region.

Other activities financed under this grant will include establishment or support for intra-regional networking among individuals, groups and organizations involved in WID areas of interest. One or more regional seminars or conferences may be held to facilitate the networking process. Deriving from this process, special studies will be identified and funded to examine cross-cutting issues which affect women throughout the region. This information, in turn, will be made available to all C.A. Missions to strengthen WID aspects of their projects.

6. Component 6 and 7 are in support of the five technical areas.

#### IV. PROJECT ANALYSES

##### A. Technical

Technical feasibility of the plan to support regional development on critical Central American economic, political and social issues by giving technical assistance to the private sector and to public institutions to engage in policy dialogue, to disseminate the findings, and to enhance the institutional capacity for such a dialogue, is summarized below.

Policy dialogue between private and public sectors in the fields of energy, health and education, although scarce, has not been absent in the region. The private sector has always had interest in insuring an adequate and economical supply of electricity for its own profitability, and an acceptable health and education environment for the benefit of its labor force. However, the dearth of immediate and tangible results has limited the level of their activity. By investing resources in technical assistance and training, it seems reasonable to assume that regional and local institutions, both public and private, will participate in such endeavor. The plan to do part of this work using long-term technical advisors and short-term contracts or grants appears to be consistent with previous experiences in the region.

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will assist to reactivate the dialogue, offer new and independent orientation, and evaluate and redirect the effort of local institutions. Training in areas that relate to food assistance will be conducted through a Grant Agreement with INCAP.

The Project will apply appropriate selection criteria for activities. One of the first activities will be to refine and focus the agenda, and to agree on activity selection criteria to be used by all components.

Plans for the dissemination of activity results seem to be feasible within the capacity of the region to conduct them. Several scholarly publications exist in the region. In addition, dialogue seminars can be used as a means of communicating results and policy options to member governments.

As the Project is so extensive in its coverage, there are questions as to the efficiency of its administration since no measurable results are anticipated. The ROCAP Project Officer should remain alert to the possible need for management assistance, to the technical advisors and participating institutions, in this area.

#### B. Economic

The Project will increase awareness on options to promote private sector participation, in policy formulation and implementation, in the fields of energy and the environment, health and nutrition, education and training and the promotion of democratic values.

Private sector participation will result in improved efficiency of public sector institutions and in new profitable ventures. As a consequence, savings in operating costs, employment generation, greater income opportunities and economic growth will be generated.

However, it is not reasonable to expect that policy changes will necessarily follow careful analysis of policy options and consequences, nor that policy changes will immediately generate economic growth. The relationship between project inputs and outputs appears to be difficult to measure, in the short run, in terms of development indicators. Notwithstanding, providing an opportunity for dialogue among leaders in the functional areas, will improve the probability of improved policies and increased private sector participation.

The need for more and better policy analysis and dialogue results from the recent history of the region. Central America underwent severe economic contraction in the 1980s. The period was characterized by strong government intervention in economic

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and social affairs and widespread political instability. The result was not surprising: decline in per capita income, sharp drop in private investment, capital flight, currency devaluation, massive emigration, and general deterioration of the economic and social climate.

Policy reforms often impose economic hardships in the short run. The anticipated outcome of proposed increases in electric tariffs will be opposed by the general population, and also by the private sector. Recent efforts to privatize food, laundry, cleaning and garbage disposal, and maintenance for the Honduras' public health sector resulted in 25 days of strike and the cancellation of the initiative. However, the motivation of governments to adopt selected unpalatable reforms is increased if the opposition to such reforms is lessened. This is one of the major outputs sought from the project, for the payoff of increasing the financial health of public institutions on the economies of the region could be substantial.

The planned technical assistance and training activities will be largely in the areas of energy and the environment, health and nutrition, education and training, democratic initiatives, shelter, urban development and municipal services and women in development, and will focus on policy dialogue combined with ample dissemination. This is entirely consistent with ROCAP's Regional Development Strategy Statement and current Action Plan which gives priority to basic structural reform and the promotion of regional economic and social policy development in the above mentioned areas.

### C. Social

It is the intention of this Project to develop the capacity of institutions, both public and private, to engage in policy dialogue and to influence policy reforms. In so doing, we seek to continue a process, which will doubtless have to extend over several years, of enabling Central American to take more control of their economic, social and democratic destiny. Women will be benefited by the Project as a consequence of the relatively high proportion of women that have been trained in the social sciences and who hold responsible positions in the region. In reviewing candidates for institutional support, special efforts were made to support institutions from countries that have less developed institutional capacity and which incorporate the female professionals.

During the Project, opportunities will also be sought for middle and low income educators to improve their skills and their

capacity to train the next generation of trainers in Central America. The Project will also provide the opportunity to improve economic and social policies which can enhance economic growth and improve the welfare and standard of living for the general population.

D. Administrative

1. Participating Institutions

Given the current state of policy dialogue on economic and social development matters, and the incipient participation of the private sector in the functional areas of interest, several potential grantees were assessed. Efforts were made early on the Project to identify solid candidates for institutional support among the public and private institutions active in the region.

Since the participating institutions to be selected will be receiving institutional strengthening support, they will not be called to participate in project management. Their role will be as recipient of technical assistance to improve their performance as fora for policy dialogue and policy reform.

Among the candidates for participation are INCAP, FEDEPRICAP, ICAITI, and INCAE. Other institutions may be identified later.

INCAP, the Nutrition Institute of Central America and Panama, is a regional center of training, research and technology in areas related to food assistance. INCAP provides technical support to host country governments, PVOs, and other multilateral and bilateral donors (PAHO, IDB, UNICEF, and Rotary) in activities aimed at improving health and nutrition in the Central American region.

Over the last ten years, ROCAP has provided substantial support to INCAP, almost all of which has been to carry out specific technical assistance, training and research in support of strengthening host country programs in the public and private sector. Only recently ROCAP support has gone directly toward strengthening INCAP institutional capacity.

The Institute, its member countries and other donors have clearly identified the role INCAP can and should play in solving the region's food, nutrition and health problems.

INCAP's efforts over the last five years have directed toward strengthening technical assistance, training and applied

research in support of member country programs, and there has been a constantly growing demand for its services in the technical areas identified above.

The Federation of Private Sector Entities of Central America and Panama (FEDEPRICAP) is a not-for-profit, regional private sector umbrella organization. It was established to represent the interest of the private sector on a regional basis, helping to bring about necessary reforms in public and private sector practices, regulations and policies to permit greater economic growth and development in Central America.

FEDEPRICAP's specific objectives, in addition to representing the interest of the private sector in the region, include support of democratic institutions and systems, development of productive working relationships with the public and other social and economic sectors, and creation of education and awareness among other sectors and the public at large of the positive role of the private sector and the positive contributions it can make to regional growth and development.

FEDEPRICAP's activities in WID constitute a pioneering effort in the region, are timely, and address a major developmental issue. Under this Project, FEDEPRICAP intends to produce a newsletter and underwrite additional studies and training courses to help develop greater leadership skills among female entrepreneurs. Additionally, FEDEPRICAP's involvement with the newly established Federation of Private Sector Universities, make it uniquely suited to provide support to the Federations further development.

ICAITI, has vast experience in energy field and is particularly concerned with private sector involvement in improving distribution efficiency. ROCAP will provide support to ICAITI over the life of the project to pursue this initiative.

## 2. ROCAP

The General Development Office at the ROCAP Mission has developed increased capability to work in the areas of energy, health and nutrition, education and training, and promotion of democratic values. The GDO has been managing projects and technical advisors in these functional areas for a number of years. The Office has expertise to interact knowledgeably with other USAIDs on such issues, and to effectively supervise decentralized project activities. Backstopping in the areas of activity selection, institutional strengthening, grant management and procurement will be provided by the Project

Development Office and the offices for administration and contracting. The Project coordination structure will allow monitoring of project activities under the overall guidance of the General Development Officer who will act as Project Officer.

3. RHUDO/CA

The Regional Housing and Urban Development Office for Central America (RHUDO/CA) is the USAID technical office in charge of all shelter and urban development issues in the region. Being an specialized technical office it has reached a level of expertise in the development, financing and implementation of shelter programs. RHUDO/CA has been managing projects and technical advisors in housing and urban development for a number of years.

4. Conclusion

It is concluded, that this mix of technical and administrative expertise will offer an opportunity for a rich exchange of ideas and of activities that address regional and country policy concerns in the above mentioned functional areas of interest.

V. PROJECT IMPLEMENTATION

A. Administrative Arrangements

1. Structure

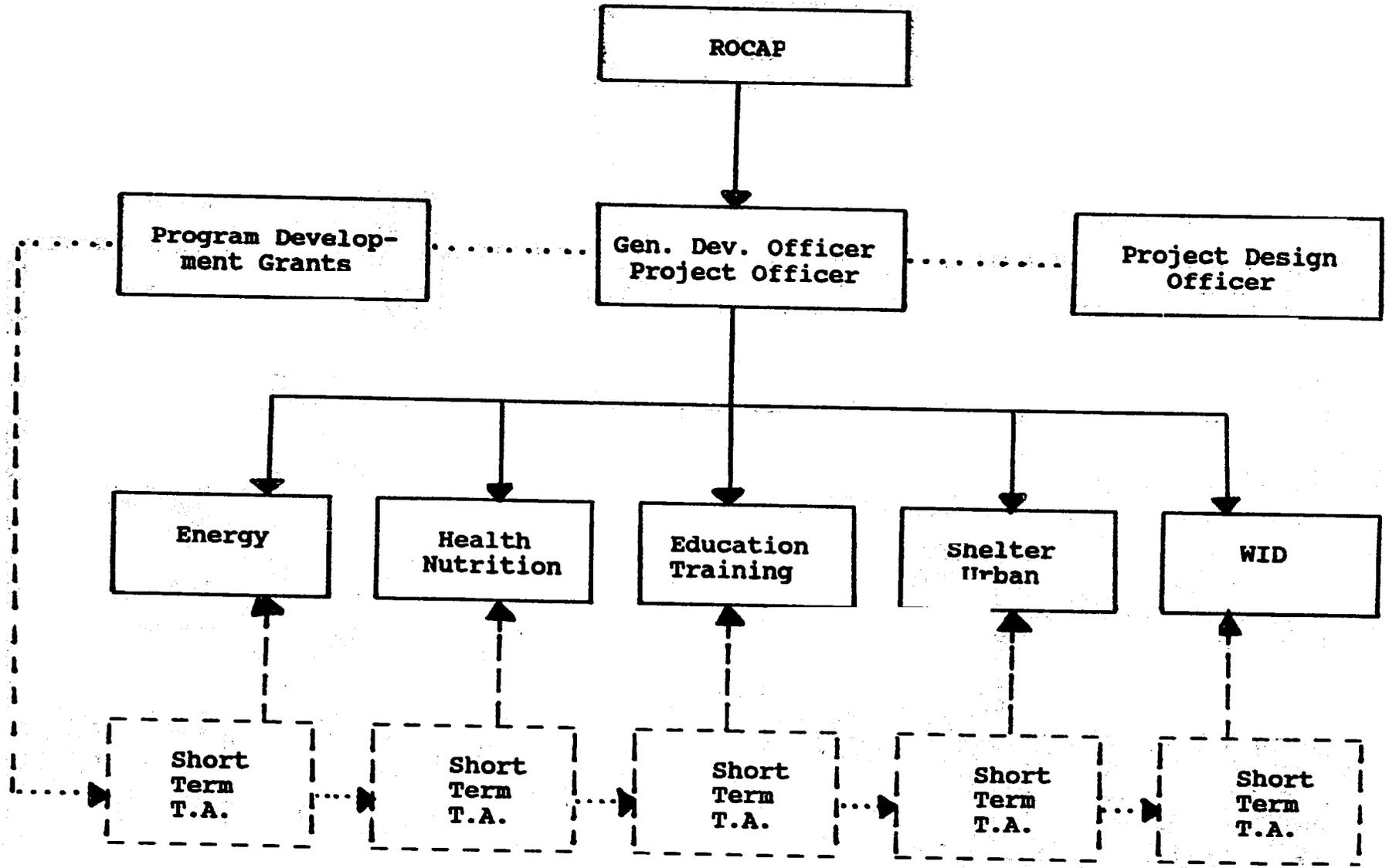
The organizational structure and relationships established to carry out the Project activities described above are shown in Figure 1 on the next page. Within ROCAP, the Project will be managed by the General Development Office, with the General Development Officer or her designee as the Project Officer. He/she will exercise day-to-day oversight and technical guidance. A PSC project design specialist, recruited for and paid from the Project, will work at the ROCAP Project Development Office, to give technical support in project design, will report directly to the Project Development Officer.

2. The Technical Advisors

Each technical advisor will manage independently his/her project component under the supervision of the Project Officer. The advisor will have as responsibility the overall planning and coordination of the component, including setting priorities for research, training, institutional strengthening, publications and seminars, and reviewing proposals and final products.

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Figure 1: Project Organizational Structure



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The Project Officer and the technical advisors may form an advisory panel to analyze specific activity proposals. This panel would be chaired by the Project Officer. The Design Officer would be ex-officio member of the advisory panel. Leaders in each component area, identified by the technical advisors, could be invited to participate in the discussion of the advisory panel.

### 3. Project Officer

The Technical Advisors under the supervision of the Project Officer will coordinate activities with participating institutions, provide general direction in activity selection, conduct the assessment of proposed activities, review the final products, and make recommendations to the ROCAP Director on proposed activities. Administrative approval for the activities and for disbursement of funds will be the responsibility of the ROCAP Project Officer.

### 4. Short-term Technical Assistance

Short-term technical assistance will be available in specific technical areas identified by the technical advisors. It will also be available to conduct seminars, workshops or research activities. Direct contracts, preferable under IQC and buy-in mechanisms, will be utilized to channel this assistance to the recipients.

#### B. Work Plan and Budget

When possible prior to undertaking Project activities, each technical advisor and grantee, will furnish, in form and substance satisfactory to the Project Officer, a work plan and budget for activities for that period. Each work plan and budget will include proposed activities for coordination, and for specific activities under each component.

The Project Officer will consolidate the components' work plans into a master plan for the year and will submit it to the ROCAP Director for approval.

The timing of the work plans and budgets will be coordinated with the overall programming needs.

#### C. Reports

Each technical advisor shall submit progress reports of component activities, in a format acceptable to the Project Officer, both quarterly and annually. The Project Officer with

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the same frequency, will prepare an abstract of all Project activities that will include financial data (expenditures to-date and estimates of expenditures for the next reporting period), and estimates of expected output, purpose and goal achievement.

1. Quarterly Reports

Each technical advisor shall submit progress reports quarterly, or at its discretion, more often.

Progress reports should cite the targets for the period and present a narrative of activities since the prior report (if any), identify any problems encountered and steps taken or plans to remedy them. Such reports should make the reasons clear why targets were either exceeded or not met. When considered necessary, revisions to the annual work plan should be proposed along with an explanation or justification for the proposed changes.

2. Final Report

Prior to final disbursement, a final report will be submitted for each contract and grant awarded under this Project. The final report will show the approved budget by expenditure categories and expenditures annually and cumulative over the life of the contract or grant.

Each technical advisor shall submit a final report for the life of the component under his/her responsibility. The final report will be substantive report showing the objectively verifiable indicators measuring goal achievement.

A final progress report will be submitted for the life of the project, reviewing success and problems, lessons learned, and any observations that each technical advisor or grantee might care to make concerning the design, implementation, or desirability of a follow-on or related activity.

D. Coordination

The technical advisors and grantees shall agree to use their best efforts to ensure coordination with the individual governments and USAID Missions when formulating their plans and strategies so as to be consistent with the resources and needs of the region and with the bilateral programs in each country.

Each technical advisor and grantee shall agree to coordinate project activities with the Project Officer and shall inform him

on a timely basis about changes or delays in the annual work plan.

The Contracting Officer will prepare a standard or model subgrant or subcontract to be used for granting/contracting for technical assistance and training under the terms of this Project.

The technical advisors and grantees will submit their requests for additional technical assistance or services for the approval of the Project Officer.

**E. Financial Management**

The Project Officer's prior review and approval of each technical advisor and grantee annual work plan will be required before any disbursement can be made for project activities. The Project Officer will also review and approve, together with the ROCAP Controller and Contract officers, all contracts, grants, subcontracts and subgrants awarded under this Project. In other aspects of project implementation and monitoring it is expected that the Project Officer will be substantially involved in activities with each technical advisor and grantee.

**F. Implementation Schedule**

This schedule shows only the major milestones of the Project, as detailed implementation planning will be a major activity of the first 90 days.

Months 1-3	Contracting of the Design Officer the Energy Advisor, the Training Advisor and of the Health & Nutrition Advisor. Signing of Limited Cooperative Agreement for Technical Assistance with participants.
Months 3-6	Contracting of the Leadership Training/WID advisor.
Months 30-36	Mid-project internal review
Months 48-60	Project phase-out, final reports, final internal review.
Month 60	Project terminates

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**G. Origin of Goods and Services**

**a. Source and Origin of Commodities, Nationality of Services**

Commodities financed by A.I.D. under the Project shall have their source and origin in the United States, except as A.I.D. may otherwise agree in writing. Except for ocean shipping, the suppliers of commodities or services shall have the United States as their place of nationality, 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 only on flag vessels of the United States.

**b. Justification for Hiring Professionals from the Cooperating Countries (Code 935)**

The Regional Development Support Project (RDS) (596-0162) requires the participation of key regional institutions and individuals with intimate knowledge and experience in the political, economic and social realities of Central America. The Project responds to fast-emerging problems which will impede development in the next 5-10 years, if not addressed promptly. The Project is also designed with sufficient flexibility to allow the AID/ROCAP Mission to respond quickly and effectively to rapid changes now occurring in Central America.

Regional institutions will be supported to serve as facilitators for activities in information gathering and analysis, policy reform, skills development, and by providing access to quality technical assistance in a wide variety of areas.

Project's funds will be applied across selected functional areas, or components, which will cover a wide variety of activities with a range of public and private Central American institutions and organizations. Key to the success of these activities is the participation of professionals with intimate knowledge and experience on a variety of regional problems and with the cultural sensitivity and language ability to deal with them as an insider.

Experience with current AID-funded projects show that there exist a number of available and qualified graduate level professionals from the cooperating countries that have the desired perspective of regional priorities to serve as long term

staff for the technical skills required for the Project. Expanding the pool of professionals beyond the U.S. to include the countries of Central America will help assure the continuation of improved research and policy dialogue in the region, and will result in a better qualified and more responsive talent pool to implement the Project.

Generally, research and educational institutions are required to draw on the widest array of talent in order to create quality programs. Expanding the list of countries eligible to supply professionals will enhance the quality of the research conducted under the Project.

## VI. COST ESTIMATES AND FINANCIAL PLAN

### A. Cost Estimates

The proposed project will total \$2,500,000, of which \$855,270 will finance Personal Service Contracts, \$203,600 will finance Program Development Grants for discrete technical activities, \$1,000,000 will support RHUDO/CA in a technical assistance and training program in shelter, urban development and municipal services, \$441,130 will finance ROCAP managed short-term technical assistance, and \$50,000 will finance evaluation and auditing costs. Initial obligation will be in September 1990 and PACD will be August 31, 1995, for a total LOP of 60 months.

### B. ROCAP Inputs

The ROCAP inputs and funding of the project according to activities and components is as follows:

#### 1. ROCAP Staff (\$855,270)

##### a. Project Development Support (\$294,355)

A Project Design Officer will be hired to work at the ROCAP Project Development Office to provide technical support in project development matter. He/she will be a PSC with extensive infrastructure, finance and project development experience. (See Statement of Work in Annex G.)

##### b. Energy (\$68,622)

An Energy Regional Advisor will be hired for two years. He/she will be a PSC with extensive energy experience. (See Statement of Work in Annex G.)

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c. Education and Training (\$287,293)

A Training Officer will be hired for five years. He/she will be a PSC. As the Training Officer and CAPS coordinator, will perform a variety of technical and operational services in support of the Project's training activities. (See Statement of Work in Annex G.)

d. Health and Nutrition (\$155,000)

A one-year contract will be awarded to a qualified Health and Nutrition expert to provide technical assistance and training in health and health care related activities. He/she will be a PSC with appropriate education and experience to provide stand alone technical assistance and to coordinate the work of other experts in the field. (See Statement of Work in Annex G.)

e. Auditing and Evaluation (\$50,000)

Two evaluations (mid-term and final) and annual audits will be carried out.

2. Program Development Grants (\$203,600)

a. Energy (\$50,000)

To complement the work of the Regional Energy Advisor, a Limited Scope Grant Agreement will be issued to ICAITI, during the life of the project, to carry out qualified activities in energy, i.e., seminars, workshops, public fora, technical research, policy studies.

b. Health/Nutrition (\$68,000)

To complement the work of the Health/Nutrition Advisor, a Limited Scope Grant Agreement will be issued to INCAP, during the life of the project, to carry out qualified activities in Health and Nutrition, i.e., seminars, workshops, public fora, technical research, policy studies.

c. Education and Training (\$85,600)

To complement the work of the Training Officer and CAPS coordinator, a Grant will be issued to FEDEPRICAP, during the life of the project, to carry out qualified activities in Education and Training and WID. i.e., seminars, workshops, newsletter, public fora, technical research, policy studies.

3. ROCAP managed technical assistance (\$441,300)

A comprehensive three-year program will be designed to provide short-term technical assistance and training in the promotion of the four technical initiatives of the project component activities.

4. Assistance to RHUDO/CA (\$1,000,000)

a. Shelter and Urban Development (\$1,000,000)

To support activities of RHUDO/CA in the shelter and urban development sector. It will finance long-term and short-term technical advisors to carry out a variety of activities to improve the mobilization of resources for the financing of shelter solutions and basic infrastructure for low-income urban families.

C. Methods of Implementation and Financing

The following chart provides information on the methods of implementation and financing for the project's funds:

<u>Item</u>	<u>Method of Payment</u>	<u>Methods of Financing</u>	<u>Amount</u>
PSC Contracts	AID Contract	Direct Pay	\$855,270
RHUDO Support	AID Contracts	Direct Pay	\$1,000,000
Regional Institutions	Program Grants	Adv/Reimb.	\$203,600
T.A. U.S.	AID Contracts	Direct Pay	\$441,130
Evaluation & Auditing	AID Contracts	Direct Pay	\$50,000
<b>TOTAL</b>			<b>\$2,500,000</b>

D. Summary Budget

The illustrative budget for the project is shown beginning on Table 2 on the next page. These tables are arranged by major budget categories, by year and by activity.

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TABLE 2

ILLUSTRATIVE SUMMARY BUDGET BY YEAR

(In U.S. Dollars)

Item	Fiscal Year					Total
	FY-90	FY-91	FY-92	FY-93	FY-94	
1. Energy and Environment	\$ 88,555	\$ 30,067				\$ 118,622
a. ICAITI Grant (\$50,000)	\$ 50,000					\$ 50,000
b. PSC Advisor (\$68,622)	\$ 38,555	\$ 30,067				\$ 68,622
2. Health and Nutrition	\$223,000					\$ 223,000
a. INCAP Grant (\$68,000)	\$ 68,000					\$ 68,000
b. PSC Advisor (\$152,817)	\$155,000					\$ 155,000
3. Education and Training	\$ 35,600	\$115,018	\$ 55,736	\$ 57,408	\$ 59,131	\$ 322,893
a. FEDEPRICAP Grant (\$35,600)	\$ 35,600					\$ 35,600
b. Training Officer (\$287,293)		\$115,018	\$ 55,736	\$ 57,408	\$ 59,131	\$ 287,293
4. Shelter and Urban Development	\$110,904	\$559,358	\$ 95,738	\$234,000		\$1,000,000
a. Urban Development (294,044)		\$177,044		\$117,000		\$ 294,044
b. Shelter Development Advisor (\$294,044)		\$177,044		\$117,000		\$ 294,044
c. Municipal Development Advisor (\$125,739)	\$ 92,720		\$ 33,019			\$ 125,739
d. Data Management Specialist (\$29,634)	\$ 18,184		\$ 11,450			\$ 29,634
e. Regional Housing Training Advisor (\$154,000)		\$154,000				\$ 154,000
f. Short-Term TA (\$102,539)		\$ 51,270	\$ 51,269			\$ 102,539
5. Women in Development	\$ 50,000					\$ 50,000
a. FEDEPRICAP Grant (\$50,000)	\$ 50,000					\$ 50,000
6. Project Design and Support		\$367,743	\$147,177	\$220,565		\$ 735,485
a. Project Design Advisor (\$294,355)		\$147,178	\$147,177			\$ 294,355
b. Short-Term T.A. (\$441,130)		\$220,565		\$220,565		\$ 441,130
7. Evaluation and Audit (\$50,000)		\$ 25,000		\$ 25,000		\$ 50,000
<b>TOTAL</b>	<b>\$508,059</b>	<b>\$1,097,186</b>	<b>\$298,651</b>	<b>\$536,973</b>	<b>\$59,131</b>	<b>\$2,500,000</b>

**TABLE 3**  
**ILLUSTRATIVE SUMMARY BUDGET BY ACTIVITY**

(In U.S. Dollars)

Item	RCP Staff & Support RCP	ST. T.A.	Regional Institutions	RHUDO/CA	Total
Health/Nutrition Advisor	\$155,000				\$155,000
Regional Training Officer	\$287,293				\$287,293
Regional Energy Advisor	\$68,622				\$68,622
Urban Development Policy Advisor				\$294,044	\$294,044
Shelter Development Policy Advisor				\$294,044	\$294,044
Municipal Development Advisor				\$125,739	\$125,739
Data Management Specialist				\$29,634	\$29,634
Regional Housing Training Advisor				\$154,000	\$154,000
Project Design Officer	\$294,355				\$294,355
Short-term T.A. (RHUDO)				\$102,539	\$102,539
Short-term T.A.		\$441,130			\$348,024
Evaluation and Auditing	\$50,000				\$50,000
Program Grants			\$203,600		\$203,600
<b>TOTAL</b>	<b>\$855,270</b>	<b>\$441,130</b>	<b>\$203,600</b>	<b>\$1,000,000</b>	<b>\$2,500,000</b>

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**TABLE 4**

**ILLUSTRATIVE SUMMARY BUDGET BY PROJECT COMPONENT**

(In U.S. Dollars)

Item	Proj. Design Assist. & Support	Energy	Health/Nut.	Educ/Tr.	Shelter	WID	Total
Health/Nutrition Advisor			\$155,000				\$155,000
Regional Training Officer				\$287,293			\$287,293
Regional Energy Advisor		\$68,622					\$68,622
Urban Development Policy Advisor					\$294,044		\$294,044
Shelter Development Policy Advisor					\$294,044		\$294,044
Municipal Development Advisor					\$125,739		\$125,739
Data Management Specialist					\$29,634		\$29,634
Regional Housing Training Advisor					\$154,000		\$154,000
Project Design Officer	\$294,355						\$294,355
Short-term T.A. (RHUDO)					\$102,539		\$102,539
Program Grants		\$50,000	\$68,000	\$35,600			\$203,600
Short-term T.A.	\$441,130					\$50,000	\$441,130
Evaluation and Auditing	\$50,000						\$50,000
<b>TOTAL</b>	<b>\$785,485</b>	<b>\$118,622</b>	<b>\$223,000</b>	<b>\$322,893</b>	<b>\$1,000,000</b>	<b>\$50,000</b>	<b>\$2,500,000</b>



**ROCAP  
PROJECT PAPER  
REGIONAL DEVELOPMENT SUPPORT PROJECT  
(596-0162)**

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- D. Energy Statistics**
- E. Health & Nutrition Statistics**
- F. Statement of Work - Long Term Advisors**
- G. Cables**

**REGIONAL DEVELOPMENT SUPPORT PROJECT (596-0162)**  
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John McAvoy,	Regional Contracts Officer	ROCAP
Gary Byllesby,	Regional Controller	ROCAP

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LOGICAL FRAMEWORK

ROCAP Regional Development Support (596-0162)

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<p><b>GOAL</b></p> <p>To promote regional consensus on economic and social development strategies which ensure that future growth will be more responsibly implemented and equitably shared.</p>	<ol style="list-style-type: none"> <li>1. Interest in participation of private and public institutions in policy dialogue.</li> <li>2. Effectiveness of private and public institutions as fora for policy dialogue.</li> <li>3. Dissemination of policy reform initiatives receiving attention of policy makers, media and the general public.</li> <li>4. Decrease in resistance to policy reform.</li> <li>5. Willingness of public institutions to discuss policy options to implement reform.</li> </ol>	<ol style="list-style-type: none"> <li>1. Formal evaluation</li> <li>2. Content analysis of dissemination material.</li> <li>3. Favorable public reaction to policy reform initiatives.</li> <li>4. Perception of potential economic and social benefits because of policy options.</li> </ol>	<ol style="list-style-type: none"> <li>1. Increased public awareness will reduce resistance to policy reform</li> <li>2. Governments and regional institutions have interest in policy reform.</li> <li>3. Policy reform initiatives translated into coherent policy options.</li> <li>4. Policy options improve delivery of services.</li> </ol>

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LOGICAL FRAMEWORK

ROCAP Regional Development Support (596-0162)

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<p><b>Purpose</b></p> <p>To assist ROCAP and the Central American private sector design alternative private sector-led development strategies and programs in energy, housing, health, education, the promotion of democratic values, and women in development.</p>	<ol style="list-style-type: none"> <li>1. Project team, together with public and private participating institutions capable of identifying issues and factors, promoting policy dialogue, facilitating the proposal of policy reform initiatives and policy options, and communicating the results effectively for economic and social impact.</li> <li>2. Policy dialogue meets appropriate standards of relevancy and issues are disseminated by participating institutions.</li> <li>3. Workshop and seminar topics are pertinent to policy dialogue issues, are designed for maximum policy impact and are effectively introduced into policy fora.</li> <li>4. Participating institutions conduct more policy dialogue that would be the case without project support.</li> <li>5. Quality of policy dialogue improves over time.</li> <li>6. Attendance to policy fora, workshops and seminars increases.</li> </ol>	<ol style="list-style-type: none"> <li>1. Formal evaluation</li> <li>2. Project progress reports and activity summaries.</li> <li>3. Attendance to fora, workshop and seminars.</li> <li>4. Follow up events.</li> </ol>	<ol style="list-style-type: none"> <li>1. Public and private institutions identified are willing to participate.</li> <li>2. Policy dialogue can be translated into policy initiatives and policy options.</li> <li>3. Actors in the policy formulation process seek use policy dialogue outputs, and are willing to participate in policy dialogue outputs, and are willing to participate in policy dialogue events.</li> </ol>

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LOGICAL FRAMEWORK

ROCAP Regional Development Support (596-0162)

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
Outputs			
1. Completed policy options studies.	1. 15 policy options studies	1. Formal evaluation	1. Public and private participating institutions can achieve consensus on policy issues and can organize policy fora.
2. Disseminated policy option studies.	2. 25 publications	2. Project progress	
3. Policy fora, workshops and seminars.	3. 25 national seminars or workshops	3. Seminar/workshop programs and	2. Project management and technical advisors are effective.
3. Policy fora, workshops and seminars.	4. 5 regional seminars or workshops	4. Published articles	
4. Technical Assistance	5. 100 persons with improved skills	5. Public Debate on Policy Reform Initiatives	3. Project Support is effective.
5. Training	6. At least 5 policy reforms initiated	6. Improved performance of public and private institutions.	

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LOGICAL FRAMEWORK

ROCAP Regional Development Support (596-0162)

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<b>INPUTS</b>			
1. Financing for policy studies and related activities.	1. Project Budget (in thousand USD) Project Support \$ 735.5 Energy & Environment 118.6 Health/Nutrition 223.0 Education/Training 322.9 Shelter/U.D./M.S. 1,000.0 Women in Development 50.0 Evaluation and Audit 50.0 TOTAL \$2,500.0	1. Project records and reports. 2. ROCAP Controller records. 3. FEDEPRICAP records 4. RHUDO/CA records	1. Funding will be available on time. 2. Records and reports are produced on a timely basis.
4. Training			
5. Institutional Strengthening			
6. Project Management			
7. Project Support			

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## 5C(1) - COUNTRY CHECKLIST

Listed below are statutory criteria applicable to: (A) FAA funds generally; (B)(1) Development Assistance funds only; or (B)(2) the Economic Support Fund only.

A. GENERAL CRITERIA FOR COUNTRY ELIGIBILITY

1. FY 1990 Appropriations Act Sec. 569(b). Has the President certified to the Congress that the government of the recipient country is failing to take adequate measures to prevent narcotic drugs or other controlled substances which are cultivated, produced or processed illicitly, in whole or in part, in such country or transported through such country, from being sold illegally within the jurisdiction of such country to United States Government personnel or their dependents or from entering the United States unlawfully? NO
  
2. FAA Sec. 481(h); FY 1990 Appropriations Act Sec. 569(b). (These provisions apply to assistance of any kind provided by grant, sale, loan, lease, credit, guaranty, or insurance, except assistance from the Child Survival Fund or relating to international narcotics control, disaster and refugee relief, narcotics education and awareness, or the provision of food or medicine.) If the recipient is a "major illicit drug producing country" (defined as a country producing during a fiscal year at least five metric tons of opium or 500 metric tons of coca or marijuana) or a "major drug-transit country" (defined as a country that is a significant direct source of illicit drugs significantly affecting the United States, through which such drugs N/A

are transported, or through which significant sums of drug-related profits are laundered with the knowledge or complicity of the government): (a) Does the country have in place a bilateral narcotics agreement with the United States, or a multilateral narcotics agreement? and (b) Has the President in the March 1 International Narcotics Control Strategy Report (INSCR) determined and certified to the Congress (without Congressional enactment, within 45 days of continuous session, of a resolution disapproving such a certification), or has the President determined and certified to the Congress on any other date (with enactment by Congress of a resolution approving such certification), that (1) during the previous year the country has cooperated fully with the United States or taken adequate steps on its own to satisfy the goals agreed to in a bilateral narcotics agreement with the United States or in a multilateral agreement, to prevent illicit drugs produced or processed in or transported through such country from being transported into the United States, to prevent and punish drug profit laundering in the country, and to prevent and punish bribery and other forms of public corruption which facilitate production or shipment of illicit drugs or discourage prosecution of such acts, or that (2) the vital national interests of the United States require the provision of such assistance?

3. 1986 Drug Act Sec. 2013. (This section applies to the same categories of assistance subject to the restrictions in FAA Sec. 481(h), above.) If recipient country is a "major illicit drug producing country" or "major drug-transit country" (as defined for the purpose of FAA Sec 481(h)), has the President submitted a report to

N/A

Congress listing such country as one:  
(a) which, as a matter of government policy, encourages or facilitates the production or distribution of illicit drugs; (b) in which any senior official of the government engages in, encourages, or facilitates the production or distribution of illegal drugs; (c) in which any member of a U.S. Government agency has suffered or been threatened with violence inflicted by or with the complicity of any government officer; or (d) which fails to provide reasonable cooperation to lawful activities of U.S. drug enforcement agents, unless the President has provided the required certification to Congress pertaining to U.S. national interests and the drug control and criminal prosecution efforts of that country?

4. FAA Sec. 620(c). If assistance is to a government, is the government indebted to any U.S. citizen for goods or services furnished or ordered where:  
(a) such citizen has exhausted available legal remedies, (b) the debt is not denied or contested by such government, or (c) the indebtedness arises under an unconditional guaranty of payment given by such government or controlled entity?

N/A

5. FAA Sec. 620(e)(1). If assistance is to a government, has it (including any 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?

N/A

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6. FAA Secs. 620(a), 620(f), 620D; FY 1990 Appropriations Act Secs. 512, 548. Is recipient country a Communist country? If so, has the President: (a) determined that assistance to the country is vital to the security of the United States, that the recipient country is not controlled by the international Communist conspiracy, and that such assistance will further promote the independence of the recipient country from international communism, or (b) removed a country from applicable restrictions on assistance to communist countries upon a determination and report to Congress that such action is important to the national interest of the United States? Will assistance be provided either directly or indirectly to Angola, Cambodia, Cuba, Iraq, Libya, Vietnam, South Yemen, Iran or Syria? Will assistance be provided to Afghanistan without a certification, or will assistance be provided inside Afghanistan through the Soviet-controlled government of Afghanistan? NO
7. FAA Sec. 620(i). Has the country permitted, or failed to take adequate measures to prevent, damage or destruction by mob action of U.S. property? NO
8. FAA Sec. 620(l). Has the country failed to enter into an investment guaranty agreement with OPIC? NO
9. FAA Sec. 620(o); Fishermen's Protective Act of 1967 (as amended) Sec. 5. (a) Has the country seized, or imposed any penalty or sanction against, any U.S. fishing vessel because of fishing activities in international waters? (b) If so, has any deduction required by the Fishermen's Protective Act been made? NO

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10. FAA Sec. 620(q); FY 1990 Appropriations Act Sec. 518 (Brooke Amendment). (a) Has the government of the recipient country been in default for more than six months on interest or principal of any loan to the country under the FAA? (b) Has the country been in default for more than one year on interest or principal on any U.S. loan under a program for which the FY 1990 Appropriations Act appropriates funds? NO
11. FAA Sec. 620(s). If contemplated assistance is development loan or to come from Economic Support Fund, has the Administrator taken into account the percentage of the country's budget and amount of the country's foreign exchange or other resources spent on military equipment? (Reference may be made to the annual "Taking Into Consideration" memo: "Yes, taken into account by the Administrator at time of approval of Agency OYB." This approval by the Administrator of the Operational Year Budget can be the basis for an affirmative answer during the fiscal year unless significant changes in circumstances occur.) N/A
12. FAA Sec. 620(t). Has the country severed diplomatic relations with the United States? If so, have relations been resumed and have new bilateral assistance agreements been negotiated and entered into since such resumption? NO
13. 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 A.I.D. Administrator in determining the current A.I.D. Operational Year Budget? (Reference may be made to the "Taking into Consideration" memo.) N/A

14. FAA Sec. 620A. Has the President determined that the recipient country grants sanctuary from prosecution to any individual or group which has committed an act of international terrorism or otherwise supports international terrorism? NO
15. FY 1990 Appropriations Act Sec. 564. Has the country been determined by the President to: (a) grant sanctuary from prosecution to any individual or group which has committed an act of international terrorism, or (b) otherwise support international terrorism, unless the President has waived this restriction on grounds of national security or for humanitarian reasons? NO
16. ISDCA of 1985 Sec. 552(b). Has the Secretary of State determined that the country is a high terrorist threat country after the Secretary of Transportation has determined, pursuant to section 1115(e)(2) of the Federal Aviation Act of 1958, that an airport in the country does not maintain and administer effective security measures? NO
17. FAA Sec. 666(b). 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
18. FAA Secs. 669, 670. Has the country, after August 3, 1977, delivered to any other country or received nuclear enrichment or reprocessing equipment, materials, or technology, without specified arrangements or safeguards, and without special certification by the President? Has it transferred a nuclear explosive device to a non-nuclear weapon state, or if such a state, either received or detonated a nuclear explosive device? (FAA Sec. 620E permits a special waiver of Sec. 669 for Pakistan.) NO

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19. FAA Sec. 670. If the country is a non-nuclear weapon state, has it, on or after August 8, 1985, exported (or attempted to export) illegally from the United States any material, equipment, or technology which would contribute significantly to the ability of a country to manufacture a nuclear explosive device? NO
20. ISDCA of 1981 Sec. 720. Was the country represented at the Meeting of Ministers of Foreign Affairs and Heads of Delegations of the Non-Aligned Countries to the 36th General Assembly of the U.N. on Sept. 25 and 28, 1981, and did it fail to disassociate itself from the communique issued? If so, has the President taken it into account? (Reference may be made to the "Taking into Consideration" memo.) NO
21. FY 1990 Appropriations Act Sec. 513. Has the duly elected Head of Government of the country been deposed by military coup or decree? If assistance has been terminated, has the President notified Congress that a democratically elected government has taken office prior to the resumption of assistance? NO
22. FY 1990 Appropriations Act Sec. 539. Does the recipient country fully cooperate with the international refugee assistance organizations, the United States, and other governments in facilitating lasting solutions to refugee situations, including resettlement without respect to race, sex, religion, or national origin? YES

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**B. FUNDING SOURCE CRITERIA FOR COUNTRY ELIGIBILITY****1. Development Assistance Country Criteria**

NO

a. 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?

b. FY 1990 Appropriations Act Sec. 535. Has the President certified that use of DA funds by this country would violate any of the prohibitions against use of funds to pay for the performance of abortions as a method of family planning, to motivate or coerce any person to practice abortions, to pay for the performance of involuntary sterilization as a method of family planning, to coerce or provide any financial incentive to any person to undergo sterilizations, to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning?

NO

**2. Economic Support Fund Country Criteria**

a. FAA Sec. 502B. Has it been determined that the country has engaged in a consistent pattern of gross violations of internationally recognized human rights? If so, has the President found that the country made such significant improvement in its human rights record that furnishing such assistance is in the U.S. national interest?

N/A

b. FY 1990 Appropriations Act Sec. 569(d). Has this country met its drug eradication targets or otherwise taken significant steps to halt illicit drug production or trafficking?

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## 5C(2) - PROJECT CHECKLIST

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

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

A. GENERAL CRITERIA FOR PROJECT

- |   |     |
|---|-----|
| 1. <u>FY 1990 Appropriations Act Sec. 523: FAA Sec. 634A.</u> If money is to be obligated for an activity not previously justified to Congress, or for an amount in excess of amount previously justified to Congress, has Congress been properly notified?   | YES |
| 2. <u>FAA Sec. 611(a).</u> Prior to an obligation in excess of \$500,000, will there be: (a) engineering, financial or other plans necessary to carry out the assistance; and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?   | YES |
| 3. <u>FAA Sec. 611(a)(2).</u> If legislative action is required within recipient country with respect to an obligation in excess of \$500,000, what is the basis for a reasonable expectation that such action will be completed in time to permit orderly accomplishment of the purpose of the assistance? | N/A |

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4. FAA Sec. 611(b); FY 1990 Appropriations Act Sec. 501. If project is for water or water-related land resource construction, have benefits and costs been computed to the extent practicable in accordance with the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, et seq.)? (See A.I.D. Handbook 3 for guidelines.) N/A
5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and total U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability to maintain and utilize the project effectively? N/A
6. FAA Sec. 209. Is project susceptible to 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. Yes  
Regional Project
7. FAA Sec. 601(a). Information and conclusions on whether projects will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, 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. Yes, the project will foster private initiatives and competition, discourage monopolistic practices, improve technical efficiency of private and public institutions.
8. FAA Sec. 601(b). Information and conclusions on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise). Yes, the project will promote the use of U.S. technology and technical expertise.

9. FAA Secs. 612(b), 636(h). 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. N/A
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? N/A
11. FY 1990 Appropriations Act Sec. 521. 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
12. FY 1990 Appropriations Act Sec. 547. Will the assistance (except for programs in Caribbean Basin Initiative countries under U.S. Tariff Schedule "Section 807," which allows reduced tariffs on articles assembled abroad from U.S.-made components) be used directly to procure feasibility studies, prefeasibility studies, or project profiles of potential investment in, or to assist the establishment of facilities specifically designed for, the manufacture for export to the United States or to third country markets in direct competition with U.S. exports, of textiles, apparel, footwear, handbags, flat goods (such as wallets or coin purses worn on the person), work gloves or leather wearing apparel? NO
13. FAA Sec. 119(g)(4)-(6) & (10). Will the assistance: (a) support training and education efforts which improve the capacity of recipient countries to prevent loss of biological diversity; (b) be provided under a long-term agreement in which the recipient country agrees to protect ecosystems or other Yes, the energy and the environment component addresses items (a) and (c) no to (b) and (d).

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- wildlife habitats; (c) support efforts to identify and survey ecosystems in recipient countries worthy of protection; or (d) by any direct or indirect means significantly degrade national parks or similar protected areas or introduce exotic plants or animals into such areas?
14. FAA Sec. 121(d). If a Sahel project, has a determination been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of project funds (either dollars or local currency generated therefrom)? N/A
15. FY 1990 Appropriations Act, Title II, under heading "Agency for International Development." If assistance is to be made to a United States PVO (other than a cooperative development organization), does it obtain at least 20 percent of its total annual funding for international activities from sources other than the United States Government? N/A
16. FY 1990 Appropriations Act Sec. 537. If assistance is being made available to a PVO, has that organization provided upon timely request any document, file, or record necessary to the auditing requirements of A.I.D., and is the PVO registered with A.I.D.? N/A
17. FY 1990 Appropriations Act Sec. 514. If funds are being obligated under an appropriation account to which they were not appropriated, has the President consulted with and provided a written justification to the House and Senate Appropriations Committees and has such obligation been subject to regular notification procedures? N/A

- 18. State Authorization Sec. 139 (as interpreted by conference report). Has confirmation of the date of signing of the project agreement, including the amount involved, been cabled to State L/T and A.I.D. LEG within 60 days of the agreement's entry into force with respect to the United States, and has the full text of the agreement been pouched to those same offices? (See Handbook 3, Appendix 6G for agreements covered by this provision).
- 19. Trade Act Sec. 5164 (as interpreted by conference report), amending Metric Conversion Act of 1975 Sec. 2. Does the project use the metric system of measurement in its procurements, grants, and other business-related activities, except to the extent that such use is impractical or is likely to cause significant inefficiencies or loss of markets to United States firms? Are bulk purchases usually to be made in metric, and are components, subassemblies, and semi-fabricated materials to be specified in metric units when economically available and technically adequate?
- 20. FY 1990 Appropriations Act, Title II, under heading "Women in Development." Will assistance be designed so that the percentage of women participants will be demonstrably increased?
- 21. FY 1990 Appropriations Act Sec. 592(a). If assistance is furnished to a foreign government under arrangements which result in the generation of local currencies, has A.I.D. (a) required that local currencies be deposited in a separate account established by the recipient government, (b) entered into an agreement with that government providing the amount of local currencies to be generated and the terms and conditions under which the currencies so deposited may be utilized, and (c) established by agreement the responsibilities of A.I.D. and that government to monitor and account for deposits into and disbursements from the separate account?

N/A

The project involves no procurement of goods. Otherwise metric system is used in the region.

YES

N/A

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Will such local currencies, or an equivalent amount of local currencies, be used only to carry out the purposes of the DA or ESF chapters of the FAA (depending on which chapter is the source of the assistance) or for the administrative requirements of the United States Government?

Has A.I.D. taken all appropriate steps to ensure that the equivalent of local currencies disbursed from the separate account are used for the agreed purposes?

If assistance is terminated to a country, will any unencumbered balances of funds remaining in a separate account be disposed of for purposes agreed to by the recipient government and the United States Government?

**B. FUNDING CRITERIA FOR PROJECT****1. Development Assistance Project Criteria**

a. FY 1990 Appropriations Act Sec. 546 (as interpreted by conference report for original enactment). If assistance is for agricultural development activities (specifically, any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training), are such activities: (1) specifically and principally designed to increase agricultural exports by the host country to a country other than the United States, where the export would lead to direct competition in that third country with exports of a similar commodity grown or produced in the United States, and can the activities reasonably be expected to cause substantial injury to U.S. exporters of a similar agricultural commodity; or (2) in support of research that is intended primarily to benefit U.S. producers?

N/A

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

YES

c. FAA Sec. 281(b). Describe extent to which the activity 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 civic education and training in skills required for effective participation in governmental and political processes essential to self-government.

Seminar, Workshops  
Policy Fora, Policy Initiatives  
and Policy Reforms  
will address these issues.

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d. FAA Secs. 101(a). Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth?

YES

e. FAA Secs. 102(b), 111, 113, 281(a). Describe extent to which activity will: (1) effectively involve the poor in development by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, dispersing investment 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 appropriate U.S. institutions; (2) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward a better life, and otherwise encourage democratic private and local governmental institutions; (3) support the self-help efforts of developing countries; (4) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (5) utilize and encourage regional cooperation by developing countries.

All Project components have impact on these issues.

f. FAA Secs. 103, 103A, 104, 105, 106, 120-21; FY 1990 Appropriations Act, Title II, under heading "Sub-Saharan Africa, DA." Does the project fit the criteria for the source of funds (functional account) being used?

YES

g. FY 1990 Appropriations Act, Title II, under heading "Sub-Saharan Africa, DA." Have local currencies generated by the sale of imports or foreign exchange by the government of a country in Sub-Saharan Africa from funds appropriated under Sub-Saharan Africa, DA been deposited in a special account established by that government, and are these local currencies available only for

N/A

use, in accordance with an agreement with the United States, for development activities which are consistent with the policy directions of Section 102 of the FAA and for necessary administrative requirements of the U. S. Government?

h. FAA Sec. 107. Is emphasis 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)?

YES

i. FAA Secs. 110, 124(d). Will the recipient country provide at least 25 percent of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or is the latter cost-sharing requirement being waived for a "relatively least developed" country)?

NO

j. FAA Sec. 128(b). If the activity attempts to increase the institutional capabilities of private organizations or the government of the country, or if it attempts to stimulate scientific and technological research, has it been designed and will it be monitored to ensure that the ultimate beneficiaries are the poor majority?

YES

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

Seminars, Workshops and Policy Fora will impact these issues.

l. FY 1990 Appropriations Act, under heading "Population, DA," and Sec. 535. Are any of the funds to be used for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions?

NO

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- Are any of the funds to be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations? NO
- Are any of the funds to be made available to any organization or program which, as determined by the President, supports or participates in the management of a program of coercive abortion or involuntary sterilization? NO
- Will funds be made available only to voluntary family planning projects which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services? N/A
- In awarding grants for natural family planning, will any applicant be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning? N/A
- Are any of the funds to be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning? NO
- m. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise? YES
- n. FY 1990 Appropriations Act Sec. 579. What portion of the funds will be available only for activities of economically and socially disadvantaged enterprises, historically black colleges and universities, colleges and universities having a student body in which more than 40 percent of the students are Hispanic Americans, and The percentage required by law

private and voluntary organizations which are controlled by individuals who are black Americans, Hispanic Americans, or Native Americans, or who are economically or socially disadvantaged (including women)?

YES

o. FAA Sec. 118(c). Does the assistance comply with the environmental procedures set forth in A.I.D. Regulation 16? Does the assistance place a high priority on conservation and sustainable management of tropical forests? Specifically, does the assistance, to the fullest extent feasible: (1) stress the importance of conserving and sustainably managing forest resources; (2) support activities which offer employment and income alternatives to those who otherwise would cause destruction and loss of forests, and help countries identify and implement alternatives to colonizing forested areas; (3) support training programs, educational efforts, and the establishment or strengthening of institutions to improve forest management; (4) help end destructive slash-and-burn agriculture by supporting stable and productive farming practices; (5) help conserve forests which have not yet been degraded by helping to increase production on lands already cleared or degraded; (6) conserve forested watersheds and rehabilitate those which have been deforested; (7) support training, research, and other actions which lead to sustainable and more environmentally sound practices for timber harvesting, removal, and processing; (8) support research to expand knowledge of tropical forests and identify alternatives which will prevent forest destruction, loss, or degradation; (9) conserve biological diversity in forest areas by supporting efforts to identify, establish, and maintain a representative network of protected tropical forest ecosystems on a worldwide basis, by making the establishment of protected areas a

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condition of support for activities involving forest clearance or degradation, and by helping to identify tropical forest ecosystems and species in need of protection and establish and maintain appropriate protected areas; (10) seek to increase the awareness of U.S. Government agencies and other donors of the immediate and long-term value of tropical forests; and (11) utilize the resources and abilities of all relevant U.S. government agencies?

p. FAA Sec. 118(c)(13). If the assistance will support a program or project significantly affecting tropical forests (including projects involving the planting of exotic plant species), will the program or project: (1) be based upon careful analysis of the alternatives available to achieve the best sustainable use of the land, and (2) take full account of the environmental impacts of the proposed activities on biological diversity?

YES

q. FAA Sec. 118(c)(14). Will assistance be used for: (1) the procurement or use of logging equipment, unless an environmental assessment indicates that all timber harvesting operations involved will be conducted in an environmentally sound manner and that the proposed activity will produce positive economic benefits and sustainable forest management systems; or (2) actions which will significantly degrade national parks or similar protected areas which contain tropical forests, or introduce exotic plants or animals into such areas?

NO

r. FAA Sec. 118(c)(15). Will assistance be used for: (1) activities which would result in the conversion of forest lands to the rearing of livestock; (2) the construction, upgrading, or maintenance of roads (including temporary haul roads for logging or other extractive industries) which pass through relatively undergraded forest lands; (3) the

NO

colonization of forest lands; or (4) the construction of dams or other water control structures which flood relatively undergraded forest lands, unless with respect to each such activity an environmental assessment indicates that the activity will contribute significantly and directly to improving the livelihood of the rural poor and will be conducted in an environmentally sound manner which supports sustainable development?

s. FY 1990 Appropriations Act Sec. 534(a). If assistance relates to tropical forests, will project assist countries in developing a systematic analysis of the appropriate use of their total tropical forest resources, with the goal of developing a national program for sustainable forestry?

N/A

t. FY 1990 Appropriations Act Sec. 534(b). If assistance relates to energy, will such assistance focus on improved energy efficiency, increased use of renewable energy resources, and national energy plans (such as least-cost energy plans) which include investment in end-use efficiency and renewable energy resources?

YES

Describe and give conclusions as to how such assistance will: (1) increase the energy expertise of A.I.D. staff, (2) help to develop analyses of energy-sector actions to minimize emissions of greenhouse gases at least cost, (3) develop energy-sector plans that employ end-use analysis and other techniques to identify cost-effective actions to minimize reliance on fossil fuels, (4) help to analyze fully environmental impacts (including impact on global warming), (5) improve efficiency in production, transmission, distribution, and use of energy, (6) assist in exploiting nonconventional renewable energy resources, including wind, solar, small-hydro, geo-thermal, and advanced

The Project will help AID and the CA countries on items (3), (4), (5), (8) and (10)

biomass systems, (7) expand efforts to meet the energy needs of the rural poor, (8) encourage host countries to sponsor meetings with United States energy efficiency experts to discuss the use of least-cost planning techniques, (9) help to develop a cadre of United States experts capable of providing technical assistance to developing countries on energy issues, and (10) strengthen cooperation on energy issues with the Department of Energy, EPA, World Bank, and Development Assistance Committee of the OECD.

u. FY 1990 Appropriations Act, Title II, under heading "Sub-Saharan Africa, DA" (as interpreted by conference report upon original enactment). If assistance will come from the Sub-Saharan Africa DA account, is it: (1) to be used to help the poor majority in Sub-Saharan Africa through a process of long-term development and economic growth that is equitable, participatory, environmentally sustainable, and self-reliant; (2) being provided in accordance with the policies contained in section 102 of the FAA; (3) being provided, when consistent with the objectives of such assistance, through African, United States and other PVOs that have demonstrated effectiveness in the promotion of local grassroots activities on behalf of long-term development in Sub-Saharan Africa; (4) being used to help overcome shorter-term constraints to long-term development, to promote reform of sectoral economic policies, to support the critical sector priorities of agricultural production and natural resources, health, voluntary family planning services, education, and income generating opportunities, to bring about appropriate sectoral restructuring of the Sub-Saharan African economies, to support reform in public administration and finances and to establish a favorable environment for individual enterprise and self-sustaining development, and to take

N/A

into account, in assisted policy reforms, the need to protect vulnerable groups; (5) being used to increase agricultural production in ways that protect and restore the natural resource base, especially food production, to maintain and improve basic transportation and communication networks, to maintain and restore the renewable natural resource base in ways that increase agricultural production, to improve health conditions with special emphasis on meeting the health needs of mothers and children, including the establishment of self-sustaining primary health care systems that give priority to preventive care, to provide increased access to voluntary family planning services, to improve basic literacy and mathematics especially to those outside the formal educational system and to improve primary education, and to develop income-generating opportunities for the unemployed and underemployed in urban and rural areas?

v. International Development Act Sec. 711, FAA Sec. 463. If project will finance a debt-for-nature exchange, describe how the exchange will support protection of: (1) the world's oceans and atmosphere, (2) animal and plant species, and (3) parks and reserves; or describe how the exchange will promote: (4) natural resource management, (5) local conservation programs, (6) conservation training programs, (7) public commitment to conservation, (8) land and ecosystem management, and (9) regenerative approaches in farming, forestry, fishing, and watershed management.

N/A

w. FY 1990 Appropriations Act Sec. 515. If deob/reob authority is sought to be exercised in the provision of DA assistance, are the funds being obligated for the same general purpose, and for countries within the same region as originally obligated, and have the House and Senate Appropriations Committees been properly notified?

YES

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2. Development Assistance Project Criteria  
(Loans Only)

- a. FAA Sec. 122(b). Information and conclusion on capacity of the country to repay the loan at a reasonable rate of interest. N/A
- 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 percent of the enterprise's annual production during the life of the loan, or has the requirement to enter into such an agreement been waived by the President because of a national security interest? N/A
- c. FAA Sec. 122(b). Does the activity give reasonable promise of assisting long-range plans and programs designed to develop economic resources and increase productive capacities? N/A

3. Economic Support Fund Project Criteria

- a. FAA Sec. 531(a). Will this assistance promote economic and political stability? To the maximum extent feasible, is this assistance consistent with the policy directions, purposes, and programs of Part I of the FAA? N/A
- b. FAA Sec. 531(e). Will this assistance be used for military or paramilitary purposes? N/A
- 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? 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(a). 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 determined under delegation from him? YES
3. FAA Sec. 604(d). If the cooperating country discriminates against marine insurance companies authorized to do business in the U.S., will commodities be insured in the United States against marine risk with such a company? N/A
4. FAA Sec. 604(e). If non-U.S. procurement of agricultural commodity or product thereof 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

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5. FAA Sec. 604(g). Will construction or engineering services be procured from firms of advanced developing countries which are otherwise eligible under Code 941 and which have attained a competitive capability in international markets in one of these areas? (Exception for those countries which receive direct economic assistance under the FAA and permit United States firms to compete for construction or engineering services financed from assistance programs of these countries.) N/A
6. FAA Sec. 603. Is the shipping excluded from compliance with the requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 percent of the gross tonnage of commodities (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 such vessels are available at fair and reasonable rates? N/A
7. FAA Sec. 621(a). If technical assistance is financed, will such assistance be furnished by private enterprise on a contract basis to the fullest extent practicable? Will the facilities and resources of other Federal agencies be utilized, when they are particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs? YES
8. International Air Transportation Fair Competitive Practices Act, 1974. If air transportation of persons or property is financed on grant basis, will U.S. carriers be used to the extent such service is available? YES
9. FY 1990 Appropriations Act Sec. 504. 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

10. FY 1990 Appropriations Act Sec. 524. If assistance is for consulting service through procurement contract pursuant to 5 U.S.C. 3109, are contract expenditures a matter of public record and available for public inspection (unless otherwise provided by law or Executive order)? YES
11. Trade Act Sec. 5164 (as interpreted by conference report), amending Metric Conversion Act of 1975 Sec. 2. Does the project use the metric system of measurement in its procurements, grants, and other business-related activities, except to the extent that such use is impractical or is likely to cause significant inefficiencies or loss of markets to United States firms? Are bulk purchases usually to be made in metric, and are components, subassemblies, and semi-fabricated materials to be specified in metric units when economically available and technically adequate? YES
12. FAA Secs. 612(b), 636(h); FY 1990 Appropriations Act Secs. 507, 509. Describe steps taken to assure that, to the maximum extent possible, foreign currencies owned by the U.S. are utilized in lieu of dollars to meet the cost of contractual and other services. Local Expertise will be contracted when available
13. 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? N/A
14. FAA Sec. 601(e). Will the assistance utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise? YES

**B. CONSTRUCTION**

1. FAA Sec. 601(d). If capital (e.g., construction) project, will U.S. engineering and professional services be used? N/A
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 (except for productive enterprises in Egypt that were described in the CP), or does assistance have the express approval of Congress? N/A

**C. OTHER RESTRICTIONS**

1. FAA Sec. 122(b). If development loan repayable in dollars, is interest rate at least 2 percent per annum during a grace period which is not to exceed ten years, and at least 3 percent 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? YES
3. FAA Sec. 620(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. Will arrangements preclude use of financing:
- a. FAA Sec. 104(f); FY 1990 Appropriations Act under heading "Population, DA," and Secs. 525, 535. (1) To pay for performance of abortions as a method of family planning or to motivate or coerce persons to practice abortions; (2) to pay for performance of involuntary sterilization as method of family planning, or to coerce or provide financial incentive to any person to undergo sterilization; (3) to pay for any biomedical research which relates, in whole or part, to methods or the performance of abortions or involuntary sterilizations as a means of family planning; or (4) to lobby for abortion? YES
- b. FAA Sec. 483. To make reimbursements, in the form of cash payments, to persons whose illicit drug crops are eradicated? YES
- c. FAA Sec. 620(g). To compensate owners for expropriated or nationalized property, except to compensate foreign nationals in accordance with a land reform program certified by the President? YES
- d. FAA Sec. 660. To provide training, advice, or any financial support for police, prisons, or other law enforcement forces, except for narcotics programs? YES
- e. FAA Sec. 662. For CIA activities? YES
- f. 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
- g. FY 1990 Appropriations Act Sec. 503. To pay pensions, annuities, retirement pay, or adjusted service compensation for prior or current military personnel? YES
- h. FY 1990 Appropriations Act Sec. 505: To pay U.N. assessments, arrearages or dues? YES

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- i. FY 1990 Appropriations Act Sec. 506. YES  
To carry out provisions of FAA section 209(d) (transfer of FAA funds to multilateral organizations for lending)?
- j. FY 1990 Appropriations Act Sec. 510. YES  
To finance the export of nuclear equipment, fuel, or technology?
- k. FY 1990 Appropriations Act Sec. 511. YES  
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?
- l. FY 1990 Appropriations Act Sec. 516: YES  
State Authorization Sec. 109. To be used for publicity or propaganda purposes designed to support or defeat legislation pending before Congress, to influence in any way the outcome of a political election in the United States, or for any publicity or propaganda purposes not authorized by Congress?
5. FY 1990 Appropriations Act Sec. 574. YES  
Will any A.I.D. contract and solicitation, and subcontract entered into under such contract, include a clause requiring that U.S. marine insurance companies have a fair opportunity to bid for marine insurance when such insurance is necessary or appropriate?
6. FY 1990 Appropriations Act Sec. 582. NO  
Will any assistance be provided to any foreign government (including any instrumentality or agency thereof), foreign person, or United States person in exchange for that foreign government or person undertaking any action which is, if carried out by the United States Government, a United States official or employee, expressly prohibited by a provision of United States law?

## 3(A)2 - NONPROJECT ASSISTANCE CHECKLIST

The criteria listed in Part A are applicable generally to FAA funds, and should be used irrespective of the program's funding source. In Part B a distinction is made between the criteria applicable to Economic Support Fund assistance and the criteria applicable to Development Assistance. Selection of the criteria will depend on the funding source for the program.

CROSS REFERENCES: IS COUNTRY CHECKLIST UP TO DATE? HAS STANDARD ITEM CHECKLIST BEEN REVIEWED? YES

A. GENERAL CRITERIA FOR NONPROJECT ASSISTANCE

1. FY 1990 Appropriations Act Sec. 523; FAA Sec. 634A. Describe how authorization and appropriations committees of Senate and House have been or will be notified concerning the project. By Cable on 7/17/90
2. 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? N/A
3. FAA Sec. 209. Is assistance more efficiently and effectively provided through regional or multilateral organizations? If so, why is assistance not so provided? Information and conclusions on whether assistance will encourage developing countries to cooperate in regional development programs. This is a regional project.

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4. FAA Sec. 601(a). Information and conclusions on whether assistance will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, 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.
- The project will: foster private initiative and competition, discourage monopolistic practices and improve technical efficiency of private and public institutions.
5. FAA Sec. 601(b). Information and conclusions on how assistance will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).
- The project will encourage the use of U.S. technology in energy, health and housing.
6. FAA Sec. 121(d). If assistance is being furnished under the Sahel Development Program, has a determination been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of A.I.D. funds?
- N/A

**B. FUNDING CRITERIA FOR NONPROJECT ASSISTANCE**

1. Nonproject Criteria for Economic Support Fund
- a. FAA Sec. 531(a). Will this assistance promote economic and political stability? To the maximum extent feasible, is this assistance consistent with the policy directions, purposes, and programs of Part I of the FAA?
- N/A
- b. FAA Sec. 531(e). Will assistance under this chapter be used for military or paramilitary activities?
- N/A

c. FAA Sec. 531(d). Will ESF funds made available for commodity import programs or other program assistance be used to generate local currencies? If so, will at least 50 percent of such local currencies be available to support activities consistent with the objectives of FAA sections 103 through 106?

N/A

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

N/A

e. FY 1990 Appropriations Act, Title II, under heading "Economic Support Fund," and Sec. 592. If assistance is in the form of a cash transfer: (a) Are all such cash payments to be maintained by the country in a separate account and not to be commingled with any other funds? (b) Will all local currencies that may be generated with funds provided as a cash transfer to such a country also be deposited in a special account, and has A.I.D. entered into an agreement with that government setting forth the amount of the local currencies to be generated, the terms and conditions under which they are to be used, and the responsibilities of A.I.D. and that government to monitor and account for deposits and disbursements? (c) Will all such local currencies also be used in accordance with FAA Section 609, which requires such local currencies to be made available to the U.S. government as the U.S. determines necessary for the requirements of the U.S. Government, and which requires the remainder to be used for programs agreed to by the U.S. Government to carry out the purposes for which new funds authorized by the FAA would themselves be available? (d) Has Congress received prior notification providing in detail how the funds will be used, including the U.S. interests that will be served by the assistance, and, as appropriate, the economic policy reforms that will be promoted by the cash transfer assistance?

N/A

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**2. Nonproject Criteria for Development Assistance**

**a. FAA Secs. 102(a), 111, 113, 281(a).**  
Extent to which activity will: (1) effectively involve the poor in development, by expanding access to economy at local level, increasing labor-intensive production and the use of appropriate technology, spreading investment out from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using the appropriate U.S. institutions; (2) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions; (3) support the self-help efforts of developing countries; (4) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (5) utilize and encourage regional cooperation by developing countries?

The project has a component to promote participation of women in development activities.

The project is regional and encourages cooperatives by the Central American countries.

**b. FAA Secs. 103, 103A, 104, 105, 106, 120-21.** 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 assistance, 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, 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 efforts carried out

The H/N component of the project addresses issues (a), (b) and (c).

under Sec. 104 to help improve nutrition of the people of developing countries 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 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.

(2) [104] for population planning under Sec. 104(b) or health under Sec. 104(c); if so, 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 outreach.

(3) [105] for education, public administration, or human resources development; if so, (a) extent to which activity strengthens nonformal education, makes formal education more relevant, especially for rural families and urban poor, and strengthens management capability of institutions enabling the poor to participate in development; and (b) extent to which assistance provides advanced education

N/A

The Educ/Tr component of the project encourages (b).

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and training of people of developing countries in such disciplines as are required for planning and implementation of public and private development activities.

(4) [106] for energy, private voluntary organizations, and selected development problems; if so, extent activity is:

The energy component of the project addresses issues (i) (a) and (b)(ii) and (v).

(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; and (b) facilitative of research on and development and use of small-scale, decentralized, renewable energy sources for rural areas, emphasizing development of energy resources which are environmentally acceptable and require minimum capital investment;

(ii) concerned with 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 processes and techniques;

(iv) reconstruction after natural or manmade disaster and programs of disaster preparedness;

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

(vi) for urban development, especially small, labor-intensive enterprises, marketing systems for small producers, and financial or other institutions to help urban poor participate in economic and social development.

The shelter component of the project addresses specifically this issue.

(5) [120-21] for the Sahelian region; if so, (a) extent to which there is international coordination in planning and implementation; participation and support by African countries and organizations in determining development priorities; and a long-term, multidonor development plan which calls for equitable burden-sharing with other donors; (b) has a determination been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of projects funds (dollars or local currency generated therefrom)?

N/A

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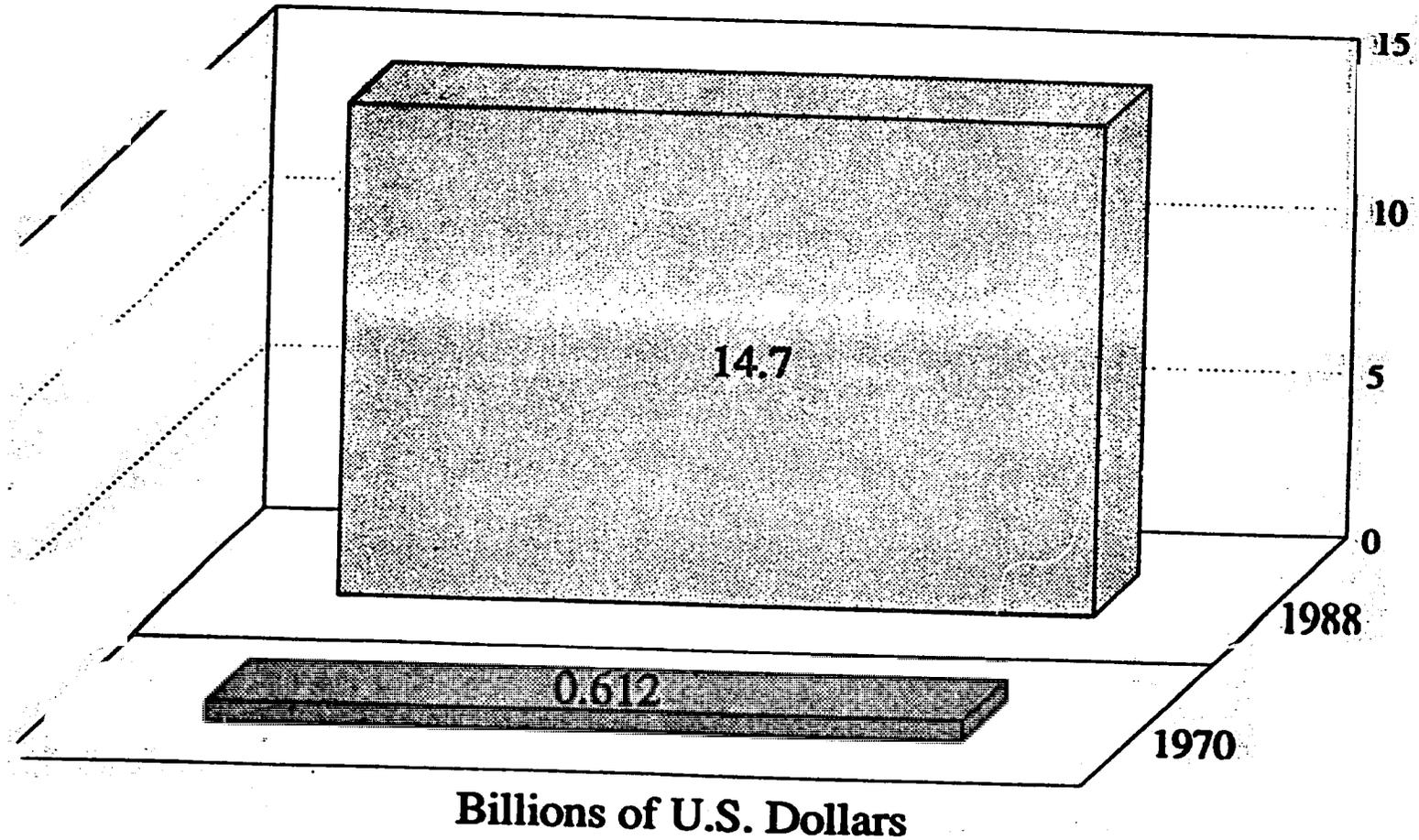
## BASIC INDICATORS

COUNTRY	Population Mid 1987 (millions)	Area (thousands square Km)	GNP per capita		Average Annual Rate of Inflation (percent)	
			1987 Dollars	Average Annual Growth Rate 1965-87 (expressed as a percent)	1965-80	1980-87
Costa Rica	2.6	51	1610	1.5	11.3	28.6
El Salvador	4.9	21	860	-0.4	7	16.5
Guatemala	8.4	109	950	1.2	7.1	12.7
Honduras	4.7	112	810	0.7	5.6	4.8
Panama	2.3	77	2240	2.4	5.4	3.3
Nicaragua	3.5	130	830	-2.5	8.9	86.6

Source: World Bank

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x

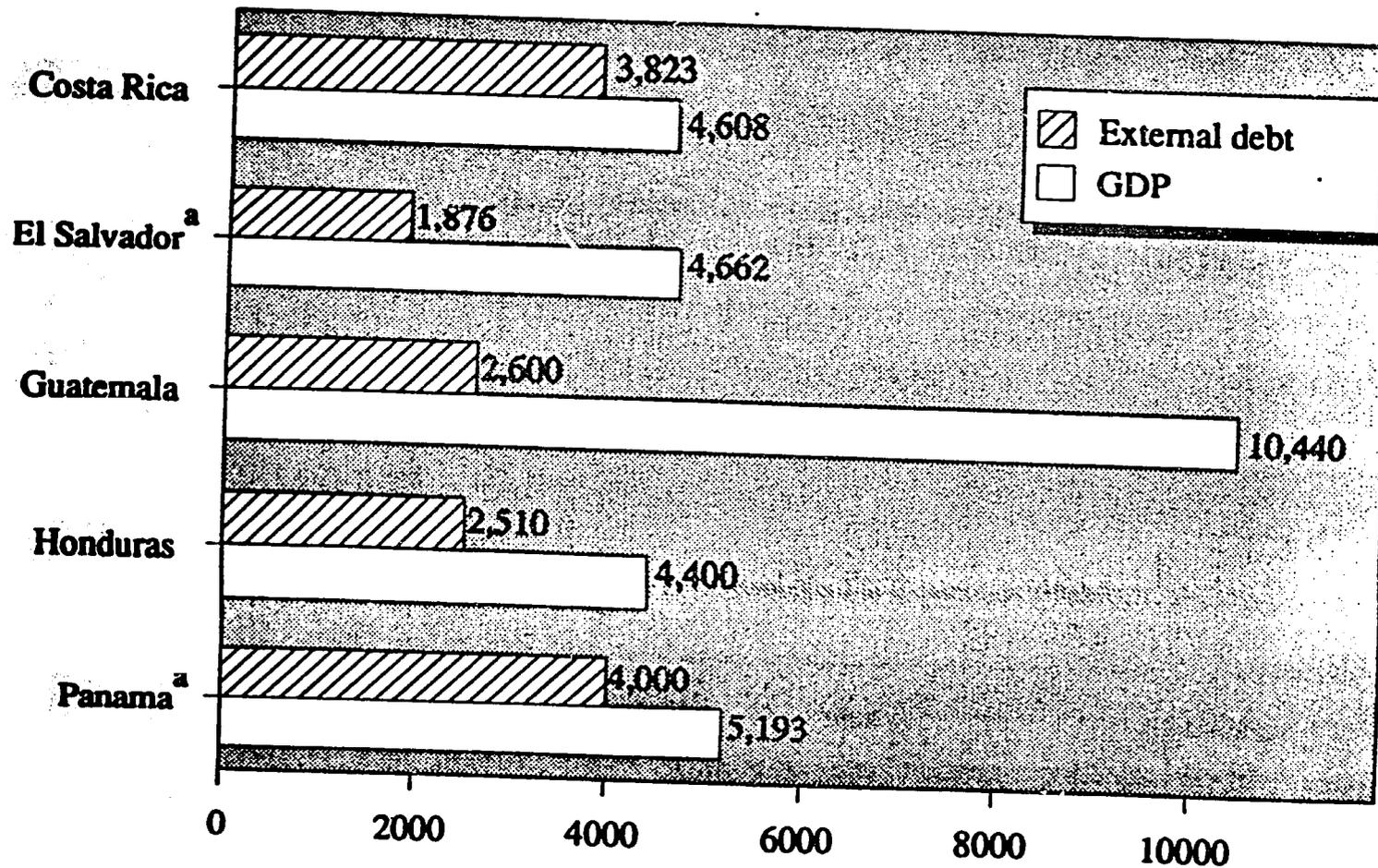
### Combined Debt of: Costa Rica, El Salvador, Guatemala, Honduras, and Panama



SOURCE: IMF

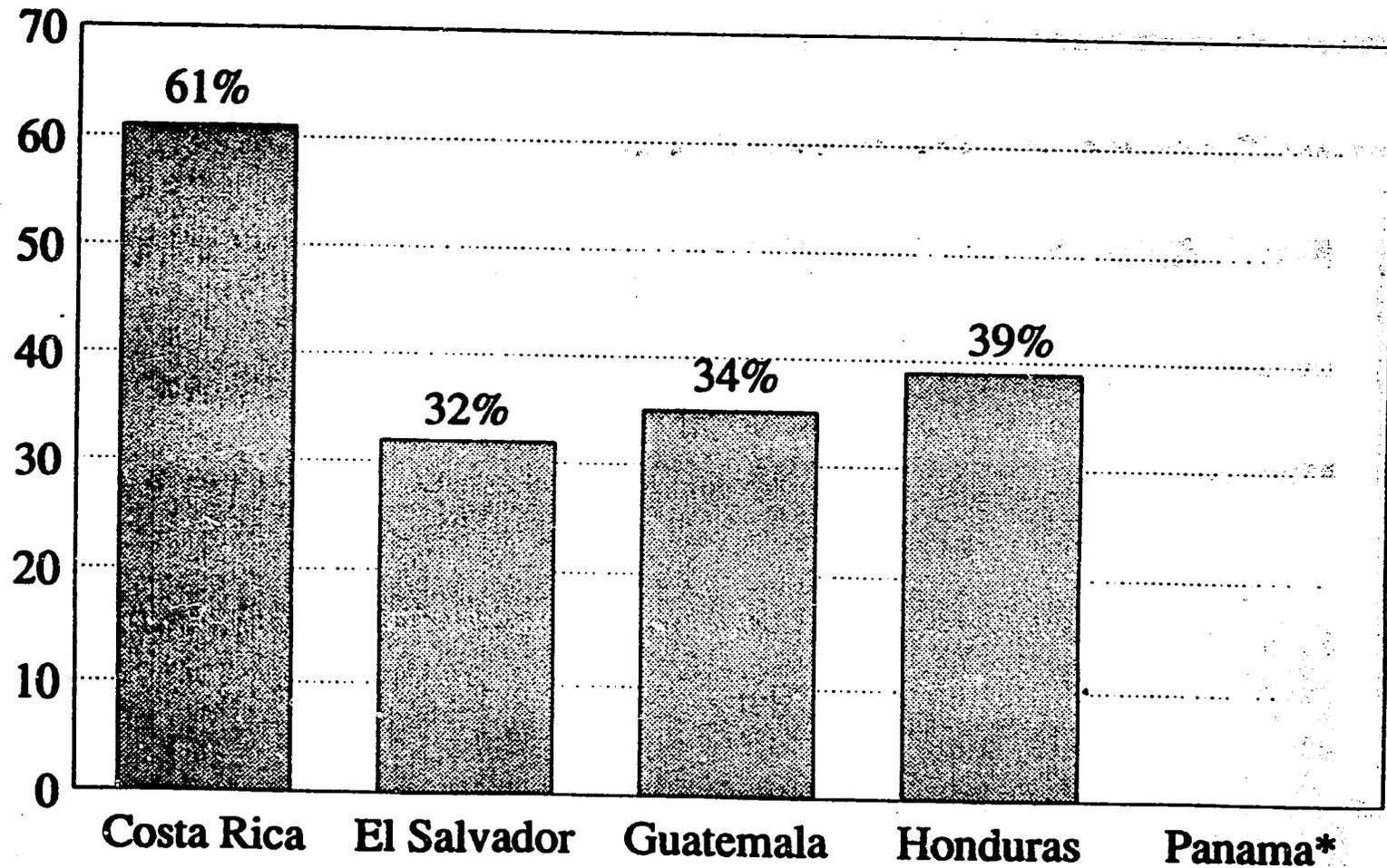
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### Comparison of GDP/Total External Debt 1988 in Millions of US\$



International Financial Statistics (IMF), and Foreign Economic Trends from the U.S. Department of Commerce

### Total Debt Service as a % of Merchandise Export 1988



iable figures were not available at the time of the study.

Source: Foreign Economic Trends, U.S. Department of Commerce

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# Utility Financial and Economic Indicators

December 31, 1988

Indicators	Costa Rica ICE (million Colones)	El Salvador CEL (million Colones)	Guatemala INDE (million Quetzales)	Honduras ENEE *
Net Income (a)	7,407.5	128.2	81.6	
Debt Service	11,652.7	269.4	68.4	
Total Debt	54,875.0	1,612.9	1,059.6	
Total Equity	30,010.0	640.6	738.4	
Total Current Assets	6,851.5	311.7	253.7	
Total Current Liabilities	20,287.9	512.9	223.1	
Debt Service Ratio (b):				
Financial	0.64	0.48	1.19	
Economic (d)	0.59	0.36	0.46	
Liquidity Ratio (c):	0.34	0.61	1.14	
Debt/Equity Ratio	1.83	2.52	1.43	

(a) Operating earnings before depreciation

(b) Net Income/Debt Service

(c) Total Current Assets/Total Current Liabilities

(d) Considering estimated shadow prices for foreign exchange for the external debt component. Shadow prices used per one U.S. \$: Costa Rica: 85 colones, El Salvador: 7 colones, Guatemala: 3 quetzales, Honduras: 2.8 lempiras. Official exchange rates used per one U.S. \$: Costa Rica: 76 colones, El Salvador: 5 colones, Guatemala: 1 quetzal, Hondu

\* Reliable figures were not available at the time this study was prepared.

Source: ICE, CEL, and INDE financial statements, and RCG/Hagler, Bailly, Inc.

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## Selected Power System Characteristics Panama-Costa Rica-Honduras-Ei Salvador-Guatemala

	PANAMA	COSTA RICA	HONDURAS	EL SALVADOR	GUATEMALA
<b>GENERATION CAPACITY</b>					
Hydro (%)	61.8%	89.8%	85.5%	64.7%	55.8%
Thermal (%)	0.0%	0.0%	0.0%	15.3%	1.8%
Average Age of Thermal Capacity (years)	38.2%	10.2%	14.5%	19.9%	42.4%
Number of Units	15	22	13	13	16
Hydro/Total Capacity	14.3%	8.4%	14.5%	13.3%	6.7%
Thermal/Total Capacity	14.3%	25.3%	57.8%	26.6%	33.5%
<b>LOSSES</b>					
Transmission Losses (%)	18.0%	12.0%	19.0%	16.0%	16.0%
<b>PERFORMANCE CHARACTERISTICS</b>					
Availability (%)	5.3%	6.3%	8.5%	7.5%	7.0%
Capacity Factor (%)	67.0%	55.0%	59.0%	52.0%	50.0%
Load Factor (%)	30.0%	48.0%	32.0%	36.0%	36.0%
Peak Load (%)	33.0%	22.0%	19.0%	15.0%	15.0%
Minimum Load (%)	23.0%	27.0%	37.0%	32.0%	32.0%
Load Duration (%)	14.0%	3.0%	12.0%	18.0%	18.0%
<b>RESOURCE BALANCE (NORMAL HYDROLOGY) (1)</b>					
Capacity Shortage	4	0	2	2	7
Energy Shortage	4	4	4	5	10

including outage of the largest unit and only new generation with confirmed financing. In the case of Costa Rica, a gas turbine which was planned to come on line in December 1990, does not have secured financing as of February 1990 as a result of ongoing negotiations with the Central American Bank for Economic Cooperation and the Japanese suppliers.

Source: IHE, ICE, ENEE, CEL, and INDE

**Panama-Costa Rica-Honduras-El Salvador-Guatemala  
Load-Resources Balance (2)**

YEAR	LOAD FORECAST			RESOURCES			RESERVES	
	PEAK	ENERGY	LOAD	CAPACITY	ENERGY PRODUCTION		CAPACITY	ENERGY
	(Mw)	(Gwh)	FACTOR (1)	(Mw)	DRY (Gwh)	NORMAL (Gwh)	(Mw)	(Gwh)
1990	2468	12290	0.57	3113	14595	16518	645	4228
1991	2633	13123	0.57	3113	14595	16518	480	3395
1992	2811	14012	0.57	3113	14595	16518	302	2506
1993	3003	14963	0.57	3175	14938	16861	172	1898
1994	3205	15980	0.57	3183	14986	16917	-22	937
1995	3421	17067	0.57	3183	14986	16917	-238	-150

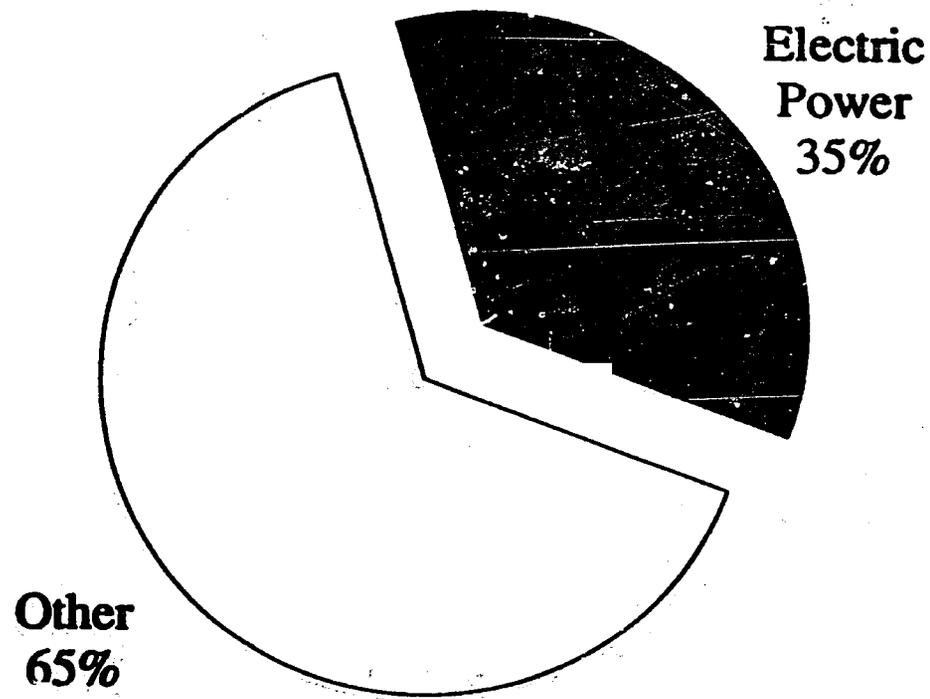
(1) Assuming coincident peaks, the load factor will be substantially larger in practice.

(2) Considering only new generation with secured financing.

Sources: IRHE, ICE, ENEE, CEL, INDE, and RCG/Hagler, Bailly, Inc.

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# Relation of Power Sector External Debt Service to Total External Debt Service for Central America (1988)



Source: U.S. Agency for International Development

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POTENTIAL AREAS FOR ROCAP ASSISTANCE ACCORDING TO AID MISSIONS, PAHO AND UNICEF

AREAS FOR ROCAP ASSISTANCE	Guatemala	Costa Rica*	El Salvador	Honduras	Panama
<b>A. Constraints to Improved Health and Health Systems</b>					
1. Insufficient Public Health Facilities	-	-	-	-	-
2. Inadequate Maintenance, Repair	-	-	-	-	-
3. Insufficient Equipment	-	-	-	-	-
4. Deficient Policies	-	-	-	-	-
5. Deficient Planning	-	-	-	-	-
6. Inadequate Coordination	X	-	X	-	-
7. Inappropriate Distribution of Facilities	-	-	-	-	-
8. Inappropriate Use and Distribution of HR	-	-	-	-	-
9. Overcentralization	-	-	-	-	-
10. Insufficient P/C Focus	-	-	-	-	-
11. Insufficient Preventive Focus	-	-	-	-	-
12. Insufficient Outreach, Comun. Ed.	-	-	-	-	-
13. Inadequate Management Skills	X	-	X	X	-
14. Inadequate Training	X	-	X	X	-
15. Inadequate Public Health Education	-	-	X	X	-
16. Inadequate Information System	X	-	X	-	-
17. Inadequate Monit./Evaluation, Surveillance System	X	-	X	X	-
18. Insufficient Essential Drugs/Q Control/Supply System	-	-	-	X	-
19. Insufficient Critical Supplies, Logistics	-	-	-	-	-
20. Inadequate Supervision	-	-	-	-	-

\*No Suggestions

10/1  
X

POTENTIAL AREAS FOR ROCAP ASSISTANCE ACCORDING TO AID MISSIONS, PAHO AND UNICEF

AREAS FOR ROCAP ASSISTANCE	Guatemala	Costa Rica*	El Salvador	Honduras	Panama
21. Mass Media & Promotion	-	-	-	X (FP)	-
22. Inadequate Operations Research	-	-	-	-	-
23. Inadequate Health Care Financing	-	-	-	-	-
24. Inadequate Medical Education	-	-	-	X	-
25. Inadequate Applied Research	X	-	X	-	-
26. Support to Biomedical, Socio-Econ., Cultural Knowledge about Basic Diseases	-	-	-	-	-
27. Low Coverage of High Risk Groups	-	-	-	-	-
<b>B. Constraints to Decreased Infant and Child Mortality and Morbidity</b>					
1. Diarrheal Disease	-	-	-	-	-
2. Immunizable Diseases	X	-	X	X	-
3. Undernutrition	-	-	-	-	-
4. ARI (Acute Respiratory Infections)	-	-	-	-	-
5. Perinatal Problems	-	-	-	-	-
6. Accidents and Trauma	X (Surv)	-	-	X (Surv)	-
7. Malaria	X	-	-	-	-
8. Child Survival (Lack of System Support - Gen'l)	-	-	-	-	-
9. Alcohol and Drugs	-	-	-	-	-
10. AIDS	-	-	-	-	-
11. T.B.	-	-	-	-	-

\*No Suggestions

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POTENTIAL AREAS FOR ROCAP ASSISTANCE ACCORDING TO AID MISSIONS, PAHO AND UNICEF

AREAS FOR ROCAP ASSISTANCE	Guatemala	Costa Rica*	El Salvador	Honduras	Panama	B
<b>C. <u>Other Areas of Constraint</u></b>						
1. Lack of Water Supply and Sanitation	-	-	-	-	-	-
2. Illiteracy	-	-	-	-	-	-
3. Household Food Insecurity	-	-	X	X	-	-
4. High Risk Births	X	-	-	-	-	-
5. Birth Spacing	X	-	-	-	-	-
<b>D. <u>Other Areas for Assistance</u></b>						
1. TA to Missions for AID Administrative Support	X	-	-	X	-	-
2. Coord. Agric. & Nutri. Reg. Institutes	-	-	X	-	-	-
3. Displaced/Refugees	-	-	-	-	-	-
4. Operationalizing Research	-	-	-	-	-	-

\*No Suggestions

(5072g)

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REGIONAL ENERGY ADVISOR  
STATEMENT OF WORK

1. Develops new activities and identifies areas for policy dialogue in the Energy Sector.
2. Plans, coordinates, monitors, and evaluates regional energy and industrial projects such as Central America Rural Electrification Support Program (NRECA/CARES), Central America Energy Resources (LANL), and Resources for Industrial Development (ICAITI).
3. Advises Central American missions on bilateral energy programs including: problem identification, project design, monitoring and evaluation.
4. Serves as principal liaison between ROCAP and ICAITI, and monitors all ROCAP or AID/W projects with the Institute and any work between ICAITI and USAIDs.
5. Acts as chief liaison and monitor for Science and Technology Bureau energy projects implemented in Central America.
6. Assists ROCAP and Central American USAIDs, as necessary, in reporting on energy-related matters in the region and maintains a working dialogue on energy issues and policy with counterparts in the region.
7. Monitors energy activities of other donors in the region, including: IDB, IBRD, OAS, OLADE, EEC, ECLA, and other bilateral programs. Coordinates AID energy activities with these entities, as necessary.

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LONG-TERM HEALTH/FOOD AND NUTRITION ADVISOR  
STATEMENT OF WORK

Introduction

The H/N advisor will assist ROCAP in overseeing on-going child survival/food and nutrition programs, and will assist in review/updating of ROCAP's regional health/nutrition strategy, as well as in the development of a new regional health/nutrition project scheduled for FY 1991.

The Scope of Work is as follows:

A. Background:

1. ROCAP has two on-going Health/Nutrition projects which address the Mission's overall regional strategy objective No. 9: Improve Health and Child Survival, Project 596-0115, ORT, Growth Monitoring and Education, and Project 596-0116, Technical Support for Food Assistance Programs. These projects have PACDs of December 31, 1991.
2. ROCAP conducted a review of its Health/Nutrition Strategy and in consultation with AID/W, has now programmed the development of a new project focussed on institutional strengthening of the Institute of Nutrition of Central America and Panama (INCAP). A 3rd Quarter FY 1991 obligation is anticipated.

In addition, ROCAP is working with AID/W and USAIDs on a revised regional strategy for Central America and revised RDSS for the Mission. Possibilities for new regional initiatives in health and nutrition will be explored as part of this process.

3. ROCAP currently has no direct hire Health/Nutrition Officer. Consequently, ROCAP requires the services of an experienced health/food and nutrition advisor to help guide the on-going child survival/food and nutrition programs, and help develop the new project with INCAP, as well as other potential health/nutrition activities which ROCAP may consider.

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**B. Statement of Work:**

The H/N Advisor will work in ROCAP's General Development Office under the supervision of Chief of the General Development Office. He/She will work with a U.S. institutional contractor attached to one of ROCAP's on-going projects with the Institute of Nutrition of Central America and Panama (INCAP), as well as with short-term contract advisor. One FSN clerk typist will support the H/N Advisor.

**Specific Responsibilities:**

1. Serve as overall program advisor to INCAP for on-going health/food assistance projects and as technical liaison between ROCAP and INCAP
2. Prepare or supervise the preparation of project implementation documentation (PIO/Ts, PILs, Project Manager's Letters, and other correspondence, project agreement amendments, etc.)
3. Assist ROCAP and INCAP in coordinating its child survival/health/food and nutrition activities with bilateral USAID programs and national health and food programs in Central America.
4. Working with INCAP and other member of the ROCAP staff, coordinate the technical input needed to up-date the ROCAP health sector strategy. Work with ROCAP's Project Development Office to help organize and oversee the design of a new child survival/nutrition and/or other health project(s) to be funded by ROCAP.

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**REGIONAL TRAINING OFFICER**  
**STATEMENT OF WORK**

**Major Duties and Responsibilities**

**As Training Officer:**

1. Assures overall compliance with AID Handbook 10 requirements for all project-related participant training; and informs project managers and contractors of Agency training policies and procedures.
2. Maintains a close working relationship with all parties involved in the different training activities, i.e., AID project manager, sponsoring organization, training institution and trainees.
3. Maintains an effective working relationship with AID/Washington (primarily with the office of International Training) and the Central American bilateral Missions, and regional/national counterparts.
4. Responsible for the overall functioning of the two computerized AID participant training tracking systems: PTMS (Participant Training Management System) and CIS (CAPS Information System). As required, prepares training reports for use by Mission management in the RDSS, ABS and Action Plan.
5. Serves as a resource person on training matters on the Mission, s technical offices. Helps design training plans for project documents, e.g. PPs; and evaluations of training components in active projects. Assures that proposed training activities support overall project goals.
6. Assures that all required training implementation documents for participants (PIO/Ps, PDFs, J-2 visas, etc.) are prepared correctly and in a timely manner. Assists participants and regional/national counterparts with pre-departure orientation, as needed.

**Desired Minimum Qualifications**

**Education:** Possession of a university degree in Education, Psychology or similar discipline. It is desirable that the degree be from a U.S. university.

**Experience:** From four to six years of progressively responsible experience in participant training, scholarship programs or a similar field. At least three years of this experience should have been in development assistance or related work for AID, other donor organizations, host government organizations, or the private sector.

**Language:** Level IV (fluent) English proficiency is required.

**Availability to travel:** Be able to travel to Central American countries or the U.S. as needed.

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TERMS OF REFERENCE FOR RHUDO/CA  
REGIONAL HOUSING AND URBAN  
DEVELOPMENT TRAINING ADVISOR (RHUDO)

BACKGROUND

To achieve a rapid increase in production of housing and urban improvements in Central America, as envisioned in the Jackson Plan for Central America, significant numbers of housing and urban professionals need to be trained in order to implement these programs.

These training efforts need to be more focused -- to address immediate implementation bottlenecks as well as to anticipate the kinds of skills professionals will need in the near future and to plan training programs to provide those skills now.

Finally, A.I.D.'s institutional development efforts need to be strengthened. recent evaluations have highlighted that while the Office of Housing's efforts on policy dialogue have been successful, our institutional initiatives have fallen short of the mark. Much more attention needs to be focussed on developing and implementing management systems which can integrate new procedures into the bureaucracies. One of many institutional constraints which must be dealt with is the high personnel turnover within public institutions, especially after a change in administration. Programs to promote institutional development and effective training within these bureaucracies, therefore, need to be designed with these institutional constraints taken into account.

Organizational change does not materialize overnight. It requires the concerted efforts of a highly skilled trainer/organizational development specialist to inject and integrate new behavioral norms and professional and procedural standards into bureaucracies in developing countries.

ARTICLE I - TITLE

Regional Housing and Urban Development Training Advisor

ARTICLE II - OBJECTIVE

The purpose of the contract is to identify training needs and provide and coordinate training and technical assistance provided to Central American

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public and private sector professionals designed to improve their response to the shelter and urban needs of the poor. For purposes of this contract, CABEI is considered to be a public sector institution.

ARTICLE III - STATEMENT OF WORK

Over the next two years (24 months) the following tasks should be completed by the Contractor:

- 1) develop a methodology to systematically assess training needs in public and private sector institutions involved in housing and urban development;
- 2) in conjunction with the AID Housing Offices in Washington, Tegucigalpa and Quito, develop a training information system which assesses the capability of national, regional, international, donor and U.S.-based training facilities or programs;
- 3) develop a system to select appropriate candidates for training with particular emphasis on the potential for developing the technical and managerial skills of mid-level officials;
- 4) delineate necessary/relevant skills lacking in public and private sector institutions. This may include managerial/inventory/audit skills for construction companies; promotion financing, planning, production, project management, sales, project design (including environmental training) for private and public sector housing and infrastructure agencies;
- 5) identify on-the-job training opportunities both in-country and in the U.S.;
- 6) develop a framework to systematically integrate training components into AID-financed technical assistance activities;
- 7) building upon the work already financed by RHUDO/CA, continue on-going evaluation of relevant regional training programs, recommend improvements, and evaluate the viability of this partnership over the long-term;

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- 8) assist appropriate host country institutions to improve their capabilities to train, evaluate and change. Assuming the absence of a stable civil service force, A.I.D. must discover more efficacious methods to maintain institutional memory, inculcate training as a part of an institution (and not of any particular administration), develop an internal system for self-evaluation leading to management improvements and promote organizational development;
- 9) in cooperation with host country institutions, donor agencies, etc., estimate and identify the necessary financial resources to support such training initiatives;
- 10) develop and implement a system for RHUDO/CA to regularly interact with other donor training programs;
- 11) Institute a system to respond to internal staff training needs;
- 12) assist RHUDO/CA in the identification and hiring of in-country training coordinators where required (and where funding is available) and provide necessary support and coordination to the activities of such individuals;
- 13) identify and recommend trainers and technical assistance consultants for Missions, regional training institutions and CABEI;
- 14) develop or assist in the development of documentation to justify funding for training;
- 15) develop a long-term training plan for the project (596-0143).
- 16) develop short- and medium-term strategies to implement the training plan for project 596-0143.

TERMS OF REFERENCE  
URBAN DEVELOPMENT POLICY ADVISOR

BACKGROUND

Central America shares many of the problems faced by developing countries throughout the world in endeavoring to foster economic growth and improve living standards for all citizens. High population growth rates, generally well above three percent annually, are some of the highest in the world. In five of the region's republics, population jumped from less than eight million persons in 1950 to over 20 million by the end of the 1970's.

Rapid urbanization has transformed the region's character over the last three decades. Capital cities have doubled their share of the population, and currently over 40 percent of all Central Americans live in urban areas. By the end of the century, it is estimated that all countries in the region will be predominately urban. Rural-urban migration, spurred by armed conflict and the deterioration of the rural economy, and increasingly concentrated capital investments and employment opportunities have contributed significantly to this urbanization process.

Both the size and pattern of urban growth have contributed to an overburdening of urban services and the inability of national and local governments to meet the growing demands of urban residents. The need for housing and infrastructure has reached critical levels, affecting up to three-quarters of the population, especially lower-income families. Concomitantly, there has been a growing gap in the income levels among regions within countries and among the socio-economic groups within cities themselves. The result has been an overconcentration of the benefits of development both spatially and among social classes, which presents a potentially explosive social and political situation over the medium term.

As urbanization continues to play an important role in the future development of the Central American countries, it will be important to improve the fiscal and administrative functions of the local government. This will require a reexamination of existing policies favoring centralization of service functions and finances. If the macro-economic goals of fiscal reform and the political goals of democratization are to be realized, then increased emphasis will have to be given to strengthening the role of local governments to fund and administer the provision of the social overhead capital required to improve the developmental prospects of local and regional areas.

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Due to these circumstances it is imperative that RHUDO/CA secure the services of an Urban Development Policy Advisor that can orient and guide both AID and the Central American governments on an urbanization policy dialogue and analysis. The CABEI 596-HG-006 Program and its companion Grant 596-0143 can support in addressing many of these issues.

ARTICLE I - Title

URBAN DEVELOPMENT POLICY ADVISOR

ARTICLE II - Objective

The purpose of this contract is to hire a Personal Services Contractor to support USAID's in the region and the public and private sector implement 596-HG-006 by developing and applying sound urban development policies and programs in Central America through the strengthening of urban institutions to improve their response to the needs of the urban poor and promote greater efficiency in the planning and provision of basic services.

ARTICLE III - Statement of Work

Over a 24 month period, the Contractor shall:

1. Be responsible for assisting in the supervision of the Central America Shelter and urban Development Program for RHUDO/CA.
2. Formulate conceptual, strategic and programmatic approaches in the area of urban development for RHUDO/CA, the AID Missions, CABEI and other public and private institutions.
3. Perform and manage analytical work, as needed, for the formulation and implementation of urban policies and programs by AID Missions, CABEI and the public and private sector institutions in Central America.
4. Advise AID on negotiations with countries in Central America on the adoption/changes in urban policies/programs.
5. Provide guidance on the formulation of urban finance processes.
6. Provide inputs, as needed, on CDSS, Action Plans, etc.

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7. Conduct and/or participate in seminars in and outside of the region, and to represent RHUDO/CA in the discussions related to urban development.
8. Keep abreast of the latest urban development related research and provide periodic briefings on methodology and findings applicable to the urban sector.

ARTICLE IV - Reports

The Contractor will produce quarterly reports, broken out by country. These reports will identify and summarize major activities, problems encountered and proposed solutions. In addition, the quarterly reports will summarize major proposed activities for the coming quarter. Quarterly reports will be submitted to RHUDO/CA within 15 days of the close of the reporting period. For each major undertaking, the Contractor will produce written reports as directed by RHUDO/CA. All reports will be in English although Spanish translations may also be required.

ARTICLE V - Relationships and Responsibilities

The Contractor will work under the technical and policy direction of RHUDO/CA.

ARTICLE VI - Term of Performance

The work under this contract will commence o/a October 1, 1990 and end o/a September 30, 1992.

ARTICLE VII - Qualifications

The Urban Development Policy Advisor should have an advanced degree in urban and/or regional policy, planning and administration, or a related field or equivalent experience; a minimum of 10 years of experience in urban and regional development policy issues. In addition, a minimum of 5 years experience involving developing countries will be required, preferably in Latin/Central America. Other requirements are: strong oral and written communications skills; and availability to travel within the Central American region up to 50% of his/her time, and fluency at the S-3, R-3 level of Spanish. Fluency in English is also required.

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TERMS OF REFERENCE

SHELTER POLICY ADVISOR (RHUDO)

Background

Central America shares many of the problems faced by developing countries throughout the world in endeavoring to foster economic growth and improve living standards for all citizens. High population growth rates, generally well above three percent annually, are some of the highest in the world. In five of the region's republics, population jumped from less than eight million persons in 1950 to over 20 million by the end of the 1970's.

Rapid urbanization has transformed the region's character over the last three decades. Capital cities have doubled their share of the population, and currently over 40 percent of all Central Americans live in urban areas. By the end of the century, it is estimated that all countries in the region will be predominately urban. Rural-urban migration, spurred by concentrated capital investments and employment opportunities have contributed significantly to this urbanization process.

Both the size and pattern of urban growth have contributed to an overburdening of urban services and the inability of national and local governments to meet the growing demands of urban residents. The need for housing and infrastructure has reached critical levels, affecting up to three-quarters of the population, especially lower-income families. Concomitantly, there has been a growing gap in the income levels among regions within countries and among the socio-economic groups within cities themselves. The result has been an overconcentration of the benefits of development both spatially and among social classes, which presents a potentially explosive social and political situation over the medium term.

Shelter deficits continue to plague Central America. There exists the need to specifically address the issue of establishing sustainable shelter delivery systems in each country. Due to this situation it is imperative that RHUDO/CA secure the services of a Shelter Policy Advisor that can orient and guide both AID and Central American governments on the adoption of sustainable shelter delivery systems that can be supported by the CABEI 596-HG-006 Program and its companion grant 596-0143.

ARTICLE I - Title

**SHELTER POLICY ADVISOR**

ARTICLE II - Objectives

The purpose of the contract is to hire a Personal Services Contractor to advise and assist RHUDO/CA with designing and implementing shelter sector policy and programs.

ARTICLE III - Statement of Work

Over a 24 month period, the Contractor shall:

1. Provide assistance to RHUDO/CA, ROCAP and the AID Missions, as well as, private and public sector institutions in Central America to develop and implement sound shelter and infrastructure policies.
  - A. Assist RHUDO/CA, the AID Missions, and host governments to identify and structure strategic shelter policies and define appropriate institutional roles to meet the shelter and urban development needs of low-income families.
  - B. Advise RHUDO/CA, the AID Missions, and host governments on the advantages and disadvantages of shelter policy and implementation options available to each country.
  - C. Advise RHUDO/CA, the AID Missions, and host governments on the policies and institutional structure necessary to promote sustainable shelter and urban development financial intermediary institutions.
  - D. Assist public and private sector shelter institutions to develop appropriate financial mechanisms to assure the availability of financing for shelter and infrastructure in Central America.
2. Assist CABEI in developing shelter finance policies that:
  - A. Ensure the financial viability of the CABEI Housing Fund and enhance the implementation of cost-recovery policies.

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- B. Implement specific shelter delivery programs in each Central American country.
3. Provide technical assistance to Central American intermediary financial institutions for implementing shelter delivery programs, in the areas of:
- A. Strengthening their financial position;
  - B. Expanding coverage to include low-income clients;
  - C. Maintaining the value of funds against inflationary risks;
  - D. Enhancing cost recovery; and
  - E. Increasing the mobilization of resources through savings and other methods.

ARTICLE IV - Reports

The Contractor will produce quarterly reports, broken out by country. These reports will identify and summarize major activities, problems encountered and proposed solutions. In addition, the quarterly reports will summarize proposed activities for the coming quarter. Quarterly reports will be submitted to RHUDO/CA within 15 days of the close of the reporting period. For each major undertaking, the Contractor will produce written reports as directed by RHUDO/CA. All reports will be in English, although Spanish translations may also be required.

ARTICLE V - Relationships and Responsibilities

The Contractor will work under the technical and policy direction of RHUDO/CA.

ARTICLE VI - Term of Performance

The work under this contract will commence o/a October 1, 1990 and end o/a September 30, 1992.

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ARTICLE VII - Work Days Ordered

<u>Specialty</u>	<u>Person</u> <u>Work Days</u>
Shelter Management and Finance	520

The Shelter Sector Advisor will be a long-term advisor working out of RHUDO/CA in Tegucigalpa, Honduras for the duration of the contract. The Contractor can expect to spend 50% of his/her time traveling the Central American region.

ARTICLE VIII - Qualifications

The Contractor must have demonstrated management and policy development experience in shelter finance and project development and implementation in developing countries. The candidate will also have demonstrated experience in developing and managing technical assistance and training programs provided to public and private sector shelter policy and finance institutions. A minimum of eight years experience in these areas is required.

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TERMS OF REFERENCE

MUNICIPAL DEVELOPMENT ADVISOR (REUDO)

Background

Central America shares many of the problems faced by developing countries throughout the world in endeavoring to foster economic growth and improve living standards for all citizens. High population growth rates, generally well above three percent annually, are some of the highest in the world. In five of the region's republics, population jumped from less than eight million persons in 1950 to over 20 million by the end of the 1970's.

Rapid urbanization has transformed the region's character over the last three decades. Capital cities have doubled their share of the population, and currently over 40 percent of all Central Americans live in urban areas. By the end of the century, it is estimated that all countries in armed conflict and the deterioration of the rural economy, and increasingly concentrated capital investments and employment opportunities have contributed significantly to this urbanization process.

Both the size and pattern of urban growth have contributed to an overburdening of urban services and the inability of national and local governments to meet the growing demands of urban residents. The need for housing and infrastructure has reached critical levels, affecting up to three-quarters of the population, especially lower-income families. Concomitantly, there has been a growing gap in the income levels among regions within countries and among the socio-economic groups within cities themselves. The result has been an overconcentration of the benefits of development both spatially and among social classes, which presents a potentially explosive social and political situation over the medium term.

As urbanization continues to play an important role in the future development of the Central American countries, it will be important to improve the fiscal and administrative functions of the local governments. This will require a reexamination of existing policies favoring centralization of service functions and finances. If the macro-economic goals of fiscal reform and the political goals of democratization are to be realized, then increased emphasis will have to be given to strengthening the role of local governments to fund and administer the provision of the social overhead capital required to improve the developmental prospects of local and regional areas.

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Recently the theme of municipal development and decentralization has become a popular topic in Central America in its on-going process to consolidate and strengthen democratic institutions. Honduras, Guatemala, Costa Rica, El Salvador and now Nicaragua all have or are contemplating some degree of municipal development and/or decentralization efforts.

AID is currently pursuing active municipal development projects in Honduras and Costa Rica. There exists the potential to promote and support through CABEI and 596-HG-006, municipal development efforts in these and the other Central American countries. Due to these circumstances it is imperative that RHUDO/CA secure the services of a Municipal Development Advisor that can orient and guide AID, the Central American governments, CABEI and other Central American institutions on a decentralization policy dialogue and the implementation of municipal development activities that can be directly supported by the CABEI 596-HG-006 Program and its companion grant 596-0143.

ARTICLE I - Title

MUNICIPAL DEVELOPMENT ADVISOR

ARTICLE II - Objectives

The purpose of the contract is to hire a Personal Service Contractor to advise and assist RHUDO/CA with designing and implementing municipal development policies and programs in Central America.

ARTICLE III - Statement of Work

Over a 24 month period, the Contractor shall:

- A. Advise RHUDO/CA, ROCAP, the AID Missions, and private and public institutions of Central America on developing general policy frameworks and goals to be achieved in Municipal Development, with emphasis on the provision of basic infrastructure services to low-income families. Such duties will include, but not be limited to:
  - 1) Assist in the implementation of national financial and legislative reforms for municipalities.

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- 2) Establish and maintain relationships with major counterpart institutions and other major international donors.
  - 3) Assist RHUDO/CA and the AID Missions to design and prepare documents and evaluations of municipal development projects in Central America which promote AID's policy objectives.
- B. Assist RHUDO/CA, the AID Missions, CABEI and other public and private institutions to design and promote municipal development policies and programs in Central America. Such duties will include, but not be limited to:
1. Assist RHUDO/CA, the AID Missions, CABEI and the governments of Central America on technical aspects of formulating national municipal policies.
  2. Assist and advise municipalities, and public and private sector agencies that deal with urban services, on their administrative organization, staffing, procedures and work practices most appropriate for planning and managing urban development programs.
  3. Work on specific municipal development related projects and programs as directed by RHUDO/CA in support of the AID Missions.

#### ARTICLE IV - Reports

The Contractor will produce quarterly reports, broken out by countries. These reports will identify and summarize major activities, problems encountered and proposed solutions. The reports, which must be submitted to RHUDO/CA within 15 days of the close out of the reporting period, will also include proposed activities for the coming quarter and a work plan for how to undertake them. All reports must be brief and will be in English, although Spanish translations may also be required.

#### ARTICLE V - Relationships and Responsibilities

The Contractor will work under the technical and policy direction of RHUDO/CA.

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**ARTICLE VI - Term of Performance**

The work under this contract will commence o/a October 1, 1990 and end o/a September 30, 1992.

**ARTICLE VII - Work Days Ordered**

<u>Specialty</u>	<u>Person</u> <u>Work Days</u>
Municipal Finance and Administration	520

The Municipal Development Advisor will be a long-term advisor working out of RHUDO/CA in Tegucigalpa, Honduras for the duration of the contract. The Contractor can expect to spend 50% of his/her time traveling in the Central American region.

**ARTICLE VIII - Qualifications**

The Contractor must have demonstrated management and policy development experience in municipal and urban development programs and in infrastructure project development and implementation in developing countries. The candidate will also have demonstrated experience in developing and managing technical assistance and training programs provided to national and local governments on issues related to basic infrastructure investments and municipal management. A minimum of eight years experience in these areas is required, with at least four years in developing and implementing municipal projects.

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TERMS OF REFERENCE

REGIONAL DATA MANAGEMENT SPECIALIST (RHUDO)

Background

The recommendations of the National Bipartisan Commission on Central America stipulated that A.I.D.'s shelter and urban development activities should be expanded in Central America to achieve the social and economic development objectives enunciated by the commission. In response the LAC Bureau approved a number of projects which seek to respond to urgent regional needs: shelter and infrastructure needs of low-income families, capital shortages, inefficient policies and management within public and private housing and infrastructure agencies and the need to revitalize CABEI's Housing Fund.

A major concern is how the RHUDO/CA, ROCAP and the bilateral Missions can assist CABEI, the Central American Governments, as well as, public and private sector shelter and infrastructure implementing agencies devise programs and policies for coping with the problems of shelter and related service sector. The need to systematically gather information on the shelter and urban situation and to have effective strategies for utilizing data for analysis, planning, monitoring, programming and evaluation purposes has become clear. Considerable information has been generated from a variety of data gathering efforts at the local, national and regional level, but not on a consolidated and systematic basis. There is a need within the RHUDO/CA to measure the results of programs and sub-projects in the shelter and urban infrastructure sector to determine if the intended project goals are being achieved.

In the course of devising a strategy to address the needs of countries requiring assistance, two major objectives have been identified.

1. Improve RHUDO/CA access to simple information on the shelter and related sectors, to aid in measuring the nature and degree of change occurring over time in countries requiring its assistance.
2. Enable the RHUDO/CA to assist host countries in formulating policies and strategies to address shelter and urban issues through improved management of and access to data for the countries within the region.

The objective of this contract is to hire a person who will design, implement, and operate a data base system which will consolidate available data to produce the internal and external reporting and statistical needs for the regional and bilateral programs in Central America.

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ARTICLE I - Title

REGIONAL DATA MANAGEMENT SPECIALIST

ARTICLE II - Objective

The objective of this contract is to hire a person who will design, implement, and operate a data base system which will consolidate available data to produce the internal and external reporting and statistical needs of the regional and bilateral programs in Central America. The data base system will use the RHUDO/CA's existing computer systems.

ARTICLE III - Scope of Work

The Regional Data Management Specialist will:

1. Design and implement a data base
  - A. containing the project and sub-project information in such a way that the physical and financial status of each project and each sub-project is known;
  - B. consolidating data available from project and other sources, so that assessments of statistical information relating to population, land use, shelter, income, poverty levels, water supply, sanitation and other areas can be used to monitor progress and formulate policies relating to shelter and urban development.
2. Prepare systems and operating procedures and manuals.
3. Maintain and operate the data base system.
4. Identify appropriate information sources, collect and input information into the system.
5. Travel within Central America. Three trips to Costa Rica and El Salvador will be required to understand data sources and gather information. Four trips to Guatemala will be required to gather information and to coordinate with ROCAP.
6. Do other work as directed, related to the gathering, analysis and reporting of data relating to shelter and urban development.

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ARTICLE IV - Qualifications

The qualified person will have at least 3 years in systems analysis and data base systems. A degree in data processing systems or a related area is preferred. The person will be fluent in both Spanish and English, have good communication skills (speaking and writing) and able to work with a minimum of supervision.

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STATEMENT OF WORK

WOMEN IN DEVELOPMENT OFFICER

Scope of Work

Purpose of the Contract:

To provide for the services of an individual who will serve as ROCAP's Women in Development (WID) Program Officer.

Statement of Duties:

The WID officer will be responsible for the following:

- Develops and oversees a wide range of WID activities across the Central American region, e.g., a newsletter, networking among appropriate interest groups, and contact with/support for AID's Central American bilateral Missions in WID research and activities;
- Assists technical and project officers in ROCAP in incorporating WID considerations plus implementation and evaluation mechanisms in project design and monitoring;
- Trains ROCAP staff in WID theory/practices;
- Works with AID's central Women in Development Office in Washington to help identify and procure necessary short-term services of technical experts to help ROCAP further develop its WID program across the region through special analyses, workshops or other means.

Minimum Qualifications:

**Education:** As a minimum, an advanced degree (Masters or Doctorate) in the Social Sciences or related areas.

**Experience:** Five or more years of direct experience in Women in Development programs/projects, and/or education/training.

**Language:** Fluent spoken and written English, and rated Spanish language capability of S-4/R-4 and considerable knowledge of, and contacts in the Central American region.

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**Availability  
to Travel:**

Candidates must be able to travel to Guatemala for an initial interview, if requested (ROCAP will reimburse travel expenses for candidates selected for interview); and must be able to both re-locate to Guatemala and travel often to countries in the Central American region, or to the U.S. for periods of 1-2 weeks.

**Salary and Duration:**

Salary to be commensurate with experience/skills; and salary history under a one-year PSC contract. ROCAP will retain the option to renew after a 12 month period. The Mission will also consider applications for short-term contracts (6 months or less) from U.S. spouses, if a suitable long-term candidate is not identified. ROCAP will consider applications from U.S. spouses for a period of up to 6 months, in the event that a suitable long-term candidate is not identified in the first round of advertising.

STATEMENT OF WORK

REGIONAL DEVELOPMENT SUPPORT OFFICER  
(PROJECT DESIGN OFFICER)

I. Introduction:

The Project Design Officer will provide technical support in project development, and will assist in managing the short-term technical assistance package in specific technical areas identified by the technical advisors in the fields of energy and the environment, health and nutrition, housing and urban development, credit and financial markets, education and training, promotion of democratic values and women in development. This personal services contract will be for an initial period of two (2) years and may be reviewed for up to two (2) additional years.

II. Scope of Work:

- A. The Personal Services Contractor will serve as Senior Project Development Advisor to the Project Officer and to the technical advisors of the Regional Development Support Project (596-0163).
- B. Overall responsibility in designing the implementation strategy and in developing all the documentation related to Regional Energy Policy Planning and Efficiency (596-0161), Leadership Training (596-0167), Debt Conversion for Development (596-0166), Institutional Strengthening of INCAP (596-0169) and any other project identified during the implementation of Regional Development Support (596-0162).
- C. Coordinate all ROCAP activities related to private sector development in the fields of energy and the environment, health and nutrition, housing and urban development, credit, financial and capital markets, education and training, institutional strengthening, democratic initiatives and women in development.
- D. Assist in managing a short-term technical assistance package in specific technical areas identified by the project officer and the technical advisors.
- E. Assist participating institutions in the organization of policy fora, workshop and seminars and in the dissemination of policy dialogue, studies and policy reform initiatives.

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- F. Assist the Project Officer in coordinating activities with participating institutions, technical advisors and grantees and/or sub-grantees.
- G. Liaison with ROCAP, FEDEPRICAP and other participating institutions which may become involved in the program during the course of implementation.
- H. Assisting the Project Development Officer in any other matters, related to the Central American Financial Sector and the macro and micro-economic financial environment, that interface with the program.
- I. Maintaining consistent contacts with all regional institutions, bilateral Missions; regional governments and other donors as required to fully carry out the Contractor's duties under the program.
- J. Undertaking any other tasks or duties assigned to the Contractor within the context of this program by the General Development Office and/or the Project Development Office of ROCAP.

**III. Education:**

- A. Academic degree at graduate level in engineering, finance or economics and bachelor degree in one of the same disciplines.
- B. Specific training in management and implementation of development projects highly desirable.

**IV. Prior Work Experience:**

- A. Five to Ten years experience in management of development projects in the fields of infrastructure and or finance.
- B. Specific experience in project development and implementation is required.
- C. At least 3 years experience in determining the need, developing the scope of work and coordinating short-term consultants' activities.
- D. Experience in institutional development and long-term programming for financial self-sufficiency.
- E. Previous academic experience highly desirable.

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**V. Requirements:**

- A. Clear demonstration of systems analysis and management skills, particularly related to project design and implementation.**
- B. Oral and written communication abilities in both English and Spanish.**
- C. Understanding of the Central American political, social, cultural, economic and financial environment is essential.**

ORIGIN ROCP INFO AMP DCM ECON AID/5

ANNEX G  
Page 1 of 7

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DE RUEHGT #S952/01 201 \*\*  
ZNR UUUUU ZZH  
R 201745Z JUL 90  
FM AMEMBASSY GUATEMALA  
TO SECSTATE WASHDC 2490  
BT  
UNCLAS SECTION 01 OF 02 GUATEMALA 08952

CLASS: UNCLASSIFIED  
CHRG: ROCP 07/17/90  
APPRV: DIR:NEEGAN  
DRFTD: CPDO PEREIRA:51  
MP  
CLEAR: L.APDO:NFONG  
.GDO:AMCDONALD  
.PRG:TMILLER  
.DD:RNICHOLSON  
DISTR: ROCP  
ORGIN: OGR

AIDAC

ROCAP

LAC/DR - AID/W, SER/PPFE.O. 12356: N/A  
SUBJECT: ACTION PLAN LEVEL PROJECT DESCRIPTION REGIONAL  
DEVELOPMENT SUPPORT (596-0162)

AT THE ROCAP FY91-92 ACTION PLAN REVIEW THIS PROJECT WAS APPROVED AT THE DOLS 1,500,000 LOP LEVEL. DESIGN CHANGES CONSISTENT WITH THE ACTION PLAN REVIEW DISCUSSION HAVE BEEN MADE RAISING THE LOP TO DOTS 3,500,000. ROCAP NOW REQUESTS AUTHORITY TO APPROVE PID AND PP AT THE DOLS 3,500,000 LEVEL. THE ADDITIONAL DOTS 1 MILLION BREAKS OUT AS FOLLOWS. ONE MILLION DOLLAR WOULD BE MADE AVAILABLE TO RHUDD TO FUND REGION WIDE TECHNICAL ASSISTANCE. MONEY FOR THIS WAS ORIGINALLY INCLUDED IN 596-0143 (C.A. SHELTER). A COMMITMENT TO MAKE THESE FUNDS AVAILABLE WAS CLEAR IN ACTION PLAN REVIEW. ROCAP, FOR PROJECT MANAGEMENT REASONS, PREFERS NOT TO EXTEND PROJECT 596-0143, AND PROPOSES TO FUND THE REGIONAL HOUSING TA THROUGH THIS NEW PROJECT. OTHER ELEMENTS OF INCREASE ARE EXTENSION OF ACTIVITIES TO ENCOMPASS PANAMA AND NICARAGUA, EXTENSION OF TIME HORIZON AND ADDITIONAL CROSS PROJECT SUPPORT PERSONNEL.

1. SUMMARY:

TO ASSIST CENTRAL AMERICA DESIGN EFFECTIVE ALTERNATIVE PRIVATE SECTOR-LED DEVELOPMENT STRATEGIES WHICH WILL PROMOTE INTRA-REGIONAL CONSENSUS AND NEW DIRECTIONS IN KEY DEVELOPMENT AREAS AND IN THE PROMOTION OF DEMOCRATIC VALUES. ACTIVITIES WILL INCLUDE: POLICY ANALYSIS, INFORMATION GATHERING AND DISSEMINATION, SKILLS TRAINING, AND RAPID AND RELIABLE ACCESS TO HIGH QUALITY, UP-TO-DATE TECHNICAL ASSISTANCE. THE PROJECT CONTEMPLATES A DOLS 3,500,000 ASSISTANCE TO FUND ROCAP TECHNICAL ASSISTANCE--(DOLS 890,000). EXTERNAL TECHNICAL ASSISTANCE--(DOLS 2,250,000). AN INSTITUTIONAL CONTRACT WITH A PVO--(DOLS 451,000). OTHER IMPLEMENTATION-RELATED COSTS--(DOLS 89,000). MISSION REQUESTS AID/W CONCURRENCE TO PROCEED WITH NEGOTIATION OF PROPOSED ACTIVITY FOR PARTIAL OBLIGATION IN FY-90. END SUMMARY.

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**2. BACKGROUND AND RATIONALE FOR THE PROJECT:**

**ANNEX G**  
**Page 2 of 7**

A. WITH RECENT EVENTS IN PANAMA AND NICARAGUA AND THE ANTIGUA DECLARATION OF THE CENTRAL AMERICAN PRESIDENTS, CENTRAL AMERICA IS STRONGLY MOVING TOWARDS A MORE REGIONAL APPROACH TO ITS PROBLEMS. ROCAP PROPOSES TO TARGET DISCRETE ACTIVITIES AIMED AT PROMOTING REGIONAL CONSENSUS ON ECONOMIC AND SOCIAL DEVELOPMENT STRATEGIES WHICH ENSURE THAT FUTURE GROWTH WILL BE MORE RESPONSIBLY IMPLEMENTED AND EQUITABLY SEARED.

B. ROCAP IS ALREADY SPONSORING PROJECTS DEALING WITH THE PRIVATE SECTOR AND SELECTED REGIONAL INSTITUTIONS. THE REGIONAL DEVELOPMENT SUPPORT (RDS) PROJECT WILL SERVE AS AN EFFECTIVE COMPLEMENT TO EXISTING AND PLANNED INITIATIVES, PROVIDING TECHNICAL ASSISTANCE INTER ALIA, IN MANAGEMENT, INFORMATION, AND POLICY ANALYSIS TO DEVELOP CONSENSUS ON GOALS FOR GREATER PRIVATE SECTOR PARTICIPATION IN SOLVING ECONOMIC AND SOCIAL PROBLEMS. IN THIS SENSE, THE RDS WILL SERVE AS A PRE-IMPLEMENTATION INITIATIVE FOR PENDING PROJECTS DESIGNED TO IMPROVE THE QUALITY, COVERAGE AND EFFICIENCY OF THE DELIVERY OF BASIC SERVICES.

**3. NEW PROJECT DESCRIPTION**

THIS FIVE-YEAR PROJECT WILL ASSIST IN PROMOTING BROADFR CONSENSUS AMONG CENTRAL AMERICANS ON ECONOMIC AND SOCIAL STRATEGIES WHICH WILL PROVIDE GREATER PARTICIPATION IN THE DEMOCRATIC PROCESS. THE PROPOSED PROJECT WILL ADDRESS COMMON NEEDS THROUGHOUT THE REGION FOR PROMOTING PRIVATE SECTOR-LED COUNTRY AND REGIONAL DEVELOPMENT STRATEGIES AND INTERVENTIONS IN ECONOMIC AND SOCIAL PROBLEMS. ACTIVITIES WILL INCLUDE: POLICY ANALYSIS, INFORMATION GATHERING AND DISSEMINATION, SKILLS TRAINING, AND RAPID AND RELIABLE ACCESS TO HIGH QUALITY, UP-TO-DATE TECHNICAL ASSISTANCE. IN ADDITION, THE PROJECT WILL FUND LONG-TERM TECHNICAL ADVISORS AND PROJECT SUPPORT STAFF WHO WILL WORK WITH APPROPRIATE PRIVATE SECTOR GROUPS AND INSTITUTIONS AT THE REGIONAL LEVEL TO FORMULATE PRIVATE SECTOR-LED STRATEGIES FOR SUSTAINED GROWTH. THE PROJECT WILL ESPECIALLY TARGET THE INCORPORATION OF WOMEN INTO THE DEVELOPMENT PROCESS. FINALLY, IN CONFORMANCE WITH ROCAP'S

TECHNICAL SUPPORT ROLE, THE PROPOSED PROJECT WILL PROVIDE FUNDING FOR ACTIVITIES TO MAXIMIZE EXCHANGES OF INFORMATION AMONG ALL PARTIES ON APPROACHES TO DEVELOPMENT PROBLEMS. ADDITIONALLY, THE PROJECT, THROUGH A SMALL CONTRACT WITH AN INSTITUTIONAL CONTRACTOR WILL FUND SEMINARS, WORKSHOPS, POLICY ANALYSIS AND TRAINING.

A. BENEFICIARIES: INVESTORS, BOTH FOREIGN AND REGIONAL, WILL BENEFIT FROM INVESTMENT OPPORTUNITIES. EXISTING AND NEW BUSINESSES WILL ALSO BENEFIT FROM AN IMPROVED WORK ENVIRONMENT. THE GOVERNMENTS IN THE REGION WILL BENEFIT FROM THE INCREASED FINANCIAL HEALTH AND IMPROVED PERFORMANCE OF PUBLIC INSTITUTIONS AND FROM INCREASED TAX REVENUES GENERATED BY GREATER PRIVATE SECTOR ACTIVITY. THE REGIONAL POPULATION AS A WHOLE WILL BENEFIT FROM: (1) AN IMPROVEMENT OF BASIC SERVICES; AND (2) THE GREATER INSTITUTIONALIZATION OF DEMOCRATIC PROCESSES.

B. MAJOR OUTPUTS: BY THE END OF THE PROJECT, THE FOLLOWING ACHIEVEMENTS WILL BE MET: (1) POLICY FORA, WORKSHOPS AND SEMINARS WILL HAVE BEEN HELD IN ALL COUNTRIES IN THE REGION TO ADDRESS THE ROLE AND THE NEEDS OF THE PRIVATE SECTOR IN PARTICIPATING MORE FULLY IN THE PROGRAM AREAS. (2) MAJOR POLICY STUDIES WILL HAVE BEEN PREPARED AND USED TO ACHIEVE CONSENSUS ON POLICIES NEEDED TO SECURE GREATER PRIVATE SECTOR PARTICIPATION IN THE DELIVERY OF BASIC SERVICES. (3) MANAGEMENT AND TECHNICAL TRAINING NEEDS SURVEYS WILL HAVE BEEN CONDUCTED IN THE SUBSTANTIVE AREAS AND ACCORD ON TRAINING GOALS AND PLANS REACHED. (4) DIFFERENT STRATEGIES FOR PRIVATIZING STATE-OWNED COMPANIES AND INSTITUTIONS WILL HAVE BEEN DISCUSSED; (5) STRATEGIES TO INCREASE WOMEN'S PARTICIPATION IN THE BENEFITS OF DEVELOPMENT, AS WELL AS INCREASE AND EMPOWER THE NUMBER OF WOMEN IN LEADERSHIP ROLES WILL HAVE BEEN DEVELOPED. (6) STRATEGIC GOALS TO PROMOTE PRIVATE SECTOR-LED DEVELOPMENT AT THE REGIONAL AND NATIONAL LEVELS WILL HAVE BEEN FORMULATED BY LEADERS IN THE PROGRAM AREAS.

C. MISSION MANAGEMENT: PROJECT MANAGEMENT, BY ROCAP GENERAL DEVELOPMENT OFFICE, WILL BE ASSUMED BY A PROJECT COORDINATOR ASSISTED BY LONG-TERM FUNCTIONAL ADVISORS, SUPERVISED BY A USDB. THE ADVISORS TO BE CONTRACTED BY ROCAP WILL BE IN THE AREAS OF ENERGY AND NATURAL RESOURCES, HOUSING, INFRASTRUCTURE/FINANCE, HEALTH AND NUTRITION, EDUCATION AND TRAINING, AND LEADERSHIP TRAINING AND WOMEN IN DEVELOPMENT. THE INFRASTRUCTURE/FINANCE ADVISOR WILL ACT AS PROJECT COORDINATOR.

D. PROJECT DEVELOPMENT ISSUES: THE FOLLOWING PROJECT DEVELOPMENT ISSUES HAVE BEEN IDENTIFIED: (1) BILATERAL MISSION INPUT; (2) CONTRACTING OPTIONS; AND (3) ACTIVITY SELECTION CRITERIA. BILATERAL MISSIONS WILL UTILIZE THE VARIOUS PROJECT COMPONENTS TO ASSIST IN DESIGNING ALTERNATIVE PRIVATE SECTOR-LED DEVELOPMENT

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STRATEGIES IN THE THREE PROGRAM AREAS. ALL ACTIVITIES  
WILL BE COORDINATED WITH HOST COUNTRY, OTHER DONORS,  
AND BILATERAL AID MISSIONS. IN THE ANALYSIS OF T.A.  
CONTRACTING OPTIONS, THE INPUTS OF THE BILATERAL  
MISSIONS WILL BE CAREFULLY CONSIDERED. HOGAN. STROCK  
BT

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GUATEMALA 203952/02

ANNEX G  
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ORIGIN ROCP INFO AMB DCM ECON AID/5

ANNEX G  
Page 5 of 7

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RR RUEHC  
DE RUEHGT #8868/01 199 \*\*  
ZNR UUUUU ZZH  
R 182214Z JUL 90  
FM AMEMBASSY GUATEMALA  
TO SECSTATE WASHDC 2445  
BT  
UNCLAS SECTION 01 OF 02 GUATEMALA 08868

CLASS: UNCLASSIFIED  
CHRG: ROCP 07/16/90  
APPRV: DIR:NHOGAN  
DRFTD ~~CPDO~~: EPEREIRA:00.  
MP  
CLEAR: L.APDO:NFONG  
.GDO:AMCDONALD  
.PRG:TMILLER  
.DD:RNICHOLSON  
DISTR: ROCP  
ORGIN: OCR

AIDAC

ROCAP

E.O. 12356: N/A  
SUBJECT: CONGRESSIONAL NOTIFICATION - REGIONAL  
DEVELOPMENT SUPPORT PROJECT - 596-0162

1. ROCAP SUBMITS A CONGRESSIONAL NOTIFICATION FOR  
SUBJECT PROJECT FOR LAC ACTION. INFORMATION FOR  
CONGRESSIONAL NOTIFICATION PROVIDED HEREIN:

- A) TITLE: REGIONAL DEVELOPMENT SUPPORT
- B) PROJECT NUMBER: 596-0162
- C) NEW PROJECT
- D) FUNDING SOURCES: PSEE, HE AND EHR
- E) PROPOSED OBLIGATION AMOUNT: DOLS 1,000,000  
INCREMENTAL FUNDING.
- F) LOP FUNDING: DOLS 3,500,000.
- G) INITIAL DATE OF OBLIGATION: SEPTEMBER, 1990
- H) ESTIMATED FINAL OBLIGATION DATE: 1995
- I) ESTIMATED PACD: AUGUST 31, 1995
- J) THE PROJECT TITLE WILL BE QUOTE REGIONAL DEVELOPMENT  
SUPPORT UNQUOTE NUMBER 596-0162 PROJECT LOP FUNDING IS  
ESTIMATED TO BE DOLS 3,500,000.
- K) PROJECT PURPOSE: TO ASSIST CENTRAL AMERICA DESIGN  
EFFECTIVE ALTERNATIVE PRIVATE SECTOR-LED DEVELOPMENT  
STRATEGIES WHICH WILL PROMOTE INTRA-REGIONAL CONSENSUS  
AND NEW DIRECTIONS IN KEY DEVELOPMENT AREAS AND IN THE  
PROMOTION OF DEMOCRATIC VALUES.
- L) BACKGROUND: WITH RECENT EVENTS IN PANAMA AND  
NICARAGUA AND THE ANTIGUA DECLARATION OF THE CENTRAL  
AMERICAN PRESIDENTS, CENTRAL AMERICA IS STRONGLY MOVING  
TOWARDS A MORE REGIONAL APPROACH TO MANY OF ITS PROBLEMS.
- M) PROJECT DESCRIPTION: THIS FIVE-YEAR PROJECT WILL

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TARGET DISCRETE ACTIVITIES AIMED AT PROMOTING REGIONAL CONSENSUS ON ECONOMIC AND SOCIAL DEVELOPMENT STRATEGIES FOR GROWTH, EQUITY, AND DEMOCRATIC PROCESSES. THE PROPOSED PROJECT WILL ADDRESS COMMON NEEDS THROUGHOUT THE REGION FOR PROMOTING PRIVATE SECTOR-LED COUNTRY AND REGIONAL DEVELOPMENT STRATEGIES AND INTERVENTIONS IN ECONOMIC AND SOCIAL PROBLEMS. ACTIVITIES WILL INCLUDE: POLICY ANALYSIS, INFORMATION GATHERING AND DISSEMINATION, SKILLS TRAINING, AND RAPID AND RELIABLE ACCESS TO HIGH QUALITY, UP-TO-DATE TECHNICAL ASSISTANCE. IN ADDITION, THE PROJECT WILL FUND LONG-TERM TECHNICAL ADVISORS AND PROJECT SUPPORT STAFF WHO WILL WORK WITH APPROPRIATE PRIVATE SECTOR GROUPS AT THE REGIONAL LEVEL TO FOMENT PRIVATE SECTOR-LED STRATEGIES FOR SUSTAINED GROWTH. THE PROJECT WILL ESPECIALLY TARGET THE INCORPORATION OF WOMEN INTO THE DEVELOPMENT PROCESS. FINALLY, IN CONFORMANCE WITH ROCAP'S TECHNICAL SUPPORT ROLE, THE PROPOSED PROJECT WILL PROVIDE FUNDING FOR ACTIVITIES TO MAXIMIZE EXCHANGES OF INFORMATION AMONG ALL PARTIES ON APPROACHES TO COMMON PROBLEMS. ADDITIONALLY, THE PROJECT, THROUGH A SMALL CONTRACT WITH AN INSTITUTIONAL CONTRACTOR WILL FUND SEMINARS, WORKSHOPS, POLICY ANALYSIS AND TRAINING.

ANNEX G  
Page 6 of 7

N) RELATIONSHIP TO AID REGIONAL STRATEGY: AID'S STRATEGY FOR CENTRAL AMERICA EMPHASIZES PROGRESS IN FOUR PRINCIPAL AREAS: (1) NEAR-TERM ECONOMIC STABILIZATION; (2) STRUCTURAL TRANSFORMATION AIMED AT SELF-SUSTAINING GROWTH OVER THE MEDIUM-TERM; (3) ACHIEVEMENT OF BROAD DISTRIBUTION OF THE BENEFITS OF GROWTH; AND (4) INSTITUTIONALIZATION OF DEMOCRATIC PROCESSES. THIS PROJECT IS DIRECTLY SUPPORTIVE OF ALL ELEMENTS OF THE STRATEGY.

O) BENEFICIARIES: INVESTORS, BOTH FOREIGN AND REGIONAL, WILL BENEFIT FROM INVESTMENT OPPORTUNITIES. EXISTING AND NEW BUSINESSES WILL ALSO BENEFIT FROM AN IMPROVED WORK ENVIRONMENT. THE GOVERNMENTS IN THE REGION WILL BENEFIT FROM THE INCREASED FINANCIAL HEALTH AND IMPROVED PERFORMANCE OF PUBLIC INSTITUTIONS AND FROM INCREASED TAX REVENUES GENERATED BY GREATER PRIVATE SECTOR ACTIVITY. THE REGIONAL POPULATION AS A WHOLE WILL BENEFIT FROM: (1) AN IMPROVEMENT OF BASIC SERVICES; AND (2) THE GREATER INSTITUTIONALIZATION OF DEMOCRATIC PROCESSES.

P) HOST COUNTRY AND OTHER DONORS: THIS PROJECT RESPONDS TO THE INCREASING RECOGNITION AMONG CENTRAL AMERICAN GOVERNMENTS OF THE IMPORTANCE OF PRIVATE SECTOR GROWTH AND ITS ESSENTIAL ROLE IN THE SOCIOECONOMIC DEVELOPMENT OF THE COUNTRIES OF THE ISTHMUS. BILATERAL MISSIONS, REGIONAL AND NATIONAL ORGANIZATIONS AND OTHER DONORS WILL UTILIZE THE VARIOUS PROJECT COMPONENTS TO

ASSIST IN DESIGNING ALTERNATIVE PRIVATE SECTOR-LED DEVELOPMENT STRATEGIES WHICH WILL PROMOTE INTRA-REGIONAL CONSENSUS ON NEW DIRECTIONS IN CRITICAL DEVELOPMENTAL AREAS. ALL ACTIVITIES UNDER THE PROJECT WILL BE CAREFULLY COORDINATED WITH HOST COUNTRY, OTHER DONORS, AND BILATERAL AID MISSION PROGRAMS.

ANNEX G  
Page 7 of 7

Q) MAJOR OUTPUTS: BY THE END OF THE PROJECT, THE FOLLOWING ACHIEVEMENTS WILL BE MET: (1) POLICY FORA, WORKSHOPS AND SEMINARS WILL HAVE BEEN HELD IN ALL COUNTRIES IN THE REGION TO ADDRESS THE ROLE AND THE NEEDS OF THE PRIVATE SECTOR IN PARTICIPATING MORE FULLY IN THE PROGRAM AREAS. (2) MAJOR POLICY STUDIES WILL HAVE BEEN PREPARED AND USED TO ACHIEVE CONSENSUS ON POLICIES NEEDED TO SECURE GREATER PRIVATE SECTOR PARTICIPATION IN THE DELIVERY OF BASIC SERVICES. (3) MANAGEMENT AND TECHNICAL TRAINING NEEDS SURVEYS WILL HAVE BEEN CONDUCTED IN THE SUBSTANTIVE AREAS AND ACCORD ON TRAINING GOALS REACHED. (4) DIFFERENT STRATEGIES FOR PRIVATIZING STATE-OWNED COMPANIES AND INSTITUTIONS WILL HAVE BEEN DISCUSSED; (5) STRATEGIES TO INCREASE THE NUMBER OF WOMEN IN LEADERSHIP ROLES WILL HAVE BEEN DEVELOPED. (6) STRATEGIC GOALS TO PROMOTE PRIVATE SECTOR-LED DEVELOPMENT AT THE REGIONAL AND NATIONAL LEVELS WILL HAVE BEEN FORMULATED BY LEADERS IN THE PROGRAM AREAS.

R) PRINCIPAL AID-FINANCED INPUTS: ROCAP TECHNICAL ASSISTANCE--(DOLLARS 890,000). PVO OPERATING COSTS--(DOLLARS 461,000). EXTERNAL TECHNICAL ASSISTANCE--(DOLLARS 2,060,000). EVALUATION AND EXTERNAL AUDIT--(DOLLARS 89,000).

2. REQUEST CONGRESSIONAL NOTIFICATION BE GIVEN. PLEASE ADVISE DATE OF WAITING PERIOD EXPIRATION. HOGAN. TAYLOR

BT  
#8868

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