

AGENCY FOR INTERNATIONAL DEVELOPMENT



Congressional Presentation Fiscal Year 1981

ANNEX III

Latin America and the Caribbean

Fiscal Year 1981
Congressional Presentation

Agency for International Development
A Component of the
International Development Cooperation Agency

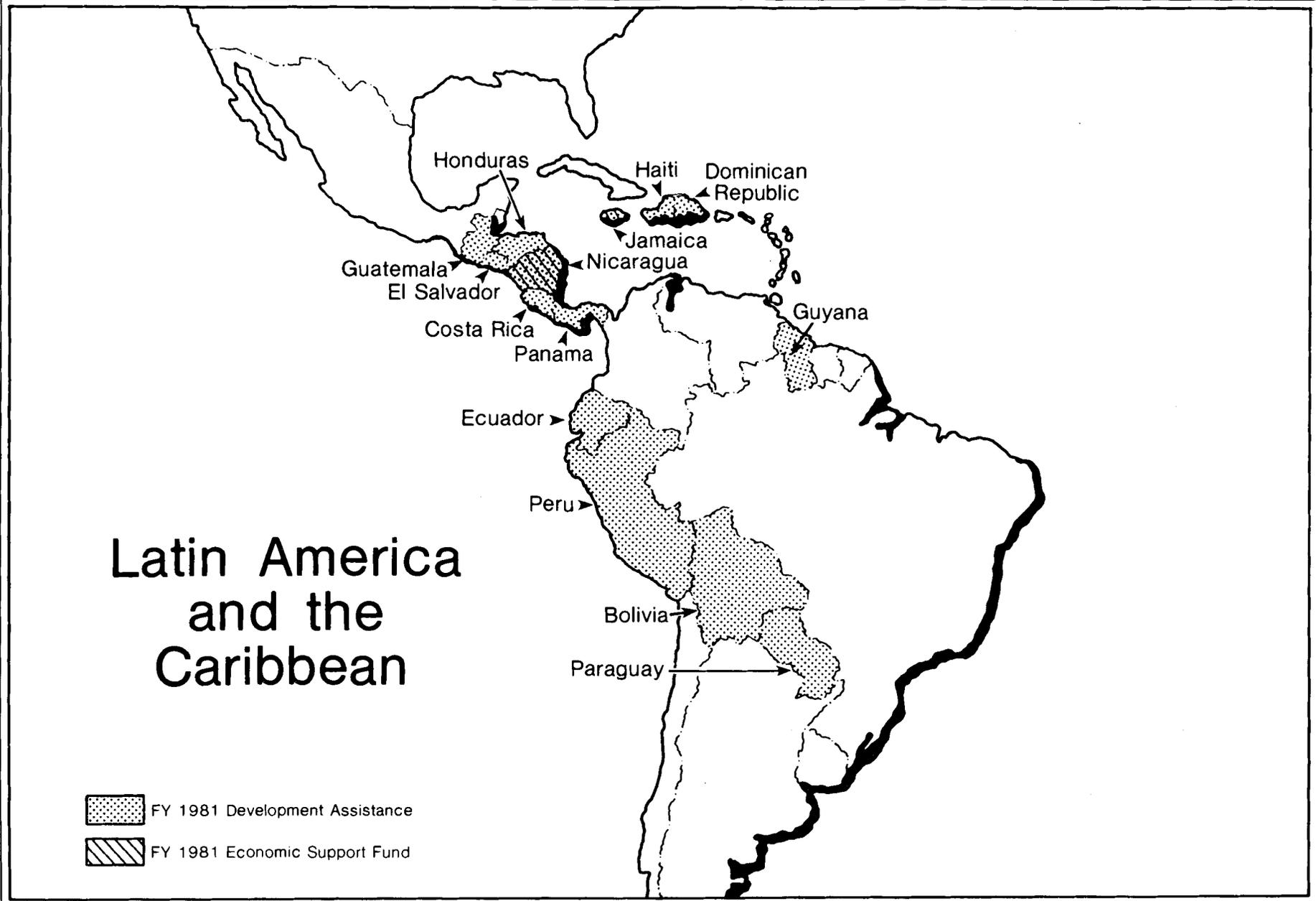
LATIN AMERICA AND THE CARIBBEAN

DEVELOPMENT ASSISTANCE PROGRAMS

Responsible Officer:


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ANNEX III

Annex III presents to the Congress all Development Assistance (DA) and Economic Support Fund (ESF) programs for Latin America and the Caribbean (LAC) for which A.I.D. is requesting funds for FY 1981.

The Annex begins with a summary table which provides a breakout by country and appropriation account of the funding requirements for the Latin America and Caribbean Region from FY 1979 to FY 1981. There is also a regional summary table of economic and social data for countries in LAC that receive A.I.D. Development Assistance.

The Latin America and Caribbean Overview explains the Agency's programs in Latin America and the Caribbean. This is followed by the country narratives and corresponding activity data sheets for projects in the four Regional Programs and 14 recipient countries (listed alphabetically). Note that the regional projects presented in this Annex are different from the Centrally funded programs described in Annex V.

For Nicaragua and Jamaica the request for ESF and DA funds are shown together. The ESF budget request for these countries is shown under the heading "Other Programs, ESF" on both the activity data sheets and the summary table of active and proposed projects.

Annex III concludes with tables on terminating programs and a listing of additional program requirements, also known as "shelf projects". These include projects and activities not noted in the proposal to Congress but which represent valid development requirements. To the extent that additional funds become available from attrition or for other reasons, such projects are candidates for funding in FY 81. A.I.D. recognizes that inclusion of a project or activity as a "shelf" item does not constitute justification to the Congress for purposes of notification of program changes as required under the current appropriations act.

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* Receives both Development Assistance Funds and Economic Support Funds in FY 1981.

SUMMARY OF PROGRAMS BY COUNTRY AND APPROP
(IN THOUSANDS OF DOLLARS)

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CP-81-01

REGION: BUREAU FOR LATIN AMERICA AND CARIBBEAN

| C O U N T R Y | TOTAL | AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION | POPULATION PLANNING | HEALTH | EDUCATION AND HUMAN RESOURCES DEVELOPMENT | SELECTED DEVELOPMENT ACTIVITIES | OTHER PROGRAMS |
|---|--------|---|------------------------|--------|--|---------------------------------------|-------------------|
| ----- | | | | | | | |
| ANDEAN REGIONAL | | | | | | | |
| 1979 | --- | --- | --- | --- | --- | --- | --- |
| 1980 | --- | --- | --- | --- | --- | --- | --- |
| 1981 | 3,540 | 3,540 | --- | --- | --- | --- | --- |
| BOLIVIA | | | | | | | A/ |
| 1979 | 27,425 | 11,732 | --- | 10,935 | 1,554 | 3,204 | (27) |
| 1980 | 19,781 | 17,275 | --- | 121 | 1,310 | 1,075 | --- |
| 1981 | 27,534 | 14,014 | --- | 1,100 | 5,370 | 7,050 | --- |
| CARIBBEAN REGIONAL | | | | | | | A/ |
| 1979 | 26,148 | 2,430 | --- | 955 | 7,245 | 15,518 | (4,866)B/ |
| 1980 | 37,334 | 20,572 | 1,100 | 634 | 4,650 | 10,378 | (5,000) |
| 1981 | 34,407 | 12,436 | --- | 1,571 | 6,300 | 14,100 | --- |
| CENTRAL AMERICAN REGIONAL PROGRAM (ROCAP) | | | | | | | |
| 1979 | 2,645 | 2,220 | --- | --- | 425 | --- | --- |
| 1980 | 3,850 | 3,210 | --- | --- | 540 | 100 | --- |
| 1981 | 3,750 | 3,310 | --- | --- | 240 | 200 | --- |
| COSTA RICA | | | | | | | |
| 1979 | 15,686 | 5,500 | 313 | --- | 2,000 | 7,873 | --- |
| 1980 | 9,340 | 9,000 | 250 | --- | --- | 90 | --- |
| 1981 | 8,335 | 5,000 | 245 | --- | --- | 3,090 | --- |
| DOMINICAN REPUBLIC | | | | | | | A/ |
| 1979 | 25,723 | 9,936 | --- | 8,000 | 7,500 | 287 | (2,434)B/ |
| 1980 | 19,534 | 18,900 | --- | --- | --- | 634 | (15,000) |
| 1981 | 22,250 | 15,350 | --- | --- | 5,800 | 1,100 | --- |
| ECUADOR | | | | | | | |
| 1979 | 75 | --- | --- | --- | --- | 75 | --- |
| 1980 | 7,350 | 6,400 | 500 | --- | 400 | 50 | --- |
| 1981 | 9,562 | 2,750 | 780 | 2,150 | 250 | 3,632 | --- |
| EL SALVADOR | | | | | | | C/ |
| 1979 | 6,045 | 360 | 666 | 390 | 4,580 | 49 | --- |
| 1980 | 28,626 | 13,377 | 1,000 | 394 | 3,025 | 5,830 | 5,000 |
| 1981 | 18,219 | 10,000 | 750 | 4,500 | --- | 2,969 | --- |
| GUATEMALA | | | | | | | A/ |
| 1979 | 16,500 | 15,656 | 360 | --- | 400 | 84 | (368) |
| 1980 | 7,424 | 450 | 400 | 5,600 | 764 | 210 | --- |
| 1981 | 7,724 | 5,814 | 575 | 400 | 805 | 130 | --- |

SUMMARY OF PROGRAMS BY COUNTRY AND APPROP
(IN THOUSANDS OF DOLLARS)

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REGION: BUREAU FOR LATIN AMERICA AND CARIBBEAN

| C O U N T R Y | TOTAL | AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION | POPULATION PLANNING | HEALTH | EDUCATION AND HUMAN RESOURCES DEVELOPMENT | SELECTED DEVELOPMENT ACTIVITIES | OTHER PROGRAMS |
|------------------------|--------|---|------------------------|--------|--|---------------------------------------|---|
| <hr/> | | | | | | | |
| GUYANA | | | | | | | |
| 1979 | 5,892 | 1,115 | --- | 4,700 | --- | 77 | --- |
| 1980 | 2,994 | 2,894 | --- | --- | --- | 100 | --- |
| 1981 | 5,250 | 5,150 | --- | --- | --- | 100 | --- |
| HAITI | | | | | | | |
| 1979 | 7,446 | 2,685 | 934 | 3,627 | --- | 200 | (25) ^{A/} |
| 1980 | 5,762 | 2,400 | 1,618 | 800 | 401 | 543 | --- |
| 1981 | 7,255 | 2,045 | 1,560 | 1,400 | 800 | 450 | --- |
| HONDURAS | | | | | | | |
| 1979 | 20,697 | 18,847 | 265 | 655 | 300 | 630 | --- |
| 1980 | 40,045 | 16,305 | 290 | 17,450 | 650 | 350 | 5,000 ^{D/} |
| 1981 | 22,259 | 16,109 | 100 | --- | 6,000 | 50 | --- |
| JAMAICA | | | | | | | |
| 1979 | 5,456 | 4,248 | 761 | 97 | 304 | 46 | (206) ^{A/} |
| 1980 | 8,255 | 7,034 | 485 | --- | 486 | 250 | --- |
| 1981 | 13,315 | 5,565 | 600 | --- | --- | 4,150 | 3,000 ^{C/} |
| LATIN AMERICA REGIONAL | | | | | | | |
| 1979 | 27,711 | 7,441 | 244 | 1,412 | 12,215 | 6,399 | --- |
| 1980 | 34,404 | 9,274 | 1,335 | 2,464 | 13,273 | 8,058 | --- |
| 1981 | 33,770 | 10,408 | 730 | 2,303 | 12,484 | 7,845 | --- |
| NICARAGUA | | | | | | | |
| 1979 | 8,192 | --- | 147 | --- | --- | 45 | (3,029) ^{A/} 8,000 ^{D/} |
| 1980 | 76,700 | 850 | 250 | 200 | 250 | 150 | 75,000 ^{C/} |
| 1981 | 44,949 | 8,724 | 350 | 3,425 | 7,300 | 150 | 25,000 ^{C/} |
| PANAMA | | | | | | | |
| 1979 | 19,310 | 17,000 | 1,453 | --- | 279 | 578 | --- |
| 1980 | 5,840 | 500 | 40 | --- | 4,700 | 600 | --- |
| 1981 | 9,940 | 3,400 | 440 | --- | 3,500 | 2,600 | --- |
| PARAGUAY | | | | | | | |
| 1979 | 6,726 | 6,192 | 82 | --- | 307 | 145 | (75) ^{A/} |
| 1980 | 1,140 | 702 | --- | --- | 313 | 125 | --- |
| 1981 | 1,139 | 884 | --- | --- | 205 | 50 | --- |
| PERU | | | | | | | |
| 1979 | 32,807 | 24,379 | 576 | 6,600 | 1,210 | 42 | --- |
| 1980 | 17,905 | 16,355 | --- | 450 | 400 | 700 | --- |
| 1981 | 30,515 | 27,642 | 400 | 900 | 700 | 873 | --- |

SUMMARY OF PROGRAMS BY COUNTRY AND APPROP
(IN THOUSANDS OF DOLLARS)

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REGION: BUREAU FOR LATIN AMERICA AND CARIBBEAN

| C O U N T R Y | TOTAL | AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION | POPULATION PLANNING | HEALTH | EDUCATION AND HUMAN RESOURCES DEVELOPMENT | SELECTED DEVELOPMENT ACTIVITIES | OTHER PROGRAMS |
|---------------|---------|---|------------------------|--------|--|---------------------------------------|-------------------|
| ----- | | | | | | | |
| TOTAL | | | | | | | |
| 1979 | 254,484 | 129,741 | 5,801 | 37,371 | 38,319 | 35,252 | 8,000 |
| 1980 | 326,284 | 145,498 | 7,268 | 28,113 | 31,162 | 29,243 | 85,000 |
| 1981 | 303,713 | 153,141 | 6,530 | 17,749 | 49,754 | 48,539 | 28,000 |

A/ Disaster Assistance funds amounting to \$11,030,000 in
FY 1979 (not included in totals).

B/ Included in the \$20 million Disaster Assistance
supplemental request for FY 1980.

C/ Economic Support Funds.

D/ Included in the \$80 million Economic Support
Fund supplemental request for FY 1980.

ECONOMIC AND SOCIAL DATA
REGIONAL SUMMARY

REGION: LATIN AMERICA

| COUNTRY | ECONOMY | | EDUCATION | | POPULATION | | | | HEALTH | | |
|----------------------|-----------------------------------|-------------------------------|----------------------|---------------------------------------|------------------------------------|-------------------|------------------------|--|-------------------------|-------------------------------|--|
| | GNP PER CAPITA (DOLLARS) | LITERACY RATE (PERCENT) | TOTAL (THOUSANDS) | ANNUAL GROWTH RATE (PERCENT) | DENSITY (PERSONS / SQUARE MILE) | | % IN URBAN AREAS | LABOR FORCE IN AGRICULTURE (PERCENT) | PEOPLE PER DOCTOR | LIFE EXPECTANCY (YEARS) | INFANT DEATHS PER 1,000 BIRTHS |
| | | | | | POP/AGR LAND | POP/TOTAL LAND | | | | | |
| BOLIVIA | 630 | 63 | 5,214 | 2.5 | 44 | 12 | 37 | 51 | 1,772 | 46.8 | 157 |
| COSTA RICA | 1,240 | 88 | 2,170 | 2.6 | 271 | 108 | 41 | 30 | 1,522 | 68.2 | 34 |
| DOMINICAN REPUBLIC | 840 | 67 | 5,275 | 2.9 | 528 | 277 | 47 | 58 | 1,867 | 57.8 | 96 |
| ECUADOR | 790 | 74 | 7,776 | 2.9 | 278 | 73 | 42 | 47 | 1,958 | 59.6 | 70 |
| EL SALVADOR | 550 | 62 | 4,669 | 3.0 | 934 | 583 | 39 | 47 | 3,820 | 57.8 | 60 |
| GUATEMALA | 790 | 46 | 6,764 | 2.8 | 676 | 161 | 36 | 57 | 4,482 | 52.9 | 77 |
| GUYANA | 560 | 85 | 847 | 2.1 | 169 | 10 | 40 | 30 | 3,245 | 67.9 | 51 |
| HAITI | 230 | 23 | 5,005 | 1.8 | 1,001 | 455 | 24 | 70 | 11,344 | 50.0 | 130 |
| HONDURAS | 410 | 60 | 3,523 | 3.1 | 320 | 81 | 34 | 63 | 3,093 | 55.4 | 103 |
| JAMAICA | 1,150 | 82 | 2,170 | 1.9 | 1,085 | 542 | 37 | 24 | 3,496 | 69.5 | 20 |
| NICARAGUA | 830 | 58 | 2,535 | 2.7 | 133 | 44 | 5 | 44 | 1,693 | 52.9 | 122 |
| PANAMA | 1,220 | 78 | 1,881 | 3.1 | 269 | 64 | 50 | 30 | 1,333 | 66.5 | 47 |
| PARAGUAY | 730 | 80 | 2,973 | 2.9 | 48 | 18 | 40 | 51 | 1,188 | 61.9 | 64 |
| PERU | 840 | 73 | 17,384 | 2.9 | 147 | 35 | 63 | 40 | 1,562 | 55.7 | 80 |
| REGIONAL SUMMARY (1) | 751 | 65 | 68,186 | 2.7 | 167 | 45 | 43 | 48 | 2,072 | 56.5 | 85 |

(1) THE TOTAL POPULATION FOR THE GROUP IS GIVEN;
OTHER SUMMARY FIGURES ARE POPULATION WEIGHTED ARITHMETIC OR HARMONIC MEANS, AS APPROPRIATE

LATIN AMERICA AND THE CARIBBEAN

| PROGRAM SUMMARY | | | | | | | |
|---------------------------|---------|--|---------------------|--------|---|---------------------------------|----------------|
| (In thousands of dollars) | | | | | | | |
| Fiscal Year | Total | Agriculture, Rural Development and Nutrition | Population Planning | Health | Education and Human Resources Development | Selected Development Activities | Other Programs |
| 1979 | | | | | | | |
| Loans | 160,490 | 99,140 | - | 26,700 | 13,700 | 20,950 | - |
| Grants ... | 93,994 | 30,601 | 5,801 | 10,671 | 24,619 | 14,302 | 8,000 |
| Total .. | 254,484 | 129,741 | 5,801 | 37,371 | 38,319 | 35,252 | 8,000 |
| 1980 | | | | | | | |
| Loans | 222,860 | 112,460 | 1,000 | 21,500 | 9,400 | 8,500 | 70,000 |
| Grants ... | 103,424 | 33,038 | 6,268 | 6,613 | 21,762 | 20,743 | 15,000 |
| Total .. | 326,284 | 145,498 | 7,268 | 28,113 | 31,162 | 29,243 | 85,000 |
| 1981 | | | | | | | |
| Loans | 192,840 | 101,640 | - | 10,200 | 26,600 | 26,400 | 28,000 |
| Grants ... | 110,873 | 51,501 | 6,530 | 7,549 | 23,154 | 22,139 | - |
| Total .. | 303,713 | 153,141 | 6,530 | 17,749 | 49,754 | 48,539 | 28,000 |

REGIONAL PROFILE

Problems Confronting the Hemisphere

The 1980's will be a critical decade for the Western Hemisphere. Unless key socioeconomic trends can be changed, little progress will be made in reducing the number of poor people in the Latin American and Caribbean (LAC) Region. Without innovative new policies and programs, other common hemispheric problems will be aggravated--including high energy costs, resource depletion, environmental degradation, and urban congestion.

While significant economic progress was achieved in the LAC Region in the 1960's and early 1970's, the annual growth rate between 1974-1978 declined to 4.2% or just 1.3% per capita. This slow growth trend is expected to continue at least over the short term, adding to the difficulties of dealing with the problems of poverty in the Region.

The U.S. interest in growth with equity in Latin America and the Caribbean has a number of important dimensions. For example, because of sluggish LAC growth, the real value of U.S. exports to the Region has stagnated since 1974 at a significant cost to the United States in output, incomes, and jobs. Opportunities for U.S. investors likewise have been lost. At the same time, the flow of undocumented workers across our borders continues to increase, and socio/political tensions--exacerbated by highly visible maldistribution of income in many countries--continue to erupt in ways inimical to the interests of the United States.

The Dimensions of Poverty

While the LAC Region has experienced considerable development in the last 20 years, the process of change has bypassed large segments of the population. Commercial farms produce for export and expanding urban populations, but traditional small farm agriculture remains largely unchanged. Manufacturing enterprises produce a variety of goods for the domestic market and increasingly for export, but the distribution of income is highly skewed and the rate of unemployment and underemployment ranges from 20% to 40% in many countries. New institutions required by the modern sector have been established, but the traditional sectors have only limited access to their services. The UN Economic Commission for Latin America estimates that one in three persons in the Region was living in poverty in 1977 and at least half of the rural population was poor. For the typical rural poor family of six:

- annual per capita income is below \$200,
- one child dies before the age of 2,
- the others suffer from varying degrees of malnutrition and will receive no more than 3 years of schooling,
- most will not live to the age of 50.

Living standards of the rural poor are increasingly threatened by soil erosion and higher energy costs. In urban areas, where the majority of the Region's poor will soon live, the expansion of key services is lagging behind population growth, and the problems of sprawl and congestion are growing. Regionwide, 55% of the children under 10

suffer from caloric deficiencies. Nutritional conditions are deteriorating in some countries, particularly in Central America where the number of undernourished children increased by 66% between 1965 and 1975.

By the year 2000, the Region's population is likely to nearly double to 600 million (even taking into account recent declines in birth rates), and about half will still be in the dependent age groups. Without unprecedented economic growth or radical change in employment policy, available jobs will not absorb both new labor force entrants and the existing labor supply now unutilized through unemployment and underemployment.

A.I.D.'s Response

The United States' poorest neighbors in the Hemisphere are hard pressed to meet the growing aspirations of their people. The resources A.I.D. is able to provide in support of these efforts are dwarfed by the magnitude of the task which confronts these countries.

Therefore, A.I.D. will not primarily provide financial transfers, but will assume a risk taking, catalytic role in helping to establish programs and approaches that attract complementary public and private resources. A.I.D. cooperates with LAC countries that want to adopt new policies and build new institutional structures and low-cost service delivery systems--both at the national and local levels--to better meet the needs of the poor.

Priority will be given to countries with positive human rights records and a strong commitment to equitable development. Growing government support for equitable development in Peru, Ecuador, Honduras, and the Dominican Republic has developed as democratic processes have been revitalized, and the governments of Panama and Costa Rica have continued to maintain their strong respect for human rights and equitable development.

Emphasis will also be placed on support for regional institutions both to broaden the scope of A.I.D.'s efforts and to encourage regional cooperation. Particularly in

Central America and the Caribbean but also in the Andean Region, significant economies of scale can be achieved through regional programs in such areas as agricultural research, agro-industry development, environmental management, energy conservation and development, and technology transfer.

A.I.D. Programs

A.I.D. proposes in FY 1981 to assist the Latin American and Caribbean governments and other local and regional institutions to alleviate poverty and to deal with the emerging common problems which affect the poor--including rising energy costs, energy shortages, environmental degradation, and the need for science and technology development.

In agriculture and rural development, A.I.D. will be assisting LAC countries in management, administration, planning, policy formulation, and related sector-wide activities. At the project level, A.I.D. will be placing emphasis on integrated rural development projects which also expand off-farm income-producing activities. Assistance to cooperatives and other local groups is a key element in our rural development strategy, and our programs will also strengthen the major roles of women in farm and non-farm enterprises. Among the successful recent projects we have funded are (1) a rice modernization project in Guyana whose small-farmer beneficiaries have increased their incomes by 40%, and (2) a pilot integrated rural development project for small farmers in Costa Rica which the government is now extending to other parts of the country.

A.I.D. activities in education will focus on primary and nonformal programs, particularly in rural areas. With A.I.D.'s past assistance, the LAC countries' own strong education programs have achieved impressive regional enrollment increases both in absolute numbers and as a proportion of the school-age population. In nonformal education, a radio education program in Guatemala has helped raise participating small farmers' profits by over 70%.

The main objective of A.I.D.'s health, population, and

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nutrition programs will be to provide integrated health/population/nutrition services to the poorest groups at the lowest feasible cost. Under a health sector project in the Dominican Republic, an inoculation program against DPT, measles, tetanus, and polio in selected rural areas resulted in a government decision to extend the program to the entire countryside. Also, significant fertility declines in many LAC countries (e.g., from 41 to 29 per 1,000 in Colombia in 10 years) are attributable in part to greater access to family planning information and services made possible by A.I.D.'s bilateral assistance programs and contributions to intermediary agencies. Throughout the Region, women have been trained as paramedical personnel and nutrition instructors, affording them an opportunity to contribute to development and substantially raise their social status.

Urban development activities will become increasingly important to A.I.D. in the next decade because the majority of the Region's poor people will soon be urban dwellers. A.I.D.'s FY 1981 program, for example, will provide assistance to the Government of Ecuador to address the needs of the poor in Ecuador's secondary cities and to the Government of the Dominican Republic to identify the causes and effects of the country's urban poverty.

To halt and reverse environmental degradation and natural resource depletion, A.I.D. will give priority to supporting host country efforts to control soil erosion (a particularly acute problem for the rural poor) through water resource management, environmental conservation and afforestation programs. In FY 1981, programs to improve water and land resource planning and management will support the efforts of the Dominican Republic to deal with the problems of erosion, deforestation and flooding (which have been exacerbated by last year's hurricanes David and Frederick) and of Bolivia to manage the increasingly severe problems of soil erosion, deforestation and water loss.

The need for energy development and conservation has become especially important since the sharp petroleum price increases in 1973. For the rural poor, the rising cost of petroleum-based products is only one aspect of the problem,

as wood fuels and other alternative sources of energy have become increasingly scarce and expensive. In recognition of this problem, a Central America Regional Fuelwood Alternative Energy Project was begun in FY 1979. A project to test alternative energy technologies in the Caribbean also was initiated in FY 1979 and will be supplemented in FY 1981 by a loan to stimulate investment in the design, manufacture, and installation of renewable energy resource systems in the region. Other energy initiatives will be supported in the Dominican Republic, Jamaica, Ecuador, Bolivia, Peru, and Panama.

Science and technology development will be an important element in achieving the above objectives. A.I.D. activities will assist LAC governments to address policy issues (e.g., reversing capital-intensive biases) and provide support for the development of employment-generating, light-capital technologies affordable by small farmers and small rural and urban entrepreneurs.

FY 81 PROGRAM HIGHLIGHTS

- *Includes \$275.7 million of A.I.D. Development Assistance, \$28 million from the Economic Support Fund, \$155.1 million in P.L. 480 assistance, and \$100 million in housing guarantees.
- *56% of the Development Assistance will be for Agriculture, Rural Development, and Nutrition programs in such areas as agricultural extension and research and increased food production.
- *Increasing emphasis will be placed on energy development and conservation, environmental improvement, urban development, and science and technology transfer.

A/ Economic Support Funds (ESF), including an \$80 million supplemental ESF request in FY 1980. Excludes \$11,030,000 Disaster Assistance funds in FY 1979 and a \$20 million supplemental Disaster Assistance request in FY 1980.

ANDEAN REGIONAL

| PROGRAM SUMMARY | | | | | | | |
|---------------------------|--------------------|--|---------------------|--------|---|---------------------------------|----------------|
| (In thousands of dollars) | | | | | | | |
| CP 81-13 (8-79) | | | | | | | |
| Fiscal Year. | Total ^A | Agriculture, Rural Development and Nutrition | Population Planning | Health | Education and Human Resources Development | Selected Development Activities | Other Programs |
| 1979 | | | | | | | |
| Loans | - | - | - | - | - | - | - |
| Grants ... | - | - | - | - | - | - | - |
| Total .. | - | - | - | - | - | - | - |
| 1980 | | | | | | | |
| Loans | - | - | - | - | - | - | - |
| Grants ... | - | - | - | - | - | - | - |
| Total .. | - | - | - | - | - | - | - |
| 1981 | | | | | | | |
| Loans | 3,240 | 3,240 | - | - | - | - | - |
| Grants ... | 300 | 300 | - | - | - | - | - |
| Total .. | 3,540 | 3,540 | - | - | - | - | - |

U.S. Interest

At the tenth anniversary commemoration in May 1979 of the founding of the Andean Pact, the presidents of the five-country Pact (Bolivia, Colombia, Ecuador, Peru, and Venezuela) reaffirmed their support of regional economic integration as an important mechanism to achieve social and economic development goals. The increased cohesiveness and activism of the Andean Pact hold the prospect of creating a strengthened institutional framework to support economic and political development in the region.

Development Overview

Despite having relatively high per capita incomes, the Pact countries are characterized by dual societies in which a significant percentage of their population lives in poverty. For example, about one half of Peru's population of 17,000,000 and approximately 60% of Bolivia's and Ecuador's populations are poor, and at least 9 million poor people live in Colombia. Among the factors common to

the Andean region which constrain the alleviation of poverty are:

- Limited access of small farmers to markets and productive technologies which could increase their incomes.
- Deforestation and erosion, which reduce the productivity of land and water resources.
- Growing unemployment and underemployment, aggravating poverty and stimulating migration to urban areas.
- Decreased per capita energy production, increasing the need for energy imports.

The Andean Pact offers the opportunity to address these problems on a regional scale. However, Pact institutions are relatively weak and have only limited experience in these areas.

Socio-Economic Performance

Until recently, the Pact has directed little attention to resolving the fundamental problems of the poor in the Andean Region. However, the Pact recently has undertaken food technology projects to improve nutrition levels of low-income families, and it has begun to initiate activities in rural development technology, agricultural production, and agro-industrial development to benefit the Region's rural and urban poor. These projects represent a significant broadening of the Pact's activities which were previously concentrated on industrial development, particularly through import substitution. This shift in strategy could help to move Andean cooperation towards a more balanced regional strategy involving expanded concern for the poor.

Total Resources

International donor agencies provide significant levels of assistance to the member countries of the Andean Group

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(excluding Venezuela). On a regional level, a number of donors (particularly the European Economic Community, the Inter-American Development Bank, the Food and Agriculture Organization, and Canada) are providing technical assistance to the Andean Pact Secretariat. The U.S. Government, though providing bilateral assistance to several of the Andean Group member countries, currently is not providing any assistance to the Pact.

A.I.D. Strategy

A new A.I.D. development assistance program to Andean Pact institutions is proposed for FY 1981 in recognition of the emerging concern of the Andean Pact for the Region's poor and its growing willingness to undertake specific regional initiatives to benefit these groups. Initially, the program will focus on rural development to facilitate the application of existing technologies in rural areas and to expand marketing opportunities for small farmer crops. Further activities could include the development and adaptation of alternative energy resources and other appropriate technologies as well as the establishment of a regional mechanism to address environmental problems facing Pact member countries.

In order to complement rather than duplicate U.S. bilateral programs with member countries, the Andean regional program will concentrate on development problems extending beyond national borders for which a regional solution provides significant economies of scale.

A/ Funds for Project Development and Support as well as Operational Program Grants are not included in this table. They are reflected in the Latin America and Caribbean Regional Program.

| FY 81 PROGRAM HIGHLIGHTS | |
|--------------------------|---|
| - | Initiation of a \$1 million grant program to establish a regional rural technology transfer system. |
| - | A \$3.2 million loan to support regional agro-industrial investments which emphasize the storage, marketing, and processing of crops produced by small farmers. |

| PERSONNEL/PARTICIPANTS DATA CP 81-17 (8-79) | | | |
|--|---------------------|------------------------|-----------------------|
| Category | FY 1979 (Actual) | FY 1980 (Estimated) | FY 1981 (Proposed) |
| AID Personnel^a | | | |
| Direct Hire ^b | - | - | - |
| PASA ^c | - | - | - |
| Contract | - | - | - |
| Total | - | - | - |
| Participants^d | | | |
| Noncontract | - | - | - |
| Contract | - | - | - |
| Total | - | - | - |
| ^a U.S. nationals on duty at the end of the fiscal year. ^b FY 1980 and FY 1981 position levels. ^c Participating agency technicians. ^d Programmed during the fiscal year. | | | |

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| RESOURCE FLOWS CP 81-08 (8-79) | | | |
|--|---------------------|------------------------|-----------------------|
| <i>(In thousands of dollars)</i> | | | |
| Program | FY 1979 (Actual) | FY 1980 (Estimated) | FY 1981 (Proposed) |
| AID* | | | |
| Loans | - | - | 3,240 |
| Grants | - | - | 300 |
| Total AID | - | - | 3,540 |
| P.L. 480** | | | |
| Title I | - | - | - |
| (of which Title III is) | (-) | (-) | (-) |
| Title II | - | - | - |
| Total P.L. 480 | - | - | 3,540 |
| Total AID and P.L. 480 | | | |
| *AID levels represent actual and estimated expenditures. | | | |
| **P.L. 480 levels represent actual and estimated value of shipments. | | | |

| P.L. 480 PROGRAMS SUMMARY CP 81-14 (8-79) | | | | | | |
|--|---------------------|-----|------------------------|-----|-----------------------|-----|
| <i>(In 000MT/\$000)</i> | | | | | | |
| Program | FY 1979 (Actual) | | FY 1980 (Estimated) | | FY 1981 (Proposed) | |
| | MT | \$ | MT | \$ | MT | \$ |
| <i>Title I</i> | | | | | | |
| Wheat | | | | | | |
| Rice | | | | | | |
| Feedgrains | | | | | | |
| Vegoil | | | | | | |
| Non-food | | | | | | |
| Title I Total .. | | - | | - | | - |
| (of which Title III is) | | () | | () | | () |
| <i>Title II</i> | | | | | | |
| Voluntary Agencies .. | | | | | | |
| World Food Programs | | | | | | |
| Gov't.-to-Gov't | | | | | | |
| Title II Total | | - | | - | | - |
| Total P.L. 480 | | - | | - | | - |

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

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PROGRAM: ANDEAN REGIONAL

| | * L / G | PROJECT NUMBER | FY OF INITIAL FUNDING | -THROUGH FY79- OBLIG ATIONS | FY79- EXPENDI TURES | -ESTIMATED FY80- OBLIG ATIONS | EXPENDI TURES | -PROPOSED FY81- OBLIG ATIONS | EXPENDI TURES | FUTURE YEAR OBLIG ATIONS |
|---------------------------------------|---------|----------------|-----------------------|-----------------------------|---------------------|-------------------------------|---------------|------------------------------|---------------|--------------------------|
| ----- | | | | | | | | | | |
| AGRICULTURE, RURAL DEV. AND NUTRITION | | | | | | | | | | |
| ANDEAN REGIONAL AGRO INDUSTRIAL DEV | * L | 595-0001 | 81 | --- | -- | --- | --- | 3,240 | 200 | --- |
| RURAL DEVELOPMENT TECHNOLOGY NETWORK | * G | 595-0002 | 81 | --- | -- | --- | --- | 300 | 100 | 700 |
| TOTAL FOR ACCOUNT | | | | --- | -- | --- | --- | 3,540 | 300 | |
| GRANTS | | | | --- | -- | --- | --- | 300 | 100 | |
| LOANS | | | | --- | -- | --- | --- | 3,240 | 200 | |
| TOTAL FOR COUNTRY | | | | --- | -- | --- | --- | 3,540 | 300 | |
| GRANTS | | | | --- | -- | --- | --- | 300 | 100 | |
| LOANS | | | | --- | -- | --- | --- | 3,240 | 200 | |

| | | | | | |
|---|--|--|---|----------------------------------|--|
| TITLE Andean Regional Agro-Industrial Development | | FUNDS Agriculture, Rural Development and Nutrition | PROPOSED OBLIGATION (In thousands of dollars) | | |
| | | | FY 81 3,240 | LIFE OF PROJECT 3,240 | |
| NUMBER 595-0001 | NEW <input checked="" type="checkbox"/> | PRIOR REFERENCE None. | INITIAL OBLIGATION FY 81 | ESTIMATED FINAL OBLIGATION FY 81 | ESTIMATED COMPLETION DATE OF PROJECT FY 84 |
| GRANT <input type="checkbox"/> | LOAN <input checked="" type="checkbox"/> | CONTINUING <input type="checkbox"/> | | | |

Purpose: To establish within the Andean Development Corporation (ADC) the institutional capability to identify and finance regional agro-industrial projects which benefit the Andean Region's rural poor.

Background: Since the Andean Group's establishment in 1970, its attention has been focused on the removal of industrial trading barriers among member countries, the control of foreign investments, and the promotion of an industrial development strategy that has emphasized capital-intensive, import-substitution policies. The member countries, however, still are confronted by massive rural poverty, growing unemployment, and an agricultural sector that cannot adequately meet the demand of the Andean population or its commercial/industrial sectors. In response, the Andean Pact has recently initiated a new development strategy designed to alleviate these problems through a regional approach to agro-industrial development where the raw materials, labor supply, processing facilities, and potential markets straddle national borders. This new A.I.D. project is designed to build on this initiative by providing technical assistance, training and capital to the ADC to establish and administer credit for a regional agro-industrial development fund.

Host Country and Other Donors: The ADC and the private sector are expected to make sizable contributions in debt and/or equity funding of eligible projects. The ADC will also provide administrative and technical assistance to borrowers and an additional \$5 million for subblending.

Beneficiaries: This project will provide direct benefits to the Andean Region's rural poor in the form of new off-farm employment opportunities, assured and stable markets for agricultural production, and a more balanced supply of food products. It is not practical to determine the beneficiary cost at this preliminary stage of project development.

FY 81 Program: The first seminars will be held, and several ADC officers will be trained. A contractor will be selected to develop a loan system, and a loan fund within the ADC will be established.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|--|----------------|----------------|
| | Unit | All Years Cost |
| Seminars held | 11 | (40) |
| Subloans financed through the small-producer Oriented agro-industrial fund | 10 | (250) |
| Selection system established for loan applicants | 1 | (225) |
| ADC officers trained | 15 | (5) |
| A.I.D. Financed Inputs: | | <u>FY 81</u> |
| Seminars and training | | 515 |
| Seed capital for revolving credit fund | | 2500 |
| Technical assistance | | 225 |
| Total | | <u>3240</u> |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--------------|--------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | |
| Estimated Fiscal Year 1980 | - | - | - | |
| Estimated through September 30, 1980 | - | - | - | |
| Proposed Fiscal Year 1981 | 3,240 | - | 3,240 | |

To be selected.

| | | | | | |
|---|---|--|---|----------------------------------|--|
| TITLE Rural Development Technology Network | | FUNDS Agriculture, Rural Development and Nutrition | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 595-0002 | | PRIOR REFERENCE None. | FY 81 300 | LIFE OF PROJECT 1,000 | |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/> | | INITIAL OBLIGATION FY 81 | ESTIMATED FINAL OBLIGATION FY 83 | ESTIMATED COMPLETION DATE OF PROJECT FY 83 |

Purpose: To enhance the exchange of rural development technology among the member countries of the Andean Pact.

Background: Member countries of the Andean Pact have made significant progress in the development and application of agricultural and rural development technology over the last two decades. Despite this progress and the wealth of rural development technological expertise of several national level institutions, the horizontal transfer of technology among the countries of the Andean sub-region has been sporadic and ineffective. The Secretariat of the Andean Pact is interested in establishing a mechanism to identify relevant rural technologies within Pact countries and make them accessible to other institutions within the region. This project will: (a) establish a technology transfer office within the Secretariat of the Andean Pact; (b) inventory rural technology resources within the region; and (c) finance the initial operation of the technology network.

Host Countries and Other Donors: Personnel, office space, and the existing institutional resources of the involved offices of the Secretariat will be provided.

Beneficiaries: Due to the institution-building nature of this project, it is not practical to determine costs per beneficiary. The ultimate result of the successful implementation of this project will be the establishment of an office and rural technology interchange network that will directly benefit the rural poor of the region.

FY 81 Program: An inventory will be made of agricultural research institutions in the region and successful models of rural development interventions which impact directly on the poor. The initial operation of the technology network will begin -- including information interchanges, site visits and seminars.

| | | |
|--|------------------|-------------|
| | (\$ thousands) | |
| <u>Major Outputs (and A.I.D. Unit Cost):</u> | <u>All Years</u> | |
| | <u>Unit</u> | <u>Cost</u> |
| Technology-transfer office established and functioning | 1 | (540) |
| Seminars and site visits | 50 | (5) |
| Rural technology inventory completed | 1 | (210) |
| <u>A.I.D. Financed Inputs:</u> | <u>FY 81</u> | |
| Technical assistance | 200 | |
| Seminars and site visits | 100 | |
| Total | 300 | |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--------------|--------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | |
| Estimated Fiscal Year 1980 | - | - | - | |
| Estimated through September 30, 1980 | - | - | - | |
| Proposed Fiscal Year 1981 | 300 | 700 | 1,000 | |

To be selected.

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| PROGRAM SUMMARY | | | | | | | |
|---------------------------|---------------|--|---------------------|--------------|---|---------------------------------|----------------|
| (In thousands of dollars) | | | | | | | |
| Fiscal Year | A/ Total | Agriculture, Rural Development and Nutrition | Population Planning | Health | Education and Human Resources Development | Selected Development Activities | Other Programs |
| 1979 | | | | | | | |
| Loans | 10,400 | -- | -- | -- | -- | 10,400 | -- |
| Grants ... | 15,758 | 2,431 | -- | 955 | 7,247 | 5,125 | (4,866) |
| Total .. | 26,158 | 2,431 | -- | 955 | 7,247 | 15,525 | (4,866) |
| 1980 | | | | | | | |
| Loans | 25,000 | 18,700 | 1,000 | -- | 1,800 | 3,500 | -- |
| Grants ... | 12,334 | 1,872 | 100 | 634 | 2,850 | 6,878 | (5,000) |
| Total .. | 37,334 | 20,572 | 1,100 | 634 | 4,650 | 10,378 | (5,000) |
| 1981 | | | | | | | |
| Loans | 21,300 | 10,000 | -- | 1,200 | 2,600 | 7,500 | -- |
| Grants ... | 13,107 | 2,436 | -- | 371 | 3,700 | 6,600 | -- |
| Total .. | 34,407 | 12,436 | -- | 1,571 | 6,300 | 14,000 | -- |

U.S. Interests

U.S. interests in the Caribbean derive from geographic proximity, U.S. private investment and commercial ties, and a shared commitment to democratic institutions and human rights. It is in the U.S. interest that the Caribbean nations attain viable and growing economies, maintain progressive societies, and pursue democratic traditions as the basis for cooperative relationships.

Development Overview

The combination of the quadrupling of oil prices during the last five years, the large increases of imported food-stuffs, and the severe contraction in international demand for some of the region's major exports has virtually halted economic growth in much of the region. While some countries improved their economic performance in 1978, the small, open economies of the region remain extremely vulnerable to changes in world prices and trade patterns. Unemployment ranging as high as 25% continues to be a major

problem. Institutional and support services in development sectors are weak, and the skilled human resources base is thin. These conditions place a heavy strain on social and political structures, and severe balance of payments and budgetary limitations inhibit execution of development programs to address these problems. The fragility of Caribbean economies is further illustrated by the impact of last year's natural disasters on St. Vincent, Dominica, and the Dominican Republic. The devastation wrought by Hurricane David in the Dominican Republic and Dominica set back development in those countries for years, thus intensifying the need for multi-year reconstruction assistance.

Socio Economic Performance

The region's nations show a growing awareness that their small size is likely to preclude attainment of economic viability without increased regional integration and cooperation. Their recognition of this mutual need is evidenced by their participation in the Caribbean Group for Cooperation in Economic Development (CGCED), the Caribbean Development Bank (CDB) and other regional institutions. Created in 1978 with strong U.S. support, the CGCED -- chaired by the World Bank (IBRD) -- is composed of Caribbean governments as well as major multilateral and bilateral donors. The June 1979 CGCED meeting concluded that the Dominican Republic, Jamaica, Guyana, Barbados and the Eastern Caribbean Common Market had adopted development programs directed toward ensuring the viability of their relatively small economies. The IBRD, the International Monetary Fund, and others recommended continued strong support of the development efforts of these countries. In all of them, strong commitments to growth with equity are reflected by the high proportions of budgetary expenditures for education, health, and welfare services.

Total Resources

The Caribbean Development Facility (CDF), resulting from the first CGCED meeting in June 1978, enables recipient countries simultaneously to address both stabilization and development by providing funds for local costs of priority

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projects. External donors have substantially fulfilled pledges to the CDF of \$115 million during its first year. The IBRD estimates that \$650 million in official external capital flows will be required for the Caribbean in 1980, including \$275 million in CDF-type financing. In response, \$225 million was pledged to the CDF at the June 1979 CGCED meeting by principal donors -- including the United States, Britain, Canada, the Federal Republic of Germany, Japan, Venezuela and Brazil. Other major donors in the region are the IBRD, the Inter-American Development Bank, the United Nations Development Program, the European Development Fund and the Organization of Petroleum Exporting Countries. Private U.S. investment in the Caribbean is estimated to exceed \$1.5 billion.

A.I.D. Strategy

The A.I.D. strategy for the region continues to emphasize long-term development of complementary economies supported by strong regional technical and financial institutions, particularly for the less developed countries (LDCs) of the Eastern Caribbean. U.S. support of the CDF in FY 1980 includes a \$17.5 million loan to the CDB for relending to eligible Caribbean countries in support of other donor projects, and \$2.5 million in grant assistance for the LDCs to be administered through the CDB's Basic Needs Trust Fund, which was initiated in 1979 to arrest public infrastructure deterioration and provide productive employment. A similar U.S. contribution is planned for FY 1981. Support for private and voluntary organization programs also contributes to immediate impact, while long-term institution-building activities continue in health management, primary education, small farm production, agricultural marketing, rural development, conservation and alternative energy systems.

A/ Funds for Project Development and Support as well as Operational Program Grants are not included in this table. They are reflected in the Latin America and Caribbean Regional Program.

B/ Disaster Assistance funds.

| FY 81 PROGRAM HIGHLIGHTS | |
|--------------------------|---|
| - | \$2.5 million grant for the CDB Basic Needs Fund for the LDCs, and \$17.5 million loan for the CDF to enable the Region's other countries to continue priority development projects along with necessary economic stabilization programs. |
| - | \$400,000 grant to assist Caribbean governments to reduce environmental deterioration by strengthening their natural resource management capabilities. |
| - | \$3.8 million loan for implementing alternative energy systems developed under A.I.D.'s FY 1979 pilot alternative energy project. |

| PERSONNEL/PARTICIPANTS DATA CP 81-17 (8-79) | | | |
|--|---------------------|------------------------|-----------------------|
| Category | FY 1979 (Actual) | FY 1980 (Estimated) | FY 1981 (Proposed) |
| AID Personnel^a | | | |
| Direct Hire ^b | 13 | 18 | 18 |
| PASA ^c | - | - | - |
| Contract | - | - | - |
| Total | 13 | 18 | 18 |
| Participants^d | | | |
| Noncontract | - | - | - |
| Contract | 16 | 322 | 361 |
| Total | 16 | 322 | 361 |

^aU.S. nationals on duty at the end of the fiscal year.
^bFY 1980 and FY 1981 position levels.
^cParticipating agency technicians.
^dProgrammed during the fiscal year.

CARIBBEAN REGIONAL

| RESOURCE FLOWS | | | |
|--|---------------------|------------------------|-----------------------|
| <i>(In thousands of dollars)</i> | | | |
| CP 81-08 (8-79) | | | |
| Program | FY 1979 (Actual) | FY 1980 (Estimated) | FY 1981 (Proposed) |
| AID* | | | |
| Loans | 7,201 | 38,674 | 30,651 |
| Grants | 976 | 15,810 | 16,576 |
| Total AID | 8,177 | 54,484 | 47,227 |
| P.L. 480** | | | |
| Title I | (-) | (-) | (-) |
| (of which Title III is) | | | |
| Title II | - | - | - |
| Total P.L. 480 | - | - | - |
| Total AID and P.L. 480 | 8,177 | 54,484 | 47,227 |
| *AID levels represent actual and estimated expenditures. | | | |
| **P.L. 480 levels represent actual and estimated value of shipments. | | | |

| P.L. 480 PROGRAMS SUMMARY | | | | | | |
|----------------------------------|---------------------|-------|------------------------|-------|-----------------------|-------|
| <i>(In 000MT/\$000)</i> | | | | | | |
| CP 81-14 (8-79) | | | | | | |
| Program | FY 1979 (Actual) | | FY 1980 (Estimated) | | FY 1981 (Proposed) | |
| | MT | \$ | MT | \$ | MT | \$ |
| <i>Title I</i> | | | | | | |
| Wheat | | | | | | |
| Rice | | | | | | |
| Feedgrains | | | | | | |
| Vegoil | | | | | | |
| Non-food | | | | | | |
| Title I Total .. | / | - | / | - | / | - |
| (of which Title III is) | | (-) | | (-) | | (-) |
| <i>Title II</i> | | | | | | |
| Voluntary Agencies .. | / | | / | | / | |
| World Food Programs | / | | / | | / | |
| Gov't.-to-Gov't | / | | / | | / | |
| Title II Total | / | - | / | - | / | - |
| Total P.L. 480 | / | - | / | - | / | - |

MISSION DIRECTOR William B. Wheeler

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

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PROGRAM: CARIBBEAN REGIONAL

| | * L / G | PROJECT NUMBER | FY OF INITIAL FUNDING | -THROUGH FY79- OBLIGATIONS | EXPENDITURES | -ESTIMATED FY80- OBLIGATIONS | EXPENDITURES | -PROPOSED FY81- OBLIGATIONS | EXPENDITURES | FUTURE YEAR OBLIGATIONS |
|---|---------|----------------|-----------------------|----------------------------|--------------|------------------------------|--------------|-----------------------------|--------------|-------------------------|
| ----- | | | | | | | | | | |
| AGRICULTURE, RURAL DEV. AND NUTRITION | | | | | | | | | | |
| INTEGRATED AGRICULTURAL DEVELOPMENT | G | 538-0007 | 75 | 685 | 500 | --- | 185 | --- | --- | --- |
| INTEGRATED AGRICULTURAL DEVELOPMENT | L | 538-0007 | 75 | 10,000 | 472 | --- | 2,000 | --- | 2,000 | --- |
| REGIONAL AGRIBUSINESS DEV | G | 538-0010 | 77 | 450 | 105 | --- | 295 | --- | 50 | --- |
| REGIONAL AGRIBUSINESS DEV | L | 538-0010 | 77 | 6,500 | 1,650 | --- | 1,500 | --- | 2,000 | --- |
| SMALL FARMER COMMODITY AND MKTG SYSTEMS | * G | 538-0012 | 80 | --- | --- | 200 | 30 | 400 | 450 | 1,550 |
| SMALL FARMER COMMODITY AND MKTG SYSTEMS | L | 538-0012 | 80 | --- | --- | 7,500 | --- | --- | 2,500 | --- |
| SMALL FARM MULTIPLE CROPPING SYSTEMS | * G | 538-0015 | 78 | 1,125 | 277 | 500 | 800 | 586 | 800 | --- |
| CARIBBEAN AGRICULTURAL EXTENSION | * G | 538-0017 | 80 | --- | --- | 900 | 450 | 695 | 600 | 5,305 |
| CARIBBEAN REGIONAL NUTRITION | * G | 538-0022 | 78 | 830 | 180 | 272 | 350 | 255 | 350 | --- |
| CARIBBEAN DEVELOPMENT FACILITY | L | 538-0023 | 78 | 12,500 | 3,100 | --- | 9,400 | --- | --- | --- |
| CARIBBEAN AGRICULTURAL PLANNING | * G | 538-0033 | 79 | 1,184 | --- | --- | 750 | 500 | 800 | 2,256 |
| CARIBBEAN DEVELOPMENT FACILITY II | L | 538-0040 | 80 | --- | --- | 11,200 | 10,000 | --- | 1,200 | --- |
| CARIBBEAN DEVELOPMENT FACILITY III | * L | 538-0045 | 81 | --- | --- | --- | --- | 10,000 | 5,000 | --- |
| TOTAL FOR ACCOUNT | | | | 33,274 | 6,284 | 20,572 | 25,760 | 12,436 | 15,750 | |
| GRANTS | | | | 4,274 | 1,062 | 1,872 | 2,860 | 2,436 | 3,050 | |
| LOANS | | | | 29,000 | 5,222 | 18,700 | 22,900 | 10,000 | 12,700 | |
| POPULATION PLANNING | | | | | | | | | | |
| CARIBBEAN DEVELOPMENT FACILITY | L | 538-0023 | 78 | 2,000 | --- | --- | 1,000 | --- | 1,000 | --- |
| POPULATION AND DEVELOPMENT | G | 538-0039 | 80 | --- | --- | 100 | 50 | --- | 50 | 400 |
| CARIBBEAN DEVELOPMENT FACILITY II | L | 538-0040 | 80 | --- | --- | 1,000 | 200 | --- | 400 | --- |
| TOTAL FOR ACCOUNT | | | | 2,000 | --- | 1,100 | 1,250 | --- | 1,450 | |
| GRANTS | | | | --- | --- | 100 | 50 | --- | 50 | |
| LOANS | | | | 2,000 | --- | 1,000 | 1,200 | --- | 1,400 | |
| HEALTH | | | | | | | | | | |
| BASIC HLTH MGT TRAINING | G | 538-0019 | 78 | 1,566 | 60 | 234 | 750 | --- | 700 | --- |
| EPIDEMIOLOGICAL SURVEILLANCE AND TRNG | * G | 538-0027 | 79 | 389 | 50 | 400 | 300 | 371 | 300 | --- |
| CARIBBEAN DEVELOPMENT FACILITY III | * L | 538-0045 | 81 | --- | --- | --- | --- | 1,200 | 1,000 | --- |
| TOTAL FOR ACCOUNT | | | | 1,955 | 110 | 634 | 1,050 | 1,571 | 2,000 | |
| GRANTS | | | | 1,955 | 110 | 634 | 1,050 | 371 | 1,000 | |
| LOANS | | | | --- | --- | --- | --- | 1,200 | 1,000 | |
| EDUCATION AND HUMAN RESOURCES | | | | | | | | | | |
| INTEGRATED REGIONAL DEVELOPMENT | L | 538-0004 | 75 | 8,500 | 3,325 | --- | 3,000 | --- | 2,175 | --- |
| CARIBBEAN REGIONAL DEV TRAINING | * G | 538-0014 | 79 | 667 | --- | 500 | 800 | 1,000 | 800 | 1,833 |
| CARIBBEAN DEVELOPMENT FACILITY | L | 538-0023 | 78 | 2,000 | 526 | --- | 1,474 | --- | --- | --- |

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

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PROGRAM: CARIBBEAN REGIONAL

| | * L / G | PROJECT NUMBER | FY OF INITIAL FUNDING | -THROUGH FY79- OBLIGATIONS | EXPENDITURES | -ESTIMATED FY80- OBLIGATIONS | EXPENDITURES | -PROPOSED FY81- OBLIGATIONS | EXPENDITURES | FUTURE YEAR OBLIGATIONS |
|-------------------------------------|---------|----------------|-----------------------|----------------------------|--------------|------------------------------|--------------|-----------------------------|--------------|-------------------------|
| CARIBBEAN ED. DEVELOPMENT | * G | 538-0029 | 79 | 2,578 | --- | 2,350 | 2,700 | 2,700 | 2,500 | 2,332 |
| BASIC HUMAN NEEDS EMPLOYMENT SECTOR | G | 538-0030 | 79 | 4,000 | --- | --- | 2,000 | --- | 2,000 | --- |
| CARIBBEAN DEVELOPMENT FACILITY II | L | 538-0040 | 80 | --- | --- | 1,800 | 1,000 | --- | 800 | --- |
| CARIBBEAN DEVELOPMENT FACILITY III | * L | 538-0045 | 81 | --- | --- | --- | --- | 2,600 | 2,000 | --- |
| TOTAL FOR ACCOUNT | | | | 17,745 | 3,851 | 4,650 | 10,974 | 6,300 | 10,275 | |
| GRANTS | | | | 7,245 | --- | 2,850 | 5,500 | 3,700 | 5,300 | |
| LOANS | | | | 10,500 | 3,851 | 1,800 | 5,474 | 2,600 | 4,975 | |
| SELECTED DEVELOPMENT ACTIVITIES | | | | | | | | | | |
| CARIBBEAN DEVELOPMENT BANK | L | 538-0003 | 73 | 12,000 | 6,424 | --- | 3,000 | --- | 2,576 | --- |
| SPECIAL DEVELOPMENT ACTIVITIES | * G | 538-0005 | 72 | 428 | 266 | 300 | 200 | 300 | 300 | --- |
| EMPLOYMENT INVEST. PROMOTION I | * G | 538-0013 | 78 | 923 | 150 | 253 | 850 | 500 | 676 | --- |
| CARIBBEAN INSTITUTIONAL DEV | * G | 538-0016 | 78 | 800 | --- | 300 | 500 | 400 | 500 | 340 |
| EMPLOYMENT INVESTMENT PROMOTION II | * G | 538-0018 | 79 | 250 | --- | 400 | 600 | 400 | 400 | 350 |
| EMPLOYMENT INVESTMENT PROMOTION II | L | 538-0018 | 79 | 8,400 | --- | --- | 1,100 | --- | 2,000 | --- |
| CARIBBEAN DEVELOPMENT FACILITY | L | 538-0023 | 78 | 3,500 | --- | --- | 1,500 | --- | 2,000 | --- |
| ENVIRONMENTAL MGT. | * G | 538-0024 | 81 | --- | --- | --- | --- | 400 | 200 | 2,600 |
| CARIBBEAN ECONOMIC COOPERATION | * G | 538-0026 | 81 | --- | --- | --- | --- | 400 | 200 | 4,600 |
| BASIC HUMAN NEEDS EMPLOYMENT SECTOR | * G | 538-0030 | 79 | 1,625 | --- | 4,875 | 3,000 | 2,500 | 3,000 | 2,500 |
| BASIC HUMAN NEEDS EMPLOYMENT SECTOR | L | 538-0030 | 79 | 2,000 | --- | --- | 1,500 | --- | 500 | --- |
| ALTERNATIVE ENERGY SYSTEMS | * G | 538-0032 | 79 | 2,050 | --- | 750 | 1,200 | 1,700 | 1,900 | 3,100 |
| ALTERNATIVE ENERGY SYSTEMS II | * L | 538-0037 | 81 | --- | --- | --- | --- | 3,800 | --- | 1,200 |
| CARIBBEAN DEVELOPMENT FACILITY II | L | 538-0040 | 80 | --- | --- | 3,500 | 2,000 | --- | 1,500 | --- |
| CARIBBEAN DEVELOPMENT FACILITY III | * L | 538-0045 | 81 | --- | --- | --- | --- | 3,700 | 2,000 | --- |
| TOTAL FOR ACCOUNT | | | | 31,976 | 6,840 | 10,378 | 15,450 | 14,100 | 17,752 | |
| GRANTS | | | | 6,076 | 416 | 6,878 | 6,350 | 6,600 | 7,176 | |
| LOANS | | | | 25,900 | 6,424 | 3,500 | 9,100 | 7,500 | 10,576 | |
| TOTAL FOR COUNTRY | | | | 86,950 | 17,085 | 37,334 | 54,484 | 34,407 | 47,227 | |
| GRANTS | | | | 19,550 | 1,588 | 12,334 | 15,810 | 13,107 | 16,576 | |
| LOANS | | | | 67,400 | 15,497 | 25,000 | 38,674 | 21,300 | 30,651 | |

| | | | | |
|--|--|--|---|----------------------------------|
| TITLE Small Farmer Commodity and Marketing Systems | | FUNDS Agriculture, Rural Development and Nutrition | PROPOSED OBLIGATION (In thousands of dollars) | |
| | | | FY 81 G-400 | LIFE OF PROJECT L-7,500; G-2,150 |
| NUMBER 538-0012 | NEW <input type="checkbox"/> | PRIOR REFERENCE | INITIAL OBLIGATION | ESTIMATED FINAL OBLIGATION |
| GRANT <input checked="" type="checkbox"/> LOAN <input checked="" type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | FY 80 Latin America Programs, p. 15 | FY 80 | FY 83 |
| | | | ESTIMATED COMPLETION DATE OF PROJECT FY 84 | |

Purpose: To assist in the development of regional commodity production, marketing and transportation systems responsive to small farmers.

Background and Progress to Date: The market for small farm production in the English-speaking Caribbean is restricted by the small size and geographic dispersion of the islands. This project includes a program of Caribbean Development Bank sub-loans and equity investments to finance: (1) construction of a farm supply and marketing centers; (2) constructions of cold storage facilities; (3) development of a regional agricultural marketing information network; and (4) improvements in local transportation infrastructure and regional shipping vessels and schooners for inter-island transport of produce. The project will also provide technical assistance to develop marketing arrangements for small farmer commodities, particularly fruits and vegetables. Depending on the timing of initial obligation, which is expected in late FY 80, it is planned, during FY 80, to establish the marketing information network, prepare final construction plans for the first farm supply and marketing center and designs for development of additional service centers.

Host Country and Other Donors: Island governments will provide approximately 10% of the cost of construction of marketing centers and storage facilities. Private borrowers will contribute 20% to 30% to sub-loan funding.

Beneficiaries: Benefits of this project will accrue directly to the rural population, and indirectly to the total population of the Eastern Caribbean. The successful implementation of this project will increase food supplies and stabilize costs and prices for all residents of the Eastern Caribbean. The determination of costs per beneficiary is not practicable.

FY 81 Program: (1) Construction of the first production service center will be started; (2) designs for additional marketing service centers will be developed and (3) the market information network will become operational for at least six crops.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---|----------------|---------|
| | Unit | Cost |
| Production Service Centers designed and constructed | 8 | (50) |
| Cold storage facility constructed | 1 | (200) |
| Marketing training (persons) | 25 | (16) |
| Transportation loans | 2 | (1,000) |
| Regional marketing information network | 1 | (1,500) |

| A.I.D. Financed Inputs: | FY 81 |
|---------------------------------------|------------|
| Technical assistance (productions) | 50 |
| Technical assistance (marketing) | 150 |
| Technical assistance (transportation) | 100 |
| Training (80 person months) | 100 |
| TOTAL | 400 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-----------------|--------------------------------|-----------------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | Caribbean Development Bank |
| Estimated Fiscal Year 1980 | L-7,500; G- 200 | G- 30 | | |
| Estimated through September 30, 1980 | L-7,500; G- 200 | G- 30 | L-7,500; G- 170 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | G- 400 | G-1,550 | L-7,500; G-2,150 | |

| | | | | | |
|---|---|--|---|----------------------------------|--|
| TITLE Small Farm Multiple Cropping Systems Research | | FUNDS Agriculture, Rural Development and Nutrition | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 538-0015 | | PRIOR REFERENCE | FY 81 586 | LIFE OF PROJECT 2,211 | |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/> | FY 80 Latin America Programs, p. 16 | INITIAL OBLIGATION FY 78 | ESTIMATED FINAL OBLIGATION FY 81 | ESTIMATED COMPLETION DATE OF PROJECT FY 82 |

Purpose: To improve small farming systems in the Eastern Caribbean through the development of management and production systems.

Background and Progress to Date: One of the most severe constraints to increased agricultural productivity in the Eastern Caribbean is lack of knowledge regarding feasible production alternatives. This project emphasizes adaptive systems research through the collection and analysis of data on existing farm systems, the adaptation of existing technology to current cropping systems, and the farm site testing of new techniques. New systems are being evaluated in terms of both social and economic feasibility. Selected small farms -- 25 on each of six islands -- will serve as applied research demonstration centers. By the end of 1980, the Caribbean Agricultural Research and Development Institute (CARDI) will have: (1) conducted detailed analyses on each selected small farm to establish baseline data related to small-scale farming techniques; (2) establish research trials using alternative technologies closely linked to local farming practices; and (3) conducted at least two field days in each country to acquaint agricultural extension personnel and farmers with the farming systems being examined. Activities are being coordinated with Peace Corps programs in agriculture and rural development.

Host Country and Other Donors: CARDI will provide \$2,254,900 which includes a European Development Fund grant of \$276,000 for purchases of equipment and vehicles. The six island governments will contribute some \$356,000 for personnel, materials and facilities.

Beneficiaries: The target group is comprised of small farmers with one to five acres of arable land. There are approximately 38,000 small farms of this size in the six islands, constituting

75% of all holdings. The estimated A.I.D. cost-per-family is approximately \$58.

FY 81 Program: The six CARDI/country research teams will continue to develop improved farming systems. Research is expected to support preliminary recommendations for various, adapted, small farm technologies. Six field short-courses and twelve field-days demonstrating new farming techniques will be conducted with participants drawn from agricultural extension agencies, support institutions, farmers' associations and farms located in the research area.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|--|----------------|--------------|
| | Unit | Cost |
| Establishment of country/CARDI research system | 6 | (294.7) |
| Improved information base | 1 | (88.0) |
| Design of farming system production alternatives | 12 | (20.2) |
| Dissemination of production alternative designs | 1 | (111.0) |
| A.I.D. Financed Inputs: | | FY 81 |
| CARDI Staff (33 person-months) | | 200 |
| Consulting Services (30 person-months) | | 200 |
| Training Seminars (six countries) | | 30 |
| Commodities/Travel | | <u>156</u> |
| TOTAL | | 586 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--------------------------------|-----------------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 1,125 | 277 | 848 | |
| Estimated Fiscal Year 1980 | 500 | 800 | | |
| Estimated through September 30, 1980 | 1,625 | 1,077 | 548 | |
| Proposed Fiscal Year 1981 | 586 | - | 2,211 | |
| | | Future Year Obligations | Estimated Total Cost | |

Caribbean Agricultural Research and Development Institute.

| | | | | | |
|---|---|--|---|-------------------------------------|--|
| TITLE Caribbean Agricultural Extension | | FUNDS Agriculture, Rural Development and Nutrition | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 538-0017 | | PRIOR REFERENCE FY 80 Latin America Programs, p. 17 | FY 81 | 695 | LIFE OF PROJECT 6,900 |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/> | | INITIAL OBLIGATION FY 80 | ESTIMATED FINAL OBLIGATION FY 84 | ESTIMATED COMPLETION DATE OF PROJECT FY 85 |

Purpose: To improve the effectiveness of the agricultural extension services provided to small farmers in the Eastern Caribbean.

Background and Progress to Date: On-farm credit, rural marketing, and infrastructure development are being addressed under various loan programs with the Caribbean Development Bank (CDB). At the same time, the Caribbean Agriculture Research and Development Institute (CARDI), with A.I.D. support, is researching new technologies, crop materials and farming practices to increase small farm productivity in the English-speaking Caribbean countries. A constraint to the effectiveness of these programs is the weakness of the island extension services, commodity associations and supervised credit institutions. These weaknesses include: poor material, supervisory and organizational methods; inadequately trained extension agents; and lack of essential tools and techniques for maximum impact on the small farmer. Under this project, professionals from the University of the West Indies (UWI) and the Midwest Universities Consortium for International Activities (the participating Title XII institution) will collaborate with local governments to: (1) develop national extension plans; (2) identify and implement training programs to upgrade extension agents's technical skills in food crop production, communication techniques and extension; and (3) provide essential extension tools required by each local government and design plans for their effective use. The project will also assist UWI to upgrade its capacity to provide continued support to local extension services after completion of the project. The project complements the CDB/United Nations Development Program Caribbean Regional Food Plan Project, and the CARDI/A.I.D. Small Farmer Multiple Cropping Systems Research Project. Coordination with Peace Corps agriculture programs has been planned to further strengthen the project.

Host Country and Other Donors: A.I.D. will finance training courses, technical advisors to local extension services and the UWI, and

communication equipment. Host countries and UWI will contribute to personnel and material costs. The UWI will continue back-stopping extension services when the project is completed.

Beneficiaries: The ultimate beneficiaries of more effective extension services are the region's small farmers. The agricultural censuses for the Eastern Caribbean and Belize estimate 61,722 small farm units. The A.I.D. life-of-project cost, therefore, is estimated to be \$112 per family.

FY 81 Program: (1) Implement national extension plans; (2) continue degree and diploma level training and the first series of communication/extension short-courses; (3) procure communication and mobilization equipment; and (4) initiate organizational and managerial changes in extension service.

| Major Outputs (and A.I.D. Unit Cost) | (\$ thousands) | |
|---|----------------|------------|
| | Unit | Cost |
| National extension service plans developed | 9 | (130) |
| Extension agents trained (diploma level) | 72 | (12) |
| In-service workshops conducted | 50 | (10) |
| Extension delivery/systems improved | 9 | (170) |
| UWI outreach/backstop capacity strengthened | 1 | (515) |
| A.I.D. Financed Inputs: | FY 81 | |
| Travel/transportation | | 50 |
| Technical assistance (5 person-years) | | 250 |
| Equipment | | 215 |
| Training (20 long-term plus in-service) | | 150 |
| Other costs | | 30 |
| TOTAL | | 695 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--------------------------------|-----------------------------|---|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | -0- | -0- | -0- | Faculty of Agriculture, University of the West Indies, |
| Estimated Fiscal Year 1980 | 900 | 450 | | |
| Estimated through September 30, 1980 | 900 | 450 | 450 | |
| | | Future Year Obligations | Estimated Total Cost | Midwest Universities Consortium for International Activities. |
| Proposed Fiscal Year 1981 | 695 | 5,305 | 6,900 | |

| | | | | | | |
|---|--|--|--|-------------------------------------|---|--------------------------|
| TITLE Caribbean Regional Nutrition | | FUNDS Agriculture, Rural Development and Nutrition | PROPOSED OBLIGATION (In thousands of dollars) FY 81 255 | | | LIFE OF PROJECT 1,357 |
| NUMBER 538-0022 | NEW <input type="checkbox"/> | PRIOR REFERENCE FY 80 Latin America Programs, p. 18 | INITIAL OBLIGATION FY 78 | ESTIMATED FINAL OBLIGATION FY 81 | ESTIMATED COMPLETION DATE OF PROJECT FY 82 | |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | | | | | |

Purpose: To increase the capability of the English-speaking Caribbean countries to develop, implement and evaluate regional and national food plans and programs.

Background and Progress to Date: In the Caribbean, malnutrition has increased mortality and morbidity especially among children. Policies and programs to address the problem are lacking because the expertise and resources available to each country are very limited. This project provides for: (1) technical assistance to expand the Caribbean Food and Nutrition Institute's (CFNI) program of preparation of food and nutrition plans; (2) the establishment of nutrition training programs; (3) the production and dissemination of education materials; and (4) a study of workforce and training needs. During the period of June 1978 and June 1979, two positions were filled in CFNI, thus providing it with a full complement of thirteen professionals. Fourteen short-term consultants served CFNI. Two national workshops on dietary management of diabetes/obesity were conducted. The first intensive course in the implementation of food and nutrition programs for middle-level personnel included eight participants from seven Caribbean countries. The overall objective of the course was to develop technical and management skills in planning, implementation and evaluation of food and nutrition projects. Advisory services were extended to most of CFNI's member countries for the coordination of food and nutrition planning and the organization of Food and Nutrition Councils. A regional meeting on "Feeding the Weaning Age Group" was held in Guyana, and a seminar on Food and Nutrition Planning was held in Dominica. Project evaluation indicated increased funding requirements for three activities: advisory services, training and educational materials development. The life of project was extended for an additional year to accommodate these needs.

Host Country and Other Donors: The Pan American Health Organization will provide \$146,000 and UNICEF and the Ford Foundation \$42,000 each.

Beneficiaries: Calculation of exact cost-per-beneficiary for this project is not feasible. The beneficiaries are children, pregnant and nursing women, and obese or diabetic adults in all member countries of CFNI. This group benefits from the existence of a better trained and informed cadre of professionals and from educational materials produced and disseminated through the project.

FY 81 Program: The project will continue to support implementation of effective, regional food and nutrition policies through: (a) in-service education, (b) regional seminars in food and nutrition policy and programming, (c) national seminars in diabetes and obesity, (d) intensive courses in the implementation of food and nutrition programs.

| Major Outputs (and Other Donors): | (\$ thousands) | |
|---|----------------|-------|
| | Unit | Cost |
| Intensive training courses (3 months each) | 3 | (30) |
| Regional technical meetings | 5 | (30) |
| In-service training workshops nutritionists | 4 | (15) |
| Seminars in diabetes and obesity | 17 | (2) |
| Development of food and nutrition policies | 8 | (60) |
| Development of educational materials | 8 | (25) |

| A.I.D. Financed Inputs: | FY 81 |
|-------------------------------------|-------|
| Technical assistance | 63 |
| Training | 67 |
| Educational materials and equipment | 125 |

TOTAL 255

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--------------|--------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 830 | 180 | 650 | |
| Estimated Fiscal Year 1980 | 272 | 350 | | |
| Estimated through September 30, 1980 | 1,102 | 530 | 572 | |
| Proposed Fiscal Year 1981 | 255 | - | 1,357 | |

Pan American Health Organization,
Caribbean Food and Nutrition Institute.

| | | | | | |
|--|-------------------------------|--|---|-------------------------------------|--|
| TITLE Caribbean Agricultural Planning | | FUNDS Agriculture, Rural Development and Nutrition | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 538-0033 | | PRIOR REFERENCE FY 80 Latin America Programs, p. 20 | FY 81 500 | LIFE OF PROJECT | 3,940 |
| GRANT <input checked="" type="checkbox"/> | LOAN <input type="checkbox"/> | | INITIAL OBLIGATION FY 79 | ESTIMATED FINAL OBLIGATION FY 83 | ESTIMATED COMPLETION DATE OF PROJECT FY84 |
| NEW <input type="checkbox"/> | | | | | |
| CONTINUING <input checked="" type="checkbox"/> | | | | | |

Purpose: To institutionalize the technical capacity to identify, analyze, prepare and evaluate agricultural development plans and projects within the Eastern Caribbean Common Market (ECCM) Secretariat.

Background and Progress to Date: Agricultural planning and programming capacities throughout the region are inadequate. None of the countries have agricultural sector planning offices and only two have formulated agricultural development plans. As a result, few of the countries have clearly identified objectives or priorities for the agricultural sector. Successful agricultural planning in Caribbean cannot be done without the cooperation and coordination of regional institutions such as the ECCM, Caribbean Agricultural Research and Development Institute, Caribbean Community, and Caribbean Development Bank. This project will focus on: establishing regional common services to assist in data collection and/or analysis; establishing local level expertise in the areas of survey techniques, project design and analysis and long-term policy formulation; and establishing a small core of regional technicians to provide common services to national planning offices for the preparation of agricultural projects. During FY 80 a Title XII institution will be selected to provide long and short-term technical assistance. Project activities in 1980 include: (1) ECCM, assisted by the Title XII institution, will design and conduct workshops and short-courses for local technicians in areas of project preparation, survey design and project implementation; (2) countries will carry out sample surveys of priority economic indicators depending on local needs; and (3) ECCM data processing and project preparation and analysis capacities will be upgraded.

Host Country and Other Donors: Each of the Caribbean states supports a small planning staff and most contribute to regional institutions such as the ECCM. Several related projects are being implemented by United Nations Development Program, Canadian International Development Agency, and others. This project will

be coordinated with such other external activities.

Beneficiaries: Improved agricultural planning will benefit the entire Eastern Caribbean population. Specifically it will improve the chances for long run gains in income for the areas 35,545 small-farm families (about 350,000 people) by establishing a sound basis for national policy decisions. Cost per beneficiary is, thus approximately \$11.00 per person for the life of the project.

FY 81 Program: (1) National agricultural plans will be reviewed and/or modified incorporating additional data generated by the project; (2) countries with ECCM assistance will have improved statistical basis and implemented programs to estimate production of at least twelve crops; and (3) ECCM will prepare the first annual assessment and report on agricultural activities and development in its sub-region.

| | | |
|--|------------------|-------------|
| | (\$ thousands) | |
| Major Outputs (and A.I.D. Unit Cost): | <u>All Years</u> | |
| | <u>Unit</u> | <u>Cost</u> |
| Organization, staff development and training of agricultural sector planning units | 9 | (148) |
| Local and regional data collection and analysis | 9 | (86) |
| Design and development of national agricultural sector plans | 8 | (135) |
| A.I.D. Financed Inputs: | <u>FY 81</u> | |
| Staff support (25 person-years) | | 100 |
| Technical assistance (5 person-years) | | 300 |
| Training (30 person-months) | | 50 |
| Program support | | 50 |
| TOTAL | | 500 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--------------------------------|-----------------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 1,184 | -0- | 1,184 | |
| Estimated Fiscal Year 1980 | -0- | -0- | | |
| Estimated through September 30, 1980 | 1,184 | 750 | 434 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 500 | 2,256 | 3,940 | |

Eastern Caribbean Common Market,
U.S. Title XII Institution to be selected.

| | | | | | |
|---|--|--------------------------|---|--------|-----------------|
| TITLE Caribbean Development Facility III | | FUNDS Various* | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 538-0045 | | PRIOR REFERENCE None. | FY 81 | 17,500 | LIFE OF PROJECT |
| GRANT <input type="checkbox"/> LOAN <input checked="" type="checkbox"/> | | | ESTIMATED FINAL OBLIGATION | FY 81 | 17,500 |
| NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/> | | | | | FY 82 |

Purpose: To assist governments in the English-speaking Caribbean to maintain adequate levels of investment in priority development projects which benefit the poor.

Background: The large increases in prices of oil and imported foodstuffs, a lack of a comparable increase in export earnings, and a decline in private sector investment have contributed to severe balance of payments problems, budgetary shortfalls, rising unemployment and decreasing real per capita income in much of the Caribbean. Governments have been unable to provide enough resources to implement planned development projects. In response to this situation, the Caribbean Development Facility (CDF) was created in June 1978, under the auspices of the Caribbean Group for Cooperation in Economic Development (CGCED). A.I.D. participation in the CDF is designed to provide funds to cover the local costs of other donor-assisted projects, thereby permitting Caribbean governments to use external project assistance funds otherwise unavailable to them. Only those governments committed to undertaking self-help measures to achieve economic stability and growth are eligible for donor assistance through the CDF program. The FY 1981 project will augment funds made available to eligible participating countries through the A.I.D.-financed CDF programs implemented in FY 1978 and FY 1980. Progress during the first year of the CDF's operations was reviewed at the second meeting of the CGCED in June 1979. A.I.D. and the Caribbean Development Bank (CDB) also reviewed the progress of the program before committing additional A.I.D. funds. The CGCED concluded that all participating countries have adopted development programs directed toward ensuring the viability of their relatively weak economies. Most countries achieved satisfactory progress during 1979 in adjusting to the changing international economic situation. A.I.D. and the CDB concluded that the more developed country (MDC) portion of the CDF I Project has been highly successful, with thirteen projects supported in three MDCs (all having significant impacts on lower-income groups). The less

developed country portion, while moving more slowly, is expected to be implemented on schedule. Progress during FY 1980, including the implementation of the A.I.D. FY 1980 CDF II Project, will be reviewed at the CGCED meeting in the spring of 1980.

Host Country and Other Donors: It is expected that in FY 1981 international and bilateral donors will make contributions similar to those made in FY 1979-1980 (over \$145 million of CDF-type assistance was pledged in the June 1979 meeting).

Beneficiaries: Principal beneficiaries are the poor in both rural and urban areas of recipient countries. The nature of this project precludes estimating individual beneficiary costs.

FY 81 Program: The CDB will relend A.I.D.'s loan funds to participating member countries. Sub-loans will be made to finance the local project costs of other external donors.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|--|----------------|--------------|
| | Unit | Cost |
| Accelerated implementation of major development projects | X | 17,500 |
| A.I.D. Financed Inputs: | | FY 81 |
| Financing of development projects local costs | | 17,500 |
| TOTAL | | 17,500 |
| *Distribution By Funding Accounts: | | FY 81 |
| Agriculture, rural development and nutrition | | 10,000 |
| Health | | 1,200 |
| Education and human resource | | 2,600 |
| Selected development activities | | 3,700 |
| TOTAL | | 17,500 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--------------|--------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | |
| Estimated Fiscal Year 1980 | - | - | - | |
| Estimated through September 30, 1980 | - | - | - | |
| Proposed Fiscal Year 1981 | 17,500 | - | 17,500 | |

Caribbean Development Bank.

| | | | | | |
|---|--|-------------------------------------|---|--|--|
| TITLE Epidemiological Surveillance and Training | | FUNDS Health | PROPOSED OBLIGATION (In thousands of dollars) | | |
| | | | FY 81 | 371 | LIFE OF PROJECT 1,160 |
| NUMBER 538-0027 | NEW <input type="checkbox"/> | PRIOR REFERENCE | INITIAL OBLIGATION FY 79 | ESTIMATED FINAL OBLIGATION FY 81 | ESTIMATED COMPLETION DATE OF PROJECT FY 82 |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | FY 80 Latin America Programs, p. 24 | | | |

Purpose: To increase the Caribbean Epidemiology Center's (CAREC) capability to assist member countries in laboratory and surveillance activities related to communicable disease; to improve the accuracy and efficiency of laboratory identification and surveillance of communicable disease; and to further develop West Indian middle management at CAREC.

Background and Progress to Date: Because of deficiencies in epidemiological services, the Caribbean Community (CARICOM) Health Ministers, assisted by the Pan-American Health Organization (PAHO), created the Caribbean Epidemiology Center. The Center provides epidemiology services to eighteen member countries. An initial three-year grant to help CAREC get underway was provided in 1975 by the U.S. Center for Disease Control in Atlanta. One of the important features of this grant was the establishment of a training unit at CAREC to offer training courses, workshops and individual traineeships. Under this current A.I.D. project, one seminar was conducted for six laboratory technicians in FY 1979, and over 114 individuals have received short-term training in laboratory surveillance and management techniques by the end of FY 1980. Also, at least one procedural and training manual will have been developed. The production and dissemination of educational materials is being expanded. Laboratory equipment and supplies are being procured to enable a fuller range of activities, including a refrigeration system for protecting vaccines. Data processing equipment will be installed to assist in monitoring and surveillance.

Host Country and Other Donors: Member country contributions to CAREC will provide \$1.5 million to support the Center's core budget during the three-year project, and the British Development Division will provide \$441,000. PAHO's contribution to the project is estimated at \$516,000. Other donors assist CAREC in research activities.

Beneficiaries: The populations of 18 participating countries will benefit directly from this regional project through the reduction in the incidence and prevalence of communicable disease. Those who benefit most directly are the national surveillance team members who will receive training and technical assistance. Due to the institution-building nature of this project, it is not feasible to calculate costs-per-beneficiary.

FY 81 Program: The project will provide for the continuation and expansion of training in disease surveillance, laboratory services and laboratory management. It is anticipated that at least one hundred persons will participate in training programs conducted in FY 1981.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|--|----------------|------|
| | All Years | |
| | Unit | Cost |
| Full operational status of CAREC training unit | X | - |
| Member country health personnel trained | 62 | (9) |
| Courses in surveillance/laboratory | 15 | (22) |
| Laboratory management techniques strengthened | X | - |
| Improved data collection and analysis system | 1 | (58) |
| Strategy developed for regional surveillance of animal diseases affecting humans | 1 | (25) |
| Quality control of immunization supplies | X | - |

| A.I.D. Financed Inputs: | FY 81 |
|-------------------------|-----------|
| Technical services | 60 |
| Training | 210 |
| Commodities | 11 |
| Other costs | <u>90</u> |

TOTAL 371

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 389 | 50 | 339 | |
| Estimated Fiscal Year 1980 | 400 | 300 | | |
| Estimated through September 30, 1980 | 789 | 350 | 439 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 371 | - | 1,160 | |

Pan American Health Organization
Caribbean Food and Nutrition Institute

| | | | | | |
|--|-------------------------------|--|---|----------------------------|---------------------------|
| TITLE Caribbean Regional Development Training | | FUNDS Education and Human Resources | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 538-0014 | | PRIOR REFERENCE FY 80 Latin America Programs, p. 26 | FY 81 | LIFE OF PROJECT | |
| GRANT <input checked="" type="checkbox"/> | LOAN <input type="checkbox"/> | | 1,000 | 4,000 | |
| NEW <input type="checkbox"/> | | | INITIAL OBLIGATION | ESTIMATED FINAL OBLIGATION | ESTIMATED COMPLETION DATE |
| CONTINUING <input checked="" type="checkbox"/> | | | FY 79 | FY 82 | FY 83 |

Purpose: To upgrade the skills and increase the supply of trained manpower in Barbados and the less developed countries (LDCs) of the Eastern Caribbean.

Background and Progress to Date: Obtaining adequately trained workers is an acute problem in the Eastern Caribbean. The problem is exacerbated by the fact that the small size of each country requires correspondingly small-scale operations in both the public and the private sectors. Essential community services such as public health, education, transportation, water, electrification and environmental protection must be established to serve populations which average only 80,000 people. These small operations cannot afford large, highly specialized staff resources. Thus, workers are required to perform an unusually broad range of technical and managerial functions.

The size of the Caribbean LDCs prevents them from operating training institutions for the range of subject areas required. Few public or private agencies are of sufficient size to set up in-house training programs. To reduce these constraints, this project will expand the availability of training programs in the LDCs themselves, in other parts of the Caribbean and in the U.S. Emphasis will be on use of regional training institutions to take advantage of economies of scale and to encourage regional collaboration. The public service training program and the participant training program were initiated in FY 1979. FY 1980 will be the first full operational year of all program components.

Host Country and Other Donors: The British and Canadian Governments support complementary training programs at a level of about \$2 million annually. The Inter-American Development Bank is financing project management training, and the Caribbean Center for Administration and Development is initiating a program of research, documentation and management training. Host country contributions to the A.I.D.-assisted program over the life of the project are estimated at \$2,795,000.

Beneficiaries: This project will directly benefit the administrative systems of the participating countries by upgrading their personnel systems, introducing analytical skills, and reducing bureaucratic inefficiency. Benefits will accrue to the population of the islands in general because more efficient administration will expedite services at lower unit costs.

FY 81 Program: A.I.D. will provide technical assistance and staff support to the Secretariat of the East Caribbean Common Market (ECCM), which will assist member states to assess their training needs and to improve management and supervisory skills. A.I.D. will finance training of LDC and Barbadian students at Caribbean and U.S. training institutions through a grant to be administered by the Caribbean Community Secretariat (CARICOM).

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---|----------------|--------|
| | Unit | Cost |
| ECCM Management and supervisory training workshops (participants) | 4840 | (0.5) |
| Training of trainers program | 1 | (210) |
| CARICOM special focus seminars (participants) | 1360 | (0.5) |
| Long-term training grants, U.S. (person-years) | 10 | (15) |
| Long-term training grants, Caribbean (person-years) | 30 | (3) |
| Short-term training grants (person-years) | 30 | (2) |

| A.I.D. Financed Inputs: | FY 81 |
|-------------------------------|--------------|
| Staff salaries and allowances | 143 |
| Program support | 377 |
| Special focus seminars | 180 |
| Individual training grants | 300 |
| TOTAL | 1,000 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 667 | - | 667 | |
| Estimated Fiscal Year 1980 | 500 | 800 | | |
| Estimated through September 30, 1980 | 1,167 | 800 | 367 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 1,000 | 1,833 | 4,000 | |

East Caribbean Common Market Secretary,
Caribbean Community Secretariat.

| | | | | | |
|--|--|--|--|-------------------------------------|--|
| TITLE Caribbean Education Development | | FUNDS Education and Human Resources | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 538-0029 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | | NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/> | PRIOR REFERENCE FY 80 Latin America Programs, p. 27 | FY 81 2,700 | LIFE OF PROJECT 9,960 |
| | | | INITIAL OBLIGATION FY 79 | ESTIMATED FINAL OBLIGATION FY 83 | ESTIMATED COMPLETION DATE OF PROJECT FY 84 |

Purpose: To make the Caribbean regional education systems more relevant for West Indian students by upgrading the course content, instructional techniques, and physical environment.

Background and Progress to Date: The current emphasis on rote memorization of academic material in primary and secondary schools is not relevant to the needs of West Indian children. Learning is further constrained by overcrowded and dilapidated primary schools. At the primary school level, A.I.D. is assisting the University of the West Indies (UWI) to expand its collaboration with the region's Ministries of Education to improve teacher training programs, adapt the curriculum to local needs and develop instructional materials. Through a grant to the Caribbean Development Bank (CDB), A.I.D. also is helping the poorest territories to improve the physical condition of selected primary schools and to develop adequate maintenance programs. At the secondary school level, A.I.D. is assisting the Caribbean Examinations Council (CXC): to administer efficiently new exams and to revise syllabi; and, in collaboration with the UWI, to prepare appropriate instructional materials and to train teachers in their use. By the end of FY 1980, at the primary level, UWI staff and territorial project implementation officers will have been appointed, the Project Advisory Group established, pilot schools selected, curriculum areas determined, and the first regional and territorial workshops held. At the secondary level, CXC will have identified, procured and disseminated materials and commenced subregional and territorial workshops; and CDB will have commenced school construction and renovation.

Host Country and Other Donors: The Canadian and British Governments are providing one advisor to the CXC and the UWI Faculty of Education, respectively. The British Government will continue to assist with the renovation and construction of some school facilities and with curriculum development activities in selected countries.

Participating country contributions are expected to total approximately \$3.1 million. UWI's and CXC's contributions are estimated at \$458,000 and \$1,980,000, respectively.

Beneficiaries: More than 42,000 West Indian primary and secondary school children will benefit each year of the project. Ultimately, over one million primary and 100,000 secondary students will have benefitted. The life-of-project cost to A.I.D. is approximately \$9 per student.

FY 81 Program: Under the primary school activity, workshop materials will be placed and tested in pilot schools, regional and territorial workshops will continue, and administrative training will begin. In the secondary program, CXC will continue workshops and materials dissemination and will acquire a computer for in-house data processing; and CDB will continue school construction.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---|----------------|-------|
| | Unit | Cost |
| In-service teacher-training workshops | 90 | (25) |
| Units of instructional materials produced and distributed | 3885 | (0.5) |
| Curriculum development and adaptation | 14 | (100) |
| Schools constructed | 6 | (300) |
| Schools rehabilitated | 11 | (125) |

| A.I.D. Financed Inputs: | FY 81 |
|--|--------------|
| Technical assistance, training, materials | 1,600 |
| School planning, maintenance, construction | 1,100 |
| TOTAL | 2,700 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|--|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 2,578 | -0- | 2,578 | University of the West Indies, Caribbean Examinations Council, Caribbean Development Bank. |
| Estimated Fiscal Year 1980 | 2,350 | 2,700 | | |
| Estimated through September 30, 1980 | 4,928 | 2,700 | 2,228 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 2,700 | 2,332 | 9,960 | |

| | | | | | |
|---|--|--|---|---|---|
| TITLE Special Development Activities | | FUNDS Selected Development Activities | PROPOSED OBLIGATION (in thousands of dollars) | | |
| NUMBER 538-0005 | NEW <input type="checkbox"/> | PRIOR REFERENCE | FY 81 300 | LIFE OF PROJECT Continuing* | |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | FY 80 Latin America Programs, p. 28 | INITIAL OBLIGATION FY 72 | ESTIMATED FINAL OBLIGATION FY Continuing* | ESTIMATED COMPLETION DATE OF PROJECT FY Continuing* |

Purpose: To provide for small-scale, self-help development activities which will have a direct and rapid impact on local communities.

Background and Progress to Date: A.I.D. continues to provide much needed assistance to small development projects which cannot be initiated because of limited financial resources. Activities developed under this project are initiated by local community groups, cooperatives, and other organizations. Peace Corps Volunteers frequently assist with project development and project implementation. Governments normally participate in planning and implementation, and recipients are expected to contribute at least 25% of the projects's total cost. Project activities have been carried out in the less developed countries and Barbados. At the end of FY 1979, over 100 individual activities had been financed. These projects have included vocational training for unemployed youth as well as small construction projects for clinics, schools and community centers. Home economics and handicrafts training have also received support, as well as gardening projects at schools and institutions. Some assistance has been given to sports and cultural activities. Because of this project's success and impact in recent years, an increase well above the usual yearly funding for this activity is needed. As a quick disbursing, bilateral program, the popularity and importance of this project has grown during the past years. A.I.D.'s ability to respond to small-scale immediate needs which were not included in regionwide projects provides a necessary complement to A.I.D.'s regional development strategy in the Caribbean. It is not only a visible measure of U.S. support to individual islands, but it is a direct avenue to the neediest people of the region.

Host Country and Other Donors: Community organizations, other donor agencies and host country governments often contribute in excess of 50% of the total cost of each project. These are both cash and in-kind donations.

Beneficiaries: The target group consists of low-income people in rural and urban areas who are attempting through their own initiative to mobilize resources for small-scale development projects to improve their communities and their institutions. The cost per beneficiary averages slightly less than \$5.

FY 81 Program: A.I.D. will continue to emphasize grants which are complementary to A.I.D. and Peace Corps programs and which have the widest possible impact among low-income families in the region.

| | |
|--------------------------------|----------------------|
| Major Outputs: | <u>Through FY 81</u> |
| Subprojects | 180 |
| | (\$ thousands) |
| A.I.D. Financed Inputs: | <u>FY 81</u> |
| Self-help grants | <u>300</u> |
| TOTAL | 300 |

*It is expected that activities under this project will continue as long as A.I.D. maintains an assistance program in the Caribbean Region.

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 428 | 266 | 162 | None. |
| Estimated Fiscal Year 1980 | 300 | 200 | | |
| Estimated through September 30, 1980 | 728 | 466 | 262 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 300 | Continuing* | Continuing* | |

| | | | | | |
|---|---|--|---|-------------------------------------|--|
| TITLE Employment Investment Promotion I | | FUNDS Selected Development Activities | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 538-0013 | | PRIOR REFERENCE FY 80 Latin America Programs, p. 29 | FY 81 500 | LIFE OF PROJECT 1,676 | |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/> | | INITIAL OBLIGATION FY 78 | ESTIMATED FINAL OBLIGATION FY 81 | ESTIMATED COMPLETION DATE OF PROJECT FY 83 |

Purpose: To develop an institutional capacity within the Eastern Caribbean for the identification, development dissemination and promotion of technologies and policies appropriate to the resources of the region.

Background and Progress to Date: The countries of the English-speaking Caribbean are characterized by relatively high unemployment brought about by limited economic growth and a rapidly increasing labor supply. The fall in employment levels in the economically declining agricultural sector has not been offset by sufficient expansion of the newer growth sectors (tourism and manufacturing) to permit absorption of the growing labor force. To address this problem, the Caribbean Development Bank (CDB), in FY 1978, recommended reforms in the countries' Development Finance Corporations (DFC) to permit an increase in industrialization and to establish a Technology Research and Development Fund which finances: (a) resource evaluation studies to develop new applications for the area's raw materials; (b) product and process development, including pilot plants and demonstrations for processing indigenous materials with appropriate technology; and (c) adaptation studies and the design of pilot operations based on the adapted technology. In FY 1979, a Technology Unit was established in the CDB and staffed with two professionals and three secretary/clerks that are collecting, cataloging and disseminating technical information throughout the Caribbean. The Technology Unit conducted a seminar on information transfer which was attended by 130 delegates. Two participants have completed short term training in data collection and transfer. To expand the CDB's data resource base, a contract was negotiated with the National Technology Information Service of the U.S. Department of Commerce. In FY 1980, the CDB's staff will continue actively to pursue reforms in developmental lending procedures in four countries; and evaluation will begin on five technology research sub-projects to be financed by the Technology Research and Development Fund.

Host Country and Other Donors: The CDB is providing an estimated \$359,000 over the life of the project in the form of staff support and administrative services.

Beneficiaries: Unskilled workers, and semi-skilled personnel will indirectly benefit actively through new jobs created and utilization of local resources. Due to the institution-building nature of the project the determination of cost-per-beneficiary is not feasible.

FY 81 Program: Funds will be provided to support the strengthening of the institutional capacity of the CDB. Technical assistance will be provided for reform of two DFCs. Three research studies on the application of appropriate technology to regional development problems will be completed and five other studies concerning appropriate technology will be initiated. The CDB will provide technological information for industrial and agricultural project analyses throughout the Caribbean.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---------------------------------------|----------------|------------|
| | Unit | Cost |
| Resource evaluation studies | 10 | (25) |
| New processing technologies developed | 30 | (20) |
| Technologies adapted | 10 | (30) |
| New industries established | 20 | (20) |
| Lending institution reforms | 4 | (28) |
| A.I.D. Financed Inputs: | | |
| Technology research fund | | <u>500</u> |
| TOTAL | | 500 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES Caribbean Development Bank. |
|--|-------------|-------------------------|----------------------|--|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 923 | 150 | 773 | |
| Estimated Fiscal Year 1980 | 253 | 850 | | |
| Estimated through September 30, 1980 | 1,176 | 1,000 | 176 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 500 | - | 1,676 | |

| | | | | | |
|---|--|--|---|----------------------------|---------------------------|
| TITLE Caribbean Institutional Development | | FUNDS Selected Development Activities | PROPOSED OBLIGATION (In thousands of dollars) | | |
| | | | FY 81 400 | LIFE OF PROJECT | 1,840 |
| NUMBER 538-0016 | NEW <input type="checkbox"/> | PRIOR REFERENCE | INITIAL OBLIGATION | ESTIMATED FINAL OBLIGATION | ESTIMATED COMPLETION DATE |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | FY 80 Latin America Programs, p. 30 | FY 78 | FY 82 | FY 82 |

Purpose: To establish the Caribbean Development Bank (CDB) as a principal source of technical assistance to the less developed countries (LDC) of the Eastern Caribbean.

Background and Progress to Date: The CDB, established in 1970 as a development finance institution for the English-speaking Caribbean, had approved \$180 million in loans by 1979. A major constraint to the effectiveness of the CDB's lending program is the limited absorptive capacity of these less developed countries caused by their shortage of skilled administrative and technical personnel. With A.I.D.'s assistance, a Regional Technical Assistance Fund was established within the CDB in FY 1978 to assist its member countries to improve their performance in general development planning, project preparation, and project implementation. Activities initiated in FY 1979, which will be further expanded in FY 1980, will involve a broad range of technical assistance in the form of advisory services, feasibility studies, and short-term training and staffing for development. The expertise provided is helping to alleviate the region's serious shortage of specialized personnel in the productive sectors, in public and fiscal administration, and in the management of services to meet basic human needs.

Host Country and Other Donors: The CDB will provide \$268,000 to the project. Other donors have made commitments to the Technical Assistance Fund similar to A.I.D.'s contribution.

Beneficiaries: Assistance in development planning and project preparation as well as upgrading and expanding technical and administrative skills of LDC personnel will result in more effective development projects, thus ultimately benefiting A.I.D.'s

target group of low income people. However, it is impractical to calculate A.I.D.'s individual beneficiary costs for this institution-building project.

FY 81 Program: In FY 1981 the CDB will complete five feasibility studies and initiate six others. It is expected that activities related to specialized training, project implementation assistance, and the development of the CDBs own capacities will take on greater emphases. Overall, some 150 work-months of technical assistance for the region will be channeled through the Fund by the end of FY 1981.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---|----------------|------------|
| | Unit | Cost |
| Improved project implementation capability in participating countries | 8 | (163) |
| Project preparation seminars | 2 | (75) |
| Expanded technical advisory capacity in CDB | 1 | (385) |
| A.I.D. Financed Inputs: | FY 81 | |
| Technical Assistance (110 person-months) | | <u>400</u> |
| TOTAL | | 400 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 800 | - | 800 | Caribbean Development Bank. |
| Estimated Fiscal Year 1980 | 300 | 500 | | |
| Estimated through September 30, 1980 | 1,100 | 500 | 600 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 400 | 340 | 1,840 | |

| | | | | | |
|--|--|--|---|-------------------------------------|--|
| TITLE Employment Investment Promotion II | | FUNDS Selected Development Activities | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 538-0018 | NEW <input type="checkbox"/> | PRIOR REFERENCE None. | FY 81 G-400 | LIFE OF PROJECT L-8,400; G-1,400 | |
| GRANT <input checked="" type="checkbox"/> LOAN <input checked="" type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | | INITIAL OBLIGATION FY 79 | ESTIMATED FINAL OBLIGATION FY 82 | ESTIMATED COMPLETION DATE OF PROJECT FY 83 |

Purpose: To stimulate the investment in small and medium-scale businesses necessary to increase production and employment in the region.

Background and Progress to Date: Caribbean countries are not able to generate sufficient employment through the agricultural sector. A major constraint affecting increased employment opportunities in the region is the lack of: (1) supplementary financing and technical assistance for industrial estates (i.e., industrial parks with buildings) and (2) lending for small and medium businesses. Small and medium-scale manufacturing and service enterprises offer particular promise for employment generation, in addition to traditional or informal activities such as workshops and household industries. These labor-intensive ventures provide an outlet for independent entrepreneurs who are able to organize employment for others. By the end of FY 1980 this project -- supported by A.I.D.'s concurrent Employment Investment Promotion I project -- will have provided long and medium-term credits to Caribbean small industries and to industrial estates through: (a) direct lending by the Caribbean Development Bank (CDB); (b) sub-lending to small and medium business enterprises through new or revitalized financial intermediaries; and (c) technical assistance to small businessmen from on-site advisors. The availability of new credits and specialized technical assistance has created new industries and expanded some already existing ones. In addition, the following activities are also planned for FY 1980: (1) five small business advisors are being stationed in six countries; (2) some 18 to 25 industrial subprojects are being identified for loan funding; (3) the CDB through its banking advisor, is revitalizing two credit institutions; and (4) a plan is being finalized by the CDB and participating local governments for industrial estate development throughout the Caribbean.

Host Country and Other Donors: Host governments and borrowers are expected to contribute \$1.7 million in counterpart loan funds. The CDB will provide some \$510,000 for salaries and sub project evaluations.

Beneficiaries: Primary beneficiaries will be the emerging entrepreneurs and the laboring class, especially recent migrants to urban areas. It is expected that many women and young adults will benefit from expanded job opportunities. It is estimated that a total of 2,850 new jobs will be generated by the project at an A.I.D.-financed cost of approximately \$3,400 per job.

FY 81 Program: The FY 1981 program will: continue industrial development and technical activities started in FY 1980; reorganize two additional financial institutions; implement some 15 entrepreneurial sub-projects; and identify three industrial estate projects.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|--|----------------|------------|
| | Unit | Cost |
| Revitalized intermediate lending institutions | 5 | (80) |
| Financing of industrial estates | 5 | (600) |
| Sub-loans to small and medium industries | 150 | (36) |
| Business and marketing workshops | 60 | (16) |
| A.I.D. Financed Inputs: | | |
| | FY 81 | |
| Business and investment advisors (10 person years) | 120 | |
| Technical assistance (30 person-months) | | <u>280</u> |
| TOTAL | | 400 |

| | U.S. FINANCING (In thousands of dollars) | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--------------------------------------|--|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | L-8,400; G-250 | - | L-8,400; G-250 | The Caribbean Development Bank. |
| Estimated Fiscal Year 1980 | G-400 | L-1,100; G-600 | | |
| Estimated through September 30, 1980 | L-8,400; G-650 | L-1,100; G-600 | L-7,300; G-50 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | G-400 | G-350 | L-8,400; G-1,400 | |

| | | | | | |
|---|---|--|---|----------------------------------|--|
| TITLE Environmental Management | | FUNDS Selected Development Activities | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 538-0024 | | PRIOR REFERENCE FY 80 Latin America Programs, p. 31 | FY 81 | 400 | LIFE OF PROJECT 3,000 |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/> | | INITIAL OBLIGATION FY 81 | ESTIMATED FINAL OBLIGATION FY 84 | ESTIMATED COMPLETION DATE OF PROJECT FY 85 |

Purpose: To strengthen the capacity of institutions to manage a program among the Less Developed Country (LDC) islands of the Eastern Caribbean to improve conditions affecting their environment and natural resources.

Background: Problems of environmental health, sanitation, pollution and natural resource degradation are taking their toll on the ecological systems of the Eastern Caribbean islands. Increasing populations, urbanization, industrialization, and unwise natural resource exploitation have led to severely polluted waters, deforestation, soil depletion, erosion and wildlife losses. At a recent A.I.D.-sponsored conference on economic development and environmental management, the governments of the Eastern Caribbean expressed their desire to halt environmental deterioration by means of an action program promoting public awareness, focusing public policy, transferring information and training technicians and administrators in the management of natural resources. This project will respond to those initiatives by providing technical assistance for: (1) support of environmental planning and management efforts in the region; (2) training; (3) technology transfer; (4) small-scale applied ecosystem research; and (5) formulation of specific projects promoting the protection and efficient use of natural resources.

Host Country and Other Donors: Regional institutions are expected to provide some \$500,000 of in-kind support.

Beneficiaries: Due to the institution-building nature of this project, it is not practical to determine costs-per-beneficiary. Benefits will accrue to the total populations of participating countries as conservation and development of natural resources are institutionalized.

FY 81 Program: Regional environmental strategy seminars will be held to formulate plans for the development of policies in problem areas. Consultants will identify policy and project solutions to problems caused by industrial waste, pesticides, sewage disposal, and pollution. Sub-project activities are planned in the following areas: law and policy, management training and planning, forestry, soil and fisheries conservation, marine culture, park and reserve management, environmental education, community action, and data collection and analysis. The regional environmental health strategy formulated under an earlier A.I.D.-assisted activity will be utilized where appropriate in designing sub-projects. Staff training will begin with approximately 20 participants enrolled in workshops to examine specific problem areas, as well as in-service training related to project analysis.

| | | |
|--|------------------|-------------|
| | (\$ thousands) | |
| <u>Major Outputs (and A.I.D. Unit Cost):</u> | <u>All Years</u> | |
| | <u>Unit</u> | <u>Cost</u> |
| Regional environmental policy | 1 | (200) |
| LDC environmental policies established | 5 | (50) |
| Environmental staff trained | 80 | (5) |
| Subproject analyses/feasibility studies | 20 | (40) |
| <u>A.I.D. Financed Inputs:</u> | <u>FY 81</u> | |
| Technical assistance | | 100 |
| Research studies | | 150 |
| Subproject analyses/training | | <u>150</u> |
| TOTAL | | 400 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--------------------------------|-----------------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | To be selected. |
| Estimated Fiscal Year 1980 | - | - | - | |
| Estimated through September 30, 1980 | - | - | - | |
| | | <u>Future Year Obligations</u> | <u>Estimated Total Cost</u> | |
| Proposed Fiscal Year 1981 | 400 | 2,600 | 3,000 | |

| | | | | | |
|---|---|--|---|----------------------------|--------------------------------------|
| TITLE Caribbean Economic Cooperation | | FUNDS Selected Development Activities | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 538-0026 | | PRIOR REFERENCE | FY 81 | 400 | LIFE OF PROJECT |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/> | FY 80 Latin America Programs, p. 34 | INITIAL OBLIGATION | ESTIMATED FINAL OBLIGATION | ESTIMATED COMPLETION DATE OF PROJECT |
| | | | FY 81 | FY 84 | FY 85 |

Purpose: To promote economic cooperation and common public services among the Caribbean countries in order to achieve economies of scale and enhance their development.

Background: The development of Caribbean countries is hindered by their small size, miniscule markets, insufficient arable land, limited natural resources, special transportation requirements, and scarce government revenues. The establishment of common public services and the integration of the Caribbean economies will help ease these constraints. Limited regional cooperation has been initiated in education, scientific research, and transportation. Similarly, economic coordination is underway among the English-speaking states through the Caribbean Common Market arrangement (CARICOM). Collaboration among the English-speaking states, Haiti and the Dominican Republic on matters of common concern is desirable -- such as epidemic diseases and environmental preservation. Private sector activities are receiving attention from a special task force of the Caribbean Group for Cooperation in Economic Development (CGCED). The task force is preparing a plan to strengthen private sector participation in the development process and to examine procedures for sharing information and expertise. Economic coordination among Caribbean countries will result in expanded markets and improved quality of life for their citizens. This project supports; improving of common public services among the least-developed states of the Eastern Caribbean; strengthening CARICOM and Eastern Caribbean Common Market arrangements and capabilities; studying regional transportation needs; improving tax administration; and financing for priority investment programs. Initial funding, planned for FY 1979, has been rescheduled for in FY 1981 in order to permit further refinement of the project design.

Host Country and Other Donors: A.I.D. is working through the CGCED to focus other donor attention on approaches to regional cooperation. The World Bank and the Inter-American Development

Bank have agreed to undertake regional studies of industrial incentives and tourism. Financing of common services and regional investment schemes is expected to be provided by CGCED members. The Caribbean Organization of Tax Administrators will support the implementation of improved common tax administration.

Beneficiaries: The broad, institution-building nature of this project precludes the determination of exact cost-per-beneficiary. The project will eventually have an impact on people throughout the Caribbean.

FY 81 Program: Grants will be provided to support strengthening common public services in the Eastern Caribbean, financing economic cooperation studies, providing technical assistance to CARICOM, and financing studies of other regional problems.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|--|----------------|------------|
| | All Years | |
| | Unit | Cost |
| Levels of public services increased | X | - |
| Regional trade Increased | X | - |
| Transport costs reduced | X | - |
| Food and consumer goods costs reduced | X | - |
| Managerial and technical personnel trained | 100 | (3) |
| Executives trained | 20 | (10) |
| A.I.D. Financed Inputs: | | |
| Technical assistance | | 250 |
| CARICOM institutional development | | 100 |
| Other studies and technical assistance | | <u>50</u> |
| TOTAL | | 400 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | To be selected. |
| Estimated Fiscal Year 1980 | - | - | - | |
| Estimated through September 30, 1980 | - | - | - | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 400 | 4,600 | 5,000 | |

| | | | | | |
|--|--|--|---|--|---------------------------------|
| TITLE Basic Human Needs/Employment Sector | | FUNDS Selected Development Activities (SDA) and Education and Human Resources (EHR) | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 538-0030 | | PRIOR REFERENCE Advice of Change Submitted August 10, 1979 | FY 81 G-2,500 (SDA) | LIFE OF PROJECT L-2,000; G-4,000 (EHR) | G-11,500 (SDA) G-4,000 (EHR) |
| GRANT <input checked="" type="checkbox"/> | LOAN <input checked="" type="checkbox"/> | | NEW <input type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | INITIAL OBLIGATION FY 79 |
| ESTIMATED COMPLETION DATE OF PROJECT FY 82 | | | | | |

Purpose: To increase the productivity and income of the underemployed in the Eastern Caribbean less developed countries (LDCs) and Barbados through fast disbursing, labor-intensive subprojects; and to maintain and expand the stock of economic and social infrastructure.

Background and Progress to Date: In addition to severe unemployment, the countries of the Eastern Caribbean are faced with a serious deterioration in the infrastructure vital to future development and to the provision of basic public services. This project is addressing these two development constraints by financing a series of labor-intensive subprojects in the Eastern Caribbean LDCs and Barbados. Typical activities involve the construction of primary schools, rehabilitation and maintenance of health and community centers, repair of roads and drainage systems, and reforestation. A pilot skills training program for the construction trades in Barbados will be conducted also. The project features a rapid implementation system and the decentralization of subproject administration and supervision. A substantial pool of consultants is available to assist with subproject design and execution. The Caribbean Development Bank (CDB) and participating countries are also receiving support for project management and supervision. The project's labor-intensive efforts will measurably increase employment opportunities for lower income groups in the region.

Host Country and Other Donors: The CDB is actively encouraging the contributions of other donors to the Basic Human Needs Fund (BHNF), which has been established in the Bank under this project. Participating countries are providing substantial staff support for subproject administration and management.

Beneficiaries: A minimum of 44,000 person-months of employment will be generated through the project, directly benefitting an

estimated 5,000 unemployed persons and their families during the life of the project. All citizens of the participating countries will benefit from the conservation and expansion of public infrastructure and services. Taking into consideration the number of persons directly employed, their dependents, and those who will utilize the public facilities constructed or improved, the cost-per-beneficiary is estimated at \$300 over the life of the project.

FY 81 Program: The CDB will continue the implementation of school and other infrastructure improvement subprojects; an average of two school and three non-school subprojects will be undertaken this fiscal year in each participating country.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---|----------------|--------------|
| | Unit | Cost |
| Schools constructed | 7 | (300) |
| Schools rehabilitated | 15 | (120) |
| Other infrastructure subprojects, (e.g., roads and drainage systems repaired; clinics rehabilitated; reforestation) | 88 | (125) |
| A.I.D. Financed Inputs: | FY 81 | |
| Construction/rehabilitation activities | | <u>2,500</u> |
| TOTAL | | 2,500 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------------|--------------------------------|-----------------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | L-2,000; G-5,625 | - | L-2,000; G-5,625 | Caribbean Development Bank. |
| Estimated Fiscal Year 1980 | G-4,875 | L-1,500; G-3,000 | | |
| Estimated through September 30, 1980 | L-2,000; G-10,500 | L-1,500; G-3,000 | L- 500; G-7,500 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | G-2,500 | G-2,500 | L-2,000; G-15,500 | |

| | | | | | |
|---|--|--|--|-------------------------------------|--|
| TITLE Alternative Energy Systems I | | FUNDS Selected Development Activities | PROPOSED OBLIGATION (In thousands of dollars) FY 81 1,700 | | LIFE OF PROJECT 7,600 |
| NUMBER 538-0032 | NEW <input type="checkbox"/> | PRIOR REFERENCE FY 80 Latin America Programs, p. 33 | INITIAL OBLIGATION FY 79 | ESTIMATED FINAL OBLIGATION FY 82 | ESTIMATED COMPLETION DATE OF PROJECT FY 84 |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | | | | |

Purpose: To establish an institutional capability in the Caribbean for energy planning, including: energy needs assessments; conservation studies; energy resource assessments; and design, testing and adaptation of alternative energy technologies.

Background and Progress to Date: In the Caribbean, the high cost of energy has caused severe inflationary and balance of payments problems. Between 1972 and 1979, fuel import bills increased approximately four-fold. The governments of the countries began a search for alternative energy resources in order to reduce their dependence on fossil fuels. However, governments and local institutions do not have the technical expertise to develop such resources. This project assists in the development of skills and technologies in the following energy related fields: (a) policy planning and assessment; (b) technical and analytical training; (c) communications; and (d) field testing of energy technologies. The staffs of the Caribbean Community Secretariat (CARICOM) and Caribbean Development Bank (CDB) are being augmented to manage the program. During FY 80, three countries will initiate energy planning activities, over one hundred participants will be trained in energy planning, management and accounting, and applied research activities will be initiated in eight locations. Two regional conferences will also be held.

Host Country and Other Donors: Local governments will contribute staff and test facility sites valued at some \$4 million. Regional institutions such as CARICOM, CDB and the University of the West Indies are participating in project implementation with in-kind staff support. The U.S. Department of Energy has transmitted the results of applied energy equipment testing.

Beneficiaries: All low income inhabitants of the Caribbean are indirect beneficiaries through the utilization of more cost-effective renewable energy resources. Two hundred rural families will participate in the testing of new energy resources. The

technical programs will open new job opportunities in commercialization and manufacture of renewable energy equipment. Direct beneficiaries are the some 1,500 people involved in project implementation and trained in technical disciplines as well as the institutions, technical colleges and ministries which will expand their knowledge and management capabilities. Because of the experimental and institution-building nature of the project, calculation of cost-per-beneficiary is not feasible.

FY 81 Program: The FY 81 program will fund regional and country-level pilot projects in energy systems as well as additional research studies and technical assistance. Sixty staff participants will be sent to a short course on energy management and use. Four country-specific training courses will be implemented.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---|----------------|-------|
| | All Year | |
| | Unit | Cost |
| Policy and planning activities | 28 | (34) |
| Energy training courses | 50 | (26) |
| Communication and information transfer activities (newsletter, etc) | 3 | (122) |
| Subproject field testing and demonstration activities | 73 | (36) |

| A.I.D. Financed Inputs: | FY 81 |
|---|--------------|
| CDB/CARICOM staff support (10 person-years) | 300 |
| Technical assistance in planning | 450 |
| Training (100 person-months) | 300 |
| Communications/conferences | 150 |
| Technical demonstration projects | 500 |
| TOTAL | 1,700 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES Caribbean Development Bank, Caribbean Community Secretariat. |
|--|-------------|-------------------------|----------------------|--|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 2,050 | - | 2,050 | |
| Estimated Fiscal Year 1980 | 750 | 1,200 | | |
| Estimated through September 30, 1980 | 2,800 | 1,200 | 1,600 | |
| Proposed Fiscal Year 1981 | 1,700 | 3,100 | 7,600 | |
| | | Future Year Obligations | Estimated Total Cost | |

| | | | | | |
|---|---|--|---|----------------------------|---------------------------|
| TITLE Alternative Energy Systems II | | FUNDS Selected Development Activities | PROPOSED OBLIGATION (In thousands of dollars) | | |
| | | | FY 81 3,800 | LIFE OF PROJECT 5,000 | |
| NUMBER 538-0037 | NEW <input checked="" type="checkbox"/> | PRIOR REFERENCE | INITIAL OBLIGATION | ESTIMATED FINAL OBLIGATION | ESTIMATED COMPLETION DATE |
| GRANT <input type="checkbox"/> LOAN <input checked="" type="checkbox"/> | CONTINUING <input type="checkbox"/> | None. | FY 81 | FY 81 | OF PROJECT FY 85 |

Purpose: To stimulate investment in the design, manufacture, construction and installation of renewable energy resource systems in the Caribbean.

Background: The continued increase of fossil fuel costs in the Caribbean region has made renewable energy systems major methods of reducing inflation and balance of payments deficits. The FY 1979 A.I.D. Alternative Energy Systems I Project currently provides funds for energy policy development, technical data collection and analysis, and renewable energy demonstration projects. As a result of the project's success in increasing public awareness and demonstrating small-scale alternative energy systems, businesses now need a source of specific credits to expand investments and improve the consumer delivery system. The conversion of indigenous resources now can be cost competitive with conventional fuels because of the region's abundance of solar, wind and biomass capabilities. In rural areas of the Caribbean, low-income families without access to commercial energy can, with minimum skills and capital, participate in a renewable energy system. The project will enable local manufacturers to build and supply the hardware needed to respond to new nonconventional energy opportunities in the Caribbean. Project funds will be used to support the following activities: conversion of existing private and commercial energy facilities to renewable energy operations; local assembly or manufacture of components for innovative systems, such as solar water heaters and crop dryers; the purchase of renewable systems by local consumers; and the financing of standby or supplemental generating systems to feed energy grids.

Host Country and Other Donors: Participating countries and businesses will contribute some \$300,000 in counterpart contributions. Implementing institutions will contribute staff and operating expenses estimated at \$90,000.

Beneficiaries: Primary beneficiaries will be the rural population which gains access to electrical power as a result of alternative system utilization and the entrepreneurs who expand or develop businesses related to renewable energy resources. Indirect benefits will accrue to people for whom jobs are created. An estimated 6,000 persons will benefit from the project at an A.I.D.-financed cost of \$833 per beneficiary.

FY 81 Program: Identification and negotiation of four country loans and three intermediate credit institution loans for renewable energy subprojects.

| | | |
|--|----------------|-------|
| | (\$ thousands) | |
| <u>Major Outputs (and A.I.D. Unit Cost):</u> | All Years | |
| | Unit | Cost |
| Small business loans | 30 | (53) |
| Supplemental power systems | 6 | (333) |
| Consumer loans | 40 | (22) |
| <u>A.I.D. Financed Inputs:</u> | FY 81 | |
| Credit funds | | 3,800 |
| TOTAL | | 3,800 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | To be selected. |
| Estimated Fiscal Year 1980 | - | - | - | |
| Estimated through September 30, 1980 | - | - | - | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 3,800 | 1,200 | 5,000 | |

CENTRAL AMERICAN REGIONAL PROGRAM (ROCAP)

| PROGRAM SUMMARY (In thousands of dollars) | | | | | | | |
|--|--------------------|--|---------------------|----------|---|---------------------------------|----------------|
| Fiscal Year. | Total ^A | Agriculture, Rural Development and Nutrition | Population Planning | Health | Education and Human Resources Development | Selected Development Activities | Other Programs |
| 1979 | | | | | | | |
| Loans | - | - | - | - | - | - | - |
| Grants ... | 2,645 | 2238 | - | - | 426 | - | - |
| Total .. | 2,645 | 2238 | - | - | 426 | - | - |
| 1980 | | | | | | | |
| Loans | - | - | - | - | - | - | - |
| Grants ... | 3850 | 3210 | - | - | 540 | 100 | - |
| Total .. | 3850 | 3210 | - | - | 540 | 100 | - |
| 1981 | | | | | | | |
| Loans | - | - | - | - | - | - | - |
| Grants ... | 3750 | 3310 | - | - | 240 | 200 | - |
| Total .. | 3750 | 3310 | - | - | 240 | 200 | - |

U.S. Interests

The United States has an interest in preserving the independence and security of Central America while encouraging democracy and respect for human rights. The United States supports expanded regional cooperation as a means of facilitating political development and economic growth in a region increasingly racked by unrest due largely to the unfulfilled expectations of the poor.

Development Overview

The recent political disturbances in the region, rising petroleum costs and the resulting domestic inflation have contributed to reversing the previous upward trend of Central American regional trade and economic growth. The region's gross domestic product growth rate declined from 7.3% in 1977 to 4% in 1978, and the balance of payments of several countries has fallen from a surplus in 1977 to a deficit in 1978. These adverse economic trends have aggravated the condition of the rural and urban poor in

the region by reducing the number of new jobs available and increasing the prices of such basic necessities as food and kerosene. These problems, of course, must be addressed primarily through the national efforts of each country in the region. However, a wide array of regional institutions has been established which plays an important role in developing common approaches to shared economic problems and in facilitating regional cooperation in such key areas as trade and export development. For example, the Tropical Agricultural Research and Training Center (CATIE) engages in research on problems affecting small farmers throughout the region. The Nutrition Institute for Central America and Panama (INCAP) has actively promoted programs to improve health and nutrition in the five Central American countries and Panama. The Central American Institute for Industry (ICAITI) supports research and demonstration activities in such areas as appropriate technology and alternative energy sources. Of significant potential importance is the role of the Secretariat for Central American Integration (SIECA) in encouraging changes in trade and pricing policies leading to increased exportation of agricultural and industrial products outside of the region to the world market.

Socio-Economic Performance

While recent events have slowed its growth, intra-regional trade has been a major engine of development in Central America over the last two decades, reaching \$950 million in 1978. Some 200,000 new jobs have been created by the integration movement during this period, and an estimated one-third of the gross national product growth in the region has resulted from the expansion of intra-regional trade during the last five years. The Central American governments have contributed significant resources in support of the regional movement -- providing, for example, over \$30 million for six key regional technical institutions. They have paid \$75 million to the Central American Bank for Economic Integration (CABEI) and recently agreed to increase the authorized capital of that institution to \$200 million. Currently the central banks of the five countries are moving towards increasing their contributions to the Central American Monetary Stabiliza-

CENTRAL AMERICAN REGIONAL PROGRAM (ROCAP)

tion Fund to assist member countries with severe trade imbalances. Under the auspices of the regional agricultural organizations, the Central American Ministries of Agriculture are working to remove restrictions to intra-regional agricultural trade and to increase small farmer and agricultural production.

Total Resources

The Inter-American Development Bank supports the industrial and agricultural credit programs of CABEI, the economic research of SIECA, and the renewable energy and appropriate technology research of ICAITI. ICAITI also receives support from Britain, Spain, and the United States. CATIE receives funds from Britain, Canada, Holland and West Germany as well as the United States. Sweden, Britain and the United States support the health and nutrition programs of INCAP.

A.I.D. Strategy

A.I.D. supports Central American cooperation where a common problem exists and a region-wide solution is feasible and cost-effective. As political conditions stabilize in the region and the countries take further steps toward economic integration, the United States will consider means of expanding its support for the regional movement and of mobilizing additional resources from both multilateral and bilateral donors in support of this movement. In FY 1981, A.I.D. will assist: (1) CATIE to develop and apply new multiple cropping and small animal farming systems for small farmers; (2) CATIE, ICAITI, and national institutions to conduct applied research into fuelwood production and energy efficient technologies for rural areas; (3) INCAP to help improve food use and diets as well as nutrition planning; (4) ICAITI, the Regional Institution for Plant and Animal Sanitation (OIRSA) and national institutions to assess the consequences of pesticide misuse and to improve environmental protection practices; and (5) the Inter-American Institute for Agricultural Sciences (IICA) to improve agricultural information collection and retrieval for the benefit of small farmers.

| FY 81 PROGRAM HIGHLIGHTS | |
|----------------------------------|---|
| A.I.D. will continue to support: | |
| - | CATIE and ICAITI's research in fuelwood production and energy efficient technologies. |
| - | ICAITI and OIRSA's joint program to protect the environment from misuse of pesticides. |
| - | IICA's agricultural information collection and retrieval program as well as its exchange program of skilled Central Americans to help resolve rural development problems throughout the region. |

A/ Funds for Project Development and Support as well as Operational Program Grants are not included in this table. They are reflected in the Latin America and Caribbean Regional Program.

| PERSONNEL/PARTICIPANTS DATA CP 81-17 (8-79) | | | |
|--|---------------------|------------------------|-----------------------|
| Category | FY 1979 (Actual) | FY 1980 (Estimated) | FY 1981 (Proposed) |
| AID Personnel^a | | | |
| Direct Hire ^b | 10 | 13 | 13 |
| PASA ^c | 3 | 4 | 4 |
| Contract | - | - | - |
| Total | 13 | 17 | 17 |
| Participants^d | | | |
| Noncontract | 1 | - | 9 |
| Contract | 3 | - | 3 |
| Total | 4 | - | 12 |
| ^a U.S. nationals on duty at the end of the fiscal year. ^b FY 1980 and FY 1981 position levels. ^c Participating agency technicians. ^d Programmed during the fiscal year. | | | |

CENTRAL AMERICAN REGIONAL PROGRAM (ROCAP)

| RESOURCE FLOWS | | | |
|--|---------------------|------------------------|-----------------------|
| | | | CP 81-08 (8-79) |
| <i>(In thousands of dollars)</i> | | | |
| Program | FY 1979 (Actual) | FY 1980 (Estimated) | FY 1981 (Proposed) |
| AID* | | | |
| Loans | 7,752 | 4,909 | 2,600 |
| Grants | 1,429 | 4,865 | 4,384 |
| Total AID | 9,181 | 9,774 | 6,984 |
| P.L. 480** | | | |
| Title I | - | - | - |
| (of which Title III is) | (-) | (-) | (-) |
| Title II | - | - | - |
| Total P.L. 480 | - | - | - |
| Total AID and P.L. 480 | 9,181 | 9,774 | 6,984 |
| *AID levels represent actual and estimated expenditures. | | | |
| **P.L. 480 levels represent actual and estimated value of shipments. | | | |

| P.L. 480 PROGRAMS SUMMARY | | | | | | |
|----------------------------------|---------------------|-----|------------------------|-----|-----------------------|-----------------|
| | | | | | | CP 81-14 (8-79) |
| <i>(In 000MT/\$000)</i> | | | | | | |
| Program | FY 1979 (Actual) | | FY 1980 (Estimated) | | FY 1981 (Proposed) | |
| | MT | \$ | MT | \$ | MT | \$ |
| <i>Title I</i> | | | | | | |
| Wheat | | | | | | |
| Rice | | | | | | |
| Feedgrains | | | | | | |
| Vegoil | | | | | | |
| Non-food | | | | | | |
| Title I Total .. | | - | | - | | - |
| (of which Title III is) | | () | | () | | () |
| <i>Title II</i> | | | | | | |
| Voluntary Agencies .. | | | | | | |
| World Food Programs | | | | | | |
| Gov't.-to-Gov't | | | | | | |
| Title II Total | | - | | - | | - |
| Total P.L. 480 | | - | | - | | - |

MISSION DIRECTOR Harry Ackerman

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

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CP 81-02

PROGRAM: CENTRAL AMERICAN REGIONAL PROGRAM (ROCAP)

| | * L / G | PROJECT NUMBER | FY OF INITIAL FUNDING | -THROUGH FY79- OBLIG ATIONS | FY79- EXPENDI TURES | -ESTIMATED FY80- OBLIG ATIONS | EXPENDI TURES | -PROPOSED FY81- OBLIG ATIONS | EXPENDI TURES | FUTURE YEAR OBLIG ATIONS |
|---|---------|----------------|-----------------------|-----------------------------|---------------------|-------------------------------|---------------|------------------------------|---------------|--------------------------|
| ----- | | | | | | | | | | |
| AGRICULTURE, RURAL DEV. AND NUTRITION | | | | | | | | | | |
| AGRICULTURAL RES AND INFO SYSTEM | * | G 596-0048 | 75 | 2,429 | 1,820 | 700 | 774 | 50 | 585 | -- |
| NUTRITION PROGRAMS | G | 596-0065 | 76 | 1,560 | 1,056 | 100 | 535 | --- | 69 | -- |
| REGIONAL RURAL AGRIBUSINESS | L | 596-0069 | 77 | 15,000 | 305 | --- | 1,875 | --- | 2,600 | -- |
| SMALL FARM PRODUCTION SYSTEMS | * | G 596-0083 | 79 | 940 | 250 | 1,665 | 1,840 | 1,860 | 1,920 | 2,938 |
| NUTRITION INFORMATION & TECH. TRANSFER | * G | 596-0088 | 81 | --- | --- | --- | --- | 100 | 90 | 1,450 |
| FUELWOOD AND ALTERNATIVE ENERGY SOURCES | * G | 596-0089 | 79 | 500 | --- | 745 | 1,190 | 1,300 | 1,000 | 4,985 |
| TOTAL FOR ACCOUNT | | | | 20,429 | 3,431 | 3,210 | 6,214 | 3,310 | 6,264 | |
| GRANTS | | | | 5,429 | 3,126 | 3,210 | 4,339 | 3,310 | 3,664 | |
| LOANS | | | | 15,000 | 305 | --- | 1,875 | --- | 2,600 | |
| EDUCATION AND HUMAN RESOURCES | | | | | | | | | | |
| SIECA INSTITUTIONAL ASSISTANCE | G | 596-0040 | 72 | 2,673 | 2,570 | --- | 103 | --- | --- | -- |
| TRANSFER OF TECHNOLOGY | G | 596-0066 | 76 | 743 | 505 | 300 | 358 | --- | 180 | -- |
| REG INTERCHANGE OF TECHNICAL EXPERTISE | * G | 596-0093 | 80 | --- | --- | 240 | 40 | 240 | 350 | 640 |
| TOTAL FOR ACCOUNT | | | | 3,416 | 3,075 | 540 | 501 | 240 | 530 | |
| GRANTS | | | | 3,416 | 3,075 | 540 | 501 | 240 | 530 | |
| LOANS | | | | --- | --- | --- | --- | --- | --- | |
| SELECTED DEVELOPMENT ACTIVITIES | | | | | | | | | | |
| TOURISM INFRASTRUCTURE | L | 596-0045 | 73 | 13,350 | 10,316 | --- | 3,034 | --- | --- | -- |
| ENVIRONMENTAL MANAGEMENT | * G | 596-0090 | 80 | --- | --- | 100 | 25 | 200 | 190 | 650 |
| TOTAL FOR ACCOUNT | | | | 13,350 | 10,316 | 100 | 3,059 | 200 | 190 | |
| GRANTS | | | | --- | --- | 100 | 25 | 200 | 190 | |
| LOANS | | | | 13,350 | 10,316 | --- | 3,034 | --- | --- | |
| TOTAL FOR COUNTRY | | | | 37,195 | 16,822 | 3,850 | 9,774 | 3,750 | 6,984 | |
| GRANTS | | | | 8,845 | 6,201 | 3,850 | 4,865 | 3,750 | 4,384 | |
| LOANS | | | | 28,350 | 10,621 | --- | 4,909 | --- | 2,600 | |

| | | | | | | |
|---|-------------------------------|---|--|---|-------------------------------------|---|
| TITLE Agricultural Research and Information System | | FUNDS Agriculture, Rural Development and Nutrition | | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 596-0048 | | PRIOR REFERENCE FY 80 Latin America Programs, p. 122 | | FY 81 50 | LIFE OF PROJECT 3179 | |
| GRANT <input checked="" type="checkbox"/> | LOAN <input type="checkbox"/> | NEW <input type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | INITIAL OBLIGATION FY 75 | ESTIMATED FINAL OBLIGATION FY 81 | ESTIMATED COMPLETION DATE OF PROJECT FY 81 |

Purpose: To improve the quality and effective use of relevant data for small farm use in improving employment, income and production decisions throughout Central America and Panama.

Background and Progress to Date: This project is being carried out by the Inter-American Institute of Agricultural Sciences (IICA). When the project started, over 100 institutions in the region were managing information for use by credit, planning, research, marketing and other public sector institutions. Little coordination and excessive duplication contributed to poor public sector small farm policy decisions. As a result of project activity to date: (a) standardization methods of collecting, analyzing and using rural sector/small farmer data are in use or being installed in each participating country; (b) techniques for packaging small farm production and marketing systems which will improve yields and income are being created and tested; (c) assistance now is being provided to modernize national data management -- including climatic, soil, social, economic, research and current technology use data -- for the purpose of developing specific production recommendations; (d) national and regional advisory committees are providing guidance and support to the programs, and governments are increasing their contributions; and (e) IICA has integrated this project into its organizational structure.

Host Country and Other Donors: IICA will contribute approximately \$2.3 million over the life of the project. National agencies are developing information centers; additional funds are being provided by the Inter-American Development Bank, World Bank and A.I.D. Technical information is contributed by the U.S. Department of Agriculture, U.S. universities, and Latin American regional and national agencies.

Beneficiaries: This project makes available to researchers and rural sector planners more reliable and more timely information which is useful in understanding small farm problems and in determining possible solutions. Small farmers, however, are the major beneficiaries as rural sector development programs become better focused on meeting their major needs. A cost-per-beneficiary ratio for this project is not practical.

FY 81 Program: IICA will continue to assist national institutions to develop improved production data bases, including the expansion of a standardized system for collecting reliable data at the farm level. Small farm production system researchers will develop twelve area specific information profiles and develop alternative packages of technology for trial and application on small farms.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---|----------------|-------|
| | Unit | Cost |
| Countries with standardized data collection/analysis system | 6 | (40) |
| Countries with data management methods improved | 6 | (170) |
| Strengthened IICA capacity to assist individual countries | X | (205) |
| A.I.D. Financed Inputs: | FY 81 | |
| Local research/information specialist | | 25 |
| Operational costs | | 25 |
| TOTAL | 50 | |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--------------------------------|-----------------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 2429 | 1820 | 609 | |
| Estimated Fiscal Year 1980 | 700 | 774 | | |
| Estimated through September 30, 1980 | 3129 | 2594 | 535 | |
| Proposed Fiscal Year 1981 | 50 | - | 3179 | |
| | | Future Year Obligations | Estimated Total Cost | |

U.S. Department of Agriculture.

| | | | | | |
|---|-------------------------------|--|---|-------------------------------------|---|
| TITLE Small Farm Production Systems | | FUNDS Agriculture, Rural Development and Nutrition | PROPOSED OBLIGATION (In thousands of dollars) FY 81 1860 | | LIFE OF PROJECT 7403 |
| NUMBER 596-0083 | NEW <input type="checkbox"/> | PRIOR REFERENCE FY 80 Latin America Programs, p. 123 | INITIAL OBLIGATION FY 79 | ESTIMATED FINAL OBLIGATION FY 83 | ESTIMATED COMPLETION DATE OF PROJECT FY 83 |
| GRANT <input checked="" type="checkbox"/> | LOAN <input type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | | | |

Purpose: To develop a continuing capability in Central America to conduct research for small farm systems in new crops, animal production and mixed-farm systems.

Background and Progress to Date: This project continues the successful small farm production systems research begun under A.I.D.'s Small Farm Cropping Systems Project conducted by the Tropical Agricultural Research and Training Center (CATIE) in collaboration with the national agricultural research institutions in Central America and Panama. Research is being conducted on small farms throughout the region. Preliminary results are providing farmers with production patterns which sharply improve the efficient use of land, labor and other farm inputs and which produce subsequent increases in farm yield and income. Beginning in FY 79, project activities were expanded to include baseline studies as well as research plans and designs for studying various small farm systems, including animal and multiple crop production. Systems were devised for disseminating the research results to small farmers.

Host Country and Other Donors: CATIE contributes approximately 50% of total project costs from its own funds and receives additional support from donors including Holland, West Germany, Britain and Canada. National research agencies support project activities in each country.

Beneficiaries: Results obtained from approximately 300 research sites will be tested on about 3,000 additional small farms. New production systems developed during or as a result of this activity will be made available through extension or other transfer services to over 150,000 small farmers throughout Central America. The five-year life-of-project cost-per-farm is estimated at \$47.

FY 81 Program: Conducted on small farms in the six participating countries, research will develop and test ten new cropping, six small farm animal, and six animal-crop systems. The project will continue to develop and test effective methods to apply research results. New emphasis will be placed on information dissemination and on graduate and short in-service training programs for national technicians.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|--|----------------|---------|
| | Unit | Cost |
| Technicians trained | 380 | (4.7) |
| Masters degree agriculturalists trained | 10 | (20) |
| Methodology for disseminating research results | 1 | (450) |
| Geographic areas requiring data refinements | 18 | (75) |
| New small farm cropping systems developed | 10 | (170) |
| New animal farming systems developed | 6 | (1,000) |
| New mixed farming systems developed | 6 | (900) |

| A.I.D. Financed Inputs: | FY 81 |
|--|--------------|
| Personnel | 1,060 |
| Training | 100 |
| Commodities | 36 |
| Travel and per diem | 200 |
| Evaluation/management support | 194 |
| Miscellaneous & other scientific costs | 270 |
| TOTAL | 1,860 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|---|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 940 | 250 | 690 | U.S. Department of Agriculture, U.S. Universities. |
| Estimated Fiscal Year 1980 | 1665 | 1840 | | |
| Estimated through September 30, 1980 | 2605 | 2090 | 515 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 1860 | 2938 | 7403 | |

| | | | | | |
|---|---|---|---|---|--|
| TITLE Nutrition Information and Technology Transfer | | FUNDS Agriculture, Rural Development and Nutrition | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 596-0088 | | PRIOR REFERENCE None | FY 81 100 | LIFE OF PROJECT 1550 | |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/> | | INITIAL OBLIGATION FY 81 81 | ESTIMATED FINAL OBLIGATION FY 85 85 | ESTIMATED COMPLETION DATE OF PROJECT FY 85 |

Purpose: To provide Central America and Panama with pertinent information and technical assistance in the design and evaluation of nutrition programs and food policies.

Background: This project draws upon over twenty years of experience of the Nutrition Institute for Central America and Panama (INCAP), especially its recent installation of national nutrition units in the region. These efforts have helped the Central American republics to recognize and define nutritional deficiencies and to develop national programs to address them. Building upon the relationships developed between INCAP and national officials under A.I.D.'s terminating Nutrition Project, this new project will provide countries with design, management, budget, and technical information on known, effective, and low-cost nutrition interventions. This information sharing should reduce the need for individual countries to duplicate pilot programs and should result in the more efficient use of regional resources. INCAP, cooperating with the Tropical Agricultural Information Program of the Inter-American Institute for Agricultural Sciences (PIADIC/IICA), will expand and strengthen its capabilities to perform the following activities: (1) Provide technical assistance in the selection and design of interventions which emphasize the relationship between agricultural production, food consumption and nutrition; (2) Train key national personnel in nutrition data collection, analysis, and application; (3) Strengthen the relationship between agricultural and nutrition researchers to better integrate production and nutrition considerations into policies and programs; and (4) Assist in selecting intermediate indicators which measure the success of various nutrition interventions.

Host Country and Other Donors: INCAP's contribution is estimated at \$150,000; the Pan American Health Organization's contribution

to INCAP will be at least \$1.5 million over the life of the project. Other international donors support INCAP and host country efforts directly. These, as well as country contributions, will at least equal A.I.D.'s inputs.

Beneficiaries: The two primary target groups are: (a) national nutrition and agricultural planners and implementors, and (b) the malnourished population in the region. Although cost-per-beneficiary cannot be determined at this time, one objective of the INCAP program is to develop and implement nutrition programs which have the lowest possible cost-per-beneficiary.

FY 81 Program: INCAP will coordinate with CATIE and PIADIC/IICA to provide technical assistance and training regionwide.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---|----------------|--------------|
| | Unit | Cost |
| Countries with nutrition interventions | 6 | (133) |
| Seminars presented | 10 | (25) |
| Participants trained | 75 | (0.4) |
| Countries with nutrition information systems installed/improved | 6 | (50) |
| A.I.D. Financed Inputs: | | |
| | | FY 81 |
| Personnel (4 person-years) | | 88 |
| Training (8 person-months) | | 12 |
| TOTAL | | 100 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES Nutrition Institute for Central America and Panama, Pan American Health Organization, Agricultural Information Program of the Inter-American Institute for Agricultural Sciences, Ministries of Health, Ministries of Agriculture, National Planning Offices. |
|--|-------------|--------------------------------|-----------------------------|--|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | |
| Estimated Fiscal Year 1980 | - | - | - | |
| Estimated through September 30, 1980 | - | - | - | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 100 | 1450 | 1550 | |

| | | | | | |
|--|-------------------------------|---|--|-------------------------------------|--|
| TITLE Fuelwood and Alternative Energy Sources | | FUNDS Agriculture, Rural Development and Nutrition | PROPOSED OBLIGATION (In thousands of dollars) FY 81 1,300 | | LIFE OF PROJECT 7,500 |
| NUMBER 596-0089 | NEW <input type="checkbox"/> | PRIOR REFERENCE Advice of Change | INITIAL OBLIGATION FY 79 | ESTIMATED FINAL OBLIGATION FY 85 | ESTIMATED COMPLETION DATE OF PROJECT FY 86 |
| GRANT <input checked="" type="checkbox"/> | LOAN <input type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | Submitted September 12, 1979 | | |

Purpose: To develop, demonstrate and disseminate in Central America and Panama (a) improved cultivation practices for increasing fuelwood production and supply and (b) low-cost, domestic industrial fuelwood and non-conventional energy technologies.

Background and Progress to Date: Low income groups are almost entirely dependent on fuelwood. In rural areas, fuelwood is used for 80% to 95% of all energy needs. Heavy dependence on wood for energy is contributing to dwindling supplies and deforestation. Under this A.I.D. project, the Central American Research Institute for Industry (ICAITI) will demonstrate technologies which increase fuelwood efficiency and use and will disseminate them to low income households and small producers. The Tropical Agricultural Research and Training Center (CATIE) will identify zones of fuelwood shortages and investigate/demonstrate fuelwood cultivation and farm management techniques. Both institutions will work with national institutions to train national personnel and to expand the availability of appropriate, low-cost energy technologies for production/consumption by the poor.

Host Country and Other Donors: Counterpart contributions will be made by CATIE and ICAITI (\$1.6 million), the host countries (\$0.9 million), and other donors (\$0.8 million). Other donors include Colombia, Germany, Switzerland, Holland, and Great Britain.

Beneficiaries: The immediate beneficiaries of the project are low-income rural households and small industries (including at least 16,000 individuals) at a cost of \$446 per beneficiary. The ultimate target is the estimated 12 million Central Americans and Panamanians who use or depend on wood for fuel at a cost of less than \$1 per beneficiary.

FY 81 Program: A.I.D. will provide grant assistance to ICAITI and CATIE to (a) identify fuelwood shortage areas, (b) evaluate and demonstrate socially acceptable wood and biomass-fueled domestic stoves and industrial ovens and kilns, (c) develop biogas prototypes and solar units for small industrial use, and (d) select fast growing trees for cultivation on fuelwood lots and plantations.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---|----------------|-------|
| | Unit | Cost |
| Domestic/industrial fuelwood burning units demonstrated | 467 | (1.5) |
| Domestic/industrial renewable energy units demonstrated | 106 | (7) |
| Critical fuelwood shortage areas determined | X | (365) |
| Fast growing tree species identified | 15 | (24) |
| Fuelwood demonstration units established | 80 | (12) |
| Personnel trained in short courses | 425 | (0.6) |
| Personnel receiving long-term training | 9 | (18) |

| A.I.D. Financed Inputs: | FY 81 |
|-----------------------------|--------------|
| Personnel | 867 |
| Equipment | 91 |
| Training | 53 |
| Other (including inflation) | 289 |
| TOTAL | 1,300 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--------------------------------|-----------------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 500 | -0- | 500 | |
| Estimated Fiscal Year 1980 | 745 | 1,190 | | |
| Estimated through September 30, 1980 | 1,245 | 1,190 | 55 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 1,300 | 4,955 | 7,500 | |

Tropical Agricultural Research and Training Center,
Central American Research Institute for Industry.

PROGRAM: CENTRAL AMERICAN REGIONAL PROGRAM (ROCAP) ACTIVITY DATA SHEET

CP 81-05 (8-79)

| | | | | | | |
|---|--|--|--|---|-------------------------------------|---|
| TITLE Regional Interchange of Technical Expertise | | FUNDS Education and Human Resources | | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 596-0093 | | NEW <input type="checkbox"/> | | FY 81 | 240 | LIFE OF PROJECT 1,120 |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | | CONTINUING <input checked="" type="checkbox"/> | | PRIOR REFERENCE None | | ESTIMATED COMPLETION DATE OF PROJECT FY 85 |
| | | | | INITIAL OBLIGATION FY 80 | ESTIMATED FINAL OBLIGATION FY 84 | |

Purpose: To further regional cooperation and interdependence in Central America through a coordinated program of technical exchange and training in rural development.

Background and Progress to Date: Central America's five republics and Panama face many impediments in their quest for economic and social development, not the least of them being severe shortages of skilled manpower in rural development. Evaluations of development programs and development plans prepared by donor agencies and recipients continually point out that the shortage of skilled personnel capable of designing and implementing locally adaptable development systems and technologies is a major obstacle to development. A.I.D.'s analysis has repeatedly confirmed this constraint. The Central American republics share many similar rural development problems, and their continuing support of regional institutions reflects the shared commitment to their resolution. Through the years, a variety of national development approaches to rural development has been tried. In the process, a diversified pool of experienced, specialized expertise in nearly all facets of rural development has been created. This personnel pool offers a unique and relatively inexpensive indigenous resource which could be shared throughout the region. Coordinated by the Inter-American Institute of Agricultural Sciences (IICA), this project is helping to develop a public sector skills bank of Central American rural development specialists. The project includes partial funding of the costs of short-term technical assistance provided by these specialists to the nations of Central America.

Host Country and Other Donors: IICA is providing physical facilities for the project's coordinating staff. IICA's regional information division is assisting in the identification of skilled personnel and in the maintenance of the skills bank. Cooperative

working agreements have been established between IICA and the six participating Governments as well as with such regional institutions as the International Regional Institute for Plant and Animal Sanitation, the Tropical Agricultural Research and Training Center, and the Nutrition Institute for Central America and Panama. The salaries of experts to be exchanged will be paid by the cooperating Governments. Total local Government contributions will equal the U.S. contribution to this project component.

Beneficiaries: Direct benefits will accrue to the national development programs which will receive the skilled assistance. Indirect beneficiaries are the rural poor. It is impractical to calculate the individual beneficiary costs of this institution-building project.

FY 81 Program: Continuing work begun in FY 1980, the project will continue to update and expand the critical skills inventory and support the exchange between Central American nations of an estimated 100 officials for approximately one month each.

| | | |
|--|------------------|-------------|
| | (\$ thousands) | |
| Major Outputs (and A.I.D. Unit Cost): | <u>All Years</u> | |
| | <u>Unit</u> | <u>Cost</u> |
| Technicians interchanged | 500 | (2) |
| Regional seminars conducted | 5 | (10) |
| A.I.D. Financed Inputs: | <u>FY 81</u> | |
| Training (75 person-months) | | 210 |
| Seminar | | <u>30</u> |
| Total | | 240 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES Inter-American Institute of Agricultural Sciences, International Regional Institute for Plant and Animal Sanitation, Tropical Agricultural Research and Training Center Nutrition Institute for Central America and Panama. |
|--|-------------|--------------------------------|-----------------------------|---|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | |
| Estimated Fiscal Year 1980 | 240 | 40 | | |
| Estimated through September 30, 1980 | 240 | 40 | 200 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 240 | 640 | 1,120 | |

| | | | | | |
|---|-------------------------------|--|--|-------------------------------------|--|
| TITLE Environmental Management | | FUNDS Selected Development Activities | PROPOSED OBLIGATION (In thousands of dollars) FY 81 200 | | LIFE OF PROJECT 950 |
| NUMBER 596-0090 | NEW <input type="checkbox"/> | PRIOR REFERENCE None. | INITIAL OBLIGATION FY 80 | ESTIMATED FINAL OBLIGATION FY 84 | ESTIMATED COMPLETION DATE OF PROJECT FY 84 |
| GRANT <input checked="" type="checkbox"/> | LOAN <input type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | | | |

Purpose: To improve the institutional capacity within Central America and Panama to protect the environment through coordination of environmental management policies, legislation and programs.

Background and Progress to Date: The concern for continuing illness, potential genetic damage and loss of life resulting from the misuse of pesticides and other farm and industrial toxic substances is increasing in both the public and private sectors of Central America and Panama. Inadequate controls over the use and disposal of toxic substances, the lack of a diagnostic and monitoring capacity, the lack of farmer accessibility to improved pesticides and their application procedures, and the lack of trained personnel handicaps the region's ability to solve this problem. Thousands of illnesses and deaths were attributed to pesticide poisoning in 1978. Food consumed in Central American countries frequently contains more than ten times U.S. acceptable levels of pesticides. An evaluation undertaken by the Central American Research Institute for Industry (ICAITI), A.I.D., and the Federal Republic of Germany recommended an integrated approach to solving this problem. A.I.D., ICAITI, the International Regional Organization for Plant and Animal Sanitation (OIRSA), and the Inter-American Institute for Agricultural Sciences (IICA) have agreed to collaborate and work with public and private entities in the Central American countries and Panama to design policies, recommend legislation to control use of pesticides and other toxic chemicals, design training programs, and instruct users in effective pesticide/herbicide application. National and regional laboratories will monitor levels of toxic chemicals in the environment. U.S. regulations and application procedures will serve as the model for recommended practices in the region.

Host Countries and Other Donors: ICAITI will provide technical facilities (including their analytical laboratory) and will develop a pesticide registry. IICA will provide technical assistance and training facilities. OIRSA will assist the countries with

program designs and legislative suggestions when requested. Cooperating countries will provide technicians, transportation, extension and short training courses to farmers. Estimated counterpart contributions will total \$600,000.

Beneficiaries: Primary beneficiaries will be small farmers, rural laborers and food consumers in Central America. It is expected that the deaths and poisoning of people from indiscriminate spraying can be significantly reduced during the project period. Natural resources -- soil, rivers and the ocean -- will be conserved and enhanced by reduced pesticide levels. Considering direct and indirect beneficiaries of the project, the cost-per-beneficiary is estimated to be less than \$1.

FY 81 Program: The three regional institutions will work with host countries to plan and implement national and regional pest management, residue detection and registration programs.

| | | |
|--|-----------------|-------------|
| | (\$ thousands) | |
| <u>Major Outputs (and A.I.D. Unit Cost):</u> | <u>All Year</u> | |
| | <u>Unit</u> | <u>Cost</u> |
| Regional pesticide registry established | 1 | (100) |
| National programs developed | 6 | (60) |
| National programs fully implemented | 4 | (35) |
| Participants trained | 30 | (5) |
| National institutions participating | 12 | - |

| | |
|--------------------------------|--------------|
| <u>A.I.D. Financed Inputs:</u> | <u>FY 81</u> |
| Personnel (1 person year) | 100 |
| Training | 60 |
| Institutional support | <u>40</u> |
| TOTAL | 200 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--------------|--------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | |
| Estimated Fiscal Year 1980 | 100 | 25 | | |
| Estimated through September 30, 1980 | 100 | 25 | 75 | |
| Proposed Fiscal Year 1981 | 200 | 650 | 950 | |

Consortium for International Crop Protection, and U.S. Department of Agriculture.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

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PROGRAM: LATIN AMERICA REGIONAL

| | * L / G | PROJECT NUMBER | FY OF INITIAL FUNDING | -THROUGH FY79- OBLIGATIONS | EXPENDITURES | -ESTIMATED FY80- OBLIGATIONS | EXPENDITURES | -PROPOSED FY81- OBLIGATIONS | EXPENDITURES | FUTURE YEAR OBLIGATIONS |
|--|---------|----------------|-----------------------|----------------------------|--------------|------------------------------|--------------|-----------------------------|--------------|-------------------------|
| ----- | | | | | | | | | | |
| AGRICULTURE, RURAL DEV. AND NUTRITION | | | | | | | | | | |
| PROGRAM DEVELOPMENT AND SUPPORT | * G | 598-0000 | 74 | 28,702 | 26,783 | 3,582 | 4,546 | 3,481 | 3,358 | --- A |
| COOP TRAINING IN PUERTO RICO | G | 598-0077 | 54 | 1,748 | 1,688 | --- | 60 | --- | --- | --- |
| COOPERATIVE DEV. GRANT | L | 598-0116 | 73 | 4,000 | 2,000 | --- | 2,000 | --- | --- | --- |
| OPERATIONAL PROGRAM GRANTS | * G | 598-0577 | 78 | 5,571 | 3,450 | 4,142 | 4,298 | 4,841 | 4,834 | --- A |
| L. A. CROP INSURANCE SYSTEM | * G | 598-0579 | 78 | 1,152 | 288 | 950 | 1,255 | 900 | 1,400 | 1,373 |
| REMOTE SENSING | G | 598-0580 | 78 | 69 | 28 | 75 | 116 | --- | --- | --- |
| REDUCTION OF VERTEBRATE PEST CROP LOSSES | * G | 598-0584 | 79 | 310 | --- | --- | 234 | 450 | 475 | 90 |
| SEED TRAINING, OUTREACH AND RES. UNIT | * G | 598-0595 | 81 | --- | --- | --- | --- | 225 | 50 | 2,775 |
| AGRARIAN UNION DEV. | * G | 598-0599 | 80 | --- | --- | 400 | 350 | 400 | 400 | --- |
| APPROPRIATE TECHNOLOGY FOR RURAL WOMEN | * G | 598-0600 | 79 | 169 | 30 | 125 | 200 | 111 | 150 | --- |
| TOTAL FOR ACCOUNT | | | | 41,721 | 34,267 | 9,274 | 13,059 | 10,408 | 10,667 | |
| GRANTS | | | | 37,721 | 32,267 | 9,274 | 11,059 | 10,408 | 10,667 | |
| LOANS | | | | 4,000 | 2,000 | --- | 2,000 | --- | --- | |
| POPULATION PLANNING | | | | | | | | | | |
| PROGRAM DEVELOPMENT AND SUPPORT | * G | 598-0000 | 78 | 809 | 531 | 735 | 811 | 230 | 388 | --- A |
| OPERATIONAL PROGRAM GRANTS | G | 598-0577 | 78 | --- | --- | 100 | 50 | --- | 50 | --- A |
| POPULATION INFORMATION FOR POLICY MAKERS | * G | 598-0612 | 80 | --- | --- | 500 | 400 | 500 | 500 | 1,250 |
| TOTAL FOR ACCOUNT | | | | 809 | 531 | 1,335 | 1,261 | 730 | 938 | |
| GRANTS | | | | 809 | 531 | 1,335 | 1,261 | 730 | 938 | |
| LOANS | | | | --- | --- | --- | --- | --- | --- | |
| HEALTH | | | | | | | | | | |
| PROGRAM DEVELOPMENT AND SUPPORT | * G | 598-0000 | 78 | 1,362 | 851 | 1,209 | 1,307 | 1,105 | 992 | --- A |
| OPERATIONAL PROGRAM GRANTS | * G | 598-0577 | 78 | 1,337 | 642 | 1,255 | 1,577 | 1,198 | 900 | --- A |
| TOTAL FOR ACCOUNT | | | | 2,699 | 1,493 | 2,464 | 2,884 | 2,303 | 1,892 | |
| GRANTS | | | | 2,699 | 1,493 | 2,464 | 2,884 | 2,303 | 1,892 | |
| LOANS | | | | --- | --- | --- | --- | --- | --- | |
| EDUCATION AND HUMAN RESOURCES | | | | | | | | | | |
| PROGRAM DEVELOPMENT AND SUPPORT | * G | 598-0000 | 78 | 6,155 | 5,767 | 1,250 | 1,347 | 1,233 | 1,136 | --- A |
| FREE LABOR DEV. (AIFLD) | * G | 598-0101 | 62 | 63,907 | 57,297 | 8,300 | 8,100 | 8,000 | 12,000 | --- A |
| LA AMER SCHOL PRO OF AMER UNIV (LASPAU) | G | 598-0453 | 66 | 21,779 | 21,483 | --- | 296 | --- | --- | --- |
| SECTOR ANALYSIS SUPPORT | G | 598-0554 | 74 | 1,516 | 1,428 | --- | 88 | --- | --- | --- |
| ED. MEDIA FOR THE INTEG. OF WOMEN | * G | 598-0574 | 78 | 450 | 150 | 250 | 250 | 210 | 500 | --- |
| OPERATIONAL PROGRAM GRANTS | * G | 598-0577 | 78 | 2,743 | 1,553 | 1,853 | 1,919 | 1,604 | 1,472 | --- A |
| RURAL COMMUNICATIONS SERVCS | * G | 598-0581 | 79 | 875 | --- | 280 | 700 | 397 | 800 | 266 |

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

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PROGRAM: LATIN AMERICA REGIONAL

| | * L / G | PROJECT NUMBER | FY OF INITIAL FUNDING | -THROUGH FY79- OBLIGATIONS | FY79- EXPENDITURES | -ESTIMATED FY80- OBLIGATIONS | EXPENDITURES | -PROPOSED FY81- OBLIGATIONS | EXPENDITURES | FUTURE YEAR OBLIGATIONS |
|---------------------------------------|---------|----------------|-----------------------|----------------------------|--------------------|------------------------------|--------------|-----------------------------|--------------|-------------------------|
| TRAINING FOR DEVELOPMENT | * G | 598-0588 | 79 | 924 | 10 | 1,340 | 900 | 1,040 | 2,000 | 1,771 |
| TOTAL FOR ACCOUNT | | | | 98,349 | 87,688 | 13,273 | 13,600 | 12,484 | 17,908 | |
| GRANTS | | | | 98,349 | 87,688 | 13,273 | 13,600 | 12,484 | 17,908 | |
| LOANS | | | | --- | --- | --- | --- | --- | --- | |
| SELECTED DEVELOPMENT ACTIVITIES | | | | | | | | | | |
| PROGRAM DEVELOPMENT AND SUPPORT | * G | 598-0000 | 78 | 14,894 | 13,968 | 2,075 | 2,186 | 1,414 | 1,191 | -- A |
| ANDEAN DEVELOPMENT CORPORATION | L | 598-0004 | 73 | 15,000 | 7,697 | --- | 4,000 | --- | 3,303 | -- |
| CONSULTANTS AND SEMINARS | * G | 598-0044 | 65 | 4,629 | 4,534 | 400 | 350 | 400 | 500 | -- A |
| PARTNERS OF THE AMERICAS (NAPA) | * G | 598-0436 | 65 | 2,225 | 2,224 | 500 | 500 | 500 | 501 | -- A |
| SCIENCE AND TECHNOLOGY INF. TRANSFER | * G | 598-0572 | 77 | 750 | 747 | 300 | 300 | 360 | 403 | 406 |
| OPERATIONAL PROGRAM GRANTS | * G | 598-0577 | 78 | 2,509 | 1,342 | 2,103 | 2,009 | 2,357 | 2,264 | -- A |
| SOLIDARIOS | * G | 598-0587 | 78 | 1,500 | 525 | 750 | 1,000 | 400 | 1,000 | 1,350 |
| HUMAN RIGHTS | * G | 598-0591 | 78 | 1,252 | 401 | 1,060 | 900 | 300 | 1,000 | -- A |
| DEV. OF ENVIRONMENTAL MANAGEMENT SYS. | * G | 598-0605 | 79 | 520 | 192 | 440 | 600 | 614 | 600 | 2,860 |
| ENERGY RESOURCES DEVELOPMENT | * G | 598-0606 | 79 | 592 | 56 | 430 | 550 | 800 | 1,000 | -- |
| ENVIRONMENTAL TRAINING FACILITY | * G | 598-0610 | 81 | --- | --- | --- | --- | 700 | 400 | 7,300 |
| TOTAL FOR ACCOUNT | | | | 43,871 | 31,686 | 8,058 | 12,395 | 7,845 | 12,162 | |
| GRANTS | | | | 28,871 | 23,989 | 8,058 | 8,395 | 7,845 | 8,859 | |
| LOANS | | | | 15,000 | 7,697 | --- | 4,000 | --- | 3,303 | |
| TOTAL FOR COUNTRY | | | | 187,449 | 155,665 | 34,404 | 43,199 | 33,770 | 43,567 | |
| GRANTS | | | | 168,449 | 145,968 | 34,404 | 37,199 | 33,770 | 40,264 | |
| LOANS | | | | 19,000 | 9,697 | --- | 6,000 | --- | 3,303 | |
| TOTAL FOR BUREAU | | | | 1,172,236 | 463,340 | 326,284 | 453,305 | 303,713 | 390,192 | |
| GRANTS | | | | 340,774 | 217,667 | 98,424 | 125,974 | 110,873 | 128,170 | |
| LOANS | | | | 831,462 | 245,673 | 227,860 | 327,331 | 192,840 | 262,022 | |

| | | | | | |
|--|--|--|---|--|--|
| TITLE Program Development and Support | | FUNDS Various | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 598-0000 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | | NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/> | PRIOR REFERENCE FY 80 Latin America Programs, p. 305 | FY 81 7,463 | LIFE OF PROJECT Continuing* |
| | | | INITIAL OBLIGATION FY 69 | ESTIMATED FINAL OBLIGATION FY Continuing* | ESTIMATED COMPLETION DATE OF PROJECT FY Continuing* |

Purpose: To provide A.I.D. Missions in Latin America and the Caribbean with a source from which to finance 1) program development costs for new loans and grants and 2) program support activities such as project analyses and sector assessments.

Background and Progress to Date: Effective project development and program implementation require considerable analysis and assessment on both micro and macro levels. Missions need a source of funds to carry out such vital work as preparation of sector assessments, project designs and feasibility studies. This Program Development and Support project is designed to provide the required financing for these activities. In addition, but to a lesser extent, this project is also used for participant training related to improving local project development and implementation, for special studies which address specific development problems, and for project and sector evaluations. Although 18 Latin American country and regional programs received project funds in FY 1979, these funds were definitely concentrated in the poorer countries which tend to have larger programs and, in turn, require more support from this project. Examples of the uses of these funds in FY 1979 include: the agriculture baseline studies undertaken in Guyana, Ecuador, and Peru; the financial sector assessment in Bolivia; the study of adolescent fertility in Costa Rica, the design of projects in Guatemala, Jamaica and the English-speaking Caribbean; the development of alternative energy projects in the Dominican Republic and Jamaica; the study of agricultural production costs in various regions in Peru; an environmental project in Honduras; and the design of a vocational education project in the Dominican Republic, an appropriate technology project in Bolivia and various agriculture projects throughout the region.

Host Country and Other Donors: Other donors are not normally involved in A.I.D. Program Development and Support activities. Host country involvement occurs more frequently, particularly in developing projects and carrying out sector assessments, project

analyses and evaluations. Because of the nature of the project, however, no minimum host-country contribution is required.

Beneficiaries: This project provides essential funding required to develop projects which in turn benefit the poorest majority. The nature of this project precludes estimating individual family beneficiary costs.

FY 81 Program: Project funds will be utilized primarily for short-term consultants: to design new activities; to prepare sector assessments, feasibility studies and constraint analyses; and to conduct economic, social and environmental analyses in several functional areas. Much of the funding will be used to develop 1982 country and regional programs where specific projects have not yet been identified.

Major Outputs: The major outputs will include 1) projects which are developed by the A.I.D. Missions in Latin America for FY 1981 and FY 1982 and 2) assessments, analyses and studies which support such project development as well as overall program implementation.

| | |
|---|----------------|
| | (\$ thousands) |
| A.I.D. Financed Inputs: | FY 81 |
| Agriculture/Rural Development/Nutrition | 3,481 |
| Health | 1,105 |
| Population Planning | 230 |
| Education/Human Resource Development | 1,233 |
| Selected Development Activities | <u>1,414</u> |
| Total | 7,463 |

* It is expected that activities under this project will continue as long as A.I.D. maintains an assistance program in the Region.

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--------------------------------|-----------------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 51,922 | 47,900 | 4,022 | Various to be selected. |
| Estimated Fiscal Year 1980 | 8,851 | 10,197 | | |
| Estimated through September 30, 1980 | 60,773 | 58,097 | 2,676 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 7,463 | Continuing* | Continuing* | |

| | | | | | |
|---|------------------------------|--------------------------------------|---|--|---|
| TITLE Private Voluntary Agency -- Operational Program Grants | | FUNDS Various | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 598-0577 | | PRIOR REFERENCE | FY 81 10,000 | LIFE OF PROJECT | Continuing* |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | NEW <input type="checkbox"/> | FY 80 Latin America Programs, p. 306 | INITIAL OBLIGATION FY 75 | ESTIMATED FINAL OBLIGATION FY Continuing* | ESTIMATED COMPLETION DATE OF PROJECT FY Continuing* |
| CONTINUING <input checked="" type="checkbox"/> | | | | | |

Purpose: To mobilize the expertise of Private Voluntary Organizations (PVOs), including both U.S. and local Latin American and Caribbean (LAC) PVOs, in pursuing A.I.D. goals through innovative development projects.

Background and Progress to Date: Through Operational Program Grants (OPGs), A.I.D. has utilized the special expertise of PVOs in reaching the regions's poor majority with minimum A.I.D. involvement and supervision. A.I.D. seeks to strengthen local institutions and provide them with the organizational means to carry forward local development activities once A.I.D. funding ends. In FY 1977, A.I.D. granted to its field missions the authority to approve projects (including OPGs) with life-of-project funding not greater than \$500,000.

Host Country and Other Donors: In every OPG, A.I.D.-provided funds may not exceed 75% of the resources devoted to the project. In many cases, A.I.D. funds represent less than half of the total project costs. The remainder is normally covered by one or more PVOs (often a U.S. PVO cooperating with a local PVO) or the host government.

Beneficiaries: Beneficiaries of OPG projects are almost exclusively the rural and urban poor. Given the diverse nature of this project, estimates of costs per beneficiaries are not possible.

FY 81 Program: In FY 1981, 50% of the proposed OPG projects will be channelled to local PVOs to strengthen them and stimulate their greater involvement in local development efforts. Projects will focus on rural areas and small communities -- primarily in the fields of agriculture, health, nutrition, education, women's activities, and rural and small enterprise development.

Major Outputs: Among OPGs in operation during FY 1979 were a re-forestation project in Peru, a continuing potable water project in Bolivia, an employment training project in Jamaica, a training project for women in Costa Rica, an integrated rural development project in Guatemala, a rural radio education project in the Dominican Republic, a small enterprise project in El Salvador, a project to establish the Haitian Development Foundation, and an eye care program in Honduras.

| A.I.D. Financed Inputs: | (\$ thousands) FY 81 |
|--|-------------------------|
| Agriculture, Rural Development and Nutrition | 4,841 |
| Health | 1,198 |
| Education and Human Resources | 1,529 |
| Selected Development Activities | <u>2,432</u> |
| Total | 10,000 |

*It is expected that activities under this project will continue as long as A.I.D. maintains an assistance program in the Region.

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--------------------------------|-----------------------------|---|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 12,160 | 6,987 | 5,173 | Various U.S. and local private and voluntary organizations (e.g., Catholic Relief Service, CARE, Church World Service). |
| Estimated Fiscal Year 1980 | 9,453 | 9,853 | | |
| Estimated through September 30, 1980 | 21,613 | 16,840 | 4,773 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 10,000 | Continuing* | Continuing* | |

| | | | | | | | |
|---|--|--|---|--|---|----------------------------------|--|
| TITLE Crop Credit Insurance Systems | | | FUNDS Agriculture, Rural Development and Nutrition | | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 598-0579 | | | PRIOR REFERENCE | | FY 81 | LIFE OF PROJECT | |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | | | FY 80 Latin America Programs, p. 312 | | 900 | 4,375 | |
| NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/> | | | | | INITIAL OBLIGATION FY 78 | ESTIMATED FINAL OBLIGATION FY 82 | ESTIMATED COMPLETION DATE OF PROJECT FY 83 |

Purpose: To develop national crop credit insurance mechanisms which serve small farmers and to analyze the economic benefits of these mechanisms.

Background and Progress to Date: The threat of crop failures often hampers efforts to improve the quality of small farmer agriculture. The risks of failure involved in converting to new technologies appear to be catastrophic for small farmers who commonly live at a subsistence level. Thus, private banks and cooperatives are inhibited from lending to small farmers, and small farmers themselves are often discouraged from trying or using new technologies. Without the protection afforded by an instrument such as crop credit insurance, crop failure can mean hunger, a heavy debt burden or the loss of land for small farmers. The insurance mechanisms being developed under this project will guarantee loan repayments to the banks when crops fail and, thus, will facilitate the farmer's access to credit in subsequent years. Such guarantees help to develop small farmer confidence in adopting new technologies and to increase the chances of improving the economic growth of the small farmer. As a result of this project's previous activities, an insurer has begun operation in Panama, a law creating the insurer has been approved in Bolivia, and the new government of Ecuador is considering a similar program. A full complement of personnel has been hired and trained by the Inter-American Institute of Agricultural Science.

Host Country and Other Donors: The countries selected for pilot activities under this project are required to provide up to 75% of total project costs. This support is provided in the form of a guarantee against excess losses.

Beneficiaries: The primary beneficiaries are small farmers who cooperate with the pilot crop credit insurance programs in their

own countries. The project's lessons are expected to benefit small farmers in all countries when the results are available. Projections of the target group for the crop credit insurance technology are 30 million farm units. The estimated cost per farm family benefitted is \$15.

FY 81 Program: Activities begun the previous year will be continued: Organizing the insurers, training personnel, creating and perfecting operating policies, insuring farmers, and analyzing administrative and economic results. In FY 1981, the analysis of performance and research results will be disseminated to governments and development agencies.

| | | |
|--|------------------|-------------|
| | (\$ thousands) | |
| <u>A.I.D. Outputs (and A.I.D. Unit Cost):</u> | <u>All Years</u> | |
| | <u>Unit</u> | <u>Cost</u> |
| Viable crop credit insurance programs established | 3 | (1,135) |
| Family farm units - years insured | 5 | (100) |
| Economic impact analyzed, compiled, and disseminated | 1 | (970) |
| <u>A.I.D. Financed Inputs:</u> | | |
| | <u>FY 81</u> | |
| Local costs of three country programs | 450 | |
| Regional project management/research | 380 | |
| Project supervision/evaluation | <u>70</u> | |
| Total | 900 | |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES Inter-American Institute of Agricultural Science, the Federal Crop Insurance Corporation of the U.S. Department of Agriculture. |
|--|-------------|-------------------------|----------------------|--|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 1,152 | 288 | 864 | |
| Estimated Fiscal Year 1980 | 950 | 1,255 | | |
| Estimated through September 30, 1980 | 2,102 | 1,543 | 559 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 900 | 1,373 | 4,375 | |

| | | | | | | |
|--|--|--|--|---|--|--|
| TITLE Reduction of Vertebrate Pest Crop Losses | | FUNDS Agriculture, Rural Development and Nutrition | | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 598-0584 | | NEW <input type="checkbox"/> | | FY 81 | 450 | LIFE OF PROJECT 850 |
| GRANT <input checked="" type="checkbox"/> | | LOAN <input type="checkbox"/> | | PRIOR REFERENCE FY 80 Latin America Programs, p. 314 | | ESTIMATED COMPLETION DATE OF PROJECT FY 83 |
| | | CONTINUING <input checked="" type="checkbox"/> | | INITIAL OBLIGATION FY 79 | ESTIMATED FINAL OBLIGATION FY 82 | |

Purpose: To test and adapt technologies which can be used by participating countries to reduce crop losses caused by rodents and birds.

Background and Progress to Date: In Latin American and Caribbean countries, it is estimated that post-harvest crop losses amount to 10% to 30% of total food production. The major cause of the region's crop losses is vertebrate pests, both rodents and birds. The Denver Wild-life Research Center (DWRC) of the U.S. Department of Interior has developed a basic vertebrate control technology which could substantially reduce the food crop losses of the Latin American small farmer, who stores up to 50% of his total grain production for family use. With DWRC's assistance, this project will establish a vertebrate pest control unit in Haiti which will engage in the development and adaptation of vertebrate pest management techniques to respond to small farmer needs in Haiti, the Dominican Republic, and other Caribbean countries. A permanent DWRC biologist will reside in Haiti beginning in December 1979. This field unit will receive specialized short-term consultant services from DWRC and support facilities from DWRC's Denver office and from participating country research institutions. This project was approved in late FY 1979, but subsequent operational and budgetary constraints required a reduced life-of-project funding level which necessitated certain changes in the project purpose, project design and the number of field units. This project has been extended by one year due to budget constraints.

Host Country and Other Donors: The Governments of Haiti and the Dominican Republic will contribute \$97,000 and \$38,000 respectively for laboratory, office space, counterpart personnel, and in-country training costs.

Beneficiaries: The project is directed at improving the technical and managerial capacity of country institutions so that they may make available appropriate control technologies to all small farm enterprises in participating countries. The estimated cost per farm family benefitted is \$17.

FY 81 Program: A fully operational field unit will be established to assist institutions in Haiti and the Dominican Republic to address appropriate vertebrate pest control problems. Activities will include crop damage assessments, field trials to evaluate biological control methods, and long-term, in-country training programs and workshops.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---|----------------|-------|
| | All Years | |
| | Unit | Cost |
| Functional vertebrate pest control field unit | 1 | (420) |
| Field studies | 30 | (8) |
| Laboratory studies | 10 | (10) |
| Participant training (U.S.) | 6 | (9) |
| In-country/regional workshops | 10 | (1.6) |

| A.I.D. Financed Inputs: | FY 81 |
|------------------------------|------------|
| Technical specialist | 160 |
| Short-term technical support | 70 |
| Research studies | 165 |
| Training/workshops | 55 |
| Total | 450 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 310 | - | 310 | |
| Estimated Fiscal Year 1980 | - | 234 | | |
| Estimated through September 30, 1980 | 310 | 234 | 76 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 450 | 90 | 850 | |

Denver Wildlife Research Center of the
U.S. Department of the Interior.

| | | | | | |
|---|---|--|---|-------------------------------------|--|
| TITLE Seed Technology, Research Training and Outreach | | FUNDS Agriculture, Rural Development and Nutrition | PROPOSED OBLIGATION (In thousands of dollars) | | |
| | | | FY 81 225 | LIFE OF PROJECT 3,000 | |
| NUMBER 598-0595 | NEW <input checked="" type="checkbox"/> | PRIOR REFERENCE | INITIAL OBLIGATION FY 81 81 | ESTIMATED FINAL OBLIGATION FY 85 85 | ESTIMATED COMPLETION DATE OF PROJECT FY 85 |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | CONTINUING <input type="checkbox"/> | FY 80 Latin America Programs, p. 316 | | | |

Purpose: To improve seed production and delivery systems of participating countries in the Latin America and Caribbean region.

Background: The development of seed programs and seed industries throughout Latin America has been carried out for over 20 years. However, only a few countries have undertaken sustained efforts to develop national seed programs, and they are mostly limited to only a few selected crops. Under a collaborative arrangement for this project, the International Center of Tropical Agriculture (CIAT) and an unselected U.S. university will (a) train new public and private sector personnel in the various aspects of the seed industry, (b) offer technical services in seed development programs, (c) conduct seed technology research, and (d) improve seed delivery systems to the small producer. Budget constraints required that this project begin FY 1981 rather than FY 1980 as originally planned.

Host Country and Other Donors: CIAT will contribute about \$1 million to develop its own seed facilities. Participating countries will contribute about \$500,000. The extensive regional agricultural programs conducted by other donors -- such as the Food and Agriculture Organization, World Bank, and Inter-American Development Bank -- are expected to benefit significantly from the strengthened seed industries.

Beneficiaries: Direct beneficiaries from the project will be a minimum of five national institutions responsible for seed delivery and three regional institutions involved in research and training. The project will be beneficial to approximately 50,000 small farmers who produce basic food and feed crops, and the estimated cost per farm family over the life of the project is \$300.

FY 81 Program: Activities will include: development and implementation of the CIAT seed unit; procurement of equipment for the basic seed plant; development of a training curriculum and training program; publication of a newsletter; support for a program for five post-graduate interns; and initiation of adaptive research in seed technology at CIAT.

| | |
|--|------------------|
| | (\$ thousands) |
| Major Outputs (and A.I.D. Unit Cost): | <u>All Years</u> |
| | Unit Cost |
| CIAT seed laboratory functioning | 1 (400) |
| Regional institutions cooperating in seed training, research, and outreach | 3 (200) |
| National institutions operating seed delivery systems | 5 (200) |
| Seed technology information prepared in Spanish, English and Portuguese | 1 (200) |
| National associations operating for seed technologists and growers | 7 (30) |
| Uniform seed quality control standards established | 1 (300) |

| | |
|--------------------------------------|--------------|
| A.I.D.-Financed Inputs: | <u>FY 81</u> |
| Personnel/support (18 person-months) | 100 |
| Training programs | 50 |
| Technical support (6 person-months) | 30 |
| Supplies/services/equipment | 20 |
| Information services | <u>25</u> |
| Total | 225 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | |
| Estimated Fiscal Year 1980 | - | - | - | |
| Estimated through September 30, 1980 | - | - | - | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 225 | 2,775 | 3,000 | |

Centro Internacional de Agricultura Tropical
A U.S. University (Title XII).

| | | | | | |
|---|--|--|---|-------------------------------------|--|
| TITLE Agrarian Union Development | | FUNDS Agriculture, Rural Development and Nutrition | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 598-0599 | | PRIOR REFERENCE FY 80 Latin America Programs, p. 317 | FY 81 400 | LIFE OF PROJECT 800 | ESTIMATED COMPLETION DATE OF PROJECT FY 82 |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/> | | INITIAL OBLIGATION FY 80 | ESTIMATED FINAL OBLIGATION FY 81 | |

Purpose: To increase credit available to the rural poor through agricultural cooperative organizations affiliated with the American Institute for Free Labor Development (AIFLD) in selected countries in Latin America and the Caribbean.

Background and Progress to Date: AIFLD has been active in the Region since 1962, providing specialized education and technical advice to both urban and rural workers and small farmers' organizations. In recent years, it has been giving increased attention to the rural areas, particularly through its Agricultural Union Development Program (AUDP). A modest expansion of this program in prior years provided (1) intensive management, financial, and technical assistance to promising rural unions and coops in Honduras and El Salvador, and (2) a small AUDP loan fund (\$150,000 allocated in FY 1978) to provide short and medium term production and marketing credits to eligible groups.

Host Country and Other Donors: Unions in host countries contribute portions of instructor salaries, travel, and related training costs. A portion of the private U.S. contribution of \$230,000 to the AIFLD program will also be allocated to this project.

Beneficiaries: The primary beneficiaries will be the small farmers and agro-industry workers represented by campesino organizations in the several countries considered for this project. The estimated cost per family for the life of the project is \$2.

FY 81 Program: This two-year program, starting in FY 1980, constitutes a major one-time expansion of the AIFLD agrarian program, building upon its successful but modest beginnings. In FY 1981, there will be two elements: training and agricultural

credit. Training will be provided to eligible rural agricultural cooperatives in countries to be selected from the following: Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, and Panama. Agricultural credits will be provided to qualified client organizations on a short, medium, or long term basis to finance agricultural inputs, production and marketing facilities, and occasional construction of related small mini-infrastructure. A.I.D. grant funds for this purpose will be channeled to the AIFLD AUDP Loan Fund.

| | | |
|---|----------------|------------|
| | (\$ thousands) | |
| Major Outputs (and A.I.D. Unit Cost): | All Years | |
| | Unit | Cost |
| | 2,000 | (.45) |
| Small farmers trained | | |
| Cooperative projects presented for financing to local financial organizations | 40 | (22.5) |
| A.I.D. Financed Inputs: | FY 81 | |
| Specialists in agricultural development union-cooperative administration and management | | 75 |
| Seminars and training programs organized by the above in three countries | | 75 |
| Local staffs and related expenses in three countries | | 100 |
| Expansion of AUDP Loan Fund | | <u>150</u> |
| Total | | 400 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--------------------------------|-----------------------------|--|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | American Institute for Free Labor Development (AIFLD). |
| Estimated Fiscal Year 1980 | 400 | 350 | | |
| Estimated through September 30, 1980 | 400 | 350 | 50 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 400 | - | 800 | |

| | | | | | |
|--|-------------------------------|--|---|--|--|
| TITLE Appropriate Technology for Rural Women | | FUNDS Agriculture, Rural Development and Nutrition | PROPOSED OBLIGATION (In thousands of dollars) | | |
| | | | FY 81 111 | LIFE OF PROJECT 405 | |
| NUMBER 598-0600 | NEW <input type="checkbox"/> | PRIOR REFERENCE | INITIAL OBLIGATION FY 79 | ESTIMATED FINAL OBLIGATION FY 81 | ESTIMATED COMPLETION DATE OF PROJECT FY 82 |
| GRANT <input checked="" type="checkbox"/> | LOAN <input type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | FY 80 Latin America Programs, p. 318 | | |

Purpose: To develop, test, and introduce appropriate technologies for use by rural women engaged in agriculture, animal husbandry cottage industry, and the performance of home tasks in order to increase their incomes and productivity.

Background and Progress to Date: Though frequently overlooked in national statistics, women's labor contributes significantly to Latin America's rural economies. Customary forms of technical assistance often have failed to aid rural women because the new agricultural technologies introduced were aimed principally for use by men. Moreover, most appropriate technology programs have addressed the technical and institutional problems of development and production, failing to give adequate attention to transfer and spread to potential users. The Inter-American Commission of Women (IACW) of the Organization of American States is cooperating with the governments of Bolivia, Ecuador and Peru to carry out this pilot project. The project seeks to introduce technologies which relate to the tasks women perform in agriculture, animal husbandry, cottage industries and homemaking. The objectives are: 1) to increase women's skills in agriculture and craftsmanship; 2) to increase sources of income of women and their families by promoting or improving cottage industries; 3) to lighten the burdensome, time-consuming tasks of the rural homemaker; and 4) to encourage development of new industries to produce the technologies. Activities have been under way in Bolivia and Ecuador too briefly to measure progress. However, the planning/implementation process itself has heightened interest and commitment of planning and agriculture ministries toward addressing the specific needs of rural women and has led to greater recognition for the managerial roles women play in this process. In Bolivia, where project activities are closely coordinated with a World Bank rural development project, an advisory committee of host government, Bank and private sector representatives has facilitated improved communication and cooperation among these entities.

Host Country and Other Donors: Each participating government provides personnel (extension agents, teachers, health workers, etc.) and administrative services. The IACW provides local transportation and volunteer services by its members in each country.

Beneficiaries: The direct beneficiaries will be an estimated 900 families living in pilot rural communities in the Altiplano regions of Bolivia, Ecuador and Peru. Estimated life-of-project cost per beneficiary is \$75. Activities may later be expanded in the Andean countries or replicated elsewhere in Latin America.

FY 81 Program: Testing of selected technologies will be completed, strategies for spreading technologies to other communities will be developed and implemented, and local industries to produce technologies will be established.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|--|----------------|-------|
| | Unit | Cost |
| Workshops (planning, training) | 6 | (5) |
| Field personnel trained | 21 | (1.5) |
| Demonstration model/equipment produced | 17 | (6) |
| Training guide for field workers | 1 | (.5) |
| Small industries established | 12 | (20) |

| A.I.D. Financed Inputs: | FY 81 |
|-------------------------|------------|
| Staff salaries | 70 |
| Consultants | 9 |
| Travel | 10 |
| Workshops | 12 |
| Other Costs | 10 |
| TOTAL | 111 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-------------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 169 | 30 | 139 | Inter-American Commission of Women. |
| Estimated Fiscal Year 1980 | 125 | 200 | | |
| Estimated through September 30, 1980 | 294 | 230 | 164 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 111 | - | 405 | |

| | | | | | | |
|---|--|---------------------------|--------------------|---|---------------------------|--|
| TITLE Population Information for Policy Makers | | FUNDS Population Planning | | PROPOSED OBLIGATION (In thousands of dollars) | | |
| | | | | FY 81 | LIFE OF PROJECT | |
| | | | | 500 | 2,250 | |
| NUMBER 598-0612 | NEW <input type="checkbox"/> | PRIOR REFERENCE | INITIAL OBLIGATION | ESTIMATED FINAL OBLIGATION | ESTIMATED COMPLETION DATE | |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | None. | FY 80 | FY 84 | OF PROJECT | |
| | | | | | FY 84 | |

Purpose: To assist Latin American and Caribbean (LAC) countries and international and regional organizations to better understand the implications of current population growth rates on national development goals for the year 2000.

Background and Progress to Date: While some LAC governments are beginning to recognize the problem of population growth, there remains the need to reinforce official understanding of population pressures on development. Moreover, a number of important countries exhibit little or no understanding of the population factor in development. Many governments are concerned with short-term rather than the medium to long-term implications of rapid population growth. There is a need to develop a public and private sector understanding of the importance of focusing now on solutions to population growth problems which will confront the LAC region a decade or more in the future. This project is designed to provide a series of analytical reports for use by policy leaders in LAC countries as well as by international organizations. The reports will focus on the impact of rapid population growth on such significant factors as urbanization, internal and international migration, employment, housing, environment, and maternal and child health. In addition to the multi-sector implications of population growth, the project will provide an ad hoc analysis of special problems, such as the impact of import-added taxes on the price of contraceptives and its effect on the ability of the rural and urban poor to purchase contraceptives. In analyzing how LAC countries can resolve their increasing serious population problems, the project will identify necessary steps to achieve rates of growth consistent with their national goals over the next two decades. A series of workshops will be held to disseminate the results of the project.

Host Country and Other Donors: Host country institutions will provide personnel and logistic support.

Beneficiaries: The project is aimed at policy leaders in the LAC region. By making available information on national development priorities and problems, it is expected that leaders will be more likely to adopt population policies and implement programs to reduce high fertility. The main beneficiaries will be the rural and urban poor who most directly benefit from access to the information and means to control their fertility. Due to the nature of this analytical activity, it is impossible to determine individual beneficiary costs.

FY 81 Program: Project activities during this period will include provision of technical assistance to prepare analytical reports, dissemination of the developed information, and support of regional workshops for key policy makers.

| | | |
|--|------------------|-------------|
| | (\$ thousands) | |
| <u>Major Outputs (and A.I.D. Unit Cost):</u> | <u>All Years</u> | |
| | <u>Unit</u> | <u>Cost</u> |
| Workshops | 10 | (10) |
| Analytical reports/studies | 50 | (25) |
| Collaboration network established | 1 | (200) |
| Host-country personnel trained | 300 | (2) |
| <u>A.I.D. Financed Inputs:</u> | <u>FY 81</u> | |
| Personnel and consultants | | 220 |
| Workshops and participant costs | | 70 |
| Other direct costs (computer, travel, etc.) | | <u>210</u> |
| TOTAL | | 500 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--------------------------------|-----------------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | |
| Estimated Fiscal Year 1980 | 500 | 400 | | |
| Estimated through September 30, 1980 | 500 | 400 | 100 | |
| | | <u>Future Year Obligations</u> | <u>Estimated Total Cost</u> | |
| Proposed Fiscal Year 1981 | 500 | 1,250 | 2,250 | |

To be selected.

| | | | | | |
|--|--|--|--|--|--|
| TITLE Free Labor Development | | FUNDS Education and Human Resources | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 598-0101 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | | NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/> | PRIOR REFERENCE FY 80 Latin America Programs, p.319 | FY 81 8,000 | LIFE OF PROJECT Continuing* |
| | | | INITIAL OBLIGATION FY 62 | ESTIMATED FINAL OBLIGATION FY Continuing* | ESTIMATED COMPLETION DATE OF PROJECT FY Continuing* |

Purpose: To strengthen free and independent democratic labor movements in Latin America and the Caribbean.

Background and Progress to Date: This project is being carried out through contracts with the American Institute for Free Labor Development (AIFLD) and seeks to improve union leadership at all levels through educational and social development projects. Within the broad framework of human rights, particular emphasis is placed on advancing the rights of free trade unions and the individual rights of their members. Since inception of the program, cooperating trade union movements have strengthened their membership, financial position, and the economic and social conditions of their members. Social projects such as clinics and cooperatives have attracted new members, and AIFLD programs have helped protect free trade unions and their leaders from adverse governmental action.

Host Country and Other Donors: The AFL-CIO and U.S. business firms contribute some \$230,000 annually to the program. Unions in host countries contribute portions of instructors salaries, travel and related costs. International Trade Secretariats provide personnel, program and overhead costs varying from 20% to 50% of total costs of the "union-to-union" program.

Beneficiaries: In FY 1981, the cost per direct beneficiary is estimated at \$315. The number of families (including trade union members) cooperating in this program total an estimated 25 million.

FY 81 Program: Overseas programs will train 25,000 participants in 16 Latin American countries and the Caribbean. The agrarian union program to assist poor farmers (AUDP) is expected to reach three additional countries throughout the Region. Training in the United States will be given to about 220 participants, with

particular emphasis on the involvement of women.

| | |
|---|---------------------------------|
| <u>Major Outputs:</u> | (\$ thousands) Through FY 81 |
| Union members trained in local courses | 425,000 |
| Members receiving advanced training in the U.S. | 3,357 |
| Number of social projects carried out | 85 |
| <u>A.I.D. Financed Inputs:</u> | FY 81 |
| Overseas country programs | 3,130 |
| U.S. training programs | 1,270 |
| Union-to-union - International Trade Secretariats | 1,040 |
| AUDP Agrarian union program | 565 |
| ORIT - Inter-American Regional Workers Organization | 135 |
| U.S. personnel and administrative costs | <u>1,860</u> |
| Total | 8,000 |

*It is expected that activities under this project will continue as long as A.I.D. maintains an assistance program in the Region.

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|--|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 63,907 | 57,297 | 6,610 | American Institute for Free Labor Development. |
| Estimated Fiscal Year 1980 | 8,300 | 8,100 | | |
| Estimated through September 30, 1980 | 72,207 | 65,397 | 6,810 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 8,000 | Continuing* | Continuing* | |

| | | | | | |
|---|--|--|---|----------------------------|---------------------------|
| TITLE Education Media for Integration of Women | | FUNDS Education and Human Resources | PROPOSED OBLIGATION (In thousands of dollars) | | |
| | | | FY 81 210 | LIFE OF PROJECT | 910 |
| NUMBER 598-0574 | NEW <input type="checkbox"/> | PRIOR REFERENCE | INITIAL OBLIGATION | ESTIMATED FINAL OBLIGATION | ESTIMATED COMPLETION DATE |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | FY 80 Latin America Programs, p. 321 | FY 78 | FY 82 | OF PROJECT FY 83 |

Purpose: To develop, test and disseminate an approach for incorporating farm women into rural development programs by using appropriate media to communicate agricultural and related information.

Background and Progress to Date: Traditional agricultural extension and rural education programs in Latin America have concentrated on providing new information to the head of the subsistence farm household, typically a male. However, experience and research in subsistence farming areas indicate that women in particular perform a number of essential productive functions. This project has been developing effective communication strategies designed to provide information relevant to the special tasks and needs of the women on the small farm. The Inter-American Institute for Agricultural Sciences (IICA), with A.I.D. support, has been designing and testing mass media and non-formal education information packages for farm women in three pilot countries. From these experiences, a series of practical guidelines are being developed and will be disseminated to agricultural extension and rural education planners throughout the region. The first pilot program, which began in the Dominican Republic in late FY 1979, utilized existing radio and other media resources to deliver agricultural, marketing, and other information to rural women in the Dominican Republic. The overall project's objectives and outputs have been redesigned as a result of field experience over the past year.

Host Country and Other Donors: In coordinating the project, IICA provides advisory assistance through its field representatives and local logistical support in the selected countries. Host country sponsoring agencies assist in planning and provide field personnel for baseline studies, testing and follow-up of the media strategy.

Beneficiaries: Direct beneficiaries will total about 2,400 rural women at the three field test sites over the life of the project. The cost per beneficiary is approximately \$379.

FY 81 Program: After evaluating the Dominican Republic experience, guidelines for using the model media project throughout Latin America will be drafted. The guidelines will document the steps to be considered, studies to be conducted and potential media packages to be used by any rural development planner seeking to provide farm women with new agricultural techniques, credit and other services. The draft guideline will be field-tested in two other countries.

| | | |
|---|-----------------|-------------|
| | (\$ thousands) | |
| Major Outputs (and A.I.D. Unit Cost): | <u>All Year</u> | |
| | <u>Unit</u> | <u>Cost</u> |
| Development communicators trained | 60 | (5) |
| Radio promotional messages produced/broadcast | 180 | (1.5) |
| Poster/comic book formats developed | 30 | (2) |
| Evaluation studies | 3 | (30) |
| Media strategy guidelines published | 6 | (20) |
| | | |
| A.I.D. Financed Inputs: | <u>FY 81</u> | |
| Consultants (13 person-months) | | 65 |
| Travel and research support | | 20 |
| Message production/distribution costs | | 85 |
| Seminars | | 15 |
| Indirect costs | | <u>25</u> |
| Total | | 210 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--------------------------------|-----------------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 450 | 150 | 300 | |
| Estimated Fiscal Year 1980 | 250 | 250 | | |
| Estimated through September 30, 1980 | 700 | 400 | 300 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 210 | - | 910 | |

Inter-American Institute for Agriculture Sciences.

| | | | | | | |
|---|--|--|--|---|----------------------------------|--|
| TITLE Rural Communication Services | | FUNDS Education and Human Resources | | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 598-0581 | | NEW <input type="checkbox"/> | | FY 81 397 | | LIFE OF PROJECT 1,818 |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | | CONTINUING <input checked="" type="checkbox"/> | | INITIAL OBLIGATION FY 79 | ESTIMATED FINAL OBLIGATION FY 82 | ESTIMATED COMPLETION DATE OF PROJECT FY 83 |
| PRIOR REFERENCE FY 80 Latin America Programs, P. 322 | | | | | | |

Purpose: To conduct demonstration pilot programs utilizing communication media to serve the education and information needs in the fields of agriculture, nutrition and health of isolated rural communities.

Background and Progress to Date: The project assesses the potential of modern communication technologies, including communication satellites, to extend the outreach of development programs to scattered, isolated poor rural communities. Based upon the success of A.I.D.'s 1976 communication satellite demonstrations and a 1978 follow-up satellite demonstration of educational television conducted by the University of the West Indies, the project continues to demonstrate that modern communication technologies can be a cost-effective means of reaching isolated rural communities. In the northeast jungle region of Peru, a pilot low-cost rural telecommunication network is being installed for use in health, agriculture, and education programs. The costs and benefits associated with the system are being evaluated over a two-year period, and the results will be disseminated region-wide. In the Caribbean, an 18-month field study will examine the feasibility of offering a variety of development-related information services from the regional University of the West Indies to 14 less developed country islands. In its final design, this project was reduced to a four-year activity.

Host Country and Other Donors: In Peru, the Ministry of Transport and Communications will install and operate the pilot rural communication network. In the Caribbean, the University of the West Indies will provide support staff, office space, and access to University facilities and personnel throughout the region.

Beneficiaries: The experimental nature of the project precludes an estimation of the cost per beneficiary. Immediate beneficiaries will be the development officials within the host countries who will gain experience with the planning and implementation of rural telecommunications projects. Ultimate beneficiaries will be families residing in remote rural communities throughout the region.

FY 81 Program: In Peru, two-way voice communication and radio instructional programming will be provided for rural health facilities, agricultural extension centers, and rural schools in 15 rural communities. Users will be trained in the effective utilization of the system, and the impact of the system on the delivery of development services will be monitored. In the Caribbean, the University of the West Indies feasibility study team will complete a decision package with recommendations concerning the development of new extension services.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|--|----------------|------|
| | Unit | Cost |
| Villages in rural communication network | 15 | (45) |
| Field staff trained | 55 | (4) |
| Feasibility studies for Caribbean subproject | 7 | (47) |
| Studies on system impact and costs | 5 | (90) |
| Regional dissemination activities | 9 | (15) |

| A.I.D. Financial Inputs: | FY 81 |
|--------------------------|-------|
| Technical assistance | 297 |
| Publications, seminars | 50 |
| Radio equipment | 50 |

Total 397

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--------------------------------|-----------------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 875 | - | 875 | |
| Estimated Fiscal Year 1980 | 280 | 700 | | |
| Estimated through September 30, 1980 | 1,155 | 700 | 455 | |
| Proposed Fiscal Year 1981 | 397 | 266 | 1,818 | |
| | | Future Year Obligations | Estimated Total Cost | |

University of the West Indies,
Peru Ministry of Transport and Communications.

| | | | | | |
|--|--|---|--|-------------------------------------|--|
| TITLE Training for Development | | FUNDS Education and Human Resources | PROPOSED OBLIGATION (In thousands of dollars) FY 81 1,040 | | LIFE OF PROJECT 5,075 |
| NUMBER 598-0588 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/> | PRIOR REFERENCE FY 80 Latin America Programs, p. 323 | INITIAL OBLIGATION FY 79 | ESTIMATED FINAL OBLIGATION FY 83 | ESTIMATED COMPLETION DATE OF PROJECT FY 84 |

Purpose: To train selected personnel from Latin American and Caribbean (LAC) countries in priority development areas and to improve the capability of selected institutions in the region to provide development related training.

Background and Progress to Date: An important aspect of U.S. assistance to the LAC Region has been the large number of leaders in the public and private sectors who have received training in the United States. For example, the A.I.D.-supported Latin American Scholarship Program of American Universities (LASPAU) trains university professors and, thus, strengthens the capacity of local universities to assist in development efforts. Over a 12-year period, LASPAU has provided over 2,000 scholarships with 80% of the graduates returning to their sponsoring institutions. Over the past five years, A.I.D./LASPAU trainees have had a return rate of over 95%. In addition to continuing the LASPAU program, this project finances other training programs at U.S. and Latin American institutions for public service/academic personnel engaged in planning and implementing programs which impact on the poor. Non-academic programs as well as Masters level academic programs are offered -- emphasizing project development and management, evaluation, appropriate technology, energy, conservation, and technology transfer. Other training programs will be conducted after studies determine the training needs of rural leaders involved in resolving development problems. Selected Latin American and U.S. institutions will be encouraged to offer specialized long-term programs that relate to development priorities. According to the project's broad purpose, however, most A.I.D.-funded regional training programs are tied to specific A.I.D. project requirements. The life-of-project cost of this training project has been increased to cover additional training requirements determined by the LAC field Missions.

Host Country and Other Donors: A.I.D. funding will provide approximately 65% of the total costs for scholarships. Host countries, students and participating U.S. institutions will share the remainder of the expenses.

Beneficiaries: During FY 1981, some 150 persons will receive long and short-term training. The number of people trained over the life of the project should reach 500. Average cost of training per beneficiary will be about \$8,800.

FY 81 Program: Forty scholars will be selected to begin long-term training in FY 1981. Short-term U.S. and third country training will be provided to 40 qualified individuals. Special in-country training programs will be carried out in project administration and management and other development related topics.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|--|----------------|----------------|
| | Unit | All Years Cost |
| Persons provided training | 525 | (8.8) |
| Training institutions strengthened | 12 | (7) |
| Third country training guide published | 1 | (30) |
| A.I.D. Financed Inputs: | | |
| Participant Training | | FY 81 900 |
| In-country Training | | 140 |
| Total | | 1,040 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|--|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 924 | 10 | 914 | Latin American Scholarship Program of American Universities, Organization of American States. |
| Estimated Fiscal Year 1980 | 1,340 | 900 | | |
| Estimated through September 30, 1980 | 2,264 | 910 | 1,354 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 1,040 | 1,771 | 5,075 | |

| | | | | | |
|---|---|---|---|--|--|
| TITLE Consultants and Seminars | | FUNDS Selected Development Activities | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 598-0044 | | PRIOR REFERENCE FY 80 Latin America Programs, p. 325 | FY 81 | 400 | LIFE OF PROJECT Continuing* |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/> | | INITIAL OBLIGATION FY 65 | ESTIMATED FINAL OBLIGATION FY Continuing* | ESTIMATED COMPLETION DATE OF PROJECT FY Continuing* |

Purpose: To provide short term technical expertise, prepare studies, evaluations and analyses; and to conduct seminars on development subjects related to A.I.D. program and project planning and implementation.

Background and Progress to Date: This project provides the means for undertaking various meaningful regional initiatives which directly complement Missions' activities. Activities carried out to date include basic program development, information exchange, development planning and special evaluations on a region-wide basis. The FY 1979 program included: a) two studies relating to national border problems and border conflict management; b) an extensive two-year study by the UN Economic Commission for Latin America and the UN Development Program of critical poverty in Central America -- its identification, causes and possible solutions; c) a seminar in Costa Rica to explain the Productive Credit Guaranty Program; d) an evaluation of the American Institute for Free Labor Development's Agrarian Union Development Program in Latin America; e) a grant to the Center for Development and Research on Education for a conference on educational research in Latin America; f) a study of population migration patterns and causes in Central America; g) a study of new development financing instruments for transition developing countries; and h) the first-phase of a regional evaluation of rural enterprise programs to determine their impact on employment.

Host Country and Other Donors: Host countries, international organizations and other groups in many cases contribute counterpart personnel and/or funds in support of specific activities.

Beneficiaries: The project, due to its study/seminar, orientation, does not reach the poor majority directly. Results of the project, however, contribute to a better understanding of the development and planning processes and to more effective assistance programs, which indirectly benefit the project target groups. The nature of this project precludes estimating individual family beneficiary costs.

FY 81 Program: 1) Provide advisors to assist A.I.D. technical and planning personnel in analyzing past experience and present programs in key sectors; and 2) conduct various studies and analyses, the results of which will be used in project and program decision-making. A number of development seminars and conferences of Latin American and Caribbean interest will be scheduled.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---------------------------------------|----------------|------|
| | All Years | |
| | Unit | Cost |
| Seminars | X | - |
| Conferences | X | - |
| Evaluations | X | - |
| Studies/Analyses | X | - |

A.I.D. Financed Inputs:

| | |
|--------------------------------------|------------|
| Short-term consultants and analysts | 325 |
| Seminar and conference support costs | 75 |
| TOTAL | 400 |

*It is expected that activities under this project will continue as long as A.I.D. maintains an assistance program in the Region.

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--|-------------------------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 4,629 | 4,534 | 95 | |
| Estimated Fiscal Year 1980 | 400 | 350 | | |
| Estimated through September 30, 1980 | 5,029 | 4,884 | 145 | |
| Proposed Fiscal Year 1981 | 400 | Future Year Obligations Continuing* | Estimated Total Cost Continuing* | |

Various to be selected.

| | | | | | |
|---|--|--|---|---|---|
| TITLE Partners of the Americas | | FUNDS Selected Development Activities | PROPOSED OBLIGATION (In thousands of dollars) | | LIFE OF PROJECT |
| NUMBER 598-0436 | NEW <input type="checkbox"/> | PRIOR REFERENCE | FY 81 500 | | Continuing* |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | FY 80 Latin America Programs, p. 326 | INITIAL OBLIGATION FY 65 | ESTIMATED FINAL OBLIGATION FY Continuing* | ESTIMATED COMPLETION DATE OF PROJECT FY Continuing* |

Purpose: To accomplish A.I.D.'s development goals through support to and utilization of private citizen volunteers through the National Association of the Partners of the Americas (NAPA) and affiliated state partnerships; and to help NAPA reach the point where it can function effectively after A.I.D. assistance is withdrawn.

Background and Progress to Date: NAPA coordinates, supports, and provides administrative services to individual State Partners programs in the United States which are paired with similar organizations in Latin America. The principal objective of the partnerships are to increase private sector participation in the development process, to develop self-help efforts, to strengthen local community organizations, and to establish lasting friendships among the peoples of the United States and Latin America and the Caribbean. NAPA supplies technical guidance and direction to strengthen the partnership programs in A.I.D. priority development fields. The Partners program at present includes 50 partnerships in 44 U.S. states, working with their counterparts in 21 countries. NAPA increased its funding from non-A.I.D. sources from 31% of its budget in 1975 to 55% in 1978, which is expected to remain approximately the same for 1979. NAPA's programs were redirected to emphasize development projects and to assist State Partners to improve program planning, increase local funding and expand membership.

Host Country and Other Donors: U.S. and Latin American Partnerships now contribute commodities, equipment and in-kind services valued in excess of \$11 million annually. Contributions from private foundations and cooperations exceed \$235,000. Grants of \$325,000 are received from other U.S. government agencies.

Beneficiaries: The beneficiaries are the rural and urban poor in 21 countries of Latin America and the Caribbean through volunteer self-help programs -- principally in agriculture, community

development, education and health. The total number of people trained for FY 1981 in all programs, both A.I.D. and non-A.I.D. funded, are estimated at 130,000 with an approximate cost to A.I.D. of \$3.80 per family.

FY 81 Program: A.I.D. will support NAPA's efforts to further improve State Partners organizations and development projects, and to develop sources of financial support outside A.I.D.

| | |
|--|------------------|
| <u>Major Outputs:</u> | (\$ thousands) |
| | <u>All Years</u> |
| People trained (all funding sources for FY 1981 only) | 130,000 |
| Strengthening the capacity of on-going U.S. and Latin Partnerships to carry out self-help programs | 50 |
| Creation of new partnerships | 20 |
| <u>A.I.D. Financed Inputs:</u> | <u>FY 81</u> |
| Program Services | 250 |
| Volunteer travel | 140 |
| New program initiatives | 20 |
| Administrative costs | <u>90</u> |
| Total | 500 |

*It is expected that activities under this project will continue as long as A.I.D. maintains an assistance program in the Region.

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|--|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 2,225 | 2,224 | 1 | National Association of the Partners of the Americas, Inc. |
| Estimated Fiscal Year 1980 | 500 | 500 | | |
| Estimated through September 30, 1980 | 2,725 | 2,724 | 1 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 500 | Continuing* | Continuing* | |

| | | | | | |
|---|--|---|---|-------|-----------------|
| TITLE Science and Technology Information Transfer | | FUNDS Selected Development Activities | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 598-0572 | | PRIOR REFERENCE FY 80 Latin America Programs, p. 327 | FY 81 | 360 | LIFE OF PROJECT |
| GRANT <input checked="" type="checkbox"/> | LOAN <input type="checkbox"/> | | ESTIMATED FINAL OBLIGATION | FY 82 | 1,816 |
| NEW <input type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | | ESTIMATED COMPLETION DATE OF PROJECT | | FY 84 |

Purpose: To improve access of Latin American and Caribbean (LAC) countries to scientific and technical information and patents resulting from U.S. Government investment in research and development and to appropriate technology information resulting from worldwide research and development.

Background and Progress to Date: Policymakers, researchers, and academicians throughout the region have a need for rapid, systematic access to current U.S. scientific documents and reports to help them develop solutions to local problems. This project supports a network of technical information distribution centers through which Latin American users can review listings of scientific and technical documents collected by the National Technical Information Service (NTIS) of the U.S. Department of Commerce. This project now has technical information distribution centers with trained agents in 18 Latin American countries. Promotional activities emphasize the information transfer of low-cost, labor-intensive appropriate technologies. Information requests during FY 1980 will be filled for over 20,000 users. By the end of FY 1980, case studies will have been completed in seven countries to help make the service more responsive to user needs. Fifty-five people will have received specialized training in information management, and a clearing house on appropriate technology will have been established. This project has been extended by one year due to budget constraints.

Host Country and Other Donors: Public and private host country institutions provide personnel and facilities for customer assistance, marketing, storage and distribution. Additionally, they have contributed appropriate technology information generated nationally for use throughout the network.

Beneficiaries: Direct beneficiaries are public and private sector organizations and individuals using the information transferred by NTIS. Due to the increased emphasis on appropriate

technology, the ultimate beneficiaries will be the rural and urban poor who are served by government and private voluntary organizations. The cost of providing information to such users is absorbed entirely by the project. The estimated cost per user is \$34.

FY 81 Program: The following activities are planned: increased use of the clearinghouse on appropriate technology; translation of appropriate technology literature in Spanish (at least 10 documents per country per year); training of personnel from LAC agencies in the management of information systems; assistance to LAC agencies in the management of information systems; assistance to agencies in the marketing and promotion of NTIS services, with particular emphasis on organizations which provide services to A.I.D. target groups; and distribution of free documents on appropriate technology to organizations which are unable to pay.

| | | |
|--|------------------|-------------|
| | (\$ thousands) | |
| <u>Major Outputs (and A.I.D. Unit Cost):</u> | <u>All Years</u> | |
| | <u>Unit</u> | <u>Cost</u> |
| Distribution centers | 20 | (55) |
| Trained staff for centers | 95 | (1) |
| Case studies on appropriate technology users | 15 | (1.5) |
| Monthly development information newsletter | 900,000 | (44 cents) |
| Appropriate technology catalogues | 20,000 | (.004) |

| | |
|--------------------------------|--------------|
| <u>A.I.D.-Financed Inputs:</u> | <u>FY 81</u> |
| Consultants (25 person-months) | 43 |
| Participant training | 39 |
| Commodities | 93 |
| Marketing and promotion | <u>185</u> |
| Total | 360 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 750 | 747 | 3 | |
| Estimated Fiscal Year 1980 | 300 | 300 | | |
| Estimated through September 30, 1980 | 1,050 | 1,047 | 3 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 360 | 406 | 1,816 | |

National Technical Information Service of the U.S. Department of Commerce.

| | | | | |
|---|--|--|---|----------------------------------|
| TITLE SOLIDARIOS Development Fund | | FUNDS Selected Development Activities | PROPOSED OBLIGATION (In thousands of dollars) | |
| NUMBER 598-0587 | NEW <input type="checkbox"/> | PRIOR REFERENCE | FY 81 400 | LIFE OF PROJECT 4,000 |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | FY 80 Latin America Programs, p. 328 | INITIAL OBLIGATION FY 78 | ESTIMATED FINAL OBLIGATION FY 82 |
| | | | ESTIMATED COMPLETION DATE OF PROJECT FY 83 | |

Purpose: To provide SOLIDARIOS, a consortium of national development foundations in Latin America and the Caribbean, with capital for channeling funds to grass-roots organizations of low-income groups for a broad range of development projects.

Background and Progress to Date: National Development Foundations (NDFs), among the strongest and most experienced non-government institutions in Latin America, reach and benefit the lowest income groups in both urban and rural areas. Thirteen NDFs -- located in Bolivia, Colombia, Costa Rica, Dominican Republic, Ecuador (two), El Salvador, Guatemala, Nicaragua, Honduras, Mexico, Paraguay, and Trinidad/Tobago -- have formed a consortium called SOLIDARIOS to consolidate their efforts in fund raising and innovative program planning. To assist NDFs and their members to carry out local development initiatives, SOLIDARIOS has established a hemispheric private development fund to be capitalized through grants and loans from international agencies as well as through the private sectors of the various countries. With A.I.D. assistance during FY 1978 and FY 1979, SOLIDARIOS worked on meeting basic disbursement conditions and began sub-lending A.I.D. assistance. In FY 1980 and FY 1981, A.I.D. plans to provide capital grants for the additional capitalization of the fund. SOLIDARIOS will use these grants to demonstrate to the various international lenders that it can act effectively as a viable development finance institution and can provide the capitalization for present and future member development foundation activities directed at the region's lowest income groups. This project has been extended by two years because of its delayed implementation and of budget constraints in both FY 1980 and FY 1981.

Host Country and Other Donors: The private sectors of the countries listed above have contributed approximately \$20 million

to the NDFs. SOLIDARIOS has negotiated a \$5 million loan with the Inter-American Development Bank's Social Progress Trust Fund (SPTF), through which excess local currencies in selected countries are available for lending to NDFs. A.I.D. will complement the SPTF loan by providing dollars for these countries where local currencies are not available.

Beneficiaries: Community and rural organizations composed of low-income families will be eligible for loans from the SOLIDARIOS fund. These organizations include credit unions, farmers' cooperatives, rural small industry, community housing and potable water improvement associations, educational credit institutions and consumer groups. An estimated 16,000 families will directly benefit from the lending operations, at an average cost of \$250 per family during the life of the project. An estimated 4,000 families will benefit per year.

FY 81 programs: A.I.D. will provide a capital grant from which SOLIDARIOS expects to make project and program loans of between \$50,000 and \$250,000 each to its member foundations.

| Major Outputs and A.I.D. Unit Cost): | (\$ thousands) | |
|---|----------------|------|
| | Unit | Cost |
| Sub-loans to its member development foundations | 45 | (90) |
| A.I.D. Financed Inputs: | FY 81 | |
| Capital Funds | | 400 |
| Total | | 400 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 1,500 | 525 | 975 | SOLIDARIOS. |
| Estimated Fiscal Year 1980 | 750 | 1,000 | | |
| Estimated through September 30, 1980 | 2,250 | 1,525 | 725 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 400 | 1,350 | 4,000 | |

| | | | | | |
|---|-------------------------------|---|--|--|---|
| TITLE Human Rights Initiatives | | FUNDS Selected Development Activities | PROPOSED OBLIGATION (In thousands of dollars) FY 81 300 | | LIFE OF PROJECT Continuing* |
| NUMBER 598-0591 | NEW <input type="checkbox"/> | PRIOR REFERENCE FY 80 Latin America Programs, p. 329 | INITIAL OBLIGATION FY 78 | ESTIMATED FINAL OBLIGATION FY Continuing* | ESTIMATED COMPLETION DATE OF PROJECT FY Continuing* |
| GRANT <input checked="" type="checkbox"/> | LOAN <input type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | | | |

Purpose: To support regional initiatives which seek to expand the political, social and economic rights of the urban and rural poor.

Background and Progress to Date: This project provides support to human rights programs for multinational or regional activities which establish or strengthen national, regional and international organizations and which seek to improve the observance of human rights in the region. In FY 1979, for example, the Inter-American Legal Services Association continued to help private groups and governments to establish programs in legal reform, public interest law and legal assistance to disadvantaged people. Also, representatives of private volunteer organizations from seven Latin American countries, who participated in a 1979 A.I.D.-sponsored workshop, have been working to form an Inter-American Social Education Association in order to expand community education on civil and political rights and responsibilities. The Overseas Education Fund has been assisting women's organizations in three countries to carry out pilot programs aimed at eliminating legal discrimination against women, and to provide legal and social counselling services to women of low income. A regional seminar on human rights-resolving mechanisms available under the American Convention on Human Rights, sponsored in 1979 by the Inter-American Bar Foundation, provided a forum which considered a proposal for the establishment of an institute to carry out the educational and promotional responsibilities of the new Inter-American Court on Human Rights. A.I.D. is financing a meeting in January 1980 which will bring together Court members and human rights experts from the Americas and Europe in an effort to refine and agree upon the structure and functions of the proposed institute. Other human rights projects have been funded bilaterally, such as activities in Paraguay and Peru.

Host Country and Other Donors: Public and private host country institutions and international organizations provide personnel, facilities and in-kind services.

Beneficiaries: Activities funded under this project seek to extend observance of universally accepted standards of human rights to all people in the region, with special focus on those who are most disadvantaged or oppressed. The nature of this project precludes determining the per family cost.

FY 81 Program: Projects in public interest law, civic education, legal services to women and aid to ethnic groups will continue. Other opportunities to advance human rights objectives are continuously sought.

| | |
|--|------------------|
| | (\$ thousands) |
| <u>Major Outputs:</u> | <u>All Years</u> |
| | <u>Unit</u> |
| Legal services programs established | X |
| Civic education programs expanded | X |
| Documentation centers established | X |
| Workshops/Seminars | X |
| <u>A.I.D. Financed Inputs:</u> | <u>FY 81</u> |
| Project staff salaries | 150 |
| Travel (technical advice, data collection) | 40 |
| Conferences/Workshops | 80 |
| Consultants | 30 |
| Total | 300 |

*It is expected that activities under this project will continue as long as A.I.D. maintains an assistance program in the Region.

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--------------------------------|-----------------------------|---|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1978 | 1,252 | 401 | 851 | Various U.S. and local organizations (such as The American Society of International Law, Colombian Human Rights Assn., (Cultural Survival Inc., Overseas Education Fund). |
| Estimated Fiscal Year 1979 | 1,060 | 900 | | |
| Estimated through September 30, 1979 | 2,312 | 1,301 | 1,011 | |
| | | <u>Future Year Obligations</u> | <u>Estimated Total Cost</u> | |
| Proposed Fiscal Year 1980 | 300 | Continuing* | Continuing* | |

| | | | | |
|---|--|--|---|----------------------------------|
| TITLE Development of Environmental Management Systems | | FUNDS Selected Development Activities | PROPOSED OBLIGATION (In thousands of dollars) | |
| NUMBER 598-0605 | NEW <input type="checkbox"/> | PRIOR REFERENCE | FY 81 614 | LIFE OF PROJECT 4,434 |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | FY 80 Latin America Programs, p. 331 | INITIAL OBLIGATION FY 79 | ESTIMATED FINAL OBLIGATION FY 84 |
| | | | ESTIMATED COMPLETION DATE OF PROJECT FY85 | |

Purpose: To improve the capability of Latin American and Caribbean countries to plan and manage their development activities in a manner consistent with sound environmental and natural resource policies.

Background and Progress to Date: Growing populations, increasing urbanization and industrialization, and over-exploitation of natural resources together with a traditional disregard for environmental concerns have often led to severe environmental and natural resource problems throughout the region -- including deforestation, soil depletion and erosion, air and water pollution, and desertification. Historically, little or no emphasis had been placed on developing technical and managerial personnel competent in dealing with environmental problems, policy formulation, or the collection of basic data. However, many of the region's countries have begun to recognize that environmental and natural resource management issues play an important role in their economic and social development. Consequently, A.I.D. has initiated programs aimed at developing and strengthening the capability of cooperating countries to protect and manage their environment. Supporting A.I.D. and host country initiatives, this project finances surveys, assessments, feasibility studies, technical assistance, training, applied research and action projects. To more effectively carry out the purpose of this activity (particularly in the area of afforestation), the project has been extended through FY 1984 and the life-of-project funding has been increased to \$4,434,000.

Host Country and Other Donors: Host countries will contribute funds, personnel and facilities. Other donors will be approached to finance projects identified through this activity.

Beneficiaries: The nature of this project precludes quantification of cost-per-beneficiary ratios. However, A.I.D. assistance

in support of host country efforts to more effectively manage their natural resources will have a beneficial impact on the poor as they are particularly dependent on environmental and natural resource endowments for their livelihood.

FY 81 Program: Financial and technical assistance to host countries in the areas of afforestation, watershed management, and non-chemical pest and pesticide management will be continued. Research will be carried out on the most pressing environmental and natural resource problems which have been identified in the region. Workshops in environmental planning and management impact analysis as well as natural resource management will be financed.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|--|----------------|-------|
| | All Years | |
| | Unit | Cost |
| Cooperating country staff trained | 200 | (4) |
| Workshops on resource protection | 5 | (50) |
| Research activities | 14 | (60) |
| Reports and feasibility studies | 15 | (25) |
| Technical information distribution service | 1 | (200) |
| Action projects | 15 | (300) |

| A.I.D. Financed Inputs: | FY 81 |
|---|------------|
| Technical assistance (30 person-months) | 300 |
| Participant training | 200 |
| Reports and feasibility studies | 100 |
| Other costs | 14 |
| Total | 614 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--------------------------------|-----------------------------|---|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 520 | 192 | 328 | |
| Estimated Fiscal Year 1980 | 400 | 600 | | |
| Estimated through September 30, 1980 | 960 | 792 | 168 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 614 | 2,860 | 4,434 | Consortium for International Crop Protection, U.S. and the Biosphere Commission, World Wildlife Fund. |

| | | | | | | |
|---|--|--|--|---|-------------------------------------|---|
| TITLE Energy Resources Development | | FUNDS Selected Development Activities | | PROPOSED OBLIGATION (In thousands of dollars) | | |
| | | | | FY 81 800 | LIFE OF PROJECT 1,822 | |
| NUMBER 598-0606 | NEW <input type="checkbox"/> | PRIOR REFERENCE | | INITIAL OBLIGATION FY 79 | ESTIMATED FINAL OBLIGATION FY 81 | ESTIMATED COMPLETION DATE OF PROJECT FY 82 |
| GRANT <input checked="" type="checkbox"/> | LOAN <input type="checkbox"/> | FY 80 Latin America Programs, p. 330 | | | | |
| | CONTINUING <input checked="" type="checkbox"/> | | | | | |

Purpose: To assist selected Latin American and Caribbean countries to undertake energy sector assessments, surveys, and feasibility studies leading to the adoption of national energy plans, improved exploitation of conventional and nonconventional energy resources, energy conservation, and low-cost approaches to alternative energy which will benefit the urban and rural poor.

Background and Progress to Date: The relationship between energy and economic development is as crucial in the less developed countries as in the industrialized nations. National policies for energy resource development and energy conservation have important implications for overall economic growth as well as for the welfare of the population. With the dramatic increase in the price of oil in recent years, special initiatives are required to help the less developed countries examine their options for developing energy sources (hydropower, wind and solar energy, biomass) which can help meet the energy needs of low-income groups. Energy assessments under the project have been carried out for the Central American region and have been started for the Dominican Republic. Technical advisory services have been provided to national and regional institutions in Central America. Wind and solar data collection systems there have received special study because they provide basic planning and technical feasibility information.

Host Country and Other Donors: Host country contributions of counterpart personnel, facilities and project support (both financial and in-kind) are expected to total at least \$500,000.

Beneficiaries: The nature of this project precludes a precise determination of costs per beneficiary. The entire population

of participating countries could benefit, although emphasis will be given in both the seminars and the studies to the development of low-cost alternative energy sources which the rural and urban poor can afford and adopt. These might include heating and cooking fuels, electricity from wind or hydro-generators, solar energy for crop drying, and other "non-conventional" energy sources which can help increase the productivity and welfare of low-income groups.

FY 81 Program: The project will finance special energy studies which extend beyond the scope of bilateral A.I.D. projects or which have special relevance to more than one country, such as technology assessments and regional studies. Energy policy appraisals and energy assessments will also be funded. Follow-on conferences to discuss renewable energy policies and technologies will help national decision makers focus on energy problems and options.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---------------------------------------|----------------|--------------|
| | Unit | Cost |
| Energy assessments | 3 | (175) |
| National or regional energy studies | 6 | (80) |
| Conferences and seminars | 6 | (15) |
| A.I.D. Financed Inputs: | | |
| | | <u>FY 81</u> |
| Energy assessments | | 200 |
| Special energy studies | | 480 |
| Conferences | | <u>120</u> |
| Total | | 800 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1978 | 592 | 56 | 536 | |
| Estimated Fiscal Year 1979 | 430 | 550 | | |
| Estimated through September 30, 1979 | 1,022 | 606 | 416 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1980 | 800 | - | 1,822 | |

Energy indefinite quantity contractors, other firms, consultants and experts; U.S. Department of Energy.

| | | | | | |
|---|---|--|---|-------------------------------------|--|
| TITLE Environmental Training Facility | | FUNDS Selected Development Activities | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 598-0610 | | PRIOR REFERENCE None | FY 81 700 | LIFE OF PROJECT 8,000 | |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/> | | INITIAL OBLIGATION FY 81 | ESTIMATED FINAL OBLIGATION FY 85 | ESTIMATED COMPLETION DATE OF PROJECT FY 85 |

Purpose: To improve the capability of Latin America and Caribbean (LAC) countries to plan and manage the conservation of forests and other renewable natural resources through the preparation of a cadre of LAC environmental and natural resource technicians, para-professionals and middle-level managers.

Background: LAC nations are taking an increased interest in environmental management as it relates to deforestation, soil depletion and erosion, pesticide poisoning, flooding, desertification and other problems which pose an immediate threat to their rural areas and natural resources base. Although several countries have taken positive initiatives towards addressing these problems, the lack of adequately trained human resources limits the implementation of effective environmental management programs in Latin America. A.I.D.'s "Report to Congress on Environmental and Natural Resource Management in Developing Countries" identifies an acute regional shortage of qualified personnel at the technical para-professional and middle management levels. Further, an A.I.D.-funded training needs assessment emphasizes the significant regional demand for training opportunities in the area of natural resource analysis, planning and management.

This project will provide for the development of an Inter-American institution for the training of environmental technical and professional personnel. Curricula will be developed to prepare environmental managers, analysts, planners, technicians and trainers for active roles in host country institutions. Depending upon the results of a feasibility study which is now underway, the regional environmental training facility may include a remote sensing training capability. This regional remote sensing facility would enhance the ability of the individual countries to do natural resources inventories and land-use studies.

Host Country and Other Donors: Host countries will contribute funds, personnel and facilities. Other donors will be asked to co-finance the activities identified by this project.

Beneficiaries: The direct beneficiaries of this project will be the 2,500 host country personnel who will receive training. The estimated cost per trained beneficiary is \$2,200. However, A.I.D. assistance in supporting host country efforts to manage their natural resources will be oriented towards benefiting the poor because they are particularly dependent on natural resource endowments for their livelihood.

FY 81 Program: During FY 1981, an Inter-American program center for environmental training will be established, training curricula will be developed, and the training program will be initiated.

| Major Outputs (and A.I.D. Unit Cost): | (\$thousands) | |
|---------------------------------------|---------------|-------|
| | Unit | Cost |
| Curricula developed | 20 | (60) |
| Training programs initiated | 20 | (60) |
| LAC personnel trained | 2,500 | (2.2) |

| A.I.D. Financed Inputs: | FY 81 |
|---|------------|
| Technical assistance (25-person months) | 250 |
| Feasibility studies | 100 |
| Curriculum development studies | 200 |
| Equipment and supplies | 50 |
| Training activities | 100 |
| Total | 700 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | |
| Estimated Fiscal Year 1980 | - | - | - | |
| Estimated through September 30, 1980 | - | - | - | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 700 | 7,300 | 8,000 | |

To be selected.

ECONOMIC AND SOCIAL DATA

COUNTRY: BOLIVIA

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1979) 5,214
 PER CAPITA GNP..... (DOLLARS,1977) 630
 AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-77) 2.3%
 AVERAGE ANNUAL RATE OF INFLATION (1960-70) 3.5% (1970-77) 24.3%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. (1970) 4.0%
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1973) TOTAL 46.8 MALE 45.7 FEMALE 47.9
 (1968) TOTAL 45.3 MALE 44.3 FEMALE 46.3
 ADULT LITERACY RATE (1976) TOTAL 63% MALE 75% FEMALE 51%
 (1960) TOTAL 39% MALE 48% FEMALE 30%

AGRICULTURE

AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1970-1978) 1.0%
 AGRICULTURAL PRODUCTION AS % OF GDP..... (1977) 17%
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1979) 44
 LAND OWNED: BY TOP 10% N.A. BY LOWEST 10% N.A.
 MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: POTATOES CORN 43% (1978)
 CASH: RICE SUGARCANE 19% (1978)
 MAJOR AGRICULTURAL EXPORTS:(1978) COTTON SUGAR COFFEE
 MAJOR AGRICULTURAL IMPORTS:(1978) WHEAT
 PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1977) 51%

CENTRAL GOVERNMENT FINANCES

TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)
 (1975) 344 (76) 407 (77) 533
 TOTAL EXPENDITURES (\$ MILLIONS, U.S.)
 (1975) 520 (76) 693 (77) 907
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1975) -176 (76) -286 (77) -374
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1975) 10.5% (76) 8.5% (77) 7.3%
 AS % OF GNP..... (1975) 2.2% (76) 2.0% (77) 1.9%
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1976) 168 (77) 237 (78) 198
 EQUIVALENT TO 3.0 MONTHS OF IMPORTS (1978)

FOREIGN TRADE

MAJOR EXPORTS... (1978) TIN PETROLEUM LEAD
 EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1976) 214 (1977) 243 (1978) 158
 AS % OF TOTAL EXPORTS (1976) 37% (1977) 37% (1978) 25%
 MAJOR IMPORTS... (1978) FOODSTUFFS CHEMICALS MACHINERY
 IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1976) 151 (1977) 182 (1978) 228
 AS % OF TOTAL IMPORTS (1976) 26% (1977) 27% (1978) 27%
 TRADE BALANCE(\$ MILLIONS, US)(1976) -10 (77) -15 (78) -208
 MAIN TRADING PARTNERS: UNITED STATES ARGENTINA JAPAN
 EXTERNAL PUBLIC DEBT AS % OF GNP (1977) 39.2%
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1977) 148
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1977) 20.6%

SOCIAL DATA

POPULATION GROWTH RATE.....(1968-78) 2.5%
 POPULATION IN URBAN AREAS..... (1960) 30% (1976) 37%
 TOTAL BIRTHS PER 1,000 POPULATION..... (1977) 44
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION... N.A.
 POPULATION (1975) IN AGE GROUP:
 (0-14YRS) 42.9% (15-60YRS) 53.1% (60+ YRS) 5.6%
 INFANT DEATHS DURING FIRST YEAR OF LIFE / 1000 INFANTS (1976) 157
 PEOPLE PER PHYSICIAN..... (1974) 1,772
 MAJOR CAUSES OF
 DISEASE (1975)MALARIA FLU & PNEUMONIA TUBERCULOSIS
 DEATH.. (1969)RESPIRATORY INFECTIOUS DIS. GASTROINTESTI
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.... (1974) 77%
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975) 34%
 TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:
 PRIMARY... (AGES 5-14)(1975) TOTAL 72.4% MALE 79.7% FEMALE 65.0%
 SECONDARY..... (15-19)(1972) TOTAL 28.0% MALE 30.7% FEMALE 25.2%
 POST SECONDARY (20-24)(1976) TOTAL 11.7% MALE N.A. FEMALE N.A.
 ENERGY PRODUCTION AS % OF CONSUMPTION..... (1976) 274%

U.S. OVERSEAS LOANS AND GRANTS - OBLIGATIONS AND LOAN AUTHORIZATIONS
(U.S. Fiscal Years - Millions of Dollars)

ECONOMIC PROGRAMS OF OTHER DONORS

| COUNTRY | | FOREIGN ASSISTANCE ACT PERIOD | | | | | TOTAL LOANS AND GRANTS 1946-78 | REPAY- MENTS AND INTEREST 1946-78 | TOTAL LESS REPAY- MENTS AND INTEREST 1946-78 |
|--|--|-------------------------------|------|------|------|------|--------------------------------|-----------------------------------|--|
| PROGRAM | | 1975 | 1976 | TQ | 1977 | 1978 | | | |
| I. ECONOMIC ASSISTANCE - TOTAL | | 25.8 | 29.3 | 3.2 | 45.6 | 53.2 | 775.2 | 77.8 | 697.4 |
| Loans | | 17.2 | 20.9 | - | 31.5 | 39.1 | 405.1 | 77.8 | 327.3 |
| Grants | | 8.6 | 8.4 | 3.2 | 14.1 | 14.1 | 370.1 | - | 370.1 |
| a. A.I.D. and Predecessor Agencies | | 20.1 | 22.4 | 1.6 | 35.8 | 34.3 | 569.4 | 37.4 | 532.0 |
| Loans | | 17.2 | 20.9 | - | 31.5 | 28.3 | 311.3 | 37.4 | 273.9 |
| Grants | | 2.9 | 1.5 | 1.6 | 4.3 | 6.0 | 258.1 | - | 258.1 |
| (Security Supporting Assistance) | | - | - | - | - | - | 164.1 | - | - |
| b. Food for Peace (PL 480) | | 5.1 | 6.2 | 1.2 | 6.7 | 16.5 | 156.7 | 31.0 | 125.7 |
| Loans | | - | - | - | - | 10.8 | 79.3 | 31.0 | 48.3 |
| Grants | | 5.1 | 6.2 | 1.2 | 6.7 | 5.7 | 77.4 | - | 77.4 |
| Title I - Total Sales Agreements | | - | - | - | - | 10.8 | 79.3 | 31.0 | 48.3 |
| Repayable in U.S. Dollars - Loans | | - | - | - | - | 10.8 | 51.2 | 16.9 | 34.3 |
| Payable in Foreign Currency - Planned for Country Use | | - | - | - | - | - | 28.1 | 14.1 | 14.0 |
| Title II - Total Grants | | 5.1 | 6.2 | 1.2 | 6.7 | 5.7 | 77.4 | - | 77.4 |
| Emerg. Relief, Econ. Develop. & World Food Program | | 1.2 | 0.5 | - | 1.3 | 0.3 | 29.0 | - | 29.0 |
| Voluntary Relief Agencies | | 3.9 | 5.7 | 1.2 | 5.4 | 5.4 | 48.4 | - | 48.4 |
| c. Other Economic Assistance | | 0.6 | 0.7 | 0.2 | 3.1 | 2.4 | 49.1 | 9.4 | 39.7 |
| Loans | | - | - | - | - | - | 14.5 | 9.4 | 5.1 |
| Grants | | 0.6 | 0.7 | 0.2 | 3.1 | 2.4 | 34.6 | - | 34.6 |
| Peace Corps | | - | - | - | - | - | 16.8 | - | 16.8 |
| Other | | 0.6 | 0.7 | 0.2 | 3.1 | 2.4 | 17.8 | - | 17.8 |
| II. MILITARY ASSISTANCE - TOTAL | | 7.5 | 4.7 | 10.2 | 3.1 | 0.8 | 97.4 | 7.9 | 89.5 |
| Credits or Loans | | 4.0 | - | 9.0 | - | - | 17.0 | 7.9 | 9.1 |
| Grants | | 3.5 | 4.7 | 1.2 | 3.1 | 0.8 | 80.4 | - | 80.4 |
| a. MAP Grants | | 2.6 | 3.4 | 1.2 | 2.5 | 0.1 | 33.1 | - | 33.1 |
| b. Credit Financing - FMS | | 4.0 | - | 9.0 | - | - | 17.0 | 7.9 | 9.1 |
| c. Military Assistance Service-Funded (MASF) Grants | | 0.6 | 0.8 | - | 0.6 | 0.7 | 13.8 | - | 13.8 |
| d. Transfers from Excess Stocks | | 0.3 | 0.5 | - | - | - | 33.5 | - | 33.5 |
| e. Other Grants | | - | - | - | - | - | - | - | - |
| III. TOTAL ECONOMIC AND MILITARY ASSISTANCE | | 33.3 | 34.0 | 13.4 | 48.7 | 54.0 | 872.6 | 85.7 | 786.9 |
| Loans | | 21.2 | 20.9 | 9.0 | 31.5 | 39.1 | 422.1 | 85.7 | 336.4 |
| Grants | | 12.1 | 13.1 | 4.4 | 17.2 | 14.9 | 450.5 | - | 450.5 |
| Other U.S. Government Loans and Grants | | - | 5.9 | 0.1 | 24.7 | 17.5 | 88.0 | 63.1 | 24.9 |
| a. Export-Import Bank Loans | | - | 4.9 | 0.1 | 15.7 | 5.5 | 70.5 | 52.5 | 18.0 |
| b. All Other Loans | | - | 1.0 | - | 9.0 | 12.0 | 17.5 | 10.6 | 6.9 |

| A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS | | | | |
|---|---------|---------|---------|------------|
| <i>(Thousands of dollars)</i> | | | | |
| TOTAL | FY 1977 | FY 1978 | FY 1979 | FY 1946-78 |
| TOTAL | 132,000 | 165,059 | 158,688 | 936,508 |
| IBRD | 108,500 | 51,000 | - | 239,660 |
| IFC | - | 2,300 | - | 3,559 |
| IDB | 22,000 | 109,716 | 136,563 | 562,231 |
| UNDP | - | 2,043 | 2,625 | 35,168 |
| OTHER UN | 1,500 | - | - | 7,100 |
| IDA | - | - | 19,500 | 88,790 |

| B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE | | | |
|--|---------|---------|------------|
| <i>(Millions of dollars)</i> | | | |
| 1. D.A.C. COUNTRIES (Excluding U.S.) (Gross Disbursements) | | | |
| Donor | CY 1977 | CY 1978 | CY 1968-78 |
| TOTAL | 35.0 | 41.07 | 172.17 |
| Germany | 12.5 | 12.73 | 86.23 |
| Japan | 7.6 | 14.47 | 29.77 |
| Denmark | 4.7 | 1.96 | 12.36 |
| UK | 2.6 | 2.04 | 9.84 |
| Belgium | 2.6 | 3.83 | 9.63 |
| Switzerland | 1.5 | 1.88 | 7.68 |
| Netherlands | 2.2 | 1.53 | 7.33 |
| Other | 1.3 | 2.63 | 9.33 |
| 2. O.P.E.C. COUNTRIES (Net Disbursements) | | | |
| TOTAL | CY 1977 | CY 1978 | CY 1973-78 |
| TOTAL | - | - | 4.50 |

| C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES | | | |
|---|---------|---------|------------|
| <i>(Millions of dollars)</i> | | | |
| TOTAL | CY 1977 | CY 1978 | CY 1964-78 |
| TOTAL | 15 | - | 121 |
| USSR | - | - | 69 |
| Eastern Europe | 15 | - | 52 |
| China | - | - | - |

BOLIVIA

| PROGRAM SUMMARY | | | | | | | |
|---------------------------|--------------------|--|---------------------|---------------|---|---------------------------------|-------------------|
| (In thousands of dollars) | | | | | | | |
| Fiscal Year | Total ^A | Agriculture, Rural Development and Nutrition | Population Planning | Health | Education and Human Resources Development | Selected Development Activities | Other Programs |
| 1979 | | | | | | | |
| Loans | 20,000 | 7,000 | - | 10,000 | - | 3,000 | - |
| Grants ... | 7,564 | 4,779 | - | 949 | 1,631 | 205 | (27) ^B |
| Total .. | 27,564 | 11,779 | - | 10,949 | 1,631 | 3,205 | (27) |
| 1980 | | | | | | | |
| Loans | 14,000 | 14,000 | - | - | - | - | - |
| Grants ... | 5,781 | 3,275 | - | 121 | 1,310 | 1,075 | - |
| Total .. | 19,781 | 17,275 | - | 121 | 1,310 | 1,075 | - |
| 1981 | | | | | | | |
| Loans | 15,800 | 7,500 | - | - | 3,000 | 5,300 | - |
| Grants ... | 11,734 | 6,514 | - | 1,100 | 2,370 | 1,750 | - |
| Total .. | 27,534 | 14,014 | - | 1,100 | 5,370 | 7,050 | - |

U. S. Interest

Bolivia has a long history of political instability which adversely affects its development prospects. U.S. assistance, concentrated in humanitarian and developmental projects aimed at improving the standard of living for the poor majority, is intended to support movement toward greater political and economic stability in a democratic context. The United States is also interested in cooperating with Bolivia to reduce the production and flow of illicit cocaine from the area.

Development Overview

In the mid-seventies, in expectation of significant increases in metal and oil export revenues, the Bolivian Government borrowed heavily to finance the expansion of the state enterprise system. But, revenue increases did not materialize to the extent expected and the external debt has risen sharply, reaching \$3.4 billion by June 1979.

In addition, the funds which were borrowed failed to spark real productivity gains. The failing economy has seriously eroded consumer buying power resulting in labor demands for substantial wage increases. A program of stringent fiscal and monetary measures will be necessary to resolve the crisis and lay the foundation for further significant growth.

Pervasive political instability and the deepening economic crisis have reduced the Government of Bolivia's (GOB) administrative and financial capacity to deal effectively with difficult longer term development challenges facing the nation. Even when augmented by external donor assistance, funds available for the development program are inadequate to meet both capital investment and social development demands. Within the social development sector, the Government must make difficult allocation choices among competing objectives such as increasing agricultural productivity and export earnings, raising small farmer income, integrating the Indian majority into the nation's economy, increasing educational and social activities, expanding the health delivery system, extending the rural roads network, relocating people from the overpopulated and environmentally threatened Altiplano to the lowland areas of eastern Bolivia, and improving the training of technicians and administrators for ministries and agencies throughout the government.

Socio-Economic Performance

Partially as a result of A.I.D. initiatives, the Bolivian Government has increased budgets since 1975 in agriculture (111%), health (76%) and education (44%). Improvements in the provision of basic services have also been significant. There have been sharp decreases between 1960 and 1977 in the crude death rate (from 23 to 15 per 1,000) and the child mortality rate (from 36 to 22 per 1,000) as well as increases in life expectancy (from 43 to 52 years between 1960-1977), primary school enrollments (up by 25% in the past 10 years), and yields of crops grown by small farmers.

BOLIVIA

Total Resources

Other donor assistance, totalling approximately \$800 million between 1970 and 1978, has been concentrated principally on roads and other infrastructure, commercial farming, urban health and sanitation, and the exploitation of minerals and hydrocarbons.

For CY 1978 alone, other donor assistance totaled approximately \$266 million: the World Bank, \$68.5 million; Inter-American Development Bank, \$191 million; and others, \$6.2 million. Development Assistance Committee (DAC) donors, including the United States with \$62 million, disbursed \$136.2 million. No loans or grants were extended by communist block countries. In FY 1979, A.I.D. and PL 480 assistance totaled \$54.4 million and U.S. private investment was approximately \$56 million.

A.I.D. Strategy

The two major emphases of the program are: (1) to broaden productive employment and provide small farmer access to credit, fertilizer, tools, appropriate technology and other productive inputs; and (2) to provide basic services in health, sanitation, education, potable water and shelter. Improved energy and natural resource planning and management will be an additional focus of the program. During FY 1981, A.I.D. programs will be initiated to increase small farmer production and income, reduce malnutrition, improve rural education, and strengthen local government. In addition, PL 480 Title II programs will continue maternal/child health and child feeding activities, and the Title III program will support 14 rural development activities of the GOB and other institutions.

A/ Funds for Project Development and Support as well as Operational Programs Grants are not included in this table. They are reflected in the Latin America and Caribbean Regional Program.

B/ Disaster Assistance Funds.

| FY 81 PROGRAM HIGHLIGHTS | |
|--------------------------|--|
| - | Two loan/grant projects for (1) increasing the agricultural production and incomes of small farmers and (2) reducing rural malnutrition. |
| - | A loan/grant program for improving the relevance of rural education. |
| - | A grant project for developing Bolivia's capability to identify, develop and manage renewable energy sources. |
| - | A loan for strengthening local governments. |
| - | Support for continuing important PL 480 Title II and Title III programs. |

| PERSONNEL/PARTICIPANTS DATA CP 81-17 (8-79) | | | |
|--|------------------|---------------------|--------------------|
| Category | FY 1979 (Actual) | FY 1980 (Estimated) | FY 1981 (Proposed) |
| AID Personnel^a | | | |
| Direct Hire ^b | 30 | 36 | 37 |
| PASA ^c | 0 | 1 | 1 |
| Contract | 43 | 62 | 64 |
| Total | 73 | 99 | 102 |
| Participants^d | | | |
| Noncontract | 120 | 83 | 75 |
| Contract | 0 | 0 | 0 |
| Total | 120 | 83 | 75 |
| ^a U.S. nationals on duty at the end of the fiscal year. ^b FY 1980 and FY 1981 position levels. ^c Participating agency technicians. ^d Programmed during the fiscal year. | | | |

BOLIVIA

| RESOURCE FLOWS | | | |
|-------------------------------------|---------------------|------------------------|-----------------------|
| <i>(In thousands of dollars)</i> | | | |
| Program | FY 1979 (Actual) | FY 1980 (Estimated) | FY 1981 (Proposed) |
| AID* | | | |
| Loans | 18,274 | 26,771 | 42,773 |
| Grants | 3,905 | 8,208 | 10,490 |
| Total AID | 22,179 | 34,979 | 53,263 |
| P.L. 480** | | | |
| Title I | 12,000 | 17,300 | 18,400 |
| (of which Title III is) | (12,000) | (17,300) | (18,400) |
| Title II | 6,794 | 11,671 | 13,526 |
| Total P.L. 480 | 18,794 | 28,971 | 31,926 |
| Total AID and P.L. 480 | 40,973 | 63,950 | 85,189 |

*AID levels represent actual and estimated expenditures.
**P.L. 480 levels represent actual and estimated value of shipments.

| P.L. 480 PROGRAMS SUMMARY | | | | | | |
|--|---------------------|--------------------|------------------------|--------------------|-----------------------|--------------------|
| <i>(In 000MT/\$000)</i> | | | | | | |
| Program | FY 1979 (Actual) | | FY 1980 (Estimated) | | FY 1981 (Proposed) | |
| | MT | \$ | MT | \$ | MT | \$ |
| <i>Title I</i> | | | | | | |
| Wheat | 89 | 12,000 | 102 | 17,300 | 115 | 18,400 |
| Rice | - | - | - | - | - | - |
| Feedgrains | - | - | - | - | - | - |
| Vegoil | - | - | - | - | - | - |
| Non-food | - | - | - | - | - | - |
| Title I Total .. (of which Title III is) | | 12,000 (12,000) | | 17,300 (17,300) | | 18,400 (18,400) |
| <i>Title II</i> | | | | | | |
| Voluntary Agencies .. | | 5,998 | | 9,532 | | 12,698 |
| World Food Programs | | 421 | | 1,701 | | 828 |
| Gov't.-to-Gov't | | 375 | | 438 | | - |
| Title II Total | | 6,794 | | 11,671 | | 13,526 |
| Total P.L. 480 | | 18,794 | | 28,971 | | 31,926 |

MISSION DIRECTOR Abe Peña

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

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CP 81-02

PROGRAM: BOLIVIA

| | * L / G | PROJECT NUMBER | FY OF INITIAL FUNDING | -THROUGH FY79- OBLIGATIONS | FY80- EXPENDITURES | -ESTIMATED FY80- OBLIGATIONS | EXPENDITURES | -PROPOSED FY81- OBLIGATIONS | EXPENDITURES | FUTURE YEAR OBLIGATIONS |
|--|---------|----------------|-----------------------|----------------------------|--------------------|------------------------------|--------------|-----------------------------|--------------|-------------------------|
| ----- | | | | | | | | | | |
| AGRICULTURE, RURAL DEV. AND NUTRITION | | | | | | | | | | |
| RURAL ELECTRIFICATION I | L | 511-0049 | 75 | 19,035 | 18,793 | --- | 242 | --- | --- | --- |
| SUB-TROPICAL LANDS DEVELOPMENT | L | 511-0364 | 72 | 9,700 | 7,125 | --- | 2,000 | --- | 575 | --- |
| BASIC FOOD PROD AND MARKETING | * G | 511-0451 | 75 | 4,624 | 3,990 | 950 | 800 | 1,000 | 800 | 326 |
| SMALL FARMER ORGANIZATIONS I | * G | 511-0452 | 76 | 3,347 | 2,666 | 380 | 840 | 420 | 650 | --- |
| SMALL FARMER ORGANIZATIONS I | L | 511-0452 | 76 | 7,500 | 3,402 | --- | 3,000 | --- | 1,098 | --- |
| BASIC FOODS PRO. AND MARKETING | L | 511-0454 | 75 | 6,964 | 6,234 | --- | 730 | --- | --- | --- |
| AG DEVELOPMENT SECTOR I | L | 511-0455 | 75 | 9,200 | 7,701 | --- | 1,499 | --- | --- | --- |
| EXPLORATORY RES ON FARMING SYS | G | 511-0464 | 77 | 459 | 394 | --- | 65 | --- | --- | --- |
| AGRICULTURE SECTOR II | L | 511-0465 | 77 | 11,300 | 3,646 | --- | 3,500 | --- | 3,500 | --- |
| RURAL ACCESS ROADS II | G | 511-0466 | 78 | 300 | --- | --- | 100 | --- | 150 | --- |
| RURAL ACCESS ROADS II | L | 511-0466 | 78 | 13,000 | --- | --- | 4,000 | --- | 5,000 | --- |
| NUTRITION IMPROVEMENT (APD) | G | 511-0468 | 77 | 1,074 | 600 | 500 | 465 | --- | 509 | --- |
| AGRIBUSINESS & ARTISANRY | G | 511-0472 | 78 | 400 | 70 | --- | 125 | --- | 205 | --- |
| AGRIBUSINESS & ARTISANRY | L | 511-0472 | 77 | 6,200 | --- | --- | 1,200 | --- | 2,000 | --- |
| SMALL FARM PRODUCTION | * G | 511-0481 | 78 | 1,400 | 251 | --- | 750 | 400 | 550 | 400 |
| NATIONAL NUTRITION IMPROVEMENT | * G | 511-0484 | 81 | --- | --- | --- | --- | 400 | 100 | 1,600 |
| NATIONAL NUTRITION IMPROVEMENT | * L | 511-0484 | 81 | --- | --- | --- | --- | 4,000 | 500 | --- |
| FARM POLICY STUDY | G | 511-0485 | 78 | 772 | 283 | 343 | 449 | --- | 383 | --- |
| VILLAGE DEVELOPMENT | G | 511-0499 | 78 | 300 | 71 | --- | 180 | --- | 49 | --- |
| VILLAGE DEVELOPMENT | L | 511-0499 | 78 | 15,300 | 1,328 | --- | 2,000 | --- | 3,500 | --- |
| AGRICULTURAL EXTENSION COMMUNICATIONS | * G | 511-0502 | 81 | --- | --- | --- | --- | 400 | 200 | 1,600 |
| AGRICULTURAL EXTENSION COMMUNICATIONS | * L | 511-0502 | 81 | --- | --- | --- | --- | 3,500 | 500 | --- |
| CONSERVATION AND ENVIR. PROT. I | * G | 511-0509 | 81 | --- | --- | --- | --- | 2,800 | 700 | 600 |
| DEPARTMENTAL DEVELOPMENT CORPORATION | L | 511-0511 | 79 | 7,000 | --- | --- | 840 | --- | 1,400 | --- |
| CONSOLIDATION IN THE BOLIVIAN SUB-TROPIC | * G | 511-0514 | 79 | 214 | --- | 572 | 690 | 600 | 700 | 96 |
| NRECA-RURAL ELECTRIFICATION | G | 511-0534 | 79 | 20 | --- | 180 | 100 | --- | 100 | --- |
| AGRICULTURAL CREDIT | * G | 511-0538 | 80 | --- | --- | 350 | 250 | 494 | 100 | 1,156 |
| AGRICULTURAL CREDIT | L | 511-0538 | 80 | --- | --- | 14,000 | 1,500 | --- | 5,000 | --- |
| RURAL ACCESS ROADS I | L | 511-0888 | 76 | 8,500 | 5,905 | --- | 1,000 | --- | 1,000 | --- |
| TOTAL FOR ACCOUNT | | | | 126,609 | 62,459 | 17,275 | 26,325 | 14,014 | 29,269 | |
| GRANTS | | | | 12,910 | 8,325 | 3,275 | 4,814 | 6,514 | 5,196 | |
| LOANS | | | | 113,699 | 54,134 | 14,000 | 21,511 | 7,500 | 24,073 | |
| HEALTH | | | | | | | | | | |
| RURAL HEALTH DEL. SERVICES (APD) | G | 511-0453 | 69 | 882 | 697 | --- | 140 | --- | 45 | --- |
| RURAL SANITATION | G | 511-0458 | 77 | 135 | 41 | 121 | 110 | --- | 105 | --- |
| RURAL SANITATION | L | 511-0458 | 77 | 4,000 | 158 | --- | 1,200 | --- | 1,000 | --- |
| RURAL HEALTH DELIVERY SYSTEMS | * G | 511-0483 | 79 | 900 | --- | --- | 177 | 750 | 750 | 1,650 |
| RURAL HEALTH DELIVERY SYSTEMS | L | 511-0483 | 79 | 10,000 | --- | --- | 400 | --- | 800 | --- |
| RURAL SANITATION II | * G | 511-0537 | 81 | --- | --- | --- | --- | 350 | 100 | 150 |

| | | | | | |
|---|-------------------------------|--|---|-------|---------------------------------------|
| TITLE Basic Foods Production and Marketing | | FUNDS Agriculture, Rural Development and Nutrition | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 511-0451 | | | FY 81 | 1,000 | LIFE OF PROJECT 6,900 |
| GRANT <input checked="" type="checkbox"/> | LOAN <input type="checkbox"/> | NEW <input type="checkbox"/> | PRIOR REFERENCE | | ESTIMATED FINAL OBLIGATION OF PROJECT |
| | | CONTINUING <input checked="" type="checkbox"/> | FY 80 Latin America Programs, p. 234 | FY 75 | FY 82 |
| | | | | | ESTIMATED COMPLETION DATE OF PROJECT |
| | | | | | FY 83 |

Purpose: To develop improved small farm technologies and management practices for central and eastern Bolivia and extension methodologies for transferring these improved practices to small farmers.

Background and Progress to Date: Bolivia's agricultural sector is characterized by poor production, low income for small farmers, and the lack of appropriate inputs, credit and management. Various A.I.D. projects address these problems. This grant supports the implementation of A.I.D.'s 1975 \$9.2 million Agricultural Sector I Loan -- a project designed to strengthen research and extension services, finance small farmer credit and provide improved access to inputs and markets. With these A.I.D. initiatives, the Ministry of Agriculture's planning office has been reorganized, and the Government's Five Year Agriculture Sector Plan (1976-1980) has been formalized. As the contractor, the Consortium for International Development (CID) has provided 394 person months of agricultural technical assistance and has nine CID scientists presently working in Bolivia. Training has been given to 738 Ministry and University personnel, 391 research studies and field demonstrations have been carried out on field crops; 123 farmer short courses have been held; and 70 extension publications have been printed. As a result of field experience over the last year, the project outputs have been modified to reflect project objectives and the project has been extended for one year.

Host Country and Other Donors: Estimated at \$6 million (37% of total costs), the host-country contribution to this grant and its companion loan covers salaries and the operation of research stations and extension services. Britain, Switzerland and the World Bank provide complementary assistance.

Beneficiaries: An estimated 200,000 small farm families will benefit from the project. Over 2,000 farmers and Ministry of Agriculture personnel will receive technical and professional training. Unit cost per family for the life of the project is \$34.

FY 81 Program: Agricultural scientists will continue their research in potatoes, rice, corn and peanuts. Regional on-farm trials and extension efforts will introduce research results to the small farmers.

| | | |
|--|------------------|--------------|
| | (\$ thousands) | |
| Major Outputs (and A.I.D. Unit Cost): | <u>All Years</u> | |
| | <u>Unit</u> | <u>Cost</u> |
| Technology Development: | | |
| Research studies on crops | 180 | (11) |
| Studies on improved University curriculum | 6 | (11) |
| New or improved courses | 20 | (11) |
| Ministry/University personnel trained | 460 | (4) |
| Technology Extension: | | |
| Field demonstrations | 60 | (4) |
| Courses for small farmers | 210 | (1) |
| Research and extension bulletins | 362 | (1) |
| Extension personnel trained | 380 | (4) |
| Sector Management: | | |
| Ministry of Agriculture personnel trained | 110 | (4) |
| Manual of procedure completed | 1 | (22) |
| A.I.D. Financed Inputs: | <u>FY 81</u> | |
| Long-term technical assistance (132 person months) | | <u>1,000</u> |
| | TOTAL | 1,000 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES The Consortium for International Development. |
|--|-------------|-------------------------|----------------------|--|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 4,624 | 3,990 | 634 | |
| Estimated Fiscal Year 1980 | 950 | 800 | | |
| Estimated through September 30, 1980 | 5,574 | 4,790 | 784 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 1,000 | 326 | 6,900 | |

| | | | | | |
|--|--|---|---|-------------------------------------|--|
| TITLE Small Farmer Organizations I | | FUNDS Agriculture, Rural Development and Nutrition | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 511-0452 | | PRIOR REFERENCE FY 80 Latin America Programs, p. 235 | FY 81 G-420 | LIFE OF PROJECT L-7,500; G-4,147 | |
| GRANT <input checked="" type="checkbox"/> LOAN <input checked="" type="checkbox"/> | NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/> | | INITIAL OBLIGATION FY 76 | ESTIMATED FINAL OBLIGATION FY 81 | ESTIMATED COMPLETION DATE OF PROJECT FY 82 |

Purpose: To establish an independent, viable cooperative movement, including the development of four local-level integral cooperatives (ICs).

Background and Progress to Date: This grant-funded project complements a \$7.5 million loan authorized in FY 1977. While 60% of Bolivia's economically active population is employed in agriculture, per capita rural income is only one-third of the national average. Although there are some 1,100 officially registered small farmer organizations in Bolivia, the cooperative movement has been hampered by limited credit availability, the reduced size of individual cooperatives and the lack of trained personnel. This project, on a pilot basis, seeks to remedy these constraints by making available to members capital, appropriate agricultural technology, and training through the formation of larger ICs. Three ICS are now functioning with some 3,149 members. A total of 5,272 farmers in both integral and single-purpose cooperatives have received loans averaging \$567. As a result of field experience over the last year, this project has been redesigned and extended for a year.

Host Country and Other Donors: The Government of Bolivia is financing the operating costs of the project's implementation unit within the National Federation of Savings and Credit Cooperatives (FENACRE), an amount totaling \$438,000. Materials, labor, and capital donated by local cooperative members is valued on an "in-kind" basis at approximately \$4,600,000. Some local infrastructure projects will be coordinated with the West German Government's project in small scale irrigation systems.

Beneficiaries: An estimated 15,500 small farm organization members and their families (93,000 people) will be direct beneficiaries of this program. An additional 30,000 small farmers

(5,000 families) in non-cooperative groups will also receive project benefits. The average life-of-project cost per family for the grant funds is \$202.

FY 81 Program: Technical assistance will continue through FY 1981, and short training courses in cooperative management will be conducted. A final project evaluation will be carried out during the fiscal year to determine the feasibility of a follow-on project in FY 1982.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---|----------------|----------------|
| | Unit | All Years Cost |
| Self-sufficient cooperatives | 4 | (500) |
| Number of subloans per cooperative | 2,000 | (5) |
| Training courses for cooperative managers | 26 | (4) |
| Training courses for cooperative members | 48 | (5) |
| Long-term university training (person months) | 24 | (.5) |

| A.I.D. Financed Inputs: | FY 81 |
|-------------------------------|------------|
| Technical assistance: | |
| Long-term (42 person months) | 320 |
| Short-term (18 person months) | 50 |
| Training | 20 |
| Evaluation | 30 |
| TOTAL | 420 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|------------------|------------------|------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | L-7,500; G-3,347 | L-3,402; G-2,666 | L-4,098; G- 681 | |
| Estimated Fiscal Year 1980 | G- 380 | L-3,000; G- 840 | | |
| Estimated through September 30, 1980 | L-7,500; G-3,727 | L-6,402; G-3,506 | L-1,098; G- 221 | |
| Proposed Fiscal Year 1981 | G- 420 | - | L-7,500; G-4,147 | |

Robert Nathan & Associates,
Servicios Tecnicos del Caribe.

| | | | | | |
|---|--|---|--|---|----------------------------------|
| TITLE Small Farm Production | | FUNDS Agriculture, Rural Development and Nutrition | | PROPOSED OBLIGATION (In thousands of dollars) | |
| NUMBER 511-0481 | | NEW <input type="checkbox"/> | | FY 81 400 | LIFE OF PROJECT 2,200 |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | | CONTINUING <input checked="" type="checkbox"/> | | INITIAL OBLIGATION FY 78 | ESTIMATED FINAL OBLIGATION FY 82 |
| PRIOR REFERENCE FY 80 Latin America Programs, p. 237 | | | | ESTIMATED COMPLETION DATE OF PROJECT FY 83 | |

Purpose: (1) To increase small farmers' access to land, improved seed, production and investment credit; and (2) to develop skills and management capability in the agricultural sector.

Background and Progress to Date: More than 60% of Bolivia's population is engaged in agriculture, with rural per capita income estimated at one-third the national average. Progress toward increasing small farm productivity and income is constrained by the lack of effective agricultural methods, lack of access to credit and markets, and ineffective sector planning and management. This project is an important element in A.I.D.'s agricultural sector strategy, which includes emphasis on providing credit and improving the Ministry of Agriculture's operations. Four technicians began working in mid FY 1979, and three additional technicians are expected to begin work in FY 1980. The technical assistance funded by this project complements A.I.D.'s \$11.2 million Agriculture Sector II Loan authorized in FY 1977 -- which funded construction projects (research centers, agriculture service centers, grain storage and drying facilities, and livestock research laboratories) and the training of farmers, university staff, and government personnel. Due to contracting delays and budget constraints, this project has been extended two years.

Host-Country and Other Donors: The total host country contribution to the Agriculture Sector II Loan and this complementary grant project is approximately \$6 million or 30% of total costs. The activities of this project are also complemented by two research extension specialists provided by the Republic of China through its bilateral aid program.

Beneficiaries: Up to 300,000 families will benefit from the land clearing program, the intensified seed program, the expanded credit program, and the additional activities in sectoral management funded by this grant and the complementary loan. The cost-per-family of the grant funds is estimated to be \$7.

FY 81 Program: Seven long-term technical advisors in land clearing, heavy equipment maintenance, data collection, economic analysis, and organization will continue working directly with the Government of Bolivia's counterpart agencies in the implementation of the project.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|--|----------------|----------------|
| | Unit | All Years Cost |
| Seed processing and storage (metric tons): | | |
| Increased production capacity | 20 | (7) |
| Increased storage capacity | 540 | (1) |
| Land cleared (hectares) | 10,000 | (.11) |
| Planning, managerial, technical personnel trained | 105 | (4) |
| A.I.D. Financed Inputs: | | FY 81 |
| Long-term technical assistance and contractor support (42 person months) | | 400 |
| TOTAL | | 400 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--------------------------------|-----------------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 1,400 | 251 | 1,149 | |
| Estimated Fiscal Year 1980 | + | 750 | | |
| Estimated through September 30, 1980 | 1,400 | 1,001 | 399 | |
| Proposed Fiscal Year 1981 | 400 | 400 | 2,200 | |
| | | Future Year Obligations | Estimated Total Cost | |

Chemonics Consultants.

| | | | | | | |
|---|--|---|--|---|--|-------------------------------------|
| TITLE National Nutrition Improvement | | FUNDS Agriculture, Rural Development and Nutrition | | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 511-0484 | | NEW <input checked="" type="checkbox"/> | | FY 81 L-4,000; G-400 | | LIFE OF PROJECT L-4,000; G-2,000 |
| GRANT <input checked="" type="checkbox"/> | LOAN <input checked="" type="checkbox"/> | CONTINUING <input type="checkbox"/> | | PRIOR REFERENCE FY 80 Latin America Programs, p. 238 | | ESTIMATED FINAL OBLIGATION FY 83 |
| | | | | ESTIMATED COMPLETION DATE OF PROJECT FY 86 | | |

Purpose: To support a nationwide nutrition improvement program through the Government of Bolivia's (GOB) National Food and Nutrition Institute.

Background: The nutrition status of the Bolivian population is among the lowest in South America. Approximately 40% of the children in Bolivia suffer from first degree protein calorie malnutrition (PCM), 15-20% from second degree and 5% from third degree. About 70% of pregnant and lactating women have iron deficiency anemia, and 15-20% of the population is affected by goiter. This project, building upon the activities financed under the prior A.I.D. Nutrition Improvement Grant, provides: a) technical assistance in pilot project design and evaluation to demonstrate effective nutrition interventions; b) training of nutrition service personnel; and c) assistance in establishing and improving food fortification programs. The project supports the GOB's National Food and Nutrition Program which has as its goal the reduction of PCM, goiter, anemia and vitamin deficiencies.

Host Country and Other Donors: Utilizing UN assistance, the GOB established a Technical Group for Food and Nutrition (TGFN) within the Ministry of Planning in 1976. The TGFN is responsible for the policy, planning and coordination of the GOB's National Food and Nutrition Program. Complementary nutrition activities in Bolivia include: 1) a \$70,500 grant for increased milk production from the UN Development Program and the Food and Agriculture Organization; 2) a \$9.5 million World Bank rural development project which, in part, strives to increase the proportion of local foodstuffs that meet national standards for protein and caloric content; and 3) \$1 million in PL 480 Title III generated funds to finance nutrition research activities. The GOB contribution to this project is \$3.9 million or 36% of the total cost.

Beneficiaries: Approximately 3.5 million persons should benefit from enriched foods through activities to fortify wheat flour and iodized salt. Some 650,000 women and children will benefit directly from improved targeting of supplementary feeding programs. About 650,000 will benefit from the delivery of health and nutrition services. About 1 million persons (urban and rural) will be reached by nutrition education activities using mass media. The average cost per family is estimated at \$3.

FY 81 Program: Technical assistance will be contracted, and in-country training will begin. The first participants will be selected.

| Major outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|--|----------------|---------|
| | All Years | |
| | Unit | Cost |
| Participants trained outside Bolivia | 10 | (30) |
| Personnel trained in-country | 1,554 | (.36) |
| Nutrition education program | 1 | (2,400) |
| Institutional administrative improvement | 1 | (1,500) |
| Food fortification programs | 4 | (546) |
| Evaluation | 2 | (15) |

A.I.D. Financed Inputs:

| | FY 81 | |
|-----------------------------------|-------|-------|
| | Grant | Loan |
| Technical assistance (short term) | - | 240 |
| Regional program fund | - | 1,200 |
| Materials and equipment | - | 800 |
| Participant training | - | 300 |
| National program development | - | 600 |
| Other costs | - | 860 |
| Technical assistance | 385 | - |
| Evaluation | 15 | - |

Total 400 4,000

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES To be selected. |
|--|----------------|-------------------------|----------------------|--|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | |
| Estimated Fiscal Year 1980 | - | - | - | |
| Estimated through September 30, 1980 | - | - | - | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | L-4,000; G-400 | G-1,600 | L-4,000; G-2,000 | |

| | | | | | |
|---|--|--|---|-------------------------------------|--|
| TITLE Agricultural Extension Communications | | FUNDS Agriculture, Rural Development and Nutrition | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 511-0502 | | PRIOR REFERENCE None. | FY 81 L-3,500; C-400 | LIFE OF PROJECT I-3,500; G-2,000 | |
| GRANT <input checked="" type="checkbox"/> | LOAN <input checked="" type="checkbox"/> | | INITIAL OBLIGATION FY 81 | ESTIMATED FINAL OBLIGATION FY 83 | ESTIMATED COMPLETION DATE OF PROJECT FY 84 |
| NEW <input checked="" type="checkbox"/> | | | CONTINUING <input type="checkbox"/> | | |

Purpose: To develop a cost-effective delivery system for small farmer technology which will provide agricultural information and support services required to increase small farm production.

Background: Two important constraints to small farm development in Bolivia are: 1) poorly organized and inadequately supported agricultural programs; and 2) the limited availability of trained human resources to serve small farmers. There are nine national government experiment stations located in five Bolivian departments. Currently these stations utilize approximately 100 extensionists who must reach more than 530,000 small farmers. Assuming one extensionist can deal with 50 farmers effectively, at least 10,000 agents would be required to adequately serve the small farm sector in Bolivia, and the cost of an expansion of this magnitude is not affordable by the Government. This project will develop an effective, low-cost small farmer technology communications system to train farmer leaders (i.e., paratechnicians) who -- operating under the supervision of an expanded extension staff -- will provide assistance to other small farmers. Extension messages specifically designed for indigeneous farmers will be delivered using mass media (especially radio). In addition, 300 extension agronomists will be trained to supervise the farmer communicators.

Host Country and Other Donors: This project is complemented by an \$8 million Inter-American Development Bank loan for research and extension infrastructure, and by the construction of Agricultural Service Centers financed with funds generated by the PL 480 Title III program. The Government of Bolivia contribution is approximately \$3 million, or 30% of the total cost of the project (including both loan and grant).

Beneficiaries: 100,000 small farmers will be the beneficiaries of agricultural technology transferred by paratechnicians trained under this project. The per farmer cost of the A.I.D. assistance is estimated at \$70.

FY 81 Program: The technical assistance will be contracted, and a training program designed.

| | | |
|--|------------------|--------------|
| | (\$ thousands) | |
| <u>Major Outputs (and A.I.D. Unit Cost):</u> | <u>All Years</u> | |
| | <u>Unit</u> | <u>Cost</u> |
| Increase in extension agronomists | 300 | (5) |
| Trained farmer leaders | 2,000 | (1.25) |
| Farm families served | 100,000 | (.01) |
| Extension agronomists equipped | 400 | (5) |
| <u>A.I.D. Financed Inputs:</u> | <u>FY 81</u> | |
| | <u>Grant</u> | <u>Loan</u> |
| Technical assistance (long-term) | 400 | - |
| Technical assistance (short-term) | - | 100 |
| Construction | - | 2,000 |
| Equipment | - | 375 |
| Other costs (training, materials) | - | <u>1,025</u> |
| Total | 400 | 3,500 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|----------------|--------------------------------|-----------------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | To be selected. |
| Estimated Fiscal Year 1980 | - | - | - | |
| Estimated through September 30, 1980 | - | - | - | |
| | | <u>Future Year Obligations</u> | <u>Estimated Total Cost</u> | |
| Proposed Fiscal Year 1981 | L-3,500; G-400 | G-1,600 | L-3,500; G-2,000 | |

| | | | | | |
|---|--|--|--|---|----------------------------|
| TITLE Conservation and Environmental Protection I | | FUNDS Agriculture, Rural Development and Nutrition | | PROPOSED OBLIGATION (In thousands of dollars) | |
| | | | | FY 81 2,800 | LIFE OF PROJECT 3,400 |
| NUMBER 511-0509 | NEW <input type="checkbox"/> | PRIOR REFERENCE | | INITIAL OBLIGATION | ESTIMATED FINAL OBLIGATION |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | FY 80 Latin America Programs, p. 241 | | FY 81 | FY 83 |
| | | | | ESTIMATED COMPLETION DATE OF PROJECT | |
| | | | | FY 84 | |

Purpose: To develop the institutional capacity for Bolivia to manage its natural resources.

Background and Progress to Date: Recent studies and surveys have indicated that soil erosion and water loss due to poor farming practices and denuding of forest lands is becoming an increasingly severe problem in Bolivia. Damage is also being caused by mining practices which often ignore detrimental side effects, particularly to water and land resources. Bolivia's institutions have extremely limited capacities to analyze problems related to natural resources management and to develop the necessary long-term plans and policy changes needed to protect the environment. Few national policies aim at safeguarding water, plant, land and animal resources. The Ministries of Planning and Agriculture, as well as several Departmental Development Corporations, currently carry out programs on an ad hoc basis in various geographical areas. This grant project is envisioned as a first phase in improving the capabilities of national and departmental institutions to deal with environmental protection problems and to carry-out specific activities. This project will: 1) provide technical assistance and training for Government of Bolivia (GOB) officials concerned with managing Bolivia's natural resources; 2) carry-out an inventory of Bolivia's land, water, air, plant and animal resources in various ecological zones; 3) undertake model reforestation projects in various geographic areas; 4) analyze the socio-cultural factors influencing farming, livestock and other practices which are harmful to the environment; and 5) expand the curriculum of the Agricultural School in Cochabamba to include course work in conservation and environmental protection.

Host Country and other Donors: The GOB will contribute \$1.2 million or 26% of the total project cost to cover salaries and operating costs.

Beneficiaries: The immediate beneficiaries of this project will be the GOB personnel receiving technical assistance and short-term training. Because this project is basically an institution-building activity with a long-term pay-off, the precise number of people who will benefit during the project life cannot be presently calculated. However, most of Bolivia's small farmers will benefit as conservation and environmental protection programs are carried out.

FY 81 Program: The sociological studies begun during FY 1980 should be finalized, and initial work will be underway on a resource inventory and a resource management analysis.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|--|----------------|-------|
| | All Years | |
| | Unit | Cost |
| Resource inventory/management analysis | 1 | (150) |
| Sociocultural studies | 3 | (30) |
| Expansion of curriculum in Agriculture | 1 | (410) |
| Personnel trained | 50 | (5) |
| Reforestation sub projects | 5 | (200) |
| Conservation sub projects | 10 | (150) |

| A.I.D. Financed Inputs: | FY 81 |
|---|-------|
| Technical assistance (72 person months) | 600 |
| Short-term training (30 person months) | 100 |
| Sociological studies | 25 |
| Resource inventory study | 75 |
| Forestry sub projects | 1,400 |
| Conservation sub projects | 600 |

TOTAL 2,800

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | |
| Estimated Fiscal Year 1980 | - | - | - | |
| Estimated through September 30, 1980 | - | - | - | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 2,800 | 600 | 3,400 | |

To be selected.

| | | | | | |
|---|-------------------------------|--|---|----------------------------------|--|
| TITLE Consolidation in the Bolivian Sub-Tropics: San Julian & Chane-Pirai | | FUNDS Agriculture, Rural Development and Nutrition | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 511-0514 | | PRIOR REFERENCE | FY 81 600 | LIFE OF PROJECT | 1,482 |
| GRANT <input checked="" type="checkbox"/> | LOAN <input type="checkbox"/> | Advice of Change, August 13, 1979 | INITIAL OBLIGATION FY 79 | ESTIMATED FINAL OBLIGATION FY 82 | ESTIMATED COMPLETION DATE OF PROJECT FY 83 |
| NEW <input type="checkbox"/> | | | | | |
| CONTINUING <input checked="" type="checkbox"/> | | | | | |

Purpose: To develop and test models for consolidating colonization areas for wider application in the Bolivian lowlands.

Background and Progress to Date: Since 1975, the Sub-Tropical Lands Development Project has assisted the Bolivian National Institute of Colonization (INC) to construct access roads and provide essential services to settlers in the Chane-Pirai and San Julian areas. The project has achieved considerable success in facilitating the initial "pioneer" phase of settlement, including the development of an orientation program for new settlers. As a result of project implementation and a 1979 in-depth evaluation, A.I.D. and INC became aware of the acute need for a follow-on consolidation activity to maintain the momentum of initial settlement activities and to elevate the settlers into a stable and productive "growth" phase in 1979. To this end, A.I.D. approved a consolidation project for the San Julian and Chane-Pirai areas utilizing a local private voluntary organization (FIDES). This organization will develop and test model systems for the introduction of diversified family farms, home and farm retail operations, credit, marketing, new technologies, and community organizations. Basic social services are also expected to be expanded as an ultimate result of project activities. This project has been extended by one year due to budget constraints.

Host-Country and Other Donors: Over the project's life, FIDES will contribute approximately \$624,000. Support will be provided by INC, thus allowing the projects's results to be incorporated into future consolidation activities. In addition, both the World Bank and the Inter-American Development Bank are considering the financing of consolidation projects in the same area, with particular emphasis on physical infrastructure. The Government of Bolivia's contribution to the project through INC is \$144,000, which augments its contribution to the current Sub-Tropical Lands Project. Total counterpart contributions are 34% of the total project cost.

Beneficiaries: The direct beneficiaries will be the 13,600 settlers receiving assistance in cooperative development, marketing and supply systems, training programs, and extension services. Approximately 30,500 additional persons living in the project areas will benefit from employment generation and the spread of improved agricultural technologies. Taking into account just direct beneficiaries, the cost-per-beneficiary is \$109. Including indirect beneficiaries, cost-per-beneficiary is \$51.

FY 81 Program: The project began work in FY 1980 and will continue through FY 1981. Three extension teams will be working with technical back-stopping in credit, cooperatives, and marketing. Twenty-four model farms will be functioning by the end of FY 1981, and 40 credit committees, coop stores, and marketing groups will be active.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---------------------------------------|----------------|--------|
| | All Years | |
| | Unit | Cost |
| Model diversified family farms | 24 | (20) |
| Consumer cooperatives | 40 | (5.9) |
| Credit committees | 40 | (3.7) |
| Marketing organizations | 70 | (2.4) |
| Training programs | 931 | (.2) |
| Research studies on colonization | 20 | (11.2) |

| A.I.D. Financed Inputs: | FY 81 |
|-------------------------|------------|
| Personnel | 250 |
| Commodities | 50 |
| Capital fund | 90 |
| Operating costs | 210 |
| TOTAL | 600 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--------------------------------|-----------------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 214 | - | 214 | |
| Estimated Fiscal Year 1980 | 572 | 690 | | |
| Estimated through September 30, 1980 | 786 | 690 | 96 | |
| Proposed Fiscal Year 1981 | 600 | 96 | 1,482 | |
| | | Future Year Obligations | Estimated Total Cost | |

Fundacion Integral de Desarrollo (FIDES).

| | | | | | |
|--|--|--|---|-------------------------------------|--|
| TITLE Agricultural Credit | | FUNDS Agriculture, Rural Development and Nutrition | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 511-0538 | | PRIOR REFERENCE Advice of Change, December 4, 1979 | FY 81 G-494 | LIFE OF PROJECT L-14,000; G-2,000 | |
| GRANT <input checked="" type="checkbox"/> LOAN <input checked="" type="checkbox"/> | NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/> | | INITIAL OBLIGATION FY 80 | ESTIMATED FINAL OBLIGATION FY 83 | ESTIMATED COMPLETION DATE OF PROJECT FY 84 |

Purpose: To strengthen the capacity of Bolivia's public and private sector institutions to meet a large and rapidly expanding small farm sector demand for credit.

Background and Progress to Date: Bolivia is the poorest country in South America and has the largest percentage (60%) of rural population on the continent. The country's rural per capita income is considerably lower than that in urban areas. Various factors account for this disparity, among them the use of traditional technology by small farmers, their isolation from the national cash economy and social structure, and their lack of production and capital inputs.

A.I.D.'s current portfolio in Bolivia contains approximately \$20 million in various loan projects for small farmer credit. However, these funds meet only a small portion of the large and rapidly expanding demand for small farmer credit in Bolivia.

The present project, composed of both grant and loan components beginning in FY 1980, addresses the small farmer's capital constraint through provision of production and investment credit. The project's loan component will extend small farmer loans largely through the Small Farmer Credit Program of the Agricultural Bank of Bolivia (BAB), although a smaller line of credit is to be channelled through the private sector's National Federation of Credit Unions (FENACRE). In addition, grant-funded technical assistance is designed to strengthen BAB's Small Farmer Credit Program, enhance its cooperative lending activity, and bolster the savings of member cooperatives in FENACRE.

Host Country and Other Donors: The BAB is the key Government of Bolivia coordinating institution for activities under the project. Over the life of the project, it will provide \$14,150,000 in

counterpart funds for small farmer credit. It is planned that the existing staff and credit programs sponsored by BAB and FENACRE will provide the vehicle for A.I.D. project funding and technical assistance. The Inter-American Development Bank and World Bank have loaned significant amounts for agricultural credit in Bolivia, although none of their resources have been directed to the small farmer sector.

Beneficiaries: The project will reach 24,000 families or 120,000 persons during its 4-year life for a total project cost of \$260 per person. The project also offers the benefits of strengthened small farmer credit institutions through technical assistance and training.

FY 81 Program: Technical assistance in agricultural credit with the BAB will continue, and various training courses will be carried out. The credit program with small farmers will be initiated.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|--|----------------|----------------|
| | Unit | All Years Cost |
| Small Farmers receiving credit | 24,000 | (.54) |
| Trained personnel in BAB and FENACRE | 1,340 | (1.5) |
| Per cent increase in member savings in FENACRE | 15 | (10) |

| A.I.D.-Financed Inputs: | FY 81 |
|--------------------------------|------------|
| Long-term technical assistance | 494 |
| TOTAL | 494 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|----------------|---------------|-------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | |
| Estimated Fiscal Year 1980 | L-14,000;G-350 | L-1,500;G-250 | | |
| Estimated through September 30, 1980 | L-14,000;G-350 | L-1,500;G-250 | L-12,500;G-100 | |
| Proposed Fiscal Year 1981 | G-494 | G-1,156 | L-14,000; G-2,000 | |

To be selected.

| | | | | | |
|--|---|---|---|-------------------------------------|---|
| TITLE Rural Health Delivery System | | FUNDS Health | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 511-0483 | | PRIOR REFERENCE FY 80 Latin American Programs, p.244 | FY 81 G-750 | LIFE OF PROJECT | L-10,000; G-3,300 |
| GRANT <input checked="" type="checkbox"/> LOAN <input checked="" type="checkbox"/> | NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/> | | INITIAL OBLIGATION FY 79 | ESTIMATED FINAL OBLIGATION FY 83 | ESTIMATED COMPLETION DATE OF PROJECT FY84 |

Purpose: (1) To strengthen the planning and administrative capacity of the Ministry of Social Welfare and Public Health; and (2) to extend and improve low-cost health services to the poor.

Background and Progress to Date: The health of the Bolivian population is very poor, especially in rural areas. In its Five-Year National Development Plan, the Government of Bolivia (GOB) emphasizes the need to up-grade health standards by reducing morbidity (especially among infants and children) and to extend health service coverage in rural areas. These grant funds provide technical assistance to the Ministry of Health to carry out the rural health care program. Long-term technical assistance (together with short-term technical assistance funded under A.I.D.'s companion \$10 million Rural Health Delivery System loan) will assist in strengthening the management capabilities of the Ministry at the central and regional levels. This project also helps to meet the basic health needs of the rural poor by providing an expanded health delivery infrastructure in the target departments of La Paz, Potosi and Santa Cruz. Specific activities for the technical assistance effort include: staff training; gathering health statistics and information; acquisition and maintenance of vehicles; equipment purchasing and inventory; staff supervision; services delivery; program planning and evaluation; and financial management. Due to the project's redesign, its completion date has been extended one year.

Host-Country and Other Donors: The Federal Republic of Germany's Development Bank will provide a \$10 million loan to the GOB to extend rural health services to the departments of Cochabamba, Oruro and Chuquisaca. Both the West German loan and this U.S. project share similar methodologies, thus providing a single unified approach to rural health care for the country. The Pan American Health Organization will continue to provide technical assistance to the Ministry of Health in the areas of immunization,

malaria epidemiology, and selected service delivery subsystems. The GOB will contribute \$2.2 million for the project's local salaries and operating costs. Participating communities will contribute \$600,000 for promoter's salaries. The total GOB and local community contributions amount to 46% of the total cost of the project.

Beneficiaries: The beneficiaries of this project are the 270,000 rural inhabitants in the 18 districts to be serviced by the personnel receiving training and assistance under this grant. The estimated cost-per-beneficiary is \$12.22.

FY 81 Program: Technical advisory services initiated in FY 1980 will continue. The long-term advisors will be in-country and will assume their departmental assignments. By the end of FY 1981, one national and three regional rural health coordination teams will have been trained and placed in the field.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|--|----------------|------------|
| | All Years | |
| | Unit | Cost |
| Personnel trained | 500 | (7) |
| Administrative/logistic/personnel systems | 18 | (60) |
| Information and evaluation systems | 8 | (55) |
| Systems for purchasing, distributing and storing drugs | 8 | (85) |
| Departmental Rural Health Coordination Teams | 3 | (75) |
| Constructing/equipping rural health centers | 35 | (30) |
| Constructing/equipping village medical posts | 280 | (12) |
| <u>A.I.D. Financed Inputs:</u> | <u>FY 81</u> | |
| Technical assistance | | <u>750</u> |
| Total | | 750 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|----------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | L-10,000;G-900 | - | L-10,000;G-900 | To be selected. |
| Estimated Fiscal Year 1980 | - | L-2,000;G-177 | - | |
| Estimated through September 30, 1980 | L-10,000;G-900 | L-400;G-177 | L-9,600;G-723 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | G-750 | G 1,650 | L-10,000; G-3,300 | |

| | | | | | |
|---|---|-----------------|---|----------------------------|---------------------------|
| TITLE Rural Sanitation II | | FUNDS Health | PROPOSED OBLIGATION (In thousands of dollars) | | |
| | | | FY 81 350 | LIFE OF PROJECT 500 | |
| NUMBER 511-0537 | NEW <input checked="" type="checkbox"/> | PRIOR REFERENCE | INITIAL OBLIGATION | ESTIMATED FINAL OBLIGATION | ESTIMATED COMPLETION DATE |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | CONTINUING <input type="checkbox"/> | None. | FY 81 | FY 82 | OF PROJECT FY 84 |

Purpose: To provide technical assistance to the Departmental Development Corporations (DDCs) of Potosi and La Paz for improving their capability to implement rural sanitation programs; and to prepare the foundation for proposing a FY 1982 loan for rural water and sewage system construction.

Background: The crude death rate in Bolivia is estimated at 18.5 per 1,000 inhabitants, and the infant mortality rate is 154 per 1,000 nationwide and 235 per 1,000 in rural areas. These rates are the highest in South America and among the highest in the world. Data from the Government of Bolivia's (GOB) National Water Supply Plan attributes 45% of the mortality rate to unsanitary conditions. Digestive ailments, dysentery, and gastroenteritis rank second to sixth among the principal causes of morbidity.

The project will improve the DDCs capability to: construct potable water and sewage facilities; implement health education activities in participating communities; and collect data in order to evaluate the health impact of the introduction of water-related facilities on the residents of rural communities. By the end of this project, two DDCs will have trained a minimum of five persons per department in the development, implementation, and maintenance of water systems as well as the periodic testing of water potability. This project will complement other rural sanitation programs by providing rural villages with water and sewage facilities. This project has been extended by one year due to budget constraints.

Host Country and Other Donors: The counterpart contribution from the GOB is estimated at \$180,000 or 26% of total project costs. Local communities will contribute labor to the village water projects.

Beneficiaries: The primary beneficiaries will be approximately 20 DDC personnel who will acquire skills and experience in the management of rural sanitation projects. The ultimate beneficiaries will be the estimated 38,700 rural families who will receive water and sewerage services and will participate in health education programs. The estimated per capita cost is \$2.58.

FY 81 Program: First year activities will focus on DDC administrative and outreach activities, training, and the design of potential water and sewerage subprojects.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---|----------------|----------------|
| | Unit | All Years Cost |
| Personnel trained | 10 | (18) |
| Procurement and supply subsystems established | 2 | (32.5) |
| Logistic support subsystem established | 2 | (42.5) |
| Promotion and education campaigns | 50 | (3) |
| Evaluation | 1 | (20) |
| A.I.D. Financed Inputs: | | |
| | | <u>FY 81</u> |
| Technical assistance (50 person months) | | <u>350</u> |
| TOTAL | | 350 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | To be selected. |
| Estimated Fiscal Year 1980 | - | - | - | |
| Estimated through September 30, 1980 | - | - | - | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 350 | 150 | 500 | |

| | | | | | |
|---|--|--|---|-------------------------------------|--|
| TITLE Rural Development Planning | | FUNDS Education and Human Resources | PROPOSED OBLIGATION (In thousands of dollars) | | LIFE OF PROJECT |
| NUMBER 511-0471 | | PRIOR REFERENCE | FY 81 500 | | 3,300 |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/> | FY 80 Latin America Programs, p. 245 | INITIAL OBLIGATION FY 78 | ESTIMATED FINAL OBLIGATION FY 82 | ESTIMATED COMPLETION DATE OF PROJECT FY 83 |

Purpose: To upgrade the planning capability of the Departments of Pando, Beni, Tarija, Chuquisaca, Potosi, La Paz and Oruro, and the Ministry of Planning and Coordination (MPC); and to improve their rural development programs and integrate their rural and urban development plans.

Background and Progress to Date: The development planning capacity of the Government of Bolivia (GOB) is weak because of the inadequate coordination between regional and national planning organizations as well as an acute shortage of qualified personnel. The GOB --with its Five-Year Development Plan drawing heavily on submissions solicited from the Departmental Development Corporations (DDCs) -- may alleviate its planning problems by recognizing and integrating the role of the DDCs in the national planning and development process. A strengthened planning capacity will facilitate the GOB's commitment to design projects both benefiting the poor population and offering them opportunities for direct participation in identifying and implementing programs to address their specific needs. In FY 1979, the project was expanded to include the Departments of La Paz and Oruro.

Host-Country and Other donors: The Bolivian Government is contributing salaries, operating costs and in-country travel valued at \$1.3 million over the life of the project, an estimated 28% of the total project costs. Technical assistance funded by the UN Development Program is assisting the MPC primarily to improve national level planning capabilities. The Organization of American States is developing a project that will upgrade the GOB's training capability for regional planning.

Beneficiaries: The principal beneficiaries of the project are the professional staffs of the DDCs receiving technical assistance, while the ultimate beneficiaries are the Bolivian rural poor. Through its institution-building purpose, this project ultimately will benefit the campesino population (450,000 families) in the target departments at a cost-per-family of \$7.33.

FY 81 Program: The project will continue to provide long-term technical assistance to the seven participating DDCs and to the Ministry of Planning and Coordination.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|--|----------------|------------|
| | All Years | |
| | Unit | Cost |
| Sector plans improved | 50 | (36) |
| Professional planners trained | 120 | (4.17) |
| Planning manual prepared | 1 | (200) |
| 1980-1985 Five Year Plan improved | 1 | (800) |
| <u>A.I.D. Financed Inputs:</u> | <u>FY 81</u> | |
| Personnel (long-term technical assistance) | | 500 |
| Total | | <u>500</u> |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--------------------------------|-----------------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 1,240 | - | 1,240 | Practical Concepts Incorporated. |
| Estimated Fiscal Year 1980 | 910 | 1,235 | | |
| Estimated through September 30, 1980 | 2,150 | 1,235 | 915 | |
| | | <u>Future Year Obligations</u> | <u>Estimated Total Cost</u> | |
| Proposed Fiscal Year 1981 | 500 | 650 | 3,300 | |

| | | | | | | |
|--|--|--|--|---|----------------------------------|--|
| TITLE Rural Education I | | FUNDS Education and Human Resources | | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 511-0477 | | NEW <input type="checkbox"/> | | FY 81 | LIFE OF PROJECT L-4,924; G-1,785 | |
| GRANT <input checked="" type="checkbox"/> LOAN <input checked="" type="checkbox"/> | | CONTINUING <input checked="" type="checkbox"/> | | G-145 | | |
| PRIOR REFERENCE FY 80 Latin America Programs, p. 246 | | INITIAL OBLIGATION FY 76 | | ESTIMATED FINAL OBLIGATION FY 81 | | ESTIMATED COMPLETION DATE OF PROJECT FY 82 |

Purpose: To test various systems for improving the quality and efficiency of rural education in 20 rural locations (nucleos) in the Department of Cochabamba.

Background and Progress to Date: Since 1971, an average of only 31% of rural youth between ages 5 and 19 have enrolled in school. Less than 20% finish five grades, and fewer than 1% enroll in secondary school. Of the total population over 15 years of age, 60% is functionally illiterate, and 65% do not speak Spanish as a first language. The Government of Bolivia's (GOB) Five-Year Development Plan focuses on improving the quality, relevance and coverage of rural education as well as reducing illiteracy. This project supports the improvement of teacher training, revision of the curriculum, development of bilingual education, and preparation of instructional materials. Beginning in 1977, a grant-funded advisory team has assisted in: developing a teacher training plan; preparing curricula and teaching materials for the first two of the eight primary grades; and conducting teacher training and non-formal courses in marketable skills. A companion A.I.D. loan, authorized in FY 1977 for \$4.9 million, finances: additional costs of training; construction and renovation of school facilities; development of rural teacher incentives; and improvement of commodities for rural instruction. Already, substantial progress has been made. The first, second, and third grade curricula have been entirely rewritten. Bilingual education materials for the first and second grades have been prepared and printed. Training of target teachers in the use of bilingual education materials and a non-formal education course have been completed. With regard to non-formal education, personnel have been selected for the 21 nucleos, a work plan has been developed, and a training course has been conducted. Normal school construction is 40% complete, workshop construction at 21 sites is 50% complete, and 72 classrooms have been constructed.

Host Country and Other Donors: The GOB's contribution to this grant will be approximately \$500,000 in teacher training, construction, and materials. Communities will provide \$155,000 in labor. Host-country contributions will total about 27% of the grant project.

Beneficiaries: Direct beneficiaries include: 920 teachers and administrators representing 33% of the total number in the area of Cochabamba; 11,000 students representing 26% of the school students in Cochabamba; and 108,000 adults and out-of-school youths in non-formal education programs, 44% of the total number. Estimated unit cost-per-direct beneficiary is \$14.88.

FY 81 Program: Project advisors will assist in teacher training, program development and evaluation, curriculum reform, textbook and teaching materials production, and non-formal instruction in basic skills.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---|----------------|--------|
| | Unit | Cost |
| Training of teachers, administrators | 1,657 | (.5) |
| Curriculum revised for teacher training | 4 | (75) |
| Curriculum revised for grades 1-8 | 8 | (37.5) |
| Textbook preparation for grades 1-8 | 8 | (37.5) |
| Rural schools repaired or constructed | 221 | (22) |

| A.I.D. Financed Inputs: | FY 81 |
|--|------------|
| Personnel (long term technical assistance) | 130 |
| Evaluation | 15 |
| TOTAL | 145 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|------------------|--------------------------------|-----------------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | L-4,924; G-1,240 | L-1,500; G- 601 | L-3,424; G- 639 | University of New Mexico. |
| Estimated Fiscal Year 1980 | G- 400 | L-1,000; G- 450 | | |
| Estimated through September 30, 1980 | L-4,924; G-1,640 | L-2,500; G-1,051 | L-2,424; G- 589 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | G- 145 | - | L-4,924; G-1,785 | |

| | | | | | | |
|---|--|--|--|---|-----------------------------|--|
| TITLE Rural Education II | | FUNDS Education and Human Resources | | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 511-0482 | | NEW <input type="checkbox"/> | | FY 81 C-425 | | LIFE OF PROJECT L-10,000; G-2,200 |
| GRANT <input checked="" type="checkbox"/> | LOAN <input checked="" type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | | PRIOR REFERENCE FY 79 Latin America Programs, p. 646 | INITIAL OBLIGATION FY 77 | ESTIMATED FINAL OBLIGATION FY 81 |
| | | | | | | ESTIMATED COMPLETION DATE OF PROJECT FY 82 |

Purpose: The purpose of this project is to improve the capability of rural teachers through teacher training programs, curriculum development, teaching materials development, the improvement of training administration and the consolidation, of training programs and teacher training institutions.

Background and Progress to Date: Since 1971, an average of only 31% of rural youth between ages 5 and 19 have been enrolled in school. Less than 20% finish five grades, and fewer than 1% enroll in secondary school. Of the total population over 15 years of age, 60% is illiterate. Problems in rural education have grave implications for development of the rural manpower base essential to socio-economic progress. In its efforts to improve the quality of teaching in rural areas, this project: funds in-country and overseas training; extends technical assistance in teacher training to six teacher colleges and 20 higher institutes of rural education; and provides training curricula, materials and teaching aids. A companion A.I.D. \$10 million loan, Rural Education II (Teacher Training) authorized in FY 1977, finances renovation and expansion of teacher training facilities, special teacher training programs, materials production, and instructional equipment. The Ministry of Education is currently negotiating a contract with the Academy for Educational Development to provide technical assistance under this project.

Host Country and Other Donors: The Government of Bolivia (GOB) inputs will total \$750,000 over the life of this grant project in training, equipment and some operating expenses. GOB contributions to this project will be about 25% of total costs.

Beneficiaries: The immediate beneficiaries are approximately 20 professors from the Institute of Rural Education, 200 rural normal school teachers, and 8,500 rural teacher training college students.

Indirect beneficiaries are approximately one million rural youth between the ages of 5 and 19. The estimated cost per direct beneficiary is \$252.

FY 81 Program: The grant will pay for five full-time teacher training advisors -- three at the Ministry of Education in La Paz and two at the Higher Institute of Education in Tarija. In addition to developing a more effective teacher training program, these advisors will help to develop teaching materials and to refine the current curriculum.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---|----------------|------------|
| | All Years | |
| | Unit | Cost |
| Teachers trained | 8,521 | (0.2) |
| Curriculum development | X | (17.9) |
| Teaching materials development | X | (17.9) |
| Administrative improvements in higher institutes of rural education | 20 | (23) |
| Teacher training facilities renovated/constructed | 20 | (475) |
| A.I.D. Financed Inputs: | | |
| | FY 81 | |
| Technical assistance (60 person months): | | |
| Teacher materials and curriculum development | | 85 |
| Teacher training | | 85 |
| Educational logistics | | 85 |
| Administrative improvement | | 170 |
| TOTAL | | 425 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------------|--------------------------------|-----------------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | L-10,000; G-1,275 | L- 470; G- 102 | L- 9,530; G-1,173 | To be selected. |
| Estimated Fiscal Year 1980 | - | L- 700; G- 450 | | |
| Estimated through September 30, 1980 | L-10,000; G-1,275 | L-1,170; G- 552 | L- 8,830; G- 723 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | G- 425 | G- 500 | L-10,000; G-2,200 | |

PROGRAM: BOLIVIA

ACTIVITY DATA SHEET

CP 81-05 (8-79)

| | | | | | |
|---|---|--|---|-------------------------------------|---|
| TITLE Human Resources Development | | FUNDS Education and Human Resources | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 511-0512 | | PRIOR REFERENCE None. | FY 81 900 | LIFE OF PROJECT 2,900 | |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/> | | INITIAL OBLIGATION FY 81 | ESTIMATED FINAL OBLIGATION FY 83 | ESTIMATED COMPLETION DATE OF PROJECT FY 84 |

Purpose: To assist the Government of Bolivia (GOB) in meeting its requirements for trained personnel to manage public sector programs by strengthening its Institute of Public Administration's (ISAP) capability to conduct effective public administration training programs.

Background: Bolivia's development is constrained by the scarcity of trained human resources to carry out a wide range of development activities, especially those which impact on the poor. This shortage is particularly acute for middle-level managers who should be trained in project planning and analysis, program implementation and project evaluation. The problem exists at both the central ministry and public corporation levels. ISAP -- the main GOB institution responsible for such training -- provides only short-term courses. Strengthened public administration in Bolivia will require: long-term overseas training for selected GOB personnel; long-term, in-country training; and improved and expanded short-term, carefully-designed training programs in specific fields. This project is comprised of two components. The first will strengthen ISAP by providing long-term, academic training in selected areas of public administration for approximately 12 officials. During this period of training, resident long-term contract personnel provided under this project will initiate curriculum preparation for future IASP courses and related institutional development activities until the return of the trained personnel. In order to have a more immediate impact on the training of public officials in key sectors, the second component finances the earliest training by ISAP of approximately 60 middle-level personnel from the Ministries of Health, Education and Agriculture as well as from public corporations in project planning, implementation and evaluation. A follow-on loan is anticipated which would further expand ISAP activities.

Host-Country and Other Donors: The GOB will provide the facilities and operating costs for ISAP, as well as salaries of those personnel receiving full-time training. Although other donors are financing training activities under specific projects, no projects currently exist which are directed at improving middle-level management skills in project planning, implementation and evaluation. The GOB contribution is estimated at \$1.1 million, or 27% of the total project cost.

Beneficiaries: The direct beneficiaries will be the recipients of expanded and improved training programs in public administration. The indirect beneficiaries will be the target groups served by the Ministries of Agriculture, Health, and Education and the public corporations. The cost-per-direct beneficiary of A.I.D. assistance will be approximately \$930.

FY 81 Program: Development of criteria for the selection of personnel for long-term training and selection of technical assistance advisors for ISAP will be initiated.

| | | |
|---|------------------|-------------|
| | (\$ thousands) | |
| <u>Major Outputs (and A.I.D. Unit Cost):</u> | <u>All Years</u> | |
| | <u>Unit</u> | <u>Cost</u> |
| Improved and expanded training capability in ISAP | 1 | (1,350) |
| Personnel trained | 3,100 | (.5) |
| <u>A.I.D. Financed Inputs:</u> | <u>FY 81</u> | |
| Technical assistance (36 person months) | 275 | |
| Training (40 person months) | 565 | |
| Equipment and materials | <u>60</u> | |
| Total | 900 | |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--------------------------------|-----------------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | To be selected. |
| Estimated Fiscal Year 1980 | - | - | - | |
| Estimated through September 30, 1980 | - | - | - | |
| | - | <u>Future Year Obligations</u> | <u>Estimated Total Cost</u> | |
| Proposed Fiscal Year 1981 | 900 | 2,000 | 2,900 | |

| | | | | | |
|---|--|--|---|-------------------------------------|--|
| TITLE Bilingual Education | | FUNDS Education and Human Resources | PROPOSED OBLIGATION (In thousands of dollars) FY 81 L-3,000; G-400 | | LIFE OF PROJECT L-3,000; G-2,500 |
| NUMBER 511-0520 | NEW <input type="checkbox"/> | PRIOR REFERENCE FY 80 Latin America Programs, p.247 | INITIAL OBLIGATION FY 81 | ESTIMATED FINAL OBLIGATION FY 85 | ESTIMATED COMPLETION DATE OF PROJECT FY 86 |
| GRANT <input checked="" type="checkbox"/> | LOAN <input checked="" type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | | | |

Purpose: To improve the education of Aymara and Quechua-speaking children by teaching indigenous languages in the primary schools.

Background and Progress to Date: Approximately two-thirds of Bolivians speak either Quechua or Aymara as a first language. Children from these groups are at a disadvantage in a school system that uses only Spanish as the language of instruction. Consequently schools with predominantly non-Spanish speaking students exhibit high drop-out and repetition rates. Available evidence suggests that achieving basic literacy in ones own language increases the chances for success in school. The project is designed to make education in the rural areas more relevant to the linguistic and educational needs of Quechua and Aymara speaking children. This project will develop curricula for the first three primary grades and for teacher training in bilingual education. Due to budget constraints, this project's initial obligation was delayed by one year from FY 1980 to FY 1981.

Host Country and Other Donors: The Government of Bolivia (GOB) will provide the support costs for training participants and counterpart technicians. The estimated GOB contribution to the project is \$1.25 million, or 25% of the total project cost.

Beneficiaries: Direct beneficiaries of this loan during the life of the project will be some 33,800 rural school children receiving bilingual instruction. The per capita cost of the project is estimated at \$85 per beneficiary.

FY 81 Program: Curriculum and instructional materials for teachers and students will be designed, teachers will be selected for in-country and overseas training and equipment will be ordered for participating primary schools.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) All Years | |
|--|-----------------------------|---------|
| | Unit | Cost |
| Ministry of Education teachers trained | 1,650 | (0.9) |
| Ministry of Education technicians trained | 35 | (4.6) |
| Curriculum and instructional materials developed | 12 | (101.8) |
| Primary school students receiving bilingual education | 33,800 | (0.06) |
| Linguistic studies | 6 | (45.1) |
| A.I.D. Financed Inputs: | | |
| | FY 81 | |
| | Loan | Grant |
| Curriculum and instructional materials for students and teachers | 1,600 | - |
| Teacher (pre-service) training | 800 | - |
| Program support (in-service teacher training, equipment for schools) | 600 | - |
| Personnel (long-term technical assistance) | - | 400 |
| TOTAL | 3,000 | 400 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|----------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | | | | To be selected. |
| Estimated Fiscal Year 1980 | - | - | - | |
| Estimated through September 30, 1980 | - | - | - | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | L-3,000; G-400 | G-2,100 | L-3,000; G-2,500 | |

| | | | | | |
|---|--|--|---|--|--|
| TITLE Special Development Activities | | FUNDS Selected Development Activities | PROPOSED OBLIGATION (In thousands of dollars) | | |
| | | | FY 81 | 75 | LIFE OF PROJECT Continuing* |
| NUMBER 511-0412 | NEW <input type="checkbox"/> | PRIOR REFERENCE | INITIAL OBLIGATION FY 64 | ESTIMATED FINAL OBLIGATION FY Continuing* | ESTIMATED COMPLETION DATE OF PROJECT FY Continuing* |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | FY 80 Latin America Programs, p. 248 | | | |

Purpose: To assist communities that are often beyond the capacity and outreach of the Government's social service delivery network to carry out a wide variety of quick-impact, small self-help projects.

Background and Progress to Date: For more than 12 years, A.I.D. has financed projects which have been typically small-scale, locally-initiated ventures which normally would not obtain funds from other sources. These projects benefit Bolivians in poor and more remote rural areas or in city slums crowded with migrants from the country side. Since 1964, 770 projects have been initiated to support rural schools, vocational schools, mothers' clubs, potable water systems, sanitation and health posts, small irrigation systems, small electric systems, access roads and small bridges (for transporting farmers' produce to markets), school benches, etc. 726 projects have been completed, and the remaining 44 are near completion.

Host-Country and Other Donors: The participating community normally provides at least 50% of the total cost in labor and local materials.

Beneficiaries: The direct beneficiaries of this project are some of the poorest people of Bolivia. In many instances, these projects have contributed to: 1) promoting more effective citizen committees; 2) encouraging the mixed participation of men and women in carrying out development projects; and 3) cultivating a favorable disposition of the populace toward the United States and our development program in Bolivia. Projects approved between FY 1964 and FY 1979 benefited an estimated 79,500 poor inhabitants at an average cost per family of \$75.

FY 81 Program: Following established criteria, A.I.D. will finance about 55 projects as follows: 24 in education, 15 in health, 10 in cottage industries, and 6 in agriculture.

| | |
|---|---------------------------------|
| | (\$ thousands) Through FY 81 |
| Major Outputs: | |
| Subprojects | 880 |
| A.I.D. Financed Inputs: | FY 81 |
| Construction materials, tools, books, school benches and other local costs | 75 |
| TOTAL | 75 |

*It is expected that activities under this project will continue as long as A.I.D. maintains an assistance program in Bolivia.

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--------------------------------|-----------------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 830 | 792 | 38 | None. |
| Estimated Fiscal Year 1980 | 75 | 113 | - | |
| Estimated through September 30, 1980 | 905 | 905 | - | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 75 | Continuing* | Continuing* | |

| | | | | | |
|---|--|--|--|-------------------------------|---|
| TITLE Appropriate Technology Research and Application I | | FUNDS Selected Development Activities | PROPOSED OBLIGATION (in thousands of dollars) FY 81 575 | | LIFE OF PROJECT 2,500 |
| NUMBER 511-0517 | NEW <input type="checkbox"/> | PRIOR REFERENCE | INITIAL OBLIGATION | ESTIMATED FINAL OBLIGATION | ESTIMATED COMPLETION DATE OF PROJECT |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | FY 80 Latin America Programs, p. 250 | FY 80 | FY 83 | FY 84 |

Purpose: The purpose of this project is to establish within several Government of Bolivia (GOB) agencies a capability to identify, develop and promote low-cost appropriate technologies needed to increase production, incomes, and the quality of life in rural areas.

Background and Progress to Date: Among the problems to be addressed by this project are the inadequate farming technologies currently utilized by Bolivia's small farmers, the high cost of providing available technologies to small isolated villages, and lack of off-farm employment opportunities. The project will focus on designing technologies to increase agricultural production and productivity, to improve rural sanitation, and to stimulate rural employment. Specific attention will be paid to efforts to improve current practices in such areas of investigation as: manual and animal drawn farm implements; crop handling techniques; processing, storage and marketing of harvested crops; equipment and storage facility maintenance; water management; handicrafts; leather tanning and preparation of furs and wool products; use of by-products from livestock; agricultural and agro-industrial processing activities; local construction practices; and design and construction of rural sanitation facilities. An Alternative Energy Management project, beginning in FY 1980, is investigating technologies to tap natural energy sources, especially small scale hydropower. Due to budget constraints, this project's initial obligation was delayed by one year from FY 1979 to FY 1980.

Host Country and Other Donors: The GOB will provide technicians at each stage of technology research, development and promotion. The Government's contribution in salaries and operating expenses is estimated at \$850,000, or 25% of the total project cost.

Beneficiaries: The project will benefit the poor by strengthening Bolivian institutions to enable them to provide better

and more appropriate services in the rural areas. Because of the research aspect of this project, it is not possible to estimate the number of direct beneficiaries during the life of project. Technologies to be developed and promoted, however, will be geared for use in homes or in village level cooperatives and will be affordable by rural dwellers.

FY 81 Program: Long-term advisors will arrive in the country. Prefeasibility studies will be evaluated, some feasibility studies will be completed, and applied research activities will be initiated. Prototype production of some proper new technologies will be undertaken.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|--|----------------|--------|
| | All Years | |
| | Unit | Cost |
| Research on technologies | 1 | (200) |
| Bolivian personnel trained | 150 | (2) |
| Prefeasibility and feasibility studies completed and evaluated | 30 | (16.6) |
| Prototypes produced, tested and evaluated | 50 | (30) |

| A.I.D. Financed Inputs: | FY 81 |
|--|------------|
| Short and long-term technical assistance | 150 |
| Technical training | 50 |
| Commodities | 50 |
| Feasibility studies | 110 |
| Research grants | 90 |
| Prototype production and demonstration | 100 |
| Evaluation | 25 |
| TOTAL | 575 |

| U.S. FINANCING (in thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--------------------------------|-----------------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | To be selected. |
| Estimated Fiscal Year 1980 | 550 | 100 | | |
| Estimated through September 30, 1980 | 550 | 100 | 450 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 575 | 1,375 | 2,500 | |

| | | | | | |
|---|--|--|---|----------------------------|---------------------------|
| TITLE Alternative Energy Management | | FUNDS Selected Development Activities | PROPOSED OBLIGATION (In thousands of dollars) | | |
| | | | FY 81 1,000 | LIFE OF PROJECT 1,300 | |
| NUMBER 511-0529 | NEW <input type="checkbox"/> | PRIOR REFERENCE | INITIAL OBLIGATION | ESTIMATED FINAL OBLIGATION | ESTIMATED COMPLETION DATE |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | None. | FY 80 | FY 81 | FY 84 |

Purpose: To improve the Government of Bolivia's (GOB) capability to identify, analyze, develop and manage renewable energy sources and applications.

Background and Progress to Date: More than 60% of Bolivia's economically active population is engaged in agriculture, yet this group contributed only 14.5% to Bolivia's gross national product between 1974 and 1975. Rural per capita income is well below the \$360 Bolivian national average -- itself the lowest in South America. Progress toward the shared Bolivian-United States goal of increased rural productivity is constrained by traditional production methods and the lack of access to marketing facilities. To alleviate these and other problems, the GOB's rural development strategy is based upon providing cheap and reliable rural energy by broadening technology options, encouraging local production of required inputs, and improving marketing, food storage and processing facilities. Support for this project stems from the importance of energy in boosting farm production potential and in making possible fundamental improvements in the quality of rural life.

The institutional capability of several GOB institutions will be strengthened by staff training, preparing and disseminating information on alternative energy sources and applications, conducting feasibility studies for promising applications, demonstrating available energy conversion technologies (especially for small scale hydropower), and developing an alternative energy plan.

Host Country and Other Donors: The GOB will contribute facilities, personnel and operating costs valued at \$430,000 over the project's life, or 25% of total project costs.

Beneficiaries: Ultimately the benefits of this project will accrue to all sectors of Bolivia's population. Initially the benefits from this largely experimental technology transfer project will be institutional in nature, thus precluding a cost-per-beneficiary estimate.

FY 81 Program: During FY 1981, technical advisors will be employed, training programs begun and feasibility studies undertaken.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---|----------------|--------|
| | Unit | Cost |
| Feasibility studies carried out | 8 | (18.7) |
| Demonstration projects completed | 8 | (75) |
| Country plan for alternative energy sources completed | 1 | (250) |
| Information dissemination capability established | 1 | (100) |
| Number of staff trained | 40 | (5) |

| A.I.D. Financed Inputs: | FY 81 |
|--|--------------|
| Technical assistance | 300 |
| Staff development (training) | 200 |
| Construction of demonstration projects | 400 |
| Contracts for feasibility studies | 100 |
| TOTAL | 1,000 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | To be selected. |
| Estimated Fiscal Year 1980 | 300 | 50 | | |
| Estimated through September 30, 1980 | 300 | 50 | 250 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 1,000 | - | 1,300 | |

PROGRAM: BOLIVIA

ACTIVITY DATA SHEET

CP 81-05 (8-79)

| | | | | | |
|---|---|---------------------------------------|---|----------------------------------|--|
| TITLE Shelter Program for Low Income Families | | FUNDS Selected Development Activities | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 511-0541 | NEW <input checked="" type="checkbox"/> | PRIOR REFERENCE None. | FY 81 100 | LIFE OF PROJECT 100 | |
| GRANT <input checked="" type="checkbox"/> | LOAN <input type="checkbox"/> | | INITIAL OBLIGATION FY 81 | ESTIMATED FINAL OBLIGATION FY 81 | ESTIMATED COMPLETION DATE OF PROJECT FY 84 |
| CONTINUING <input type="checkbox"/> | | | | | |

Purpose: In complementing a \$15 million Housing Investment Guaranty (HIG) project, this grant-financed technical assistance will: (1) assist the Bolivian housing sector to improve its housing policies and upgrade its delivery systems; and (2) assist the private sector in designing and constructing low-cost shelter solutions.

Background: The current Bolivian national housing deficit exceeds 100,000 units, and annual additional unit requirements may be as high as 10,000 units. Bolivian housing institutions are not producing sufficient quantities of low- and medium-priced housing to reduce the deficit or to keep pace with the annual increase in demand. One condition hampering a long-range solution to the housing problem is the fragmented and ineffective institutional structure providing housing and construction financing. Several semi-public housing councils and the National Housing Bank compete for scarce internal and external resources with private sector institutions such as the Central Bank for Savings and Loans. The Government makes no direct allocation of domestic resources to housing, and institutions have depended heavily on external loans for resources. A.I.D. will support the Government of Bolivia's (GOB) Five-Year Development Plan by assisting in the formulation and implementation of an effective national housing policy -- one which will address problems in the allocation of GOB resources for housing, the coordination of activities of the various institutions, and the assignment of construction priorities. The project, combined with the HIG, will also assist in improving the existing system for housing finance (in both public and private sectors) by establishing effective regulation and control of the public sector institutions and by organizing a secondary mortgage market.

Host Country and Other Donors: The GOB, the private sector, the National Housing Bank and participating home owners will provide an estimated \$5 million in resources to support this project and the complementary HIG.

Beneficiaries: The beneficiaries will be the 7,500 recipients of housing units in rural and semi-urban areas of Bolivia. The estimated cost per family is \$13.33.

FY 81 Program: The grant agreement will be signed late in the fiscal year for implementation in FY 1982.

| | | |
|--|------------------|-------------|
| | (\$ thousands) | |
| Major Outputs (and A.I.D. Unit Cost): | <u>All Years</u> | |
| | <u>Unit</u> | <u>Cost</u> |
| National housing plan developed | 1 | (30) |
| Small contractors trained | 15 | (1.3) |
| Institutional reform of the housing sector | 1 | (30) |
| Improved sector financing | 1 | (20) |
| A.I.D. Financed Inputs: | <u>FY 81</u> | |
| Technical assistance (in the areas of housing policy and delivery) | | 100 |
| Total | | <u>100</u> |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--------------------------------|-----------------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | |
| Estimated Fiscal Year 1980 | - | - | - | |
| Estimated through September 30, 1980 | - | - | - | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 100 | - | 100 | |

To be selected.

PROGRAM: BOLIVIA

ACTIVITY DATA SHEET

CP 81-05 (8-79)

| | | | | | |
|--|--|--|---|--|--|
| TITLE National Urban Development Service II (SENDU - II) | | FUNDS Selected Development Activities | PROPOSED OBLIGATION (In thousands of dollars) | | |
| | | | FY 81 5,300 | LIFE OF PROJECT 5,300 | |
| NUMBER 511-0543 | NEW <input checked="" type="checkbox"/> | PRIOR REFERENCE None. | INITIAL OBLIGATION FY 81 | ESTIMATED FINAL OBLIGATION FY 81 | ESTIMATED COMPLETION DATE OF PROJECT FY 86 |
| GRANT <input type="checkbox"/> | LOAN <input checked="" type="checkbox"/> | | | | |
| | CONTINUING <input type="checkbox"/> | | | | |

Purpose: To strengthen the capability of the National Urban Development Service and local governments to mobilize and use their resources more effectively.

Background: The Government of Bolivia's (GOB) Five-Year Development Plan recognizes the need to improve the performance of local communities in identifying projects and designing strategies which respond to their development needs. The National Urban Development Service (SENDU), assisted by a \$3.8 million loan/grant project funded by A.I.D. in 1973, has been working to implement a municipal development program which includes subproject financing, technical assistance and training for local officials. However, project identification and implementation at the community level is often based on political and other non-developmental considerations. Further, no mechanism exists through which national programs can be implemented at the local municipal level, and cooperation of municipal government activities with national programs is deficient.

Using the experience gained under the first loan, this project will focus on smaller municipalities having populations of 5,000 to 40,000 people and on those areas which offer obvious rural-urban linkages or are natural marketing centers. The project will also finance income producing projects benefiting both rural and urban inhabitants, such as municipal market facilities. Further, the project will strengthen SENDU's capacity to provide technical and financial assistance to local governments so that they, in turn, can improve their own capacity to mobilize local resources.

Host Country and Other Donors: The GOB and local communities will contribute \$2.5 million or 28% of total project costs.

Beneficiaries: Beneficiaries will be the approximately 700,000 inhabitants of small municipalities which will be provided additional infrastructure under this project. The estimated cost per beneficiary is \$9.

FY 81 Program: It is expected that the project agreement will be signed by mid-FY 1981 and that local training programs will be initiated. FY 1981 activities will also include preliminary subproject identification and design.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---------------------------------------|----------------|-------------------|
| | Unit | All Years Cost |
| Subprojects implemented | 50 | (90) |
| Local officials trained | 200 | (1.5) |
| Training courses held | 20 | (10) |
| <u>A.I.D. Financed Inputs:</u> | | |
| | | FY 81 |
| Technical assistance (long-term) | | 400 |
| Technical assistance (short-term) | | 100 |
| Fund for financing subprojects | | 4,800 |
| Total | 5,300 | |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | To be selected. |
| Estimated Fiscal Year 1980 | - | - | - | |
| Estimated through September 30, 1980 | - | - | - | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 5,300 | - | 5,300 | |

ECONOMIC AND SOCIAL DATA

COUNTRY: COSTA RICA

BASIC DATA

TOTAL POPULATION.. (THOUSANDS, MID 1979) 2,170
 PER CAPITA GNP..... (DOLLARS, 1977) 1,240
 AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-77) 3.2%
 AVERAGE ANNUAL RATE OF INFLATION (1960-70) 1.9% (1970-77) 15.6%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. (1971) 5.4%
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1975) TOTAL N.A. MALE 69.6 FEMALE 73.5
 (1968) TOTAL 65.4 MALE 64.0 FEMALE 66.9
 ADULT LITERACY RATE (1973) TOTAL 88% MALE 89% FEMALE 88%
 (1963) TOTAL 84% MALE 85% FEMALE 84%

AGRICULTURE

AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1970-1978) 0.9%
 AGRICULTURAL PRODUCTION AS % OF GDP..... (1976) 21%
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1979) 271
 LAND OWNED: BY TOP 10% N.A. BY LOWEST 10% N.A.
 MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: CORN 13% (1978)
 CASH: BANANAS 14% (1978)
 MAJOR AGRICULTURAL EXPORTS:(1978) COFFEE BANANAS BEEF & VEAL
 MAJOR AGRICULTURAL IMPORTS:(1978) WHEAT APPLES VEGETABLES
 PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1977) 30%

CENTRAL GOVERNMENT FINANCES

TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)
 (1975) 265 (76) 315 (77) 405
 TOTAL EXPENDITURES (\$ MILLIONS, U.S.)
 (1975) 335 (76) 423 (77) 465
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1975) -70 (76) -108 (77) -60
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. 0% (NO DEFENSE BUDGET)
 AS % OF GNP..... 0%
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1976) 98 (77) 194 (78) 198
 EQUIVALENT TO 2.0 MONTHS OF IMPORTS (1978)

FOREIGN TRADE

MAJOR EXPORTS... (1978) COFFEE BANANAS MEAT
 EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1976) 235 (1977) 242 (1978) 269
 AS % OF TOTAL EXPORTS (1976) 42% (1977) 29% (1978) 32%
 MAJOR IMPORTS... (1978) MANUFACTURES MACHINERY CHEMICALS
 IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1976) 267 (1977) 344 (1978) 366
 AS % OF TOTAL IMPORTS (1976) 34% (1977) 34% (1978) 31%
 TRADE BALANCE(\$ MILLIONS, US)(1976) -217 (77) -193 (78) -340
 MAIN TRADING PARTNERS: UNITED STATES GERMANY, FED JAPAN
 EXTERNAL PUBLIC DEBT AS % OF GNP (1977) 26.5%
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1977) 86
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1977) 9.0%

SOCIAL DATA

POPULATION GROWTH RATE.....(1968-78) 2.6%
 POPULATION IN URBAN AREAS..... (1963) 35% (1973) 41%
 TOTAL BIRTHS PER 1,000 POPULATION..... (1976) 30
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION... (1977) 48%
 POPULATION (1975) IN AGE GROUP:
 (0-14YRS) 42.2% (15-60YRS) 50.5% (60+ YRS) 5.6%
 INFANT DEATHS DURING FIRST YEAR OF LIFE / 1000 INFANTS (1976) 34
 PEOPLE PER PHYSICIAN..... (1975) 1,522
 MAJOR CAUSES OF
 DISEASE (1975)FLU & PNEUMONIA INFECTIOUS DIS.
 DEATH.. (1975)CANCER NATAL DISEASES
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.... (1974) 113%
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975) 77%
 TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:
 PRIMARY... (AGES 5-14)(1976) TOTAL 65.9% MALE 66.2% FEMALE 65.5%
 SECONDARY..... (15-19)(1976) TOTAL 47.9% MALE 44.9% FEMALE 50.9%
 POST SECONDARY (20-24)(1972) TOTAL 11.2% MALE 12.3% FEMALE 10.1%
 ENERGY PRODUCTION AS % OF CONSUMPTION..... (1976) 18%

U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS
(U.S. Fiscal Years – Millions of Dollars)

| COUNTRY | FOREIGN ASSISTANCE ACT PERIOD | | | | | TOTAL LOANS AND GRANTS 1946-78 | REPAY- MENTS AND INTEREST 1946-78 | TOTAL LESS REPAY- MENTS AND INTEREST 1946-78 |
|--|-------------------------------|------|------|------|------|---|--|--|
| | COSTA RICA | | | | | | | |
| | PROGRAM | 1975 | 1976 | TQ | 1977 | | | |
| I. ECONOMIC ASSISTANCE – TOTAL | 3.7 | 9.3 | 0.7 | 11.6 | 9.1 | 231.2 | 27.9 | 203.3 |
| Loans | - | 6.0 | - | 5.5 | 5.5 | 110.4 | 27.9 | 82.5 |
| Grants | 3.7 | 3.3 | 0.7 | 6.1 | 3.6 | 120.8 | - | 120.8 |
| a. A.I.D. and Predecessor Agencies | 0.7 | 6.7 | 0.2 | 6.4 | 6.9 | 134.2 | 20.2 | 114.0 |
| Loans | - | 6.0 | - | 5.5 | 5.5 | 98.6 | 20.2 | 78.4 |
| Grants | 0.7 | 0.7 | 0.2 | 0.9 | 1.4 | 35.6 | - | 35.6 |
| (Security Supporting Assistance) | - | - | - | - | - | - | - | - |
| b. Food for Peace (PL 480) | 1.0 | 1.4 | 0.2 | 3.9 | 0.8 | 19.3 | - | 19.3 |
| Loans | - | - | - | - | - | - | - | - |
| Grants | 1.0 | 1.4 | 0.2 | 3.9 | 0.8 | 19.3 | - | 19.3 |
| Title I - Total Sales Agreements | - | - | - | - | - | - | - | - |
| Repayable in U.S. Dollars - Loans | - | - | - | - | - | - | - | - |
| Payable in Foreign Currency - Planned for Country Use | - | - | - | - | - | - | - | - |
| Title II - Total Grants | 1.0 | 1.4 | 0.2 | 3.9 | 0.8 | 19.3 | - | 19.3 |
| Emerg. Relief, Econ. Develop. & World Food Program | 0.4 | 0.4 | - | 0.4 | 0.3 | 6.5 | - | 6.5 |
| Voluntary Relief Agencies | 0.6 | 1.0 | 0.2 | 3.5 | 0.5 | 12.8 | - | 12.8 |
| c. Other Economic Assistance | 2.0 | 1.2 | 0.3 | 1.3 | 1.4 | 77.7 | 7.7 | 70.0 |
| Loans | - | - | - | - | - | 11.8 | 7.7 | 4.1 |
| Grants | 2.0 | 1.2 | 0.3 | 1.3 | 1.4 | 65.9 | - | 65.9 |
| Peace Corps | 1.1 | 1.2 | 0.3 | 1.2 | 1.3 | 13.5 | - | 13.5 |
| Other | 0.9 | * | * | 0.1 | * | 52.4 | - | 52.4 |
| II. MILITARY ASSISTANCE – TOTAL | - | - | - | 5.0 | - | 7.0 | * | 2.0 |
| Credits or Loans | - | - | - | 5.0 | - | 5.0 | - | - |
| Grants | - | - | - | - | - | 2.0 | - | 2.0 |
| a. MAP Grants | - | - | - | - | - | 0.9 | - | 0.9 |
| b. Credit Financing - FMS | - | - | - | 5.0 | - | 5.0 | * | * |
| c. Military Assistance Service-Funded (MASF) Grants | - | - | - | - | - | 0.9 | - | 0.9 |
| d. Transfers from Excess Stocks | - | - | - | - | - | 0.1 | - | 0.1 |
| e. Other Grants | - | - | - | - | - | 0.1 | - | 0.1 |
| III. TOTAL ECONOMIC AND MILITARY ASSISTANCE | 3.7 | 9.3 | 0.7 | 16.6 | 9.1 | 238.2 | 27.9 | 205.3 |
| Loans | - | 6.0 | - | 10.5 | 5.5 | 115.4 | 27.9 | 82.5 |
| Grants | 3.7 | 3.3 | 0.7 | 6.1 | 3.6 | 122.8 | - | 122.8 |
| Other U.S. Government Loans and Grants | 5.3 | 1.2 | 1.0 | 0.2 | 4.1 | 47.8 | 45.4 | 2.4 |
| a. Export-Import Bank Loans | 3.8 | 0.2 | 1.0 | 0.1 | 4.0 | 45.2 | 44.9 | 0.3 |
| b. All Other Loans | 1.5 | 1.0 | - | 0.1 | 0.1 | 2.6 | 0.5 | 2.1 |

* LESS THAN \$50,000.

TQ - TRANSITIONAL QUARTER

ECONOMIC PROGRAMS OF OTHER DONORS

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

(Thousands of dollars)

| | FY 1977 | FY 1978 | FY 1979 | FY 1946-78 |
|--------------|---------|---------|---------|------------|
| TOTAL | 73,200 | 131,461 | 36,399 | 695,708 |
| IBRD | 18,000 | 42,100 | 34,000 | 322,240 |
| IFC | - | 2,500 | 2,100 | 5,190 |
| IDB | 55,100 | 86,147 | 118 | 350,584 |
| UNDP | 100 | 714 | 181 | 10,144 |
| OTHER UN | - | - | - | 3,000 |
| IDA | - | - | - | 4,550 |

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

(Millions of dollars) **1. D.A.C. COUNTRIES (Excluding U.S.) (Gross Disbursements)**

| Donor | CY 1977 | CY 1978 | CY 1968-78 |
|--------------|---------|---------|------------|
| TOTAL | 8.70 | 30.69 | 71.69 |
| Germany | 4.4 | 8.15 | 30.75 |
| Japan | 1.4 | 18.75 | 21.35 |
| UK | 1.4 | .89 | 11.99 |
| Netherlands | 1.0 | 1.82 | 4.12 |
| Switzerland | 0.1 | .16 | 1.26 |
| Other | .4 | .92 | 2.22 |

2. O.P.E.C. COUNTRIES (Net Disbursements)

| | CY 1977 | CY 1978 | CY 1973-78 |
|--------------|---------|---------|------------|
| TOTAL | - | - | - |

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

(Millions of dollars)

| | CY 1977 | CY 1978 | CY 1964-78 |
|----------------|---------|---------|------------|
| TOTAL | 10 | - | 27 |
| USSR | - | - | 15 |
| Eastern Europe | 10 | - | 12 |
| China | - | - | - |

COSTA RICA

| PROGRAM SUMMARY | | | | | | | |
|---------------------------|---------------|--|---------------------|-----------|---|---------------------------------|----------------|
| (In thousands of dollars) | | | | | | | |
| Fiscal Year. | Total | Agriculture, Rural Development and Nutrition | Population Planning | Health | Education and Human Resources Development | Selected Development Activities | Other Programs |
| 1979 | | | | | | | |
| Loans | 15,050 | 5,500 | -- | -- | 2,000 | 7,550 | -- |
| Grants ... | 636 | -- | 313 | -- | -- | 323 | -- |
| Total .. | 15,686 | 5,500 | 313 | -- | 2,000 | 7,873 | -- |
| 1980 | | | | | | | |
| Loans | 9,000 | 9,000 | -- | -- | -- | -- | -- |
| Grants ... | 340 | -- | 250 | -- | -- | 90 | -- |
| Total .. | 9,340 | 9,000 | 250 | -- | -- | 90 | -- |
| 1981 | | | | | | | |
| Loans | 8,000 | 5,000 | -- | -- | -- | 3,000 | -- |
| Grants ... | 335 | -- | 245 | -- | -- | 90 | -- |
| Total .. | 8,335 | 5,000 | 245 | -- | -- | 3,090 | -- |

U.S. Interests

U.S. interests in Costa Rica derive from the country's traditional commitment to growth and equity within an open political system. Costa Rica's capacity to achieve socio-economic progress for its people while maintaining a form of government which embodies free expression, widespread participation and respect for human rights can serve as an example to other Central American countries, particularly in view of the turmoil and instability confronting the region.

Development Overview

Costa Rica must consolidate and build upon its development achievements in the face of mounting economic problems and a deteriorating natural resource base. Agricultural expansion -- which has been accomplished by opening up new lands -- has contributed to environmental degradation and inefficient land use. Costa Rica's industrialization strategy, based on import substitution within the Central

American Common Market, has brought about significant growth in the past 15 years. However, few additional import substitution opportunities are available, and Costa Rica will need to expand its exports to new markets outside of the Central American region by focusing on areas in which it has a comparative advantage, such as agro-industrial development.

Efforts by the Government of Costa Rica (GOCR) to extend basic services to the poor have been relatively successful, although the high cost of these services now contributes to the government's serious fiscal problems. Also, investment and services have been concentrated in the capital area at the expense of more peripheral areas. What is needed, therefore, is a pattern of development which is sufficiently broad-based to reach the rural areas. This must be accomplished by a hard-pressed public sector and must be compatible with sound resource management. The GOCR's recent five-year plan recognizes these problems and proposes programs to resolve them.

Socio-Economic Performance

Prior to the present economic deterioration which began in 1978, Costa Rica's gross national product grew at an average annual rate of 6.5% over a period of 15 years. The provision of social services has been impressive with nearly 50% of the national budget spent on nutrition, health and education. Literacy rates are almost 90%, and the annual population growth rate is down from 4% in the 1960s to a current 2.6%.

In recent years, efforts to maintain a high rate of economic growth and to create jobs for a growing labor force have been hampered by low coffee export prices, a 100% increase in petroleum import prices and a growing demand for other imports. As a result, Costa Rica's annual trade deficit rose to about \$450 million by mid-1979 while its foreign exchange reserves declined to \$125 million. Inflation is running at about 15% per year. These negative trends are expected to continue at least over the short run.

COSTA RICA

To deal with these problems, the GOCR has developed a fiscal reform package which, if passed by the National Assembly, should raise taxes and help curb internal demand and inflation. The government additionally is striving to curtail public expenditures, increase tourism, and expand export-oriented agriculture and industrial production.

Total Resources

Costa Rica received \$267.8 million in new loans and credits in 1978, including \$62.7 million from the World Bank and regional development agencies, as well as \$205.1 million from bilateral lenders (including A.I.D.) and private banks. The U.S. private sector provided \$163 million. Costa Rica received \$10.3 million in grants in 1978 from all donors (including A.I.D.) and a similar amount is projected for 1979. The Peace Corps program amounts to over \$700,000 annually. The Overseas Private Investment Corporation's guaranty portfolio was \$26.1 million as of June 1979.

A.I.D. Strategy

A.I.D. supports Costa Rica's efforts to improve the lives of its poor people through integrated rural development programs which: channel development investment to lagging rural areas, conserve the country's deteriorating natural resource base, promote labor-intensive industrial development to increase productivity and jobs, and develop methods to reduce the cost of providing basic social services for the poor. In FY 1981, loans are proposed to support community development projects of the GOCR Office of Integrated Development, to modernize the country's land tax system, and to help finance labor-intensive worker-owned industries which will expand employment, increase worker incentives, and improve productivity.

A/ Funds for Project Development and Support as well as Operational Program Grants are not included in this table. They are reflected in the Latin America and Caribbean Regional Program.

| FY 81 PROGRAM HIGHLIGHTS | |
|--------------------------|---|
| - | A \$5 million loan to modernize the land tax system and support the GOCR Office of Integrated Rural Development's community development projects. |
| - | A \$4 million loan to finance 20 new worker-owned industries, thereby promoting equitable development and greater income distribution. |
| - | Support for a comprehensive family planning program including health worker training, contraceptive distribution and demographic studies. |

| PERSONNEL/PARTICIPANTS DATA | | | |
|--------------------------------|---------------------|------------------------|-----------------------|
| CP 81-17 (8-79) | | | |
| Category | FY 1979 (Actual) | FY 1980 (Estimated) | FY 1981 (Proposed) |
| AID Personnel ^a | | | |
| Direct Hire ^b | 17 | 17 | 18 |
| PASA ^c | -- | -- | -- |
| Contract | -- | 6 | 6 |
| Total | 17 | 23 | 24 |
| Participants ^d | | | |
| Noncontract | 6 | 103 | 131 |
| Contract | -- | -- | -- |
| Total | 6 | 103 | 131 |

^aU.S. nationals on duty at the end of the fiscal year.
^bFY 1980 and FY 1981 position levels.
^cParticipating agency technicians.
^dProgrammed during the fiscal year.

COSTA RICA

| RESOURCE FLOWS CP 81-08 (8-79) | | | |
|---|---------------------|------------------------|-----------------------|
| <i>(In thousands of dollars)</i> | | | |
| Program | FY 1979 (Actual) | FY 1980 (Estimated) | FY 1981 (Proposed) |
| AID* | | | |
| Loans | 4,706 | 10,053 | 12,051 |
| Grants | 521 | 690 | 256 |
| Total AID | 5,227 | 10,743 | 12,307 |
| P.L. 480** | | | |
| Title I | - | - | - |
| (of which Title III is) | (-) | (-) | (-) |
| Title II | 20 | 90 | 160 |
| Total P.L. 480 | 20 | 90 | 160 |
| Total AID and P.L. 480 | 5,247 | 10,833 | 12,467 |

*AID levels represent actual and estimated expenditures.
**P.L. 480 levels represent actual and estimated value of shipments.

| P.L. 480 PROGRAMS SUMMARY CP 81-14 (8-79) | | | | | | |
|--|---------------------|-----------|------------------------|-----------|-----------------------|------------|
| <i>(in 000MT/\$000)</i> | | | | | | |
| Program | FY 1979 (Actual) | | FY 1980 (Estimated) | | FY 1981 (Proposed) | |
| | MT | \$ | MT | \$ | MT | \$ |
| <i>Title I</i> | | | | | | |
| Wheat | | | | | | |
| Rice | | | | | | |
| Feedgrains | | | | | | |
| Vegoil | | | | | | |
| Non-food | | | | | | |
| Title I Total .. (of which Title III is) | | - () | | - () | | - () |
| <i>Title II</i> | | | | | | |
| Voluntary Agencies .. | | - | | - | | - |
| World Food Programs | | 20 | | 90 | | 160 |
| Gov't.-to-Gov't | | - | | - | | - |
| Title II Total | | 20 | | 90 | | 160 |
| Total P.L. 480 | | 20 | | 90 | | 160 |

MISSION DIRECTOR Stephen P. Knaebel

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

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CP 81-02

PROGRAM: COSTA RICA

| | * L / G | PROJECT NUMBER | FY OF INITIAL FUNDING | -THROUGH FY79- OBLIGATIONS | FY79- EXPENDITURES | -ESTIMATED FY80- OBLIGATIONS | EXPENDITURES | -PROPOSED FY81- OBLIGATIONS | EXPENDITURES | FUTURE YEAR OBLIGATIONS |
|---------------------------------------|---------|----------------|-----------------------|----------------------------|--------------------|------------------------------|--------------|-----------------------------|--------------|-------------------------|
| ----- | | | | | | | | | | |
| AGRICULTURE, RURAL DEV. AND NUTRITION | | | | | | | | | | |
| RURAL DEVELOPMENT | L | 515-0120 | 75 | 7,900 | 7,451 | --- | 449 | --- | --- | --- |
| NUTRITION | L | 515-0121 | 76 | 6,000 | 1,816 | --- | 2,794 | --- | 1,390 | --- |
| COMMODITY SYSTEMS | L | 515-0134 | 77 | 5,500 | --- | --- | 800 | --- | 2,000 | --- |
| LOCAL DEVELOPMENT | * L | 515-0144 | 81 | --- | --- | --- | --- | 5,000 | --- | --- |
| NATURAL RESOURCES | L | 515-0145 | 79 | 5,500 | --- | 2,500 | 1,500 | --- | 2,200 | --- |
| ATLANTIC BASIN DEVELOPMENT | L | 515-0148 | 80 | --- | --- | 6,500 | 450 | --- | 1,000 | --- |
| TOTAL FOR ACCOUNT | | | | 24,900 | 9,267 | 9,000 | 5,993 | 5,000 | 6,590 | |
| GRANTS | | | | --- | --- | --- | --- | --- | --- | |
| LOANS | | | | 24,900 | 9,267 | 9,000 | 5,993 | 5,000 | 6,590 | |
| POPULATION PLANNING | | | | | | | | | | |
| FAMILY PLANNING SERVICES | G | 515-0132 | 78 | 857 | 710 | 250 | 397 | --- | --- | --- |
| FAMILY PLANNING SERVICES II | * G | 515-0168 | 81 | --- | --- | --- | --- | 245 | 50 | 1,130 |
| TOTAL FOR ACCOUNT | | | | 857 | 710 | 250 | 397 | 245 | 50 | |
| GRANTS | | | | 857 | 710 | 250 | 397 | 245 | 50 | |
| LOANS | | | | --- | --- | --- | --- | --- | --- | |
| EDUCATION AND HUMAN RESOURCES | | | | | | | | | | |
| SCIENCE AND TECHNOLOGY | L | 515-0138 | 79 | 2,000 | --- | --- | 400 | --- | 500 | --- |
| TOTAL FOR ACCOUNT | | | | 2,000 | --- | --- | 400 | --- | 500 | |
| GRANTS | | | | --- | --- | --- | --- | --- | --- | |
| LOANS | | | | 2,000 | --- | --- | 400 | --- | 500 | |
| SELECTED DEVELOPMENT ACTIVITIES | | | | | | | | | | |
| URBAN DEVELOPMENT | L | 515-0130 | 78 | 5,500 | 18 | --- | 1,770 | --- | 2,220 | --- |
| SPECIAL DEVELOPMENT ACTIVITY | * G | 515-0133 | 78 | 172 | 145 | 90 | 110 | 90 | 90 | --- |
| SCIENCE AND TECHNOLOGY | L | 515-0138 | 79 | 2,500 | --- | --- | 290 | --- | 516 | --- |
| DEVELOPMENT INFORMATION | G | 515-0139 | 79 | 250 | --- | --- | 62 | --- | 75 | --- |
| DEVELOPMENT INFORMATION | L | 515-0139 | 79 | 3,250 | --- | --- | 1,100 | --- | 1,300 | --- |
| ENVIRONMENTAL EDUCATION | G | 515-0142 | 78 | 240 | 78 | --- | 121 | --- | 41 | --- |
| NATURAL RESOURCES | L | 515-0145 | 79 | 1,800 | --- | --- | 500 | --- | 775 | --- |
| WORKER-OWNED INDUSTRIES | * L | 515-0161 | 81 | --- | --- | --- | --- | 3,000 | 150 | --- |

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

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CP 81-02

PROGRAM: COSTA RICA

| * L / G | PROJECT NUMBER | FY OF INITIAL FUNDING | -THROUGH FY79- OBLIGATIONS | EXPENDITURES | -ESTIMATED FY80- OBLIGATIONS | EXPENDITURES | -PROPOSED FY81- OBLIGATIONS | EXPENDITURES | FUTURE YEAR OBLIGATIONS |
|-------------------|----------------|-----------------------|----------------------------|--------------|------------------------------|--------------|-----------------------------|--------------|-------------------------|
| TOTAL FOR ACCOUNT | | | 13,712 | 241 | 90 | 3,953 | 3,090 | 5,167 | |
| GRANTS | | | 662 | 223 | 90 | 293 | 90 | 206 | |
| LOANS | | | 13,050 | 18 | --- | 3,660 | 3,000 | 4,961 | |
| TOTAL FOR COUNTRY | | | 41,469 | 10,218 | 9,340 | 10,743 | 8,335 | 12,307 | |
| GRANTS | | | 1,519 | 933 | 340 | 690 | 335 | 256 | |
| LOANS | | | 39,950 | 9,285 | 9,000 | 10,053 | 8,000 | 12,051 | |

| | | | | | |
|---|--|---|---|-------------------------------------|---|
| TITLE Local Development | | FUNDS Agriculture, Rural Development and Nutrition | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 515-0144 | | PRIOR REFERENCE None. | FY 81 5,000 | LIFE OF PROJECT 5,000 | |
| GRANT <input type="checkbox"/> | LOAN <input checked="" type="checkbox"/> | | INITIAL OBLIGATION FY 81 | ESTIMATED FINAL OBLIGATION FY 81 | ESTIMATED COMPLETION DATE OF PROJECT FY 85 |
| NEW <input checked="" type="checkbox"/> | | | | | |
| CONTINUING <input type="checkbox"/> | | | | | |

Purpose: To improve the capacity of local communities, municipalities and the national government to plan, finance and implement projects which benefit the poor.

Background: Costa Rica's traditional population migration pattern -- a flow from the Central Plateau to other regions -- has been reversed over the last 20 years, with the result that 36% of all Costa Ricans now live in the San Jose Metropolitan Area. To maintain a rational and balanced relationship between the San Jose Metropolitan Area and the rest of the country, jobs, facilities and amenities have to be provided to the inhabitants of small towns and rural areas. The Government of Costa Rica (GOCR) is committed to a policy which emphasizes improving rural living conditions and decentralizing development services. The GOCR has established an Office of Integrated Rural Development (IRD), with assistance from a U.S. private voluntary organization (AITEC) under a grant from A.I.D., which is promoting community organization and grassroots initiatives in six of the country's poorest departments. Based on this experience, the program will be extended to other poor areas of the country. The decentralization objective requires that municipal governments upgrade their ability to plan development activities, budget programs and manage projects which improve the well-being of low-income groups. Also, to increase the financial capacity of municipalities, the GOCR will modernize the property tax system. A.I.D.'s loan will: provide technical assistance, commodities and training to the IRD, the Municipal Development Institute (IFAM), and municipalities; finance feasibility studies and small-scale, community-generated projects; and support cadastral work and improvements in the land tax system.

Host Country and Other Donors: Additional staff positions (particularly for IRD) will be funded by the GOCR. Also, credit for community-based demonstration projects will be partially funded by the GOCR. The total counterpart contribution is estimated to exceed \$2 million, or 29% of total project costs.

Beneficiaries: The poor will particularly benefit from new income-producing opportunities and a locally-administered, participatory IRD process. Approximately 50,000 people will be helped by this activity at an average per capita cost of \$100.

FY 81 Program: Initial organizational arrangements will be confirmed; priority departments will be selected and baseline data collected on them; training will commence; and a detailed program for modernizing the land tax system will be prepared.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---------------------------------------|----------------|----------------|
| | Unit | All Years Cost |
| Trained staff (IRD and IFAM) | 50 | (2) |
| Trained municipal officials | 200 | (1) |
| Trained community leaders | 1,200 | (0.5) |
| New locally-based projects | 50 | (50) |
| Modernized land tax system | 1 | (2,600) |
| A.I.D. Financed Inputs: | | |
| Credit | 2,500 | |
| Training | 900 | |
| Personnel (10 person years) | 600 | |
| Commodities | 1,000 | |
| Total | | 5,000 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--------------------------------|-----------------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | To be selected. |
| Estimated Fiscal Year 1980 | - | - | - | |
| Estimated through September 30, 1980 | - | - | - | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 5,000 | | 5,000 | |

| | | | | | |
|---|-------------------------------------|------------------------------|---|-------------------------------------|--|
| TITLE Family Planning Services II | | FUNDS Population Planning | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 515-0168 | | PRIOR REFERENCE None | FY 81 245 | LIFE OF PROJECT 1,375 | |
| GRANT <input checked="" type="checkbox"/> | LOAN <input type="checkbox"/> | | INITIAL OBLIGATION FY 81 | ESTIMATED FINAL OBLIGATION FY 84 | ESTIMATED COMPLETION DATE OF PROJECT FY 84 |
| NEW <input checked="" type="checkbox"/> | CONTINUING <input type="checkbox"/> | | | | |

Purpose: To increase the effectiveness of Costa Rica's national family planning activities, both public and private, through a comprehensive program involving education, motivation, information, demographic studies, commodity distribution, and the training of nurses and community-level workers.

Background: Changes in Costa Rica's economy and society since 1950 are creating an increasing demand for family planning services. These changes have also resulted in a drop in the country's population growth rate from 3.6% in 1950 to 2.4% in 1973. Due to an equally dramatic drop in the death rate, however, the population growth rate moved back to 2.6% in 1977. The Government of Costa Rica's (GOCR) ability to extend its social service benefits to a wider segment of the population will become more limited unless the population growth rate is slowed further and the high ratios of dependent persons (e.g., the young, the elderly) are lowered. A new national population policy -- which will be defined by a GOCR-appointed commission and adopted in 1980 -- is expected to stress education and access to family planning information by all socio-economic groups on a voluntary basis. The National Population Committee, including the Social Security Institute and private groups, is expected to have major responsibility for the implementation of this A.I.D. project.

Host Country and Other Donors: The UN Fund for Population Activities is expected to contribute approximately \$3.5 million to family planning activities in Costa Rica between 1980-1984. The GOCR and private entities in the area of family planning (such as the Center for Family Orientation and Center for Family Integration) are expected to contribute \$1 million, or 42% of the total cost of implementing this activity.

Beneficiaries: The project is part of a broad effort to provide effective methods of contraception to men and women of repro-

ductive age. The chief beneficiaries of this activity will be poor urban and rural women who cannot afford to obtain reliable family planning services on a regular basis from private sources. The number of continuous acceptors during this project is expected to increase from 120,000 in 1980 to about 200,000 in 1985, resulting in a decline in the population growth rate to approximately 2.2%. Assuming one continuous acceptor per family unit, the cost-per-family benefitted over the life of this project is \$14.

FY 81 Program: FY 1981 activities will include developing in-country training programs, studying adolescent fertility in various sections of the country, and organizing initial education courses.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---|----------------|--------|
| | All Years | |
| | Unit | Cost |
| Nurses and community workers trained | 1,500 | (0.06) |
| Doctors trained in family planning | 400 | (0.10) |
| Pamphlets printed and distributed | 900,000 | - |
| Contraceptive distribution system expanded | 1 | (150) |
| Sex education/family planning courses completed | 1,863 | (0.50) |

| A.I.D. Financed Inputs: | FY 81 |
|---|------------|
| Information, education and communication/motivation | 125 |
| Personnel | 20. |
| Commodities (slides, film stripes, and other educational materials) | 10 |
| Commodities | 60 |
| Training | 30 |
| Total | 245 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES To be selected. |
|--|-------------|-------------------------|----------------------|--|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | |
| Estimated Fiscal Year 1980 | - | - | - | |
| Estimated through September 30, 1980 | - | - | - | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 245 | 1,130 | 1,375 | |

| | | | | | |
|--|-------------------------------|--|---|----|---|
| TITLE Special Development Activity | | FUNDS Selected Development Activities | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 515-0133 | | PRIOR REFERENCE | FY 81 | 90 | LIFE OF PROJECT |
| GRANT <input checked="" type="checkbox"/> | LOAN <input type="checkbox"/> | FY 80 Latin America Programs, p. 136 | INITIAL OBLIGATION FY | 77 | ESTIMATED FINAL OBLIGATION FY Continuing* |
| NEW <input type="checkbox"/> | | | | | ESTIMATED COMPLETION DATE OF PROJECT FY Continuing* |
| CONTINUING <input checked="" type="checkbox"/> | | | | | |

Purpose: To assist community groups to carry out small projects which directly benefit the poor and receive significant contributions of local resources.

Background and Progress to Date: A.I.D. responds to specific requests for financial assistance from cooperatives and community associations engaged in planning and implementing self-help projects. The average cost per project is \$6,000, and no more than 50% of the total cost of a project is financed by A.I.D.. Specific projects have included: construction of health clinics, school feeding centers, libraries and community centers; assistance for a community ambulance service; and equipment for newly-formed cooperatives. Emphasis is given to productive, income-producing projects (especially in remote rural areas). The program has encouraged citizen participation in central government development projects and has permitted community groups to more fully utilize government social welfare programs. Sixty-two projects have been supported under the program so far. The fund -- managed by an A.I.D., Peace Corps, and Embassy committee -- is an important aspect of collaboration between A.I.D. and the Peace Corps.

Host Country and Other Donors: Required self-help counterpart contributions from the community of at least 50% of the total cost are made in either cash or in-kind -- such as land, buildings, labor, construction materials, equipment, and supplies.

Beneficiaries: During FY 1979, 70% of the approved projects were in poor rural areas. The other 30% were in low-income urban areas or provided social services to low-income individuals. The FY 1979 experience has placed the average number of direct beneficiaries per project at 250, resulting in an average cost-per-beneficiary of about \$10.

FY 81 Program: To finance an estimated 15 projects.

| Major Outputs: | (\$ thousands) Through FY 81 |
|---|---------------------------------|
| Completed community self-help projects | 77 |
| A.I.D. Financed Inputs: | |
| Building materials, miscellaneous tools and local costs | 90 |
| Total | 90 |

*It is expected that activities under this project will continue as long as A.I.D. maintains an assistance program in Costa Rica.

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 172 | 145 | 27 | None. |
| Estimated Fiscal Year 1980 | 90 | 110 | | |
| Estimated through September 30, 1980 | 262 | 255 | 7 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 90 | Continuing* | Continuing* | |

| | | | | | |
|---|---|--|---|-------------------------------------|--|
| TITLE Worker-Owned Industries | | FUNDS Selected Development Activities | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 515-0161 | | PRIOR REFERENCE None. | FY 81 | 3,000 | LIFE OF PROJECT |
| GRANT <input type="checkbox"/> LOAN <input checked="" type="checkbox"/> | NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/> | | INITIAL OBLIGATION FY 81 | ESTIMATED FINAL OBLIGATION FY 81 | ESTIMATED COMPLETION DATE OF PROJECT FY 85 |

Purpose: To provide opportunities for Costa Rica's low-income groups to share and benefit from investment as well as employment in new enterprises.

Background: Costa Rica has traditionally used budgetary allocations, innovative social welfare programs, legislation, and progressive minimum wage laws to achieve equitable distribution of wealth, resources and the benefits from steady economic growth. While the cumulative effects of these efforts have been impressive, there is considerable potential for greater equity in the distribution of productive assets. The Government of Costa Rica's (GOCR) continued dedication to equitable development and greater income distribution is reaffirmed in the National Development Plan (1979-1982) which outlines its strong interest in promoting productive enterprises which enable the poor to share and benefit from profits as well as employment. The potential for such enterprises is presently limited by the lack of capital, proven business models, identified opportunities and knowledge on the part of GOCR agencies and prospective beneficiaries. A.I.D. is testing the worker ownership principle in its current Urban Environment Loan which includes financial and technical support to organize three new worker-owned firms in the San Jose Metropolitan Area. Also, during FY 1980, A.I.D. expects to support the efforts of IDEAS, Inc. (a U.S. private voluntary organization specializing in worker participation programs) to assist the GOCR in applying the concept of worker ownership outside the San Jose area. Building on these experiences, this FY 1981 loan will promote equity through worker ownership in new industries and in new sections of the country. The loan will provide \$3 million to finance approximately 15 worker-owned industries (WOI) (\$2.2 million) and to provide related management assistance, technical services, feasibility studies and training (\$750,000).

Host Country and Other Donors: The GOCR will contribute counterpart credit for new worker-owned industries through the National Banking System. Additionally, the Government will provide staff support and related operating costs. The counterpart contribution is estimated at \$1 million or 25% of total project costs.

Beneficiaries: The primary beneficiaries will be workers (and their families) who will not only receive wages from employment in the new worker-owned industries but will also share in the earnings of the firm. The communities in which new WOIs are located also will benefit from added economic activity. In the long run, the program seeks to expand worker participation in the ownership of industrial enterprises, thereby increasing equity and benefiting the economy of Costa Rica as a whole. The average cost per person benefiting from the project is \$667.

FY 81 Program: Initial organizational arrangements will be confirmed; potential industries and participating groups will be identified; feasibility studies will be initiated; and technical assistance and training will begin.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---|----------------|----------------|
| | Unit | All Years Cost |
| New worker-owned industries | 15 | (150) |
| Trained worker-owners | 750 | (0.1) |
| A.I.D. Financed Inputs: | | |
| Credit fund | | 2,250 |
| Management assistance and feasibility studies | | 350 |
| Technical assistance and training | | 400 |
| Total | | 3,000 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | To be selected. |
| Estimated Fiscal Year 1980 | - | - | - | |
| Estimated through September 30, 1980 | - | - | - | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 3,000 | - | 3,000 | |

ECONOMIC AND SOCIAL DATA

COUNTRY: DOMINICAN REPUBLIC

| | | | | | | | |
|--|-------------|------------------|-------------|---|------------------|----------------|------------|
| ----- | | | | ----- | | | |
| *BASIC DATA* | | | | *FOREIGN TRADE* | | | |
| ----- | | | | ----- | | | |
| TOTAL POPULATION.. (THOUSANDS,MID 1979) | 5,275 | | | MAJOR EXPORTS... (1978) | SUGAR | NICKEL | COFFEE |
| PER CAPITA GNP..... (DOLLARS,1977) | 840 | | | EXPORTS TO U.S. | | | |
| AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-77) | 3.6% | | | (\$ MILLIONS, US, FOB) (1976) | 498 | (1977) 579 | (1978) 401 |
| AVERAGE ANNUAL RATE OF INFLATION (1960-70) | 2.1% | (1970-77) | 8.6% | AS % OF TOTAL EXPORTS (1976) | 70% | (1977) 74% | (1978) 59% |
| NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. (1970) | 4.3% | | | MAJOR IMPORTS... (1978) | PETROLEUM | RAW MATERIAL | |
| LIFE EXPECTANCY AT BIRTH, IN YEARS | | | | IMPORTS FROM U.S. | | | |
| (1973) | TOTAL 57.8 | MALE 55.9 | FEMALE 59.7 | (\$ MILLIONS, US, CIF) (1976) | 401 | (1977) 411 | (1978) 419 |
| (1968) | TOTAL 55.4 | MALE 53.6 | FEMALE 57.2 | AS % OF TOTAL IMPORTS (1976) | 45% | (1977) 41% | (1978) 41% |
| ADULT LITERACY RATE (1970) | TOTAL 67% | MALE 69% | FEMALE 66% | TRADE BALANCE(\$ MILLIONS, US)(1976) | -177 | (77) | -212 (78) |
| (1960) | TOTAL 65% | MALE 67% | FEMALE 62% | MAIN TRADING PARTNERS: UNITED STATES | VENEZUELA | NETHERLAND | AN |
| ----- | | | | ----- | | | |
| *AGRICULTURE* | | | | *SOCIAL DATA* | | | |
| ----- | | | | ----- | | | |
| AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE | (1970-1978) | -0.2% | | SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT, | | | |
| AGRICULTURAL PRODUCTION AS % OF GDP..... (1977) | 20% | | | (\$ MILLIONS, U.S.)..... (1977) | 65 | | |
| POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1979) | 528 | | | AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1977) | 7.0% | | |
| LAND OWNED: (1970) BY TOP 10% | 62.7% | BY LOWEST 10% | 1.8% | ----- | | | |
| MAJOR CROP(S) | | ARABLE LAND YEAR | | POPULATION GROWTH RATE.....(1968-78) | 2.9% | | |
| SUBSISTENCE: ROOTS & TUBERS BEANS | | 22% | (1978) | POPULATION IN URBAN AREAS..... (1969) | 39% | (1976) | 47% |
| CASH: SUGARCANE COFFEE | | 53% | (1978) | TOTAL BIRTHS PER 1,000 POPULATION..... (1977) | 37 | | |
| MAJOR AGRICULTURAL EXPORTS:(1978) SUGAR COFFEE COCOA BEANS | | | | MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION... (1978) | 32% | | |
| MAJOR AGRICULTURAL IMPORTS:(1978) WHEAT CORN SOYBEANS | | | | POPULATION (1975) IN AGE GROUP: | | | |
| PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1977) | 58% | | | (0-14YRS) 47.9% | (15-60YRS) 47.5% | (60+ YRS) 4.9% | |
| ----- | | | | ----- | | | |
| *CENTRAL GOVERNMENT FINANCES* | | | | *SOCIAL DATA* | | | |
| ----- | | | | ----- | | | |
| TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.) | (1975) 652 | (76) 584 | (77) 626 | INFANT DEATHS DURING FIRST YEAR OF LIFE / 1000 INFANTS (1967) | 96 | | |
| TOTAL EXPENDITURES (\$ MILLIONS, U.S.) | (1975) 596 | (76) 555 | (77) 641 | PEOPLE PER PHYSICIAN..... (1973) | 1,867 | | |
| DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.) | (1975) 56 | (76) 29 | (77) -15 | MAJOR CAUSES OF | | | |
| DEFENSE EXPENDITURES, | | | | DISEASE (1975)FLU & PNEUMONIA | | | |
| AS % OF TOTAL EXPENDITURES.. (1975) | 9.2% | (76) 11.5% | (77) 10.3% | DEATH.. (1975)ENTERIC DISEASE HEART DISEASE | | | |
| AS % OF GNP..... (1975) | 1.6% | (76) 1.7% | (77) 1.5% | PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.... (1974) | 98% | | |
| OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD, | | | | POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975) | 55% | | |
| (\$MILLIONS, U.S.) (1976) | 127 | (77) 185 | (78) 159 | TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP: | | | |
| EQUIVALENT TO 2.0 MONTHS OF IMPORTS (1978) | | | | PRIMARY.. (AGES 5-14)(1972) TOTAL 67.0% | MALE 66.5% | FEMALE 67.5% | |
| ----- | | | | ----- | | | |
| | | | | SECONDARY..... (15-19)(1971) TOTAL 26.2% | | | |
| | | | | MALE 25.8% | | | |
| | | | | FEMALE 26.6% | | | |
| | | | | POST SECONDARY (20-24)(1974) TOTAL 10.2% | | | |
| | | | | MALE 10.8% | | | |
| | | | | FEMALE 9.6% | | | |
| | | | | ENERGY PRODUCTION AS % OF CONSUMPTION..... (1976) | | | |
| | | | | 1% | | | |

U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS
(U.S. Fiscal Years – Millions of Dollars)

ECONOMIC PROGRAMS OF OTHER DONORS

COUNTRY **DOMINICAN REPUBLIC**

| PROGRAM | FOREIGN ASSISTANCE ACT PERIOD | | | | | TOTAL LOANS AND GRANTS 1946-78 | REPAY- MENTS AND INTEREST 1946-78 | TOTAL LESS REPAY- MENTS AND INTEREST 1946-78 |
|--|---------------------------------------|------|------|------|------|---|--|--|
| | 1975 | 1976 | TQ | 1977 | 1978 | | | |
| | I. ECONOMIC ASSISTANCE – TOTAL | 11.7 | 28.2 | 1.5 | 13.9 | | | |
| Loans | 4.8 | 15.0 | - | 2.5 | - | 275.4 | 89.9 | 185.5 |
| Grants | 6.9 | 13.2 | 1.5 | 11.4 | 6.1 | 267.4 | - | 267.4 |
| a. A.I.D. and Predecessor Agencies | 5.6 | 15.9 | 0.2 | 0.9 | 1.3 | 353.5 | 50.0 | 303.5 |
| Loans | 4.8 | 15.0 | - | - | - | 205.2 | 50.0 | 155.2 |
| Grants | 0.8 | 0.9 | 0.2 | 0.9 | 1.3 | 148.3 | - | 148.3 |
| (Security Supporting Assistance) | - | - | - | - | - | 209.2 | - | - |
| b. Food for Peace (PL 480) | 5.5 | 11.4 | 1.0 | 11.9 | 3.9 | 166.0 | 34.2 | 131.8 |
| Loans | - | - | - | 2.5 | - | 61.8 | 34.2 | 27.6 |
| Grants | 5.5 | 11.4 | 1.0 | 9.4 | 3.9 | 104.2 | - | 104.2 |
| Title I - Total Sales Agreements | - | - | - | 2.5 | - | 61.8 | 34.2 | 27.6 |
| Repayable in U.S. Dollars - Loans | - | - | - | 2.5 | - | 61.8 | 34.2 | 27.6 |
| Payable in Foreign Currency - Planned for Country Use | - | - | - | - | - | - | - | - |
| Title II - Total Grants | 5.5 | 11.4 | 1.0 | 9.4 | 3.9 | 104.2 | - | 104.2 |
| Emerg. Relief, Econ. Develop. & World Food Program | * | - | - | - | - | 7.2 | - | 7.2 |
| Voluntary Relief Agencies | 5.5 | 11.4 | 1.0 | 9.4 | 3.9 | 97.0 | - | 97.0 |
| c. Other Economic Assistance | 0.6 | 0.9 | 0.3 | 1.1 | 0.9 | 23.3 | 5.7 | 17.6 |
| Loans | - | - | - | - | - | 8.4 | 5.7 | 2.7 |
| Grants | 0.6 | 0.9 | 0.3 | 1.1 | 0.9 | 14.9 | - | 14.9 |
| Peace Corps | 0.6 | 0.7 | 0.3 | 1.1 | 0.9 | 13.6 | - | 13.6 |
| Other | - | 0.2 | - | * | - | 1.3 | - | 1.3 |
| II. MILITARY ASSISTANCE – TOTAL | 1.5 | 0.8 | 1.1 | 1.5 | 0.7 | 42.1 | 1.3 | 40.8 |
| Credits or Loans | 0.5 | - | 1.0 | 1.0 | - | 2.5 | 1.3 | 1.2 |
| Grants | 1.0 | 0.8 | 0.1 | 0.5 | 0.7 | 39.6 | - | 39.6 |
| a. MAP Grants | 0.5 | 0.2 | 0.1 | * | * | 21.7 | - | 21.7 |
| b. Credit Financing - FMS | 0.5 | - | 1.0 | 1.0 | - | 2.5 | 1.3 | 1.2 |
| c. Military Assistance Service-Funded (MASF) Grants | 0.5 | 0.6 | - | 0.5 | 0.7 | 10.2 | - | 10.2 |
| d. Transfers from Excess Stocks | - | - | - | - | - | 3.9 | - | 3.9 |
| e. Other Grants | - | - | - | - | - | 3.8 | - | 3.8 |
| III. TOTAL ECONOMIC AND MILITARY ASSISTANCE | 13.2 | 29.0 | 2.6 | 15.4 | 6.8 | 584.9 | 91.2 | 493.7 |
| Loans | 5.3 | 15.0 | 1.0 | 3.5 | - | 277.9 | 91.2 | 186.7 |
| Grants | 7.9 | 14.0 | 1.6 | 11.9 | 6.8 | 307.0 | - | 307.0 |
| Other U.S. Government Loans and Grants | 7.3 | 43.3 | 0.3 | 0.5 | 0.2 | 132.3 | 76.1 | 56.2 |
| a. Export-Import Bank Loans | 7.3 | 23.8 | 0.3 | 0.5 | 0.2 | 101.7 | 47.9 | 53.8 |
| b. All Other Loans | - | 19.5 | - | - | - | 30.6 | 28.2 | 2.4 |

* LESS THAN \$50,000.

TQ - TRANSITIONAL QUARTER

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

(Thousands of dollars)

| TOTAL | FY 1977 | FY 1978 | FY 1979 | FY 1946-79 |
|----------|---------|---------|---------|------------|
| TOTAL | 29,700 | 11,608 | 211,076 | 558,573 |
| IBRD | - | - | 87,000 | 151,000 |
| IFC | 3,000 | 3,000 | - | 13,380 |
| IDB | 26,700 | 6,281 | 120,500 | 347,111 |
| UNDP | - | 2,107 | 1,826 | 19,412 |
| OTHER UN | - | 220 | 1,750 | 5,670 |
| IDA | - | - | - | 22,000 |

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

(Millions of dollars)

1. D.A.C. COUNTRIES (Excluding U.S.) (Gross Disbursements)

| Donor | CY 1977 | CY 1978 | CY 1969-78 |
|-------------|---------|---------|------------|
| TOTAL | 2.30 | 3.44 | 18.64 |
| Canada | 0.1 | 0.05 | 7.45 |
| Germany | 1.4 | 1.41 | 6.31 |
| Netherlands | 0.6 | 1.37 | 2.97 |
| Other | 0.2 | .61 | 1.91 |

2. O.P.E.C. COUNTRIES (Net Disbursements)

| TOTAL | CY 1977 | CY 1978 | CY 1973-78 |
|-------|---------|---------|------------|
| TOTAL | - | - | - |

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

(Millions of dollars)

| TOTAL | CY 1977 | CY 1978 | CY 1964-78 |
|-------|---------|---------|------------|
| TOTAL | - | - | - |

DOMINICAN REPUBLIC

| PROGRAM SUMMARY | | | | | | | |
|---------------------------|--------------------|--|---------------------|--------------|---|---------------------------------|--------------------|
| (In thousands of dollars) | | | | | | | |
| Fiscal Year. | Total ^A | Agriculture, Rural Development and Nutrition | Population Planning | Health | Education and Human Resources Development | Selected Development Activities | Other Programs |
| 1979 | | | | | | | |
| Loans | 24,800 | 9,300 | - | 8,000 | 7,500 | - | - |
| Grants . . . | 1,024 | 639 | - | 2 | 94 | 289 | 2,434 ^B |
| Total .. | 25,824 | 9,939 | - | 8,002 | 7,594 | 289 | 2,434 |
| 1980 | | | | | | | |
| Loans | 18,700 | 18,700 | - | - | - | - | - ^B |
| Grants . . . | 834 | 200 | - | - | - | 634 | (15,000) |
| Total .. | 19,534 | 18,900 | - | - | - | 634 | (15,000) |
| 1981 | | | | | | | |
| Loans | 18,700 | 10,000 | - | - | 5,500 | - | - |
| Grants . . . | 3,490 | 5,350 | - | - | 300 | 1,100 | - |
| Total .. | 22,250 | 15,350 | - | - | 5,800 | 1,100 | - |

U.S. Interests

The Dominican Republic is the largest market for U.S. goods in the Caribbean, has proved to be a dependable source of supply of sugar imports over the years, and has encouraged U.S. private investment (currently valued at over \$500 million). As demonstrated by the orderly transfer of power after the 1978 elections, the Government of the Dominican Republic (GODR) shares with the United States a respect for democratic processes and free, open debate.

Development Overview

Hurricanes David and Frederick, which struck the country within a five-day period in August-September 1979, were the Dominican Republic's worst natural disaster of this century. Estimates of public and private losses exceed \$800 million. The massive reconstruction effort places additional strains on the economy, which is already burdened by rising prices for petroleum imports and low world

prices for most of its exports.

Other development constraints faced by the country are:

- Joblessness and underemployment affecting more than 40% of the labor force;
- Shortages of financial and human resources to plan, fund, and implement development projects;
- Inadequate infrastructure and services in rural areas limiting production and income.

These constraints weigh particularly heavily on the rural population, which suffers from inadequate health care, malnutrition, illiteracy and substandard housing. Nearly 350,000 rural families in the Dominican Republic are headed by landless laborers or by farmers with plots of five hectares or less. More than 70% of these households have net farm incomes of less than \$280 per year.

Socio Economic Performance

The Guzman Government in its first year in office has demonstrated its commitment to growth with equity through substantial shifts in central government budget allocations to agriculture (from 13.4% in 1977 to 19.4% in 1979), education (from 11.3% in 1977 to 17.2% in 1979), and health (from 8.9% in 1977 to 13.9% in 1979). The recent increase in health expenditures, for example, has more than doubled the number of rural people (now about 1,280,000) served by an A.I.D./GODR basic health program. In addition, there has been a definite shift in government investment from large-scale infrastructure projects to activities which address social and income distribution problems. The government has formed an energy working group (chaired by the Central Bank) to study alternative sources of energy, and has initiated other environmental measures to recover forest areas and protect soils.

Total Resources

The Inter-American Development Bank (IDB) is the largest multilateral lender with about \$300 million in active loans, followed by the World Bank (IBRD) with more than

DOMINICAN REPUBLIC

\$100 million. These lenders are reprogramming existing loans and negotiating new projects to make \$300 million available in 1980 for hurricane recovery efforts. In 1979, the United States provided over \$47 million in A.I.D. loans and grants and PL-480 Title I and Title II commodities. Further technical assistance was provided by some 60 Peace Corps Volunteers. Other donors include the United Nations, Spain, Israel, West Germany, Britain, Venezuela and Canada. Private U.S. banks have an active loan portfolio of \$400 million, and the Export-Import Bank has loans of about \$140 million.

A.I.D. Strategy

A.I.D. will continue to support the efforts of the Guzman Government to address the problems of its poor population, with particular emphasis on the recovery from Hurricanes David and Frederick. During FY 1980, a combination of supplemental disaster assistance funds and reprogrammed project funds will be used for the following disaster related activities: repair of the electrical transmission and distribution systems, rehabilitation of housing, reconstruction of rural roads and bridges, erosion control, credit for small farmers and forest salvage. In FY 1981, A.I.D. will initiate projects to support vocational education which upgrades labor force skills, increase employment among both rural and urban poor, improve natural resources management, and promote the development of alternative energy sources. PL 480 Title I sales will also provide balance of payments support while generating local funds for community development and rural services projects in the poorest regions of the country. PL-480 Title II programs conducted by CARE, Catholic Relief Services, and Church World Services will benefit the malnourished and those employed in food for work projects.

A/ Funds for Project Development and Support as well as Operational Program Grants are not included in this table. They are reflected in the Latin America and Caribbean Regional Program.

B/ Disaster Assistance Funds.

| FY 81 PROGRAM HIGHLIGHTS | |
|--------------------------|---|
| - | A \$10 million loan for improving the protection, management and utilization of renewable natural resources. |
| - | A \$5 million grant for developing alternative energy sources. |
| - | A \$5.5 million loan supplemented by a \$150,000 grant for assisting the GODR to address the interrelated problems of unemployment, skills deficiencies and urbanization. |

| PERSONNEL/PARTICIPANTS DATA CP 81-17 (8-79) | | | |
|--|---------------------|------------------------|-----------------------|
| Category | FY 1979 (Actual) | FY 1980 (Estimated) | FY 1981 (Proposed) |
| AID Personnel^a | | | |
| Direct Hire ^b | 20 | 21 | 22 |
| PASA ^c | 3 | 3 | 4 |
| Contract | 15 | 15 | 15 |
| Total | 38 | 39 | 41 |
| Participants^d | | | |
| Noncontract | 102 | 100 | 100 |
| Contract | 24 | 25 | 25 |
| Total | 126 | 125 | 125 |
| ^a U.S. nationals on duty at the end of the fiscal year. ^b FY 1980 and FY 1981 position levels. ^c Participating agency technicians. ^d Programmed during the fiscal year. | | | |

DOMINICAN REPUBLIC

| RESOURCE FLOWS | | | |
|----------------------------------|---------------------|------------------------|-----------------------|
| (In thousands of dollars) | | | |
| Program | FY 1979 (Actual) | FY 1980 (Estimated) | FY 1981 (Proposed) |
| AID* | | | |
| Loans | 6,807 | 33,817 | 15,591 |
| Grants | 440 | 1,178 | 2,236 |
| Total AID | 7,247 | 34,995 | 17,827 |
| P.L. 480** | | | |
| Title I | 14,600 | 15,000 | 15,000 |
| (of which Title III is) | (-) | (-) | (-) |
| Title II | 6,859 | 6,322 | 5,216 |
| Total P.L. 480 | 21,459 | 21,322 | 20,216 |
| Total AID and P.L. 480 | 28,706 | 56,317 | 38,043 |

*AID levels represent actual and estimated expenditures.
**P.L. 480 levels represent actual and estimated value of shipments.

| P.L. 480 PROGRAMS SUMMARY | | | | | | |
|-------------------------------|---------------------|--------|------------------------|--------|-----------------------|--------|
| (In 000MT/\$000) | | | | | | |
| Program | FY 1979 (Actual) | | FY 1980 (Estimated) | | FY 1981 (Proposed) | |
| | MT | \$ | MT | \$ | MT | \$ |
| <i>Title I</i> | | | | | | |
| Wheat | 28 | 4,200 | 40 | 6,800 | 14 | 2,200 |
| Rice | - | - | - | - | 23 | 8,100 |
| Feedgrains | 36 | 3,900 | 44 | 5,100 | 19 | 2,400 |
| Vegoil | 10 | 6,500 | 5 | 3,100 | 3 | 2,300 |
| Non-food | - | - | - | - | - | - |
| Title I Total | | 14,600 | | 15,000 | | 15,000 |
| (of which Title III is) | | (-) | | (-) | | (-) |
| <i>Title II</i> | | | | | | |
| Voluntary Agencies | | 6,859 | | 6,322 | | 5,216 |
| World Food Programs | | - | | - | | - |
| Gov't.-to-Gov't | | - | | - | | - |
| Title II Total | | 6,859 | | 6,322 | | 5,216 |
| Total P.L. 480 | | 21,459 | | 21,322 | | 20,216 |

MISSION DIRECTOR Philip R. Schwab

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

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CP 81-02

PROGRAM: DOMINICAN REPUBLIC

| | * L / G | PROJECT NUMBER | FY OF INITIAL FUNDING | -THROUGH FY79- OBLIGATIONS | EXPENDITURES | -ESTIMATED FY80- OBLIGATIONS | EXPENDITURES | -PROPOSED FY81- OBLIGATIONS | EXPENDITURES | FUTURE YEAR OBLIGATIONS |
|---|---------|----------------|-----------------------|----------------------------|--------------|------------------------------|--------------|-----------------------------|--------------|-------------------------|
| ----- | | | | | | | | | | |
| AGRICULTURE, RURAL DEV. AND NUTRITION | | | | | | | | | | |
| AG SECTOR I | L | 517-0110 | 75 | 11,999 | 11,743 | --- | 256 | --- | --- | --- |
| AGR. SECTOR II AND 0017 AGR. SECTOR III | L | 517-0116 | 76 | 15,000 | 7,657 | --- | 5,450 | --- | 1,893 | --- |
| RURAL DEV. ANALYSIS + PLANNING | G | 517-0117 | 79 | 300 | 86 | --- | 214 | --- | --- | --- |
| DDF | G | 517-0124 | 79 | 136 | --- | 200 | 200 | --- | 136 | --- |
| NATURAL RESOURCES MANAGEMENT | * G | 517-0126 | 81 | --- | --- | --- | --- | 350 | 200 | --- |
| NATURAL RESOURCES MANAGEMENT | * L | 517-0126 | 81 | --- | --- | --- | --- | 10,000 | 3,000 | --- |
| SWINE FEVER | G | 517-0128 | 79 | 200 | 46 | --- | 154 | --- | --- | --- |
| SWINE FEVER | L | 517-0128 | 79 | 6,000 | 87 | --- | 4,700 | --- | 1,213 | --- |
| RURAL FEEDER ROADS | L | 517-0130 | 79 | 3,300 | --- | 6,700 | 5,900 | --- | 2,985 | --- |
| SMALL FARMER AGR REHAB | L | 517-0142 | 80 | --- | --- | 12,000 | 12,000 | --- | --- | --- |
| ENERGY CONSERVATION AND RESOURCES DEV | * G | 517-0144 | 81 | --- | --- | --- | --- | 5,000 | 1,500 | --- |
| TOTAL FOR ACCOUNT | | | | 36,935 | 19,619 | 18,900 | 28,874 | 15,350 | 10,927 | |
| GRANTS | | | | 636 | 132 | 200 | 568 | 5,350 | 1,836 | |
| LOANS | | | | 36,299 | 19,487 | 18,700 | 28,306 | 10,000 | 9,091 | |
| HEALTH | | | | | | | | | | |
| HEALTH SECTOR DEVELOPMENT | G | 517-0107 | 75 | 675 | 629 | --- | --- | --- | --- | --- |
| HEALTH SECTOR DEVELOPMENT | L | 517-0107 | 75 | 4,800 | 2,289 | --- | 2,511 | --- | --- | --- |
| HEALTH SECTOR II | L | 517-0120 | 79 | 8,000 | --- | --- | 1,500 | --- | 2,000 | --- |
| TOTAL FOR ACCOUNT | | | | 13,475 | 2,918 | --- | 4,011 | --- | 2,000 | |
| GRANTS | | | | 675 | 629 | --- | --- | --- | --- | |
| LOANS | | | | 12,800 | 2,289 | --- | 4,011 | --- | 2,000 | |
| EDUCATION AND HUMAN RESOURCES | | | | | | | | | | |
| EDUCATION SECTOR LOAN | L | 517-0119 | 79 | 7,500 | --- | --- | 1,500 | --- | 2,000 | --- |
| VOCATIONAL EDUCATION DEVELOPMENT | * G | 517-0127 | 81 | --- | --- | --- | --- | 150 | 100 | --- |
| VOCATIONAL EDUCATION DEVELOPMENT | * L | 517-0127 | 81 | --- | --- | --- | --- | 5,500 | 2,000 | --- |
| EDUCATION PLANNING | * G | 517-0131 | 81 | --- | --- | --- | --- | 150 | 100 | 330 |
| TOTAL FOR ACCOUNT | | | | 7,500 | --- | --- | 1,500 | 5,800 | 4,200 | |
| GRANTS | | | | --- | --- | --- | --- | 300 | 200 | |
| LOANS | | | | 7,500 | --- | --- | 1,500 | 5,500 | 4,000 | |
| SELECTED DEVELOPMENT ACTIVITIES | | | | | | | | | | |
| SELECTED DEV. ACTIVITIES | * G | 517-0050 | 65 | 769 | 753 | 50 | 60 | 50 | 50 | --- |
| NATIONAL EMPLOYMENT POLICY | * G | 517-0121 | 78 | 494 | 172 | 250 | 350 | 250 | 300 | --- |
| URBAN PROBLEMS | * G | 517-0139 | 81 | --- | --- | --- | --- | 500 | --- | --- |
| ENERGY POLICY DEVELOPMENT | * G | 517-0143 | 80 | --- | --- | 334 | 200 | 300 | 350 | --- |

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

PAGE 8
01/18/80

CP 81-02

PROGRAM: DOMINICAN REPUBLIC

| | * L / PROJECT G NUMBER | FY OF INITIAL FUNDING | -THROUGH FY79- OBLIG ATIONS | EXPENDI TURES | -ESTIMATED FY80- OBLIG ATIONS | EXPENDI TURES | -PROPOSED FY81- OBLIG ATIONS | EXPENDI TURES | FUTURE YEAR OBLIG ATIONS |
|-------------------|------------------------------|-----------------------------|-----------------------------------|------------------|-------------------------------------|------------------|------------------------------------|------------------|-----------------------------------|
| ----- | | | | | | | | | |
| TOTAL FOR ACCOUNT | | | 1,263 | 925 | 634 | 610 | 1,100 | 700 | |
| GRANTS | | | 1,263 | 925 | 634 | 610 | 1,100 | 700 | |
| LOANS | | | --- | --- | --- | --- | --- | --- | |
| TOTAL FOR COUNTRY | | | 59,173 | 23,462 | 19,534 | 34,995 | 22,250 | 17,827 | |
| GRANTS | | | 2,574 | 1,686 | 834 | 1,178 | 6,750 | 2,736 | |
| LOANS | | | 56,599 | 21,776 | 18,700 | 33,817 | 15,500 | 15,091 | |

| | | | | | | | |
|---------------------------------------|-------------------------------------|---|-------------------------------------|---|--------------------------|----------------------------|---------------------------|
| TITLE Natural Resources Management | | FUNDS Agriculture, Rural Development and Nutrition | | PROPOSED OBLIGATION (In thousands of dollars) | | LIFE OF PROJECT | |
| | | | | FY 81 | L-10,000; G-350 | L-10,000; G-350 | |
| NUMBER | 517-0126 | NEW | <input checked="" type="checkbox"/> | PRIOR REFERENCE | INITIAL OBLIGATION | ESTIMATED FINAL OBLIGATION | ESTIMATED COMPLETION DATE |
| GRANT | <input checked="" type="checkbox"/> | LOAN | <input checked="" type="checkbox"/> | CONTINUING | <input type="checkbox"/> | FY 81 | FY 86 |
| | | | | FY 80 Latin America Programs, p. 46 | | | |

Purpose: To protect and improve the use of the Dominican Republic's natural resource base.

Background: The present use of land and water resources in the Dominican Republic reflects poor planning and management. This problem is manifested by deforested and eroded mountainsides, overgrazed and eroded rangeland, widespread flooding, and the sedimentation and drying up of rivers. These problems have been exacerbated by the 1979 Hurricanes Frederick and David. Since 1977, the Sub-Secretariat for Natural Resources has participated in the A.I.D.-supported regional Comprehensive Resource Inventory and Evaluation System Project and an Inter-American Development Bank (IDB)-supported Soil Conservation Project. This new combined grant/loan project -- constituting the second phase of the natural resources management program -- will help consolidate and improve the Government's capability to survey, plan, and implement activities related to both long and short-term natural resource needs and will finance reforestation and conservation programs. This project was deferred to FY 1981 and increased in scope in response to a direct request from the Government of the Dominican Republic (GODR).

Host Country and Other Donors: Since 1977, the GODR has quadrupled the resources allocated to natural resource management and will finance more than 25% of the total cost of this project. The UN Food and Agriculture Organization, the Organization of American States, and the IDB have funded planning studies in forestry and/or resource inventory. The IDB is also supporting 10 small watershed management areas, while A.I.D. has supported soil conservation, classification, and fertility studies. Hurricane disaster relief projects in forest salvage and soil conservation are underway.

Beneficiaries: Direct, immediate beneficiaries will be the more than 100,000 inhabitants of the mountainous areas, most of whom

are poor farmers. In the long term, all of the country's present and future population will benefit. Better use of natural resources will generate more income for the 345,000 rural poor families through better land and water use. Cost-per-family over the life of the project will be approximately \$30.

FY 81 Program: Technical assistance will be provided largely through the U.S. Department of Agriculture. Participants will begin training in the United States and in other countries. In-country studies and training activities will begin, and equipment will be ordered. Tree nurseries will be established, and reforestation programs will begin.

| | | |
|--|------------------|-------------|
| | (\$ thousands) | |
| | <u>All Years</u> | |
| | <u>Unit</u> | <u>Cost</u> |
| Major Outputs (and A.I.D. Unit Cost): | | |
| Institutional base for management of natural resources established | 1 | (250) |
| Inventory of natural resources completed | 1 | (150) |
| Persons trained in policy implementation | 200 | (10) |
| Hectares rehabilitated under reforestation/conservation program | 4000 | (1.5) |
| Public awareness of need for rational natural resource management increased | X | - |
| Policies and programs leading to desired use of natural resources instituted | X | - |

| | | |
|---|--------------|--------------|
| A.I.D. Financed Inputs: | <u>FY 81</u> | |
| | <u>Grant</u> | <u>Loan</u> |
| U.S. consultants | 350 | - |
| Training | - | 2,000 |
| Commodities | - | 1,000 |
| Reforestation and conservation projects | - | <u>7,000</u> |
| TOTAL | 350 | 10,000 |

| | | | | | |
|---|--------------------|--------------------------------|-----------------------------|--|--|
| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES U.S. Department of Agriculture. | |
| | Obligations | Expenditures | Unliquidated | | |
| Through September 30, 1979 | - | - | - | | |
| Estimated Fiscal Year 1980 | - | - | - | | |
| Estimated through September 30, 1980 | - | - | - | | |
| | | Future Year Obligations | Estimated Total Cost | | |
| Proposed Fiscal Year 1981 | L-10,000; G-350 | - | L-10,000; G-350 | | |

| | | | | | |
|--|---|---|---|-------------------------------------|--|
| TITLE Energy Conservation and Resources Development | | FUNDS Agriculture, Rural Development and Nutrition | PROPOSED OBLIGATION (In thousands of dollars) | | |
| | | | FY 81 5,000 | LIFE OF PROJECT 5,000 | |
| NUMBER 517-0144 | NEW <input checked="" type="checkbox"/> | PRIOR REFERENCE None | INITIAL OBLIGATION FY 81 | ESTIMATED FINAL OBLIGATION FY 81 | ESTIMATED COMPLETION DATE OF PROJECT FY 83 |
| GRANT <input checked="" type="checkbox"/> | LOAN <input type="checkbox"/> | | | | |
| | CONTINUING <input type="checkbox"/> | | | | |

Purpose: To reduce the dependence of the Dominican Republic on imported fuels, and to increase the availability of low-cost energy supplies, particularly in rural areas.

Background: The Dominican Republic is experiencing serious economic problems as a result of growing population, increasing energy consumption and high dependence on imported fuel. With petroleum prices quadrupling over the past few years, dependence on fuel imports has created a severe strain on the country's economy and balance of payments. Centrally-funded A.I.D. projects are supporting the Government of the Dominican Republic's (GODR) efforts to carry out a national energy assessment. Under the FY 1980 Energy Policy Development Project, A.I.D. and the GODR are developing a National Energy Plan. The Plan will be based on a comparison of the costs and potential benefits of developing various alternative energy sources. Within the framework of the National Plan, conservation programs covering different sectors of the economy, such as transportation and industry, will be carried out. Programs will be undertaken to test and demonstrate the feasibility (economic, technical and social) of renewable energy sources such as wind, solar, mini-hydro and biomass. Activities under the National Energy Plan will be coordinated with activities under the A.I.D.-supported Natural Resource Management program, since energy and natural resources problems are often closely related. For example, forestry management and the use of wood for fuel are issues which need to be approached simultaneously.

Host Country and Other Donors: The GODR will contribute about 30% of project costs. In addition to conducting a gasohol production study, the GODR is also undertaking with A.I.D. support a regionally-funded pilot project for solar drying of sugar cane waste (used as an energy source) The National Energy Policy Commission is financing a feasibility study of an energy farm

where fast growing trees would be grown on marginal agricultural land for fuelwood purposes. A Peace Corps project is testing renewable energy technologies in rural communities. The Inter-American Development Bank and West Germany are investigating the potential for solar energy.

Beneficiaries: Principal beneficiaries will be the rural poor whose access to low-cost, renewable energy sources will be increased. As conservation techniques are adopted and local energy sources developed, the country's dependence on imported fuel will also be reduced, which will serve to benefit the economy as a whole. A.I.D. cost-per-beneficiary is estimated at \$2.50 for the life of the project.

FY 81 Program: Energy conservation programs -- involving public awareness campaigns, energy use surveys, and government incentives -- will be initiated. Research and development of renewable energy technologies will be financed, and pilot projects to test and demonstrate these technologies will be carried out.

| | | |
|---|------------------|--------------|
| | (\$ thousands) | |
| Major Outputs (and A.I.D. Unit Cost): | <u>All Years</u> | |
| | <u>Unit</u> | <u>Cost</u> |
| Conservation programs undertaken | 4 | (250) |
| Prefeasibility and feasibility studies of renewable energy technologies conducted | 8 | (100) |
| Pilot renewable energy technology projects | 4 | (500) |
| Reports evaluating results of pilot projects | 4 | (50) |
| A.I.D. Financed Inputs: | <u>FY 81</u> | |
| U.S. consultants (14 person-years) | | 1,250 |
| Commodities/equipment | | 3,260 |
| Contingency | | 490 |
| | TOTAL | 5,000 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES | |
|--|-------------|-------------------------|----------------------|-----------------------------------|--|
| | Obligations | Expenditures | Unliquidated | To be selected. | |
| Through September 30, 1979 | - | - | - | | |
| Estimated Fiscal Year 1980 | - | - | - | | |
| Estimated through September 30, 1980 | - | - | - | | |
| | | Future Year Obligations | Estimated Total Cost | | |
| Proposed Fiscal Year 1981 | 5,000 | - | 5,000 | | |

| | | | | | |
|--|---|--|---|-------------------------------------|--|
| TITLE Vocational Education | | FUNDS Education and Human Resources | PROPOSED OBLIGATION (In thousands of dollars) FY 81 L-5,500; G-150 | | LIFE OF PROJECT L-5,500; G-150 |
| NUMBER 517-0127 | NEW <input checked="" type="checkbox"/> | PRIOR REFERENCE | INITIAL OBLIGATION FY 81 | ESTIMATED FINAL OBLIGATION FY 81 | ESTIMATED COMPLETION DATE OF PROJECT FY 84 |
| GRANT <input type="checkbox"/> LOAN <input type="checkbox"/> | CONTINUING <input type="checkbox"/> | FY 80 Latin America Programs, p. 48 | | | |

Purpose: To provide the poor with access to vocational education.

Background: Although educational opportunities for the poor, particularly in rural areas are limited, increasing numbers of students from poor families are completing elementary school. Rural literacy is estimated to be about 54%, which suggests a substantial group with basic literacy. Unfortunately, there are few opportunities for additional study, particularly for those who wish to learn a marketable trade or skill or who desire to improve their job skills. These potential students lack funds or credit sources. Educators and industry representatives have confirmed that there are training needs in several fields which offer job opportunities. Yet, while skilled jobs go unfilled, underemployment and unemployment affects 40% of the labor force.

To address a variety of educational problems, a group of community-minded Dominican leaders established an Association for Promotion of Education and Culture in 1964. Two of the Association's activities are an education credit foundation and a non-formal education institution. These activities have proved successful in financing academic study and in providing opportunities for completing elementary and secondary education. The Association has requested A.I.D. assistance to finance its expansion into vocational education. Training will include courses which are not now offered in the Dominican Republic and will be provided to candidates who agree to serve as instructors in Dominican vocational schools. The Government of the Dominican Republic Secretariat of Education is a sponsor of the Association and will support the project. This new combined grant/loan project complements A.I.D.'s National Employment Policy Project, which will furnish information on short and long-term training needs. This project -- originally proposed for funding in FY 1980 -- was deferred due to the need to reprogram project funds to meet more urgent needs created by Hurricanes David and Frederick in 1979.

Host Country and Other Donors: Contributions coming from a variety of public and private sources will finance more than 30% of the total project costs.

Beneficiaries: Primary beneficiaries will be poor people who are unskilled or unemployed. An estimated 6,500 will be trained, for a total grant/loan life-of-project cost of \$870 per beneficiary. However, the largest component of the project is the establishment of a revolving loan fund. Subloan repayments will allow additional beneficiaries to study as the fund is replenished.

FY 81 Program: Fifteen months of contracted technical services will be applied to staff training in vocational education. Prototype courses in high demand fields, such as engine repair and basic construction skills, will be developed and tested. Two grant-funded and 55 loan-funded participants will study in the U.S. and third countries, and more than 1,000 loans will be made for in-country training.

| | | |
|--|------------------|--------------|
| | (\$ thousands) | |
| <u>Major Outputs (and A.I.D. Unit Cost):</u> | <u>All Years</u> | |
| | <u>Unit</u> | <u>Cost</u> |
| Staff trained | 27 | (20) |
| Courses prepared and tested | 8 | (40) |
| Students trained | 6,500 | (0.7) |
| <u>A.I.D. Financed Inputs:</u> | | |
| | <u>FY 81</u> | |
| | <u>Grant</u> | <u>Loan</u> |
| U.S. contract technicians (1.5 person-years) | 90 | - |
| Participant training | 40 | 500 |
| Commodities | 20 | - |
| In-country vocational training loans | -- | 5,000 |
| TOTAL | 150 | 5,500 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|----------------|--------------------------------|-----------------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | -- | -- | -- | To be selected. |
| Estimated Fiscal Year 1980 | -- | -- | -- | |
| Estimated through September 30, 1980 | -- | -- | -- | |
| | | <u>Future Year Obligations</u> | <u>Estimated Total Cost</u> | |
| Proposed Fiscal Year 1981 | L-5,500; G-150 | - | L-5,500; G-150 | |

| | | | | | |
|---|---|--|---|-------------------------------------|--|
| TITLE Education Planning | | FUNDS Education and Human Resources | PROPOSED OBLIGATION (In thousands of dollars) | | |
| | | | FY 81 150 | LIFE OF PROJECT 480 | |
| NUMBER 517-0131 | NEW <input checked="" type="checkbox"/> | PRIOR REFERENCE | INITIAL OBLIGATION FY 81 | ESTIMATED FINAL OBLIGATION FY 84 | ESTIMATED COMPLETION DATE OF PROJECT FY 85 |
| GRANT <input checked="" type="checkbox"/> | LOAN <input type="checkbox"/> | CONTINUING <input type="checkbox"/> | FY 80 Latin America Programs, p. 49 | | |

Purpose: To improve the administrative and planning capabilities of the Secretariat of Education.

Background: With A.I.D. assistance, the Secretariat of Education carried out a major study of public education in 1977-1978. The Government of the Dominican Republic (GODR) has approved the study as an accurate assessment of Dominican education and has endorsed it as providing a basis for future planning. Several weaknesses in information, analysis, planning and administration were identified in the study. The FY 1979 A.I.D. Education Sector Loan is addressing some of the problems related to education improvement in a specific, limited rural area. However, the Secretariat has requested A.I.D. assistance to undertake a program of national improvement in policy and implementation. Assistance will focus on the technical planning office, in terms of upgrading its staff and establishing a system for outreach and evaluation. At present, little reliable information exists on enrollments, wastage, and the effectiveness of public education in general. Such information is critical to development of a four-year national education plan. This project -- originally proposed for FY 1980 funding -- was deferred due to the need to reprogram its funds to meet more urgent needs created by Hurricanes David and Frederick in 1979.

Host Country and Other Donors: The GODR's contribution will exceed 25% of total project costs. Other major donors in education include the World Bank in rural school construction, and the United Nations in rural teacher training. These activities are complementary to this A.I.D. project.

Beneficiaries: The principal target group consists of the 345,000 rural poor families of laborers or small farmers living on holdings of less than five hectares. The average rural dweller has attended less than three years of school. This project will cost less than \$1.50 per family over the life of the project.

FY 81 Program: Activities will include: approximately 10 months of short-term technical assistance; short-term training for five educators and long-term training for four educators in the areas of administration, planning, data collection and analysis, research and evaluation; observation trips; production of two publications; and procurement of basic equipment for the planning office.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---|----------------|--------------|
| | Unit | Cost |
| Participants trained | 15 | (10) |
| In-country training workshops conducted | 6 | (25) |
| Studies performed | 6 | (20) |
| A.I.D. Financed Inputs: | | |
| | | FY 81 |
| Contract technicians (10 person-months) | | 60 |
| Training (9 person-years) | | 70 |
| Commodities and other costs | | <u>20</u> |
| TOTAL | | 150 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--------------------------------|-----------------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | To be selected. |
| Estimated Fiscal Year 1980 | - | - | - | |
| Estimated through September 30, 1980 | - | - | - | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 150 | 330 | 480 | |

| | | | | | |
|--|--|--|--|--|--|
| TITLE Special Development Activities | | FUNDS Selected Development Activities | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 517-0050 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | | NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/> | PRIOR REFERENCE FY 80 Latin America Programs, p. 51 | FY 81 50 | LIFE OF PROJECT Continuing* |
| | | | INITIAL OBLIGATION FY 65 | ESTIMATED FINAL OBLIGATION FY Continuing* | ESTIMATED COMPLETION DATE OF PROJECT FY Continuing* |

Purpose: To assist small, self-help development projects of non-profit community groups when local funds are insufficient.

Background and Progress to Date: A wide variety of self-help activities has been assisted, many of them involving the cooperation and assistance of Peace Corps Volunteers. With support costs averaging only \$3,000 per activity, this project continues to provide an avenue for small rural communities to accelerate their own development. Activities cover the entire gamut of rural development needs -- including school construction, potable water systems, local libraries, women's handicraft cooperatives, and community centers. The FY 1979 program funded 19 projects, such as 13 community centers, four schools, and two cooperative income producing projects.

Host Country and Other Donors: Host country - technical assistance, materials, land; local community groups - labor, materials, land. Contributions exceed 50% of the total project costs.

Beneficiaries: Primary beneficiaries are the rural poor in communities of 3,000 or less. Approximately 30,000 people per year are served by this project. A.I.D. cost-per-family benefited is about \$10.

FY 81 Program: A.I.D. will continue to support economically and socially beneficial community self-help projects.

| | |
|---------------------------------------|----------------------|
| Major Outputs: | Through FY 81 |
| Community self-help projects | 290 |
| | (\$ thousands) |
| A.I.D. Financed Inputs: | FY 81 |
| Building supplies and local materials | 40 |
| Skilled labor | <u>10</u> |
| TOTAL | 50 |

*It is expected that activities under this project will continue as long as A.I.D. maintains an assistance program in the Dominican Republic.

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 769 | 753 | 16 | None. |
| Estimated Fiscal Year 1980 | 50 | 60 | | |
| Estimated through September 30, 1980 | 819 | 813 | 6 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 50 | Continuing* | Continuing* | |

| | | | | | |
|--|--|--|--|-------------------------------------|--|
| TITLE National Employment Policy | | FUNDS Selected Development Activities | PROPOSED OBLIGATION (In thousands of dollars) FY 81 250 | | LIFE OF PROJECT 994 |
| NUMBER 517-0121 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/> | PRIOR REFERENCE FY 80 Latin America Programs, p. 52 | INITIAL OBLIGATION FY 78 | ESTIMATED FINAL OBLIGATION FY 81 | ESTIMATED COMPLETION DATE OF PROJECT FY 82 |

Purpose: To establish within the Government of the Dominican Republic's (GODR) Offices of Planning and Statistics the capacity to collect and analyze data; and to formulate policies and overall strategy relating to national levels of employment, unemployment, and underemployment.

Background and Progress to Date: Recent estimates place nationwide unemployment and underemployment at more than 40%. Human resource and employment issues need closer attention in GODR development plans in order to increase employment opportunities. The present GODR administration is placing high priority on development plans to increase employment and to upgrade the quality of the labor force. Planning is hindered by the lack of current and reliable data and by a shortage of people trained in information collection, analysis, and planning. As a result of this project begun in FY 1979, training participants have been selected, survey teams have been trained in field techniques, and sample surveys currently are being conducted to determine the causes and extent of unemployment.

Host Country and Other Donors: The GODR's contribution of counterpart salaries, office facilities, computer time, and printing costs will exceed 25% of the total cost of the project. No other donors are participating in the project.

Beneficiaries: Based on an estimate of 330,000 families affected by un- and underemployment, the A.I.D.-financed cost-per-family is about \$3 for the life of the project.

FY 81 Program: The collection and analysis of employment data will continue on a nationwide basis. A draft National Employment Policy will be formulated and presented to leading civil servants and academicians for adoption.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|--|----------------|--------------|
| | Unit | Cost |
| Nationwide employment/unemployment/under-employment survey reports available | 3 | (95) |
| Unemployment analyses and employment strategies | 8 | (50) |
| GODR technicians trained | 16 | (13) |
| A National Employment Policy formulated and adopted by GODR | 1 | (100) |
| A.I.D. Financed Inputs: | | FY 81 |
| Contract consultants (31 person-months) | | 155 |
| Participants (44 person-months) | | 70 |
| Commodities | | 25 |
| TOTAL | | 250 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | Clapp & Mayne. |
| Through September 30, 1979 | 494 | 172 | 322 | |
| Estimated Fiscal Year 1980 | 250 | 350 | | |
| Estimated through September 30, 1980 | 744 | 522 | 222 | |
| Proposed Fiscal Year 1981 | 250 | - | 994 | |
| | | Future Year Obligations | Estimated Total Cost | |

PROGRAM: DOMINICAN REPUBLIC

ACTIVITY DATA SHEET

CP 81-05 (8-79)

| | | | | | | |
|---|-------------------------------|--|--|---|-------------------------------------|--|
| TITLE Urban Problems | | | FUNDS Selected Development Activities | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 517-0139 | | | PRIOR REFERENCE None. | FY 81 500 | LIFE OF PROJECT 500 | |
| GRANT <input checked="" type="checkbox"/> | LOAN <input type="checkbox"/> | NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/> | | INITIAL OBLIGATION FY 81 | ESTIMATED FINAL OBLIGATION FY 81 | ESTIMATED COMPLETION DATE OF PROJECT FY 82 |

Purpose: To assist the Government of the Dominican Republic (GODR) to identify the causes and effects of urban poverty.

Background: The GODR estimates that by 1980 the number of urban dwellers will exceed the rural population for the first time in the history of the Dominican Republic. Urban population is increasing at an estimated rate of 5.25% per year, while rural areas are growing by only 0.75%. Urban increase, due in large part to the migration of unskilled rural workers and their families, poses several social and economic problems. Public services are becoming increasingly inadequate in secondary cities and market towns.

The GODR has requested A.I.D. assistance in developing plans to deal with the problems of unemployment, inadequate housing, the poor quality of urban services, and rural to urban migration. The GODR plans, over the long term, to commit substantial budget resources to regional projects aimed at: (1) stimulating agribusiness and related employment opportunities in small communities; (2) improving public services in market towns and outlying rural areas; (3) strengthening the relationship between small towns and the areas that they service; and (4) attempting to reduce internal migration to the larger cities.

Host Country and Other Donors: The GODR's contribution to this project will exceed \$170,000. No other donors are currently active in this field.

Beneficiaries: The target group will include approximately 13% of the non-farm population whose monthly family incomes are less than \$74 (300,000 persons). The A.I.D. cost-per-beneficiary, therefore, will be less than \$2.

FY 81 Program: Studies such as a shelter sector assessment, a growth analysis, and an urban poverty assessment will be initiated to determine the factors characterizing urban poverty and its distribution and to identify measures being taken to improve the quality of life for the urban poor. The GODR will draft regional and urban plans based on information from these studies.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---|----------------|-------|
| | All Years | |
| | Unit | Cost |
| National shelter policy and plan | 1 | (200) |
| Urban and regional policy and development plans | 4 | (50) |
| Dominican staff trained | 10 | (10) |
| Municipal services improved | X | - |

| A.I.D. Financed Inputs: | FY 81 |
|---|------------|
| U.S. consultants (4.5 person-years) | 300 |
| Training (long-term participant training) | 100 |
| Other costs | 100 |
| TOTAL | 500 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | To be selected. |
| Estimated Fiscal Year 1980 | - | - | - | |
| Estimated through September 30, 1980 | - | - | - | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 500 | - | 500 | |

| | | | | | |
|---|---|--|---|----------------------------------|--|
| TITLE Energy Policy Development | | FUNDS Selected Development Activities | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 517-0143 | | PRIOR REFERENCE None | FY 81 | 300 | LIFE OF PROJECT 634 |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/> | | INITIAL OBLIGATION FY 80 | ESTIMATED FINAL OBLIGATION FY 81 | ESTIMATED COMPLETION DATE OF PROJECT FY 82 |

Purpose: To strengthen the Government of the Dominican Republic's (GODR) institutional capability for developing sound energy policies and plans.

Background and Progress to Date: The Dominican Republic is experiencing serious economic problems as a result of growing population, increasing energy consumption and high dependence on imported fuel. With petroleum prices quadrupling over the last few years, heavy dependence on imported fuel has created a severe strain on the country's economy and balance of payments. The GODR has recognized and has taken steps to respond to the serious implications of this situation. For example, gasoline prices have been raised significantly to curtail consumption, and a National Energy Policy Commission has recently been created to coordinate the energy activities of GODR agencies and to develop national energy policies. To assist in the development of sound energy policies, A.I.D. is supporting a National Energy Assessment to gather information on energy supply and demand (including the potential for renewable energy sources) and to examine policy options for the development of a National Energy Plan. Conservation programs and alternative energy research programs are being carried out within the framework of the Plan and with the support of the A.I.D. Energy Resources Development Project. To develop and implement effectively a National Energy Plan, the GODR requested assistance in strengthening the Energy Policy Commission and other local institutions responsible for energy programs.

Host Country and Other Donors: The GODR will contribute the equivalent of 25% of total project costs. No other donor projects are directly supporting institutional development in the area of energy policy and planning.

Beneficiaries: The energy conservation and resource development activities proposed in this project will benefit a large portion of the population, particularly low-income groups currently without access to affordable energy sources. This project's policy orientation precludes estimating individual beneficiary costs.

FY 81 Program: Technical assistance and training will continue to be provided in the following areas: (1) information gathering and data processing; (2) energy forecasting and supply and demand projections; (3) energy planning and policy development; (4) energy research and development; and (5) economic, social, and financial feasibility analyses.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|--|----------------|----------------|
| | Unit | All Years Cost |
| GODR energy information system established | 1 | (200) |
| Government personnel trained | 50 | (4) |
| Graduate training courses conducted | 12 | (16) |
| GODR National Energy Plan developed | 1 | (42) |
| A.I.D. Financed Inputs: | | |
| | | FY 81 |
| U.S. consultants (32 person-months) | | 160 |
| Non-U.S. consultants (5 person-months) | | 20 |
| Training (4 person-years) | | 60 |
| Commodities | | 60 |
| TOTAL | | 300 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES To be selected. |
|--|-------------|-------------------------|----------------------|--|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | |
| Estimated Fiscal Year 1980 | 334 | 200 | - | |
| Estimated through September 30, 1980 | 334 | 200 | 134 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 300 | - | 634 | |

ECONOMIC AND SOCIAL DATA

COUNTRY: ECUADOR

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1979) 7,776
 PER CAPITA GNP..... (DOLLARS,1977) 790
 AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-77) 3.1%
 AVERAGE ANNUAL RATE OF INFLATION (1960-70) 4.6% (1970-77) 15.2%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. N.A.
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1973) TOTAL 59.6 MALE 58.2 FEMALE 61.2
 (1968) TOTAL 57.2 MALE 55.8 FEMALE 58.7
 ADULT LITERACY RATE (1974) TOTAL 74% MALE 78% FEMALE 70%
 (1962) TOTAL 68% MALE 72% FEMALE 63%

AGRICULTURE

AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1970-1978) -0.6%
 AGRICULTURAL PRODUCTION AS % OF GDP..... (1977) 20%
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1979) 278
 LAND OWNED: BY TOP 10% N.A. BY LOWEST 10% N.A.
 MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: POTATOES PLANTAINS 31% (1978)
 CASH: RICE BANANAS COCOA BEANS 35% (1978)
 MAJOR AGRICULTURAL EXPORTS:(1978) COFFEE COCOA BEANS
 MAJOR AGRICULTURAL IMPORTS:(1978) WHEAT SOYBEAN OIL
 PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1977) 47%

CENTRAL GOVERNMENT FINANCES

TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)
 (1975) 687 (76) 770 (77) 885
 TOTAL EXPENDITURES (\$ MILLIONS, U.S.)
 (1975) 700 (76) 867 (77) 1,090
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1975) -13 (76) -97 (77) -205
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1975) 14.5% (76) 13.4% (77) 10.5%
 AS % OF GNP..... (1975) 2.4% (76) 2.3% (77) 1.9%
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1976) 515 (77) 671 (78) 688
 EQUIVALENT TO 5.0 MONTHS OF IMPORTS (1978)

FOREIGN TRADE

MAJOR EXPORTS... (1978) PETROLEUM FOODSTUFFS
 EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1976) 392 (1977) 436 (1978) 669
 AS % OF TOTAL EXPORTS (1976) 34% (1977) 36% (1978) 44%
 MAJOR IMPORTS... (1978) MACHINERY RAW MATERIAL BUILDING MAT
 IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1976) 411 (1977) 579 (1978) 569
 AS % OF TOTAL IMPORTS (1976) 41% (1977) 38% (1978) 36%
 TRADE BALANCE(\$ MILLIONS, US)(1976) 170 (77) -285 (78) -67
 MAIN TRADING PARTNERS: UNITED STATES JAPAN GERMANY, FED
 EXTERNAL PUBLIC DEBT AS % OF GNP (1977) 19.2%
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1977) 117
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1977) 7.7%

SOCIAL DATA

POPULATION GROWTH RATE.....(1968-78) 2.9%
 POPULATION IN URBAN AREAS..... (1969) 38% (1977) 42%
 TOTAL BIRTHS PER 1,000 POPULATION..... (1977) 42
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION... (1978) 12%
 POPULATION (1975) IN AGE GROUP:
 (0-14YRS) 46.0% (15-60YRS) 49.5% (60+ YRS) 5.9%
 INFANT DEATHS DURING FIRST YEAR OF LIFE / 1000 INFANTS (1975) 70
 PEOPLE PER PHYSICIAN..... (1975) 1,958
 MAJOR CAUSES OF
 DISEASE (1974)MALARIA FLU & PNEUMONIA
 DEATH.. (1975)ENTERIC DISEASE
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.... (1974) 93%
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975) 40%
 TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:
 PRIMARY... (AGES 5-14)(1976) TOTAL 63.6% MALE 64.3% FEMALE 62.8%
 SECONDARY..... (15-19)(1972) TOTAL 33.4% MALE 35.1% FEMALE 31.6%
 POST SECONDARY (20-24)(1972) TOTAL 10.6% MALE 14.5% FEMALE 6.7%
 ENERGY PRODUCTION AS % OF CONSUMPTION..... (1976) 424%

U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS
(U.S. Fiscal Years – Millions of Dollars)

| COUNTRY | EQUADOR | | | | | TOTAL LOANS AND GRANTS 1946-78 | REPAY- MENTS AND INTEREST 1946-78 | TOTAL LESS REPAY- MENTS AND INTEREST 1946-78 |
|--|-------------------------------|------|-----|------|------|---|--|--|
| | PROGRAM | | | | | | | |
| | FOREIGN ASSISTANCE ACT PERIOD | | | | | | | |
| | 1975 | 1976 | TQ | 1977 | 1978 | | | |
| I. ECONOMIC ASSISTANCE – TOTAL | 8.0 | 4.4 | 0.5 | 3.9 | 5.5 | 301.8 | 91.7 | 210.1 |
| Loans | - | 0.1 | - | - | - | 155.0 | 91.7 | 63.3 |
| Grants | 8.0 | 4.3 | 0.5 | 3.9 | 5.5 | 146.8 | - | 146.8 |
| e. A.I.D. and Predecessor Agencies | 2.1 | - | - | - | 0.8 | 169.9 | 51.4 | 118.5 |
| Loans | - | - | - | - | - | 99.0 | 51.4 | 47.6 |
| Grants | 2.1 | - | - | - | 0.8 | 70.9 | - | 70.9 |
| (Security Supporting Assistance) | - | - | - | - | - | 21.9 | - | - |
| b. Food for Peace (PL 480) | 3.4 | 2.1 | 0.1 | 1.3 | 2.4 | 69.9 | 21.5 | 48.4 |
| Loans | - | - | - | - | - | 27.9 | 21.5 | 6.4 |
| Grants | 3.4 | 2.1 | 0.1 | 1.3 | 2.4 | 42.0 | - | 42.0 |
| Title I - Total Sales Agreements | - | - | - | - | - | 27.9 | 21.5 | 6.4 |
| Repayable in U.S. Dollars - Loans | - | - | - | - | - | 19.5 | 11.5 | 8.0 |
| Payable in Foreign Currency - Planned for Country Use | - | - | - | - | - | 8.4 | 10.0 | 1.6- |
| Title II - Total Grants | 3.4 | 2.1 | 0.1 | 1.3 | 2.4 | 42.0 | - | 42.0 |
| Emerg. Relief, Econ. Develop. & World Food Program | 0.2 | 0.4 | * | 0.6 | 1.4 | 5.4 | - | 5.4 |
| Voluntary Relief Agencies | 3.2 | 1.7 | 0.1 | 0.7 | 1.0 | 36.6 | - | 36.6 |
| c. Other Economic Assistance | 2.5 | 2.3 | 0.4 | 2.6 | 2.3 | 62.0 | 18.8 | 43.2 |
| Loans | - | 0.1 | - | - | - | 28.1 | 18.8 | 9.3 |
| Grants | 2.5 | 2.2 | 0.4 | 2.6 | 2.3 | 33.9 | - | 33.9 |
| Peace Corps | 1.7 | 1.3 | 0.4 | 2.0 | 2.0 | 27.7 | - | 27.7 |
| Other | 0.8 | 0.9 | * | 0.6 | 0.4 | 6.3 | - | 6.3 |
| II. MILITARY ASSISTANCE – TOTAL | 0.4 | 10.5 | 0.1 | 15.4 | 10.7 | 107.0 | 4.9 | 102.1 |
| Credits or Loans | - | 10.0 | - | 15.0 | 10.0 | 35.6 | 4.9 | 30.7 |
| Grants | 0.4 | 0.5 | 0.1 | 0.4 | 0.7 | 71.4 | - | 71.4 |
| a. MAP Grants | - | - | 0.1 | - | - | 32.0 | - | 32.0 |
| b. Credit Financing - FMS | - | - | - | - | - | 35.6 | 4.9 | 30.7 |
| c. Military Assistance Service-Funded (MASF) Grants | - | 10.0 | - | 15.0 | 10.0 | - | - | - |
| d. Transfers from Excess Stocks | 0.4 | 0.5 | - | 0.4 | 0.7 | 12.2 | - | 12.2 |
| e. Other Grants | - | - | - | - | - | 10.4 | - | 10.4 |
| | - | - | - | - | - | 16.8 | - | 16.8 |
| III. TOTAL ECONOMIC AND MILITARY ASSISTANCE | 8.4 | 14.9 | 0.6 | 19.3 | 16.2 | 408.8 | 96.6 | 312.2 |
| Loans | - | 10.1 | - | 15.0 | 10.0 | 190.6 | 96.6 | 94.0 |
| Grants | 8.4 | 4.8 | 0.6 | 4.3 | 6.2 | 218.2 | - | 218.2 |
| Other U.S. Government Loans and Grants | | | | | | | | |
| e. Export-Import Bank Loans | 6.0 | 1.2 | 2.5 | 1.0 | 3.7 | 61.9 | 63.8 | 1.9- |
| b. All Other Loans | 6.0 | 1.2 | 2.0 | - | 0.5 | 55.0 | 61.3 | 6.3- |
| | - | - | 0.5 | 1.0 | 3.2 | 6.9 | 2.5 | 4.4 |

* LESS THAN \$50,000.

TQ - TRANSITIONAL QUARTER

ECONOMIC PROGRAMS OF OTHER DONORS

| A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS | | | | |
|--|---------|---------|------------|------------|
| <i>(Thousands of dollars)</i> | | | | |
| TOTAL | FY 1977 | FY 1978 | FY 1979 | FY 1946-79 |
| TOTAL | 151,900 | 95,642 | 182,103 | 925,476 |
| IBRD | 70,000 | - | 58,000 | 295,970 |
| IFC | 100 | 13,000 | 4,250 | 26,626 |
| IDB | 81,700 | 78,498 | 113,188 | 517,654 |
| UNDP | 100 | 4,104 | 6,135 | 40,956 |
| OTHER UN | - | - | 530 | 7,730 |
| IDA | - | 40 | - | 36,540 |
| B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE | | | | |
| <i>(Millions of dollars)</i> | | | | |
| 1. D.A.C. COUNTRIES (Excluding U.S.) (Gross Disbursements) | | | | |
| Donor | CY 1977 | CY 1978 | CY 1969-78 | |
| TOTAL | 19.10 | 25.06 | 137.76 | |
| Germany | 10.80 | 8.78 | 65.18 | |
| UK | 3.60 | 3.44 | 23.14 | |
| Japan | 1.40 | 7.79 | 18.79 | |
| Canada | 0.50 | 0.13 | 11.83 | |
| Other | 3.80 | 9.92 | 18.82 | |
| 2. O.P.E.C. COUNTRIES (Net Disbursements) | | | | |
| | CY 1977 | CY 1978 | CY 1973-78 | |
| TOTAL | | | | |
| C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES | | | | |
| <i>(Millions of dollars)</i> | | | | |
| TOTAL | CY 1977 | CY 1978 | CY 1954-78 | |
| TOTAL | - | - | 19 | |
| USSR | - | - | - | |
| Eastern Europe | - | - | 19 | |
| China | - | - | - | |

| PROGRAM SUMMARY | | | | | | | |
|---------------------------|-------------|--|---------------------|--------|---|---------------------------------|----------------|
| (In thousands of dollars) | | | | | | | |
| Fiscal Year | A/ Total | Agriculture, Rural Development and Nutrition | Population Planning | Health | Education and Human Resources Development | Selected Development Activities | Other Programs |
| 1979 | | | | | | | |
| Loans | -- | -- | -- | -- | -- | -- | -- |
| Grants ... | 75 | -- | -- | -- | -- | 75 | -- |
| Total .. | 75 | -- | -- | -- | -- | 75 | -- |
| 1980 | | | | | | | |
| Loans | 6,000 | 6,000 | -- | -- | -- | -- | -- |
| Grants ... | 1,350 | 400 | 500 | -- | 400 | 50 | -- |
| Total .. | 7,350 | 6,400 | 500 | -- | 400 | 50 | -- |
| 1981 | | | | | | | |
| Loans | 6,900 | 2,000 | -- | 2,000 | -- | 2,900 | -- |
| Grants ... | 2,662 | 750 | 780 | 150 | 250 | 732 | -- |
| Total .. | 9,562 | 2,750 | 780 | 2,150 | 250 | 3,632 | -- |

U.S. Interests

After nine years of military rule, Ecuador inaugurated an elected civilian government in August 1979. U.S. interests include: cooperating with the new constitutional government in carrying out its growth with equity objectives, assuring respect for human rights, enlarging the local market for U.S. exports, and obtaining Ecuador's cooperation to combat illegal narcotics traffic and to address common hemispheric problems.

Development Overview

Ecuador is one of the least developed countries in Latin America, although income from its oil resources caused Ecuador's per capita gross national product to increase rapidly to \$790 by 1977. However, because of inequitable income distribution, almost half of the population is little affected by this economic growth and continues to live in poverty. Oil exports are declining and domestic consumption is rising rapidly. Oil exports could termi-

nate by 1985 if there are no new discoveries. In the 1980's, Ecuador will face the dual challenges of sustaining its economic growth while improving the standard of living of its poor. Overcoming poverty is compounded by the following constraints:

- The population's rate of natural increase for 1978 was 3.3%, and little has been done to lower it.
- Production of grain has been declining, and per capita food production is one of the lowest in Latin America.
- Basic social services for the poor are inadequate. There are few physicians in rural areas, only 17% of rural Ecuadoreans have access to public water systems, the rural infant mortality rate is well over 70 per 1,000 births, and there is a housing deficit of over 700,000 units.
- Deforestation, soil erosion, watershed damage, ecologically unsound encroachments on tropical rainforests, and population pressures are serious threats to the environment.

Socio-Economic Performance

During the last decade, the Government of Ecuador has paid increasing attention to the needs of the poor, but little impact has been made on the overall status of poor people. Over 64,000 families have been beneficiaries of land reform and colonization programs, some 15,000 jobs have been created in small industries, and the National Development Bank has increased its lending to low income groups from 12% of loans in 1970 to 37% in 1975. Public expenditures for social services and infrastructure have grown rapidly. For example, public expenditures for water and sewerage systems almost quadrupled during the last five years, around 30% of the public budget is devoted to education, and credit allocations were increased for agriculture and small industry. The new Ecuadorean government will need to expand on these efforts in order to increase incomes and improve basic services for a significant proportion of the poor population.

ECUADOR

Total Resources

Cumulative outstanding international commercial loans total \$3.7 billion, 70% of which are from U.S. sources. Through 1978, there was \$840 million in gross foreign investment with 62% from the U.S. The Export-Import Bank's outstanding credits through August 1979 totaled \$38.7 million. The major sources of external development financing are the Inter-American Development Bank (\$44.3 million) and the World Bank (\$58 million). Other multilateral agencies (the UN Development Program, Organization for American States, UN Economic Commission for Latin America, and Inter-American Institute of Agricultural Sciences) provide about \$17 million annually for technical assistance. The Peace Corps is providing 200 volunteers at a cost of around \$2 million a year.

A.I.D. Strategy

A.I.D. will seek to transfer ideas, technical knowledge and incentives to assist new Ecuadorean development approaches. Technical assistance and modest seed capital loans will serve as catalysts which will be directed at building low cost delivery systems, improving institutional structures, generating appropriate technologies and implementing pilot programs that can later be replicated on a national basis. A.I.D.'s program will consist of the following elements: an integrated rural development program to create a mechanism for attacking the multiple problems of the rural poor; an integrated urban development program to develop a new mechanism for financing low cost housing, social services and employment generating programs in low income areas; an alternate energy project to assess energy requirements and adapt nonconventional energy technologies; and a family planning program to increase awareness, especially in rural areas, of the need to reduce the population growth rate.

A/ Funds for Project Development and Support as well as Operational Program Grants are not included in this table. They are reflected in the Latin America and Caribbean Regional Program.

| FY 81 PROGRAM HIGHLIGHTS | |
|--------------------------|---|
| - | A \$1.1 million grant and \$2 million loan to continue an integrated rural development program with new activities in health and reforestation/soil conservation. |
| - | A \$482 thousand grant and \$1 million loan to continue an integrated urban development program. |
| - | A \$200 thousand grant and \$1.9 million loan to develop nonconventional energy technology. |
| - | A \$780 thousand grant to continue the contraceptive distribution program and start a population policy awareness project. |

| PERSONNEL/PARTICIPANTS DATA | | | |
|--|---------------------|------------------------|-----------------------|
| CP 81-17 (8-79) | | | |
| Category | FY 1979 (Actual) | FY 1980 (Estimated) | FY 1981 (Proposed) |
| AID Personnel^a | | | |
| Direct Hire ^b | 4 | 9 | 12 |
| PASA ^c | - | - | -- |
| Contract | - | 6 | 15 |
| Total | 4 | 15 | 27 |
| Participants^d | | | |
| Noncontract | - | 15 | 60 |
| Contract | - | -- | -- |
| Total | - | 15 | 60 |
| ^a U.S. nationals on duty at the end of the fiscal year. ^b FY 1980 and FY 1981 position levels. ^c Participating agency technicians. ^d Programmed during the fiscal year. | | | |

ECUADOR

| RESOURCE FLOWS CP 81-08 (8-79) | | | |
|--|---------------------|------------------------|-----------------------|
| <i>(In thousands of dollars)</i> | | | |
| Program | FY 1979 (Actual) | FY 1980 (Estimated) | FY 1981 (Proposed) |
| AID* | | | |
| Loans | - | - | 1,300 |
| Grants | 80 | 1,000 | 1,550 |
| Total AID | 80 | 1,000 | 2,850 |
| P.L. 480** | | | |
| Title I | - | - | - |
| (of which Title III is) | (-) | (-) | (-) |
| Title II | 2,191 | 1,800 | 1,899 |
| Total P.L. 480 | 2,191 | 1,800 | 1,899 |
| Total AID and P.L. 480 | 2,271 | 1,900 | 4,749 |
| *AID levels represent actual and estimated expenditures. | | | |
| **P.L. 480 levels represent actual and estimated value of shipments. | | | |

| P.L. 480 PROGRAMS SUMMARY CP 81-14 (8-79) | | | | | | |
|--|---------------------|-------|------------------------|-------|-----------------------|-------|
| <i>(In 000MT/\$000)</i> | | | | | | |
| Program | FY 1979 (Actual) | | FY 1980 (Estimated) | | FY 1981 (Proposed) | |
| | MT | \$ | MT | \$ | MT | \$ |
| <i>Title I</i> | | | | | | |
| Wheat | - | - | - | - | - | - |
| Rice | - | - | - | - | - | - |
| Feedgrains | - | - | - | - | - | - |
| Vegoil | - | - | - | - | - | - |
| Non-food | - | - | - | - | - | - |
| Title I Total .. (of which Title III is) | / | - | / | - | / | - |
| <i>Title II</i> | | | | | | |
| Voluntary Agencies .. | / | 966 | / | 1,155 | / | 1,151 |
| World Food Programs | / | 1,225 | / | 645 | / | 748 |
| Gov't.-to-Gov't | / | - | / | - | / | - |
| Title II Total | / | 2,191 | / | 1,800 | / | 1,899 |
| Total P.L. 480 | / | 2,191 | / | 1,800 | / | 1,899 |

MISSION DIRECTOR John A. Sanbrailo

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

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CP 81-02

PROGRAM: ECUADOR

| | * L / G | PROJECT NUMBER | FY OF INITIAL FUNDING | -THROUGH FY79- OBLIGATIONS | EXPENDITURES | -ESTIMATED FY80- OBLIGATIONS | EXPENDITURES | -PROPOSED FY81- OBLIGATIONS | EXPENDITURES | FUTURE YEAR OBLIGATIONS |
|---|---------|----------------|-----------------------|----------------------------|--------------|------------------------------|--------------|-----------------------------|--------------|-------------------------|
| ----- | | | | | | | | | | |
| AGRICULTURE, RURAL DEV. AND NUTRITION | | | | | | | | | | |
| SMALL FARMER AGRICULTURAL DEVELOPMENT | * G | 518-0012 | 80 | --- | --- | 200 | 100 | 150 | 100 | 650 |
| SMALL FARMER AGRICULTURAL DEVELOPMENT | L | 518-0012 | 80 | --- | --- | 6,000 | --- | --- | 300 | --- |
| FORESTRY AND NATURAL RESOURCES CONSERV | * G | 518-0023 | 81 | --- | --- | --- | --- | 300 | 200 | 700 |
| FORESTRY AND NATURAL RESOURCES CONSERV | * L | 518-0023 | 81 | --- | --- | --- | --- | 2,000 | 300 | --- |
| RURAL TECHNICAL TRANSFER SYSTEMS | * G | 518-0032 | 80 | --- | --- | 200 | 100 | 300 | 200 | 3,500 |
| TOTAL FOR ACCOUNT | | | | --- | --- | 6,400 | 200 | 2,750 | 1,100 | |
| GRANTS | | | | --- | --- | 400 | 200 | 750 | 500 | |
| LOANS | | | | --- | --- | 6,000 | --- | 2,000 | 600 | |
| POPULATION PLANNING | | | | | | | | | | |
| COM. BASED DIST. OF CONTRACEPTIVES | * G | 518-0014 | 80 | --- | --- | 500 | 450 | 400 | 400 | 1,100 |
| POPULATION AND FAMILY PLANNING | * G | 518-0026 | 81 | --- | --- | --- | --- | 380 | 200 | 2,520 |
| TOTAL FOR ACCOUNT | | | | --- | --- | 500 | 450 | 780 | 600 | |
| GRANTS | | | | --- | --- | 500 | 450 | 780 | 600 | |
| LOANS | | | | --- | --- | --- | --- | --- | --- | |
| HEALTH | | | | | | | | | | |
| RURAL HEALTH, NUTRITION & POTABLE WATER | * G | 518-0015 | 81 | --- | --- | --- | --- | 150 | 50 | 1,150 |
| RURAL HEALTH, NUTRITION & POTABLE WATER | * L | 518-0015 | 81 | --- | --- | --- | --- | 2,000 | 400 | --- |
| TOTAL FOR ACCOUNT | | | | --- | --- | --- | --- | 2,150 | 450 | |
| GRANTS | | | | --- | --- | --- | --- | 150 | 50 | |
| LOANS | | | | --- | --- | --- | --- | 2,000 | 400 | |
| EDUCATION AND HUMAN RESOURCES | | | | | | | | | | |
| TRAINING FOR DEVELOPMENT | * G | 518-0017 | 80 | --- | --- | 400 | 300 | 250 | 200 | 350 |
| TOTAL FOR ACCOUNT | | | | --- | --- | 400 | 300 | 250 | 200 | |
| GRANTS | | | | --- | --- | 400 | 300 | 250 | 200 | |
| LOANS | | | | --- | --- | --- | --- | --- | --- | |
| SELECTED DEVELOPMENT ACTIVITIES | | | | | | | | | | |
| SPECIAL DEV. ACTIVITIES | * G | 518-0004 | 79 | 75 | 75 | 50 | 50 | 50 | 50 | --- |
| ALTERNATIVE ENERGY SOURCES | * G | 518-0029 | 81 | --- | --- | --- | --- | 200 | 100 | 600 |
| ALTERNATIVE ENERGY SOURCES | * L | 518-0029 | 81 | --- | --- | --- | --- | 1,900 | 200 | -1,897 |
| SECONDARY CITIES DEVELOPMENT | * G | 518-0030 | 81 | --- | --- | --- | --- | 482 | 50 | 1,418 |

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

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01/18/80

CP 81-02

PROGRAM: ECUADOR

| | * L / G | PROJECT NUMBER | FY OF INITIAL FUNDING | -THROUGH FY79- OBLIG ATIONS | EXPENDI TURES | -ESTIMATED FY80- OBLIG ATIONS | EXPENDI TURES | -PROPOSED FY81- OBLIG ATIONS | EXPENDI TURES | FUTURE YEAR OBLIG ATIONS |
|------------------------------|---------|----------------|-----------------------|-----------------------------|---------------|-------------------------------|---------------|------------------------------|---------------|--------------------------|
| SECONDARY CITIES DEVELOPMENT | * L | 518-0030 | 81 | --- | -- | --- | --- | 1,000 | 100 | -- |
| TOTAL FOR ACCOUNT | | | | 75 | 75 | 50 | 50 | 3,632 | 500 | |
| GRANTS | | | | 75 | 75 | 50 | 50 | 732 | 200 | |
| LOANS | | | | --- | -- | --- | --- | 2,900 | 300 | |
| TOTAL FOR COUNTRY | | | | 75 | 75 | 7,350 | 1,000 | 9,562 | 2,850 | |
| GRANTS | | | | 75 | 75 | 1,350 | 1,000 | 2,662 | 1,550 | |
| LOANS | | | | --- | -- | 6,000 | --- | 6,900 | 1,300 | |

| | | | | | |
|--|--|---|---|-------------------------------------|---|
| TITLE Small Farmer Agricultural Development | | FUNDS Agriculture, Rural Development and Nutrition | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 518-0012 | | PRIOR REFERENCE FY 80 Latin America Programs, p. 258 | FY 81 | ESTIMATED FINAL OBLIGATION FY 84 | LIFE OF PROJECT L-6,000; G-1,000 |
| GRANT <input checked="" type="checkbox"/> | LOAN <input checked="" type="checkbox"/> | | G-150 | | ESTIMATED COMPLETION DATE OF PROJECT FY 85 |
| NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/> | | | | | |

Purpose: To increase the incomes and food production of small farmers and the rural poor.

Background and Progress to Date: Rural poverty in Ecuador is severe with over 60% of the rural workers earning an annual average of \$238 per capita while the current national per capita income is estimated at almost \$800. Among the principal constraints to increasing rural incomes is the limited access of small farmers to land, credit, extension services, improved farm technologies, rural infrastructure and other agricultural services. This project is assisting the Government of Ecuador (GOE) to implement its priority integrated rural development (IRD) program and to develop model small producer delivery and production systems that can be replicated nationwide. The project provides a closely interrelated package of services, targeted at the rural poor in pilot IRD areas, and includes: (1) improved access to land; (2) expanded extension services based on paraprofessional community leaders; (3) dissemination of technological packages appropriate for small farmers; (4) "seed capital" for a small farmer credit fund; (5) improved marketing facilities; (6) self-help construction of small land improvement works, irrigation systems, and access roads; and (7) community organization.

Host Country and Other Donors: The GOE is providing counterpart personnel, budget support and part of the credit component of the project for a total contribution of \$3 million. The Inter-American Development Bank (IDB) and World Bank are also supporting integrated rural development projects in other areas of the country.

Beneficiaries: About 50,000 farm families with holdings of 10 hectares or less will be reached by the end of the project, at a cost to A.I.D. of \$140 per family.

FY 81 Program: A project management consulting contract will be continued to assist with implementation of the FY 1980 loan package and provide for other support costs.

| | | |
|--|------------------|-------------|
| | (\$ thousands) | |
| <u>Major Outputs (and A.I.D. Unit Cost):</u> | <u>All Years</u> | |
| | <u>Unit</u> | <u>Cost</u> |
| Paraprofessional extension agents | 400 | (.5) |
| Small farmer adaptive research projects | 20 | (30) |
| Loans to small farmers | 1,600 | (3) |
| Self-help rural infrastructure projects | 50 | (25) |
| <u>A.I.D. Financed Inputs:</u> | <u>FY 81</u> | |
| Personnel (15 person months) | | 100 |
| Other costs | | 50 |
| | <u>Total</u> | <u>150</u> |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|----------------|--------------------------------|-----------------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | | | | To be selected. |
| Estimated Fiscal Year 1980 | L-6,000; G-200 | G-100 | | |
| Estimated through September 30, 1980 | L-6,000; G-200 | G-100 | L-6,000; G-100 | |
| | | <u>Future Year Obligations</u> | <u>Estimated Total Cost</u> | |
| Proposed Fiscal Year 1981 | G-150 | G-650 | L-6,000; G-1,000 | |

PROGRAM: ECUADOR

ACTIVITY DATA SHEET

CP 81-05 (8-79)

| | | | | | | | |
|---|---|-------------------------------------|--|--|---|----------------------------------|--|
| TITLE Forestry and Natural Resources Conservation | | | FUNDS Agriculture, Rural Development and Nutrition | | PROPOSED OBLIGATION (In thousands of dollars) | | |
| | | | | | FY 81 L-2,000; G-300 | | LIFE OF PROJECT L-2,000; G-1,000 |
| NUMBER 518-0023 | NEW <input checked="" type="checkbox"/> | CONTINUING <input type="checkbox"/> | PRIOR REFERENCE None. | | INITIAL OBLIGATION FY 81 | ESTIMATED FINAL OBLIGATION FY 84 | ESTIMATED COMPLETION DATE OF PROJECT FY 85 |

Purpose: To strengthen the Government of Ecuador's (GOE) capacity to implement effective policies, carry out research, and conduct programs which address problems of natural resource use and deforestation.

Background: Ecuador is confronting widespread environmental degradation and the general misuse of natural resources. The major problems requiring urgent attention are deforestation and soil erosion which are significantly affecting agricultural productivity. The GOE estimates that about half of the land used for crop production is suffering from serious soil erosion. In the worst cases, desertification is occurring. Ecuador's highland areas have been denuded of trees, and indiscriminate forest cutting and unsound agricultural practices are beginning to become a serious problem in the fragile tropical rainforests of the eastern Amazon Basin and coastal regions.

Within the framework of the GOE's Integrated Rural Development (IRD) programs, this project will strengthen the institutional capacity for dealing with these problems in a systematic way. The project will finance such activities as: (1) technical and management assistance and training for improving the institutional capacity of a newly created Forestry Institute; (2) a forestry and natural resources inventory and a monitoring system using remote sensing and other methods; (3) a research program for developing agro-forestry systems, fast growing trees and multi-purpose native species for soil stabilization; and (4) a credit extension mechanism for diffusing agro-forestry technologies. This project is being developed in selected IRD pilot areas.

Host Country and Other Donors: The GOE will provide a minimum of \$1 million or 25% of total project costs for establishing and

operating the new Institute for Forestry. The UN Development Program, the Food and Agriculture Organization, the Organization of American States, and the World Bank have provided technical assistance for diagnostic studies of some elements of the natural resources problem.

Beneficiaries: This project will be designed to develop policies, technologies and delivery systems that can benefit all of Ecuador's small farmers. Other environmental improvement benefits will accrue to the population in general. It is estimated that up to 150,000 rural families could receive benefits from this project, at a cost to A.I.D. of \$20 per family.

FY 81 Program: Technical and management advisors will be contracted; participant training activities and the promotion of the credit fund will be initiated; and a community resource development campaign will be started.

| | | |
|--|------------------|--------------|
| | (\$ thousands) | |
| Major Outputs (and A.I.D. Unit Cost): | <u>All Years</u> | |
| | <u>Unit</u> | <u>Cost</u> |
| National Forestry Land Use Institute | 1 | (700) |
| Loan to small farmers | 1,000 | (2) |
| Remote sensing methodology | 1 | (300) |
| A.I.D. Financed Inputs: | | |
| | <u>FY 81</u> | |
| | <u>Grant</u> | <u>Loan</u> |
| Personnel (36 person months) | 250 | 100 |
| Training (10 person months) | 50 | 100 |
| Commodities (vehicles, office, equipment) | --- | 200 |
| Other costs (promotional costs, travel per diem) | -- | 100 |
| Credit fund | --- | 1,500 |
| | <u>---</u> | <u>1,500</u> |
| TOTAL | 300 | 2,000 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|----------------|--------------------------------|-----------------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | --- | -- | --- | To be selected. |
| Estimated Fiscal Year 1980 | --- | -- | --- | |
| Estimated through September 30, 1980 | --- | -- | --- | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | L-2,000; G-300 | G-700 | L-2,000; G-1,000 | |

| | | | | | | | |
|---|--|---|--|--|--|---|--|
| TITLE Rural Technology Transfer System | | FUNDS Agriculture, Rural Development and Nutrition | | PROPOSED OBLIGATION (In thousands of dollars) FY 81 300 | | LIFE OF PROJECT 4,000 | |
| NUMBER 518-0032 | | PRIOR REFERENCE None. | | INITIAL OBLIGATION FY 80 | | ESTIMATED FINAL OBLIGATION FY 84 | |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | | NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/> | | | | ESTIMATED COMPLETION DATE OF PROJECT FY 85 | |

Purpose: To assist the Government of Ecuador (GOE) to develop a system for improving access to rural development technologies, technical assistance, and training from U.S. land-grant universities and other institutions.

Background and Progress to Date: The GOE is developing a new integrated rural development (IRD) system to deal with the multiple problems of the rural poor. Foreign technical assistance will be necessary to assist the Government to overcome such serious technical and institutional constraints hindering rural development as: (1) an inadequate research capability to develop and test appropriate new technologies for small farmers; (2) severe institutional and technical limitations of the extension service; (3) an insufficient technical and managerial expertise to develop the proposed IRD system; and (4) a lack of qualified agricultural technicians equipped to conceive and carry out projects that are responsive to the needs of the rural population. To deal with these problems adequately, Ecuador must improve its access to foreign sources of technology, technical assistance and training while developing a system for better directing these resources to high priority rural development and agricultural productivity problems. This project will: (1) define technological and institutional problems; (2) direct foreign technical resources to appropriate Ecuadorean agencies; (3) facilitate the acquisition of specific research, institution-building and training information; and (4) evaluate the results. Assistance will also be provided for the establishment of a campesino training institute. This project, which builds on the information developed by a Title XII baseline study, will develop long-term linkages between Ecuadorean agricultural agencies and U.S. land-grant universities and other institutions, thereby furthering the objectives of Title XII.

Host Country and Other Donors: The GOE will provide the administrative support, including office space and professional staff,

necessary for this project amounting to approximately \$250,000. The UN Development Program and the Food and Agricultural Organization will provide some technical advisors. The World Bank recently signed a loan for \$18 million for an integrated rural development project in Tungurahua Province. The Inter-American Development Bank is financing integrated rural development projects in the Oriente Region and Guayas River Basin. The activities financed by A.I.D. will complement these programs by strengthening Ecuadorean Government implementation institutions.

Beneficiaries: The project will benefit some 600,000 rural families at a cost to A.I.D. of \$6.66 per family.

FY 81 Program: A project management system will be established within the IRD Coordinating Board, and a Campesino Training Institute will be made operational. Foreign advisory services will be provided, and short and long-term training initiated.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---|----------------|-------|
| | All Years | |
| | Unit | Cost |
| Local adaptive research projects | 40 | (50) |
| Campesino Training Institute made operational | 1 | (800) |
| Short courses for campesino leaders and technicians | 30 | (10) |
| Participants trained | 25 | (34) |

| A.I.D. Financed Inputs: | FY 81 |
|---|------------|
| Personnel (25 person months) | 165 |
| Participants (20 person months) | 60 |
| Commodities (office and duplicating equipment) | 25 |
| Other Costs (in-country training and support costs) | 50 |
| Total | 300 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES To be selected. |
|--|-------------|-------------------------|----------------------|--|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | --- | --- | --- | |
| Estimated Fiscal Year 1980 | 200 | 100 | | |
| Estimated through September 30, 1980 | 200 | 100 | 100 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 300 | 3,500 | 4,000 | |

| | | | | | |
|--|--|---|---|----------------------------------|--|
| TITLE Community Based Distribution of Contraceptives | | FUNDS Population Planning | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 518-0014 | | PRIOR REFERENCE FY 80 Population Planning Annex VII, p.84 | FY 81 | LIFE OF PROJECT | 2,000 |
| GRANT <input checked="" type="checkbox"/> | LOAN <input type="checkbox"/> | | 400 | | |
| NEW <input type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | | INITIAL OBLIGATION FY 80 | ESTIMATED FINAL OBLIGATION FY 83 | ESTIMATED COMPLETION DATE OF PROJECT FY 84 |

Purpose: To establish a system for the effective provision of family planning education, information and services to the rural poor in Ecuador.

Background and Progress to Date: Ecuador's population growth rate of 3.3% per annum is one of the world's highest. Only 12% of married women of reproductive age regularly use contraceptives. The family planning services provided by the Government of Ecuador (GOE) as part of its health programs are ineffective and provide only minimal coverage. Family planning education, information, and services are generally unavailable to most of the population -- especially in the rural areas where 57% of the people live. There are a number of interrelated causes for this situation: (1) poor education and health status of the population; (2) ineffective mechanisms for providing family planning information and services; (3) the inadequate numbers of trained and motivated personnel at both the national and local levels; and (4) insufficient government financial resources to permit the services to be extended to the rural communities where they are most needed. This project is designed to contribute to reducing the high population growth rate by ameliorating the above listed causes. A.I.D. will cooperate with the Ministry of Health and the Social Security Institute to carry out an experimental contraceptive distribution project in 100 test communities. This effort will be part of an interrelated series of A.I.D. activities designed to support the government's overall integrated rural development policies and programs. Project activities, which will be channelled through the GOE's regular health service facilities, will include training community level personnel, developing a field supervisory system, carrying out family planning education activities and preparing a promotional program. The experience gained from this pilot program will be used to develop a nationwide family planning/contraceptive distribution program in Ecuador.

Host Country and Other Donors: Under the project the GOE will provide approximately \$500,000 for salaries of medical, paramedical and other technical personnel. The Inter-American Development Bank is providing a loan of \$9.5 million to finance the construction of and equipment for 750 new health posts which will complement this project. The UN Fund for Population Activity will provide \$1.2 million annually for a maternal/child health program. The British Government will provide technical assistance related to family planning information activities.

Beneficiaries: The project will benefit approximately 200,000 persons at an estimated cost to A.I.D. of \$10 per person.

FY 81 Program: Audio-visual training materials will be provided to 100 health posts. The training of field auxiliary personnel and community motivators will continue. A supervisory system will be developed, and the training of supervisory personnel will start.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|--|----------------|------|
| | All Years | |
| | Unit | Cost |
| Number of motivators trained | 400 | (2) |
| Distribution points established | 100 | (12) |
| A.I.D. Financed Inputs: | | |
| | FY 81 | |
| Commodities (equipment and materials) | 243 | |
| Other costs (local personnel, promotional materials, training) | 157 | |
| Total | 400 | |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | -- | -- | -- | To be selected. |
| Estimated Fiscal Year 1980 | 500 | 450 | | |
| Estimated through September 30, 1980 | 500 | 450 | 50 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 400 | 1,100 | 2,000 | |

| | | | | | | |
|---|-------------------------------|--|------------------------------|---|-------------------------------------|---|
| TITLE Population and Family Planning | | | FUNDS Population Planning | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 518-0026 | | | PRIOR REFERENCE None. | FY 81 380 | LIFE OF PROJECT 2,900 | |
| GRANT <input checked="" type="checkbox"/> | LOAN <input type="checkbox"/> | NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/> | | INITIAL OBLIGATION FY 81 | ESTIMATED FINAL OBLIGATION FY 84 | ESTIMATED COMPLETION DATE OF PROJECT FY 85 |

Purpose: (1) To promote awareness among Ecuador's leadership of the need to formulate a demographic policy consistent with the country's population situation; and (2) to promote the family planning concept among future potential users.

Background: Ecuador's official population policy recognizes the right of every couple to determine the size of its family. However, implementation of this policy has been passive and mostly oriented toward improving the health of the mother and the child. It has not addressed the demographic problem the country is facing: its 3.3% population growth rate is one of the world's highest. The newly elected Government of Ecuador (GOE) is beginning to realize the implications of this unchecked growth, but it does not have the required data base to define its impact on the development of the country and to formulate an appropriate response. This project will: (1) assist the GOE National Institute of Statistics and Census (INEC) to conduct studies on the social implications of population growth for food needs, job needs, education, health and/or other sectors; (2) use the findings of the studies to promote greater awareness of the population problem and help the GOE formulate an appropriate demographic policy; (3) encourage the GOE's Ministry of Health to actively promote family planning and expand services; and (4) establish an education program for teachers in sex education, responsible parenthood, and family planning as a vehicle to promote, through the school system, the use of family planning services.

The project complements A.I.D.'s Rural Health, Nutrition and Potable Water Project and the PL 480 Title II Program by developing an integrated approach to address Ecuador's health and population problems and to improve the living standard of its poor population.

Host Country and Other Donors: The INEC will provide personnel and the administrative/logistic support to carry out the data collection activities. The Ministry of Education will provide the staff and facilities to carry out the training programs. The U.S. Department of Health, Education and Welfare's Office of International Statistics will provide technical assistance. The UN Fund for Population Activity will support INEC's data collection activities. The GOE will contribute \$975,000 or 25% of total project costs.

Beneficiaries: Approximately 700,000 secondary school students will be directly reached through the sex education component at an approximate cost of \$2 per student.

FY 81 Program: Data collection will be initiated; training programs for teacher training teams will be conducted in selected provinces; and a Didactic Material Production Unit will be organized.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|--|----------------|-------|
| | Unit | Cost |
| Teachers trained | 1,000 | (2) |
| Research projects completed | 5 | (150) |
| A.I.D. Financed Inputs: | | |
| | FY 81 | |
| Personnel (24 person months) | | 130 |
| Participants (40 person months) | | 80 |
| Other costs (local training, research materials, logistic support) | | 170 |
| Total | | 380 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES To be selected. |
|--|-------------|--------------|--------------|--|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | -- | -- | -- | |
| Estimated Fiscal Year 1980 | -- | -- | -- | |
| Estimated through September 30, 1980 | -- | -- | -- | |
| Proposed Fiscal Year 1981 | 380 | 2,520 | 2,900 | |

| | | | | | | |
|---|--|--|--------------------------|---|--|--|
| TITLE Rural Health, Nutrition and Potable Water | | FUNDS Health | | PROPOSED OBLIGATION (In thousands of dollars) | | |
| | | | | FY 81 L-2,000; G-150 | LIFE OF PROJECT L-2,000; G-1,300 | |
| NUMBER GRANT <input checked="" type="checkbox"/> | 518-0015 LOAN <input checked="" type="checkbox"/> | NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/> | PRIOR REFERENCE None. | INITIAL OBLIGATION FY 81 | ESTIMATED FINAL OBLIGATION FY 84 | ESTIMATED COMPLETION DATE OF PROJECT FY 85 |

Purpose: To develop a low-cost, integrated rural health delivery system which includes provision of nutrition services and safe drinking water.

Background: Ecuador is confronting serious health problems, particularly in rural areas. The rural infant mortality rate exceeds 70 per 1,000 births, and about 40% of the children under 5 years of age are malnourished. Respiratory, intestinal, and other communicable diseases abound. The main interrelated causes of this situation are: (1) the Government of Ecuador (GOE) has not placed high priority on preventive health measures and does not have an effective health delivery system which maximizes the use of its limited resources; (2) there are three physicians per 10,000 rural people, and only sporadic attempts are being made to train village midwives and paramedical workers; (3) few rural Ecuadoreans have access to potable water, and environmental sanitation is extremely poor; and (4) there are serious protein and calorie deficiencies in the diets of rural people.

A.I.D. will assist the GOE's Ministry of Health (MOH) in developing a replicable, low-cost health delivery system (emphasizing prevention) that will: (1) better utilize and coordinate existing health sector resources; (2) maximize the use of "outreach" health workers to compensate for the scarcity of doctors serving rural areas; (3) integrate health and nutrition education, breast feeding campaigns, demonstration gardens, fortified food production, and village water systems into the health delivery system; and (4) develop and establish effective linkages between small communities and referral networks in secondary cities. This project is part of an interrelated series of A.I.D. activities designed to support the GOE's integrated rural development (IRD) programs. Field activities will be implemented in pilot IRD regions.

Host Country and Other Donors: The MOH and the Institutes of Nutrition and Sanitary Works will provide planning and implementation staff as well as logistic support for field activities, including health post facilities. The Inter-American Development Bank has approved a \$9.5 million loan which will finance the construction of health posts throughout the country. The GOE will contribute \$1.1 million or 25% of the total project costs.

Beneficiaries: The project will benefit approximately 70,000 families or 420,000 persons during its five-year life at a cost of \$47 per family.

FY 81 Program: Pilot communities will be organized, training for community level health workers will be initiated, the water sub-projects will be started; and research will be conducted to determine appropriate nutritional activities.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---|----------------|------|
| | All Years | |
| | Unit | Cost |
| Health posts equipped | 80 | (20) |
| Water projects completed | 120 | (4) |
| Health workers trained | 90 | (5) |
| Supervisors and health planners trained | 20 | (10) |

| A.I.D. Financed Inputs: | FY 81 | |
|---|------------|--------------|
| | Grant | Loan |
| Personnel (20 person months) | 100 | -- |
| Participants (20 person months) | 50 | -- |
| Commodities (medical equipment, pumps, training and construction materials) | -- | 1,600 |
| Other costs (local labor/logistic support) | -- | 400 |
| TOTAL | 150 | 2,000 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES To be selected. |
|--|----------------|-------------------------|----------------------|--|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | -- | -- | -- | |
| Estimated Fiscal Year 1980 | -- | -- | -- | |
| Estimated through September 30, 1980 | -- | -- | -- | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | L-2,000; G-150 | G-1,150 | L-2,000; G-1,300 | |

| | | | | | |
|---|--|--|---|-------------------------------------|--|
| TITLE Training for Development | | FUNDS Education and Human Resources | PROPOSED OBLIGATION (In thousands of dollars) | | |
| | | | FY 81 250 | LIFE OF PROJECT 1,000 | |
| NUMBER 518-0017 | NEW <input type="checkbox"/> | PRIOR REFERENCE | INITIAL OBLIGATION FY 80 | ESTIMATED FINAL OBLIGATION FY 83 | ESTIMATED COMPLETION DATE OF PROJECT FY 84 |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | FY 80 Latin America Programs, p.260 | | | |

Purpose: To assist the Government of Ecuador (GOE) to develop and establish a public sector training system.

Background and Progress to Date: A crucial development constraint exists within the Ecuadorean Government itself. There is a lack of trained and qualified public service officers at all levels. Development related training with a major emphasis on management is necessary to improve government efficiency and to facilitate implementation of a wide range of development activities. The GOE has developed neither a coherent staff training policy nor a unified institutional framework to address this critical constraint. There are many institutions carrying out a variety of ad hoc training programs, but these partial, uncoordinated efforts often do not respond to the main problems faced by Ecuador's public administration. This project will assist the GOE in establishing a Public Administration Manpower Training System under the GOE Presidency. Under this system, the GOE will: (1) carry out regular staff training analyses in order to assess the public sector training needs; (2) establish priorities for training; (3) develop training methodologies and technologies; (4) develop trainee selection procedures; (5) indentify in-country and foreign training opportunities; and (6) carry out continuous evaluations of training impact.

Host Country and Other Donors: The GOE will provide counterpart personnel, office facilities, and logistic support totalling approximately \$250,000. In the area of training the UN Development Program and Organization of American States are providing technical assistance, and the Inter-American Development Bank and the World Bank are making resources available for both local and foreign training.

Beneficiaries: As a national effort to improve Ecuador's public administration through an institutionalized training system,

the project will benefit indirectly the whole population. Directly, the project will benefit about 1,500 GOE officials who will receive training during the first three years of the project. Estimated per beneficiary cost is \$666.

FY 81 Program: One full-time advisor and three short-term consultants will work with the GOE Presidency in continuing the assessment of training needs, further developing training methodologies and refining priorities. Training activities will continue.

| | | |
|---|------------------|-------------|
| | (\$ thousands) | |
| Major Outputs (and A.I.D. Unit Cost): | <u>All Years</u> | |
| | <u>Unit</u> | <u>Cost</u> |
| Public administration staff training system | 1 | (250) |
| Public officials trained | 1,500 | (.5) |
| | | |
| A.I.D. Financed Inputs: | <u>FY 81</u> | |
| Personnel (18 person months) | | 100 |
| Participants (10 person months) | | 40 |
| Commodities (training and printing materials) | | 60 |
| Other costs (local training, local personnel, logistic support) | | 50 |
| | | <hr/> |
| TOTAL | | 250 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--------------------------------|-----------------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | -- | -- | -- | To be selected. |
| Estimated Fiscal Year 1980 | 400 | 300 | | |
| Estimated through September 30, 1980 | 400 | 300 | 100 | |
| | | <u>Future Year Obligations</u> | <u>Estimated Total Cost</u> | |
| Proposed Fiscal Year 1981 | 250 | 350 | 1,000 | |

PROGRAM: ECUADOR

ACTIVITY DATA SHEET

CP 81-05 (8-79)

| | | | | | |
|--|-------------------------------|--|---|--|--|
| TITLE Special Development Activities | | FUNDS Selected Development Activities | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 518-0004 | | PRIOR REFERENCE | FY 81 50 | LIFE OF PROJECT | Continuing* |
| GRANT <input checked="" type="checkbox"/> | LOAN <input type="checkbox"/> | FY 80 Latin America Programs, p. 261 | INITIAL OBLIGATION FY 79 | ESTIMATED FINAL OBLIGATION FY Continuing* | ESTIMATED COMPLETION DATE OF PROJECT FY Continuing* |
| NEW <input type="checkbox"/> | | | | | |
| CONTINUING <input checked="" type="checkbox"/> | | | | | |

Purpose: To finance self-help projects aimed at improving the lives of the rural and/or urban poor with immediate impact at the community level.

Background and Progress to Date: Numerous campesino, village, and urban groups -- e.g., cooperatives, neighborhood associations -- often engage in activities which involve segments of the local population not normally reached by the Government of Ecuador or international donor agency programs. These actions are likely to: (1) achieve a significant local civic, social or economic impact; (2) strengthen the principle of self-help among small groups of communities; and (3) generate further public awareness of and support for economic and social development projects. These self-help projects include: stream crossings; well construction; spring protection; simple, hand-built roads; and small industries and business activities.

The development of project proposals are normally assisted by U.S. Peace Corps Volunteers (PCVs) working in rural areas, villages and urban slums. These Volunteers assure that the A.I.D. financed resources are properly utilized. A simplified annual evaluation of the projects assisted by PCVs is conducted by the local Peace Corps office, with A.I.D. participation.

Host Country and Other Donors: Very limited inputs are expected from either host country or other donors. Local governments and community organizations will provide some in-kind contributions.

Beneficiaries: Beneficiaries include an estimated 1,500 campesinos, villagers or urban slum dwellers per annum who have indicated a willingness to participate in their own development through contributions of labor, commodities, services or funds. The estimated cost to A.I.D. per family benefited is under \$50.

FY 81 Program: Locally procured commodities and other costs will be apportioned to not less than twenty self-help projects in the year. Most of these projects will be under the supervision of Peace Corps Volunteers.

| Major Outputs: | (\$ thousands) Through FY 81 |
|--|---------------------------------|
| Subprojects | 60 |
| <u>A.I.D. Financed Inputs:</u> | <u>FY 81</u> |
| Locally purchased commodities and training seminars | <u>50</u> |
| Total | 50 |

*It is expected that activities under this project will continue as long as A.I.D. maintains an assistance program in Ecuador.

| U.S. FINANCING (In thousands of dollars) | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|-----------------------------------|
| | Obligations | Expenditures | |
| Through September 30, 1979 | 75 | 75 | None. |
| Estimated Fiscal Year 1980 | 50 | 50 | |
| Estimated through September 30, 1980 | 125 | 125 | |
| | | | |
| | | Future Year Obligations | Estimated Total Cost |
| Proposed Fiscal Year 1981 | 50 | Continuing* | Continuing* |

| | | | | | |
|---|--|--|---|-------------------------------------|---|
| TITLE Alternative Energy Sources | | FUNDS Selected Development Activities | PROPOSED OBLIGATION (In thousands of dollars) FY 81 L-1,900; G-200 | | LIFE OF PROJECT L-1,900; G-800 |
| NUMBER 518-0029 | NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/> | PRIOR REFERENCE None. | INITIAL OBLIGATION FY 81 | ESTIMATED FINAL OBLIGATION FY 84 | ESTIMATED COMPLETION DATE OF PROJECT FY 85 |
| GRANT <input checked="" type="checkbox"/> | LOAN <input checked="" type="checkbox"/> | | | | |

Purpose: To assist Ecuadorean institutions to develop their capacity to identify, test, adapt, demonstrate and disseminate: (1) technologies for producing energy from nonconventional sources and (2) farm and household technologies which utilize non-conventional sources of energy or which utilize traditional sources more effectively.

Background: As with all developing nations, Ecuador's energy needs are growing. Currently an oil exporter, it has become heavily reliant on petroleum as an energy source. However, by the mid-1980s, consumption is expected to exceed domestic production. Ecuador has begun developing its hydroelectric potential, but it will be some years before this energy source can be sufficiently exploited to have a meaningful impact on the country's production of energy. A concomitant problem in the rural areas (where 57% of the population lives) is rapid deforestation. Rural Ecuador's main energy source -- i.e., wood -- is becoming increasingly scarce, and little is being done to reverse this trend.

To begin reducing its excessive dependence on conventional energy sources and to stop serious environmental degradation, Ecuador needs to develop alternative energy sources. To avoid a serious energy crunch in the mid-1980s, the country also needs to utilize more efficiently its traditional energy supplies. This project addresses these needs by providing technical assistance and training in specific problem areas, building prototypes, and testing and demonstrating nonconventional energy technologies and conservation activities. A credit mechanism to encourage the development of small industries that can produce and market nonconventional energy technologies will also be established. Emphasis will be placed on new technologies such as solar crop dryers and refrigeration, mini-hydro/generation, biogas digesters, gasohol, wind power for irrigation, and more efficient wood burning cooking stoves.

Host Country and Other Donors: The Government of Ecuador's (GOE) National Energy Institute will coordinate the project. Specific activities will be carried out by regional development authorities and the autonomous agencies of the Ministry of Natural Resources. The project will be coordinated with the activities of the UN and the Government of Great Britain. The GOE will contribute \$950,000 or 25% of total project costs.

Beneficiaries: The project is expected to benefit at least one-third of the rural population (or 275,000 families) at a cost of \$10 per family.

FY 81 Program: Technicians will be contracted, and the project will concentrate its first year on technical assistance, training, and the building and testing of prototypes.

| | | |
|--|----------------|-----------------------|
| <u>Major Outputs (and A.I.D. Unit Cost):</u> | (\$ thousands) | |
| | <u>Unit</u> | <u>All Years Cost</u> |
| Energy planners, economists, and technicians trained | 10 | (10) |
| Prototypes constructed and tested | 30 | (30) |
| Small business credits established | 40 | (35) |
| Technicians trained in-country | 100 | (.5) |

| | | |
|--|--------------|--------------|
| <u>A.I.D. Financed Inputs:</u> | FY 81 | |
| | <u>Grant</u> | <u>Loan</u> |
| Personnel (120 person months) | 150 | 500 |
| Participants (20 person months) | 50 | --- |
| Commodities | --- | 500 |
| Other costs (in-country training and credit) | --- | 900 |
| TOTAL | 200 | 1,900 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------------------|--------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | --- | --- | --- | |
| Estimated Fiscal Year 1980 | --- | --- | --- | |
| Estimated through September 30, 1980 | --- | --- | --- | |
| | Future Year Obligations | | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | L-1,900; G-200 | G-600 | L-1,900; G-800 | |

To be selected.

| | | | | | |
|--|---|--|---|----------------------------|---------------------------|
| TITLE Secondary Cities Development | | FUNDS Selected Development Activities | PROPOSED OBLIGATION (In thousands of dollars) | | |
| | | | FY 81 L-1,000;G-482 | LIFE OF PROJECT | L-1,000;G-700 |
| NUMBER 518-0030 | NEW <input checked="" type="checkbox"/> | PRIOR REFERENCE | INITIAL OBLIGATION | ESTIMATED FINAL OBLIGATION | ESTIMATED COMPLETION DATE |
| GRANT <input checked="" type="checkbox"/> LOAN <input checked="" type="checkbox"/> | CONTINUING <input type="checkbox"/> | None. | FY 81 | FY 84 | FY 85 |

Purpose: To establish a systematic and integrated approach for addressing the housing, infrastructure, employment and social service needs of the urban poor in Ecuador's secondary cities.

Background: Rapid rural to urban migration is straining the capacity of Ecuadorean public and private sector institutions to provide the urban population with housing, employment and social services. The various housing institutions have concentrated on middle class housing, and other entities with programs complementary to housing have not coordinated their actions in addressing the problems of the urban poor. These problems are particularly acute in Ecuador's secondary cities.

The Government of Ecuador (GOE) is implementing a decentralization policy aimed at improving the quality of life in secondary cities. An attempt is also being made to develop these into improved regional growth and service centers that better support regional development. A.I.D.'s strategy is to assist the GOE to implement a system that can meet the housing, employment, infrastructure and basic needs of the urban poor in these cities. Model integrated projects will include: low-cost housing financed by the Housing Investment Guaranty (HIG) program; employment expansion in small industries and agro-industries financed with GOE/A.I.D. loan resources; GOE financed infrastructure; and A.I.D. grant financed technical assistance, training and institution building for national and municipal agencies. This effort is the second in a series of A.I.D. projects (the first involves a similar FY 1980 project located in Quito) designed to support a GOE integrated urban development system that can reach the urban poor.

Host Country and Other Donors: The project will be coordinated among several GOE institutions, including the National Development Council, the National Housing Board, the Housing Bank and various ministries and municipalities. Both public and private institutions

will serve as sponsoring organizations (developers) for individual subprojects. These include private foundations, the Social Security System and housing cooperatives. The World Bank is supporting a similar project in Guayaquil. The GOE will contribute \$600,000, or approximately 25% of total project costs.

Beneficiaries: The project will benefit approximately 5,000 families for a per family cost of \$340.

FY 81 Program: The HIG (\$20 million) and this project's loan component respectively will provide 5,000 housing solutions and jobs for 1,000 families. Contract technical assistance and training funds will be provided to various GOE institutions to facilitate project implementation. A special mechanism will be established under the direction of the National Development Council to undertake integrated urban development directed toward the poor.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---------------------------------------|----------------|-------|
| | All Years | |
| | Unit | Cost |
| Jobs created | 1,000 | (1.5) |
| Local research programs | 10 | (10) |
| Participants trained | 20 | (2.5) |
| A.I.D. Financed Inputs: | | |
| | Grant | Loan |
| Personnel (48 person months) | 342 | -- |
| Participants (12 person months) | 50 | -- |
| Commodities (office equipment) | 90 | -- |
| Credit fund | -- | 1,000 |
| Total | 482 | 1,000 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|---------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | -- | -- | -- | To be selected. |
| Estimated Fiscal Year 1980 | -- | -- | -- | |
| Estimated through September 30, 1980 | -- | -- | -- | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | L-1,000;G-482 | G-218 | L-1,000;G-700 | |

ECONOMIC AND SOCIAL DATA

COUNTRY: EL SALVADOR

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1979) 4,669

PER CAPITA GNP..... (DOLLARS,1977) 550

AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-77) 1.8%

AVERAGE ANNUAL RATE OF INFLATION (1960-70) 0.3% (1970-77) 9.3%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION., (1977) 4.3%

LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1973) TOTAL 57.8 MALE 56.0 FEMALE 59.7
 (1968) TOTAL 54.9 MALE 53.2 FEMALE 56.7

ADULT LITERACY RATE (1971) TOTAL 57% MALE 61% FEMALE 54%
 (1961) TOTAL 49% MALE 54% FEMALE 45%

AGRICULTURE

AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1970-1978) 0.1%

AGRICULTURAL PRODUCTION AS % OF GDP..... (1977) 30%

POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1979) 934

LAND OWNED: (1973) BY TOP 10% 78.0% BY LOWEST 10% .4%

MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: CORN 52% (1978)
 CASH: COFFEE 30% (1978)

MAJOR AGRICULTURAL EXPORTS:(1978) COFFEE COTTON BEEF & VEAL

MAJOR AGRICULTURAL IMPORTS:(1978) GRAINS ANIMAL FATS

PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1977) 47%

CENTRAL GOVERNMENT FINANCES

TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)
 (1975) 233 (76) 327 (77) 473

TOTAL EXPENDITURES (\$ MILLIONS, U.S.)
 (1975) 262 (76) 365 (77) 401

DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1975) -29 (76) -38 (77) 72

DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1975) 7.9% (76) 6.2% (77) 6.2%
 AS % OF GNP..... (1975) 1.0% (76) 0.9%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1976) 205 (77) 233 (78) 291
 EQUIVALENT TO 3.0 MONTHS OF IMPORTS (1978)

FOREIGN TRADE

MAJOR EXPORTS... (1978) COFFEE COTTON

EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1976) 236 (1977) 316 (1978) 100
 AS % OF TOTAL EXPORTS (1976) 33% (1977) 33% (1978) 16%

MAJOR IMPORTS... (1978) MACHINERY MOTOR VEHICL PETROLEUM

IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1976) 205 (1977) 277 (1978) 172
 AS % OF TOTAL IMPORTS (1976) 29% (1977) 29% (1978) 17%

TRADE BALANCE(\$ MILLIONS, US)(1976) 2 (77) 20 (78) -392

MAIN TRADING PARTNERS: UNITED STATES GUATEMALA GERMANY, FED

EXTERNAL PUBLIC DEBT AS % OF GNP (1977) 10.2%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1977) 63
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1977) 5.9%

SOCIAL DATA

POPULATION GROWTH RATE.....(1968-78) 3.0%

POPULATION IN URBAN AREAS..... (1969) 39% (1974) 39%

TOTAL BIRTHS PER 1,000 POPULATION..... (1977) 42

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION... (1978) 34%

POPULATION (1975) IN AGE GROUP:
 (0-14YRS) 46.5% (15-60YRS) 49.3% (60+ YRS) 5.4%

INFANT DEATHS DURING FIRST YEAR OF LIFE / 1000 INFANTS (1977) 60

PEOPLE PER PHYSICIAN..... (1976) 3,820

MAJOR CAUSES OF DISEASE (1974)MALARIA FLU & PNEUMONIA
 DEATH.. (1974)ENTERIC DISEASE ACCIDENTS NATAL DISEASES

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.... (1974) 84%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975) 53%

TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:
 PRIMARY... (AGES 5-14)(1977) TOTAL 65.4% MALE 66.8% FEMALE 63.9%
 SECONDARY..... (15-19)(1977) TOTAL 13.6% MALE 14.8% FEMALE 12.3%
 POST SECONDARY (20-24)(1975) TOTAL 7.9% MALE 10.6% FEMALE 5.3%

ENERGY PRODUCTION AS % OF CONSUMPTION..... (1976) 8%

U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS
(U.S. Fiscal Years – Millions of Dollars)

COUNTRY **EL SALVADOR**

| PROGRAM | FOREIGN ASSISTANCE ACT PERIOD | | | | | TOTAL LOANS AND GRANTS 1946-78 | REPAY- MENTS AND INTEREST 1946-78 | TOTAL LESS REPAY- MENTS AND INTEREST 1946-78 |
|--|-------------------------------|------|-----|------|------|---|--|--|
| | 1975 | 1976 | TQ | 1977 | 1978 | | | |
| I. ECONOMIC ASSISTANCE – TOTAL | 3.9 | 6.0 | 1.3 | 6.8 | 10.9 | 180.5 | 29.7 | 150.8 |
| Loans | - | 0.1 | - | - | 5.7 | 87.1 | 29.7 | 57.4 |
| Grants | 3.9 | 5.9 | 1.3 | 6.8 | 5.2 | 93.4 | - | 93.4 |
| a. A.I.D. and Predecessor Agencies | 1.3 | 1.6 | 0.2 | 2.7 | 8.0 | 109.9 | 14.7 | 95.2 |
| Loans | - | - | - | - | 5.7 | 64.4 | 14.7 | 49.7 |
| Grants | 1.3 | 1.6 | 0.2 | 2.7 | 2.3 | 45.5 | - | 45.5 |
| (Security Supporting Assistance) | - | - | - | - | - | - | - | - |
| b. Food for Peace (PL 480) | 1.6 | 3.3 | 0.1 | 2.7 | 1.7 | 33.8 | 0.7 | 33.1 |
| Loans | - | - | - | - | - | 0.6 | 0.7 | 0.1- |
| Grants | 1.6 | 3.3 | * | 2.7 | 1.7 | 33.2 | - | 33.2 |
| Title I - Total Sales Agreements | - | - | - | - | - | 0.6 | 0.7 | 0.1- |
| Repayable in U.S. Dollars - Loans | - | - | - | - | - | 0.6 | 0.7 | 0.1- |
| Payable in Foreign Currency - Planned for Country Use | - | - | - | - | - | - | - | - |
| Title II - Total Grants | 1.6 | 3.3 | 0.1 | 2.7 | 1.7 | 33.2 | - | 33.2 |
| Emerg. Relief, Econ. Develop. & World Food Program | 0.7 | 0.9 | 0.1 | 1.3 | 0.6 | 6.0 | - | 6.0 |
| Voluntary Relief Agencies | 0.9 | 2.4 | * | 1.4 | 1.1 | 27.2 | - | 27.2 |
| c. Other Economic Assistance | 1.0 | 1.1 | 1.0 | 1.4 | 1.2 | 36.8 | 14.3 | 22.5 |
| Loans | - | 0.1 | - | - | - | 22.1 | 14.3 | 7.8 |
| Grants | 1.0 | 1.0 | 1.0 | 1.4 | 1.2 | 14.7 | - | 14.7 |
| Peace Corps | 0.8 | 0.9 | 0.2 | 1.4 | 1.2 | 10.6 | - | 10.6 |
| Other | 0.2 | 0.1 | 0.8 | * | - | 4.1 | - | 4.1 |
| II. MILITARY ASSISTANCE – TOTAL | 5.5 | 1.0 | 0.1 | 0.5 | * | 16.8 | 2.4 | 14.4 |
| Credits or Loans | 3.0 | - | - | - | - | 3.4 | 2.4 | 1.0 |
| Grants | 2.5 | 1.0 | 0.1 | 0.5 | * | 13.4 | - | 13.4 |
| a. MAP Grants | 0.7 | 0.2 | 0.1 | * | * | 5.0 | - | 5.0 |
| b. Credit Financing - FMS | 3.0 | - | - | - | - | 3.4 | 2.4 | 1.0 |
| c. Military Assistance Service-Funded (MASF) Grants | 0.5 | 0.8 | - | 0.5 | - | 5.8 | - | 5.8 |
| d. Transfers from Excess Stocks | 1.3 | * | - | - | - | 2.5 | - | 2.5 |
| e. Other Grants | - | - | - | - | - | 0.1 | - | 0.1 |
| III. TOTAL ECONOMIC AND MILITARY ASSISTANCE | 9.4 | 7.0 | 1.4 | 7.3 | 10.9 | 197.3 | 32.1 | 165.2 |
| Loans | 3.0 | 0.1 | - | - | 5.7 | 90.5 | 32.1 | 58.4 |
| Grants | 6.4 | 6.9 | 1.4 | 7.3 | 5.2 | 106.8 | - | 106.8 |
| Other U.S. Government Loans and Grants | 0.6 | 6.4 | 0.2 | 1.5 | - | 21.7 | 16.7 | 3.5 |
| a. Export-Import Bank Loans | 0.6 | 6.4 | 0.2 | - | - | 20.2 | 16.7 | 3.5 |
| b. All Other Loans | - | - | - | 1.5 | - | 1.5 | * | * |

* LESS THAN \$50,000.

TQ - TRANSITIONAL QUARTER

ECONOMIC PROGRAMS OF OTHER DONORS

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

(Thousands of dollars)

| TOTAL | FY 1977 | FY 1978 | FY 1979 | FY 1946-79 |
|----------|---------|---------|---------|------------|
| TOTAL | 23,600 | 101,881 | 60,022 | 521,025 |
| IBRD | 6,700 | 32,160 | 23,500 | 214,270 |
| IFC | - | - | - | 974 |
| IDB | 10,100 | 69,590 | 29,500 | 253,625 |
| UNDP | 800 | 131 | 5,622 | 20,556 |
| OTHER UN | - | - | 1,400 | 6,000 |
| IDA | 6,000 | - | - | 25,600 |

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

(Millions of dollars)

1. D.A.C. COUNTRIES (Excluding U.S.) (Gross Disbursements)

| Donor | CY 1977 | CY 1978 | CY 1969-78 |
|--------------|---------|---------|------------|
| TOTAL | 11.20 | 16.74 | 52.25 |
| Japan | 7.50 | 12.73 | 23.93 |
| Germany | 1.70 | 1.90 | 12.20 |
| Canada | 0.40 | 0.43 | 6.73 |
| UK | 0.50 | 0.79 | 6.09 |
| Other | 1.10 | .89 | 3.29 |

2. O.P.E.C. COUNTRIES (Net Disbursements)

| TOTAL | CY 1977 | CY 1978 | CY 1973-78 |
|-------|---------|---------|------------|
| TOTAL | | | |

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

(Millions of dollars)

| TOTAL | CY 1977 | CY 1978 | CY 1954-78 |
|-------|---------|---------|------------|
| TOTAL | | | |

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| PROGRAM SUMMARY | | | | | | | |
|---------------------------|---------------------|--|---------------------|--------------|---|---------------------------------|----------------|
| (In thousands of dollars) | | | | | | | |
| Fiscal Year | Total ^{A/} | Agriculture, Rural Development and Nutrition | Population Planning | Health | Education and Human Resources Development | Selected Development Activities | Other Programs |
| 1979 | | | | | | | |
| Loans | 4,200 | - | - | - | 4,200 | - | - |
| Grants . . . | 1,845 | 360 | 666 | 390 | 380 | 49 | - |
| Total .. | 6,045 | 360 | 666 | 390 | 4,580 | 49 | - |
| 1980 | | | | | | | |
| Loans | 20,000 | 12,100 | - | - | 2,900 | 5,000 | - B/ |
| Grants . . . | 8,626 | 1,277 | 1,000 | 394 | 125 | 830 | 5,000 |
| Total .. | 28,626 | 13,377 | 1,000 | 394 | 3,025 | 5,830 | 5,000 |
| 1981 | | | | | | | |
| Loans | 15,000 | 9,000 | - | 4,000 | - | 2,000 | - |
| Grants . . . | 3,219 | 1,000 | 750 | 500 | - | 969 | - |
| Total .. | 18,219 | 10,000 | 750 | 4,500 | - | 2,969 | - |

U.S. Interests

The recent change of government in El Salvador gives promise of altering the political and development climate and offers the United States an opportunity to support and reinforce progressive initiatives aimed at alleviating the country's widespread poverty.

Development Overview

El Salvador has the highest population density of any mainland country in the Western Hemisphere. Only three countries in Latin America and the Caribbean have a lower per capita income. Almost two-thirds of its 4.5 million population are poor. Rapid population growth and the heavy concentration of wealth and political power contribute to unequal income distribution, growing unemployment and political instability. Land distribution is highly skewed with one-tenth of the farms covering 78% of the land and with the smallest half of the farms covering only 5% of the land. The majority of El Salvador's population

still lacks access to basic social services and suffers from malnutrition, illiteracy, lack of shelter and chronic illness. Intense population pressure contributes to the ever-increasing numbers of landless rural and urban poor. Unemployment and underemployment are in excess of 40%. By forcing cultivation of marginal lands, the population pressures also accelerate environmental degradation in the form of deforestation, soil erosion, and river siltage and contamination.

Socio-Economic Performance

In the face of pervasive poverty, social unrest and political turmoil, El Salvador has managed to expand social services during the 1970s. Currently some 40% of government expenditures are directed to education, health, agriculture, social assistance, family planning and low-income housing. As part of its agrarian reform effort, the Government in 1979 appropriated \$40 million and authorized the borrowing of an additional \$80 million in support of the land purchase/sale institute. The Government also implemented price supports for basic grains produced predominantly by small farmers. Despite heavy investment in education, 43% of rural school age children do not yet have access to schools, and 86% of those with access to schools drop out before the 6th grade. While priority has been given to low-income housing, there is a housing deficit of 290,000 units in the urban areas alone. El Salvador has one of the most progressive population policies in the hemisphere with an explicit goal of reducing the natural growth rate to 2.9% by 1982. Between 1965 and 1978, the natural rate of population growth declined from 3.7% to 3.3% and life expectancy rose from 54 to 58 years.

Total Resources

U. S. assistance resources from A.I.D., PL 480 Title II, Peace Corps and other sources totaled some \$10 million in FY 1979. Also in 1979, the international lending agencies provided an estimated \$78 million primarily for education,

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community development, agriculture and livestock projects. The Central American Bank for Economic Integration loaned El Salvador approximately \$24 million for highway construction. UN programs provided some \$800,000 in grants for technical assistance activities while other bilateral donors made gross commitments of about \$9 million.

A.I.D. Strategy

A.I.D. intends to expand its support for the new Government of El Salvador (GOES). The new GOES is making a strong effort to move towards free and democratic elections and undertake social and economic reforms while restoring respect for basic human rights. While the new leadership has yet to determine the details of its development programs and assistance needs, it is focusing attention on equitable development programs which would revive the economy and improve the lot of the poor.

A.I.D. will support initiatives of the new Government programs which increase incomes of the rural poor, broaden their access to health services, expand adult literacy, improve nutrition and provide other basic public services to poorer rural and urban communities. A.I.D. will support a regional development program to provide basic services and stimulate community development in the Northeast, one of the most depressed zones of the country. A.I.D. will also support the Government's efforts to strengthen the capacity of local governments to provide basic public services to the urban and rural poor.

A/ Funds for Project Development and Support as well as Operational Program Grants are not included in this table. They are reflected in the Latin America and Caribbean Regional Program.

B/ Economic Support Funds.

| FY 81 PROGRAM HIGHLIGHTS |
|---|
| - Launch a program expanding extension services, improving seed varieties and upgrading agricultural marketing facilities for beneficiaries of the Agrarian Reform Program. |
| - Start a loan/grant program to strengthen the local government's capacity to provide basic services and to stimulate grass-roots community improvements. |
| - Initiate a nationwide integrated rural health program for the rural and urban poor. |

| PERSONNEL/PARTICIPANTS DATA | | | |
|--|---------------------|------------------------|-----------------------|
| CP 81-17 (8-79) | | | |
| Category | FY 1979 (Actual) | FY 1980 (Estimated) | FY 1981 (Proposed) |
| AID Personnel^a | | | |
| Direct Hire ^b | 18 | 21 | 21 |
| PASA ^c | 0 | 0 | 0 |
| Contract | 1 | 4 | 4 |
| Total | 19 | 25 | 25 |
| Participants^d | | | |
| Noncontract | 18 | 55 | 68 |
| Contract | 5 | 2 | 7 |
| Total | 23 | 57 | 75 |
| <i>a</i> U.S. nationals on duty at the end of the fiscal year. <i>b</i> FY 1980 and FY 1981 position levels. <i>c</i> Participating agency technicians. <i>d</i> Programmed during the fiscal year. | | | |

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| RESOURCE FLOWS CP 81-08 (8-79) | | | |
|--|---------------------|------------------------|-----------------------|
| <i>(In thousands of dollars)</i> | | | |
| Program | FY 1979 (Actual) | FY 1980 (Estimated) | FY 1981 (Proposed) |
| AID* | | | |
| Loans | 3,191 | 5,659 | 15,580 |
| Grants | 1,180 | 6,420 | 5,184 |
| Total AID | 4,371 | 12,079 | 20,764 |
| P.L. 480** | | | |
| Title I | - | - | - |
| (of which Title III is) | (-) | (-) | (-) |
| Title II | 2,573 | 2,985 | 3,189 |
| Total P.L. 480 | 2,573 | 2,985 | 3,189 |
| Total AID and P.L. 480 | 6,944 | 15,064 | 23,953 |
| *AID levels represent actual and estimated expenditures. | | | |
| **P.L. 480 levels represent actual and estimated value of shipments. | | | |

| P.L. 480 PROGRAMS SUMMARY CP 81-14 (8-79) | | | | | | |
|--|---------------------|-------|------------------------|-------|-----------------------|-------|
| <i>(In 000MT/\$000)</i> | | | | | | |
| Program | FY 1979 (Actual) | | FY 1980 (Estimated) | | FY 1981 (Proposed) | |
| | MT | \$ | MT | \$ | MT | \$ |
| <u>Title I</u> | | | | | | |
| Wheat | - | - | - | - | - | - |
| Rice | - | - | - | - | - | - |
| Feedgrains | - | - | - | - | - | - |
| Vegoil | - | - | - | - | - | - |
| Non-food | - | - | - | - | - | - |
| Title I Total ... (of which Title III is) | | (-) | | (-) | | (-) |
| <u>Title II</u> | | | | | | |
| Voluntary Agencies .. | | 1,604 | | 2,674 | | 2,374 |
| World Food Programs | | 969 | | 311 | | 815 |
| Gov't.-to-Gov't | | - | | - | | - |
| Title II Total | | 2,573 | | 2,985 | | 3,189 |
| Total P.L. 480 | | 2,573 | | 2,985 | | 3,189 |

MISSION DIRECTOR Charles J. Stockman, Jr.

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

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CP 81-02

PROGRAM: EL SALVADOR

| | * L / G | PROJECT NUMBER | FY OF INITIAL FUNDING | -THROUGH FY79- OBLIGATIONS | EXPENDITURES | -ESTIMATED FY80- OBLIGATIONS | EXPENDITURES | -PROPOSED FY81- OBLIGATIONS | EXPENDITURES | FUTURE YEAR OBLIGATIONS |
|---|---------|----------------|-----------------------|----------------------------|--------------|------------------------------|--------------|-----------------------------|--------------|-------------------------|
| ----- | | | | | | | | | | |
| AGRICULTURE, RURAL DEV. AND NUTRITION | | | | | | | | | | |
| GRAIN MARKETING AND STORAGE | L | 519-0165 | 74 | 5,650 | 5,491 | --- | 159 | --- | --- | --- |
| INTENSIVE SMALL FARM MANAGEMENT | G | 519-0174 | 76 | 1,161 | 924 | --- | 237 | --- | --- | --- |
| NUTRITION IMPROVEMENT | G | 519-0182 | 78 | 314 | 11 | 161 | 250 | --- | 214 | --- |
| SMALL FARM IRRIGATION SYSTEMS | L | 519-0184 | 78 | 2,300 | 18 | --- | 700 | --- | 1,200 | --- |
| AG SERVICES | * G | 519-0192 | 81 | --- | --- | --- | --- | 500 | 100 | --- |
| AG SERVICES | * L | 519-0192 | 81 | --- | --- | --- | --- | 5,000 | 900 | --- |
| SMALL FARM NATURAL RESOURCES MANAGEMENT | G | 519-0217 | 79 | 160 | 30 | --- | 75 | --- | 85 | 120 |
| SMALL ENTERPRISES DEVELOPMENT | * G | 519-0229 | 80 | --- | --- | 500 | 200 | 500 | 417 | --- |
| SMALL ENTERPRISES DEVELOPMENT | * L | 519-0229 | 80 | --- | --- | 5,000 | 1,200 | 4,000 | 3,180 | --- |
| RURAL INFRASTRUCTURE | L | 519-0257 | 80 | --- | --- | 7,100 | 300 | --- | 3,500 | --- |
| URBAN HEALTH AND NUTRITION | G | 519-0258 | 80 | --- | --- | 616 | 270 | --- | 346 | --- |
| TOTAL FOR ACCOUNT | | | | 9,585 | 6,474 | 13,377 | 3,391 | 10,000 | 9,942 | |
| GRANTS | | | | 1,635 | 965 | 1,277 | 1,032 | 1,000 | 1,162 | |
| LOANS | | | | 7,950 | 5,509 | 12,100 | 2,359 | 9,000 | 8,780 | |
| POPULATION PLANNING | | | | | | | | | | |
| FAMILY PLANNING AND POPULATION | G | 519-0149 | 66 | 6,149 | 5,293 | --- | 551 | --- | 305 | --- |
| POPULATION DYNAMICS | * G | 519-0210 | 80 | --- | --- | 1,000 | 250 | 750 | 635 | 8,175 |
| TOTAL FOR ACCOUNT | | | | 6,149 | 5,293 | 1,000 | 801 | 750 | 940 | |
| GRANTS | | | | 6,149 | 5,293 | 1,000 | 801 | 750 | 940 | |
| LOANS | | | | --- | --- | --- | --- | --- | --- | |
| HEALTH | | | | | | | | | | |
| RURAL HEALTH DELIVERY SYSTEM | G | 519-0179 | 78 | 652 | 155 | --- | 175 | --- | 200 | --- |
| RURAL POTABLE WATER DELIVERY | G | 519-0209 | 79 | 390 | 150 | --- | 150 | --- | 90 | --- |
| INTEGRATED RURAL/URBAN DEVELOPMENT | * G | 519-0245 | 81 | --- | --- | --- | --- | 500 | 75 | --- |
| INTEGRATED RURAL/URBAN DEVELOPMENT | * L | 519-0245 | 81 | --- | --- | --- | --- | 4,000 | 900 | --- |
| URBAN HEALTH AND NUTRITION | G | 519-0258 | 80 | --- | --- | 394 | 178 | --- | 216 | --- |
| TOTAL FOR ACCOUNT | | | | 1,042 | 305 | 394 | 503 | 4,500 | 1,481 | |
| GRANTS | | | | 1,042 | 305 | 394 | 503 | 500 | 581 | |
| LOANS | | | | --- | --- | --- | --- | 4,000 | 900 | |
| EDUCATION AND HUMAN RESOURCES | | | | | | | | | | |
| BASIC AND OCCUPATIONAL SKILLS TRNG. | G | 519-0172 | 78 | 280 | 1 | --- | 200 | --- | 79 | 525 |
| BASIC AND OCCUPATIONAL SKILLS TRNG. | L | 519-0172 | 78 | 3,350 | 29 | --- | 200 | --- | 800 | --- |
| RURAL PRIMARY EDUCATION EX. | G | 519-0190 | 79 | 200 | --- | 125 | 150 | --- | 175 | --- |
| RURAL PRIMARY EDUCATION EX. | L | 519-0190 | 79 | 4,200 | 500 | --- | 1,500 | --- | 1,000 | --- |

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

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CP 81-02

PROGRAM: EL SALVADOR

| | * L / G | PROJECT NUMBER | FY OF INITIAL FUNDING | -THROUGH FY79- OBLIGATIONS | EXPENDITURES | -ESTIMATED FY80- OBLIGATIONS | EXPENDITURES | -PROPOSED FY81- OBLIGATIONS | EXPENDITURES | FUTURE YEAR OBLIGATIONS |
|---------------------------------|---------|----------------|-----------------------|----------------------------|--------------|------------------------------|--------------|-----------------------------|--------------|-------------------------|
| ----- | | | | | | | | | | |
| NAT'L LITERACY IMPROVEMENT PROG | L | 519-0243 | 80 | --- | --- | 2,900 | 300 | --- | 1,100 | --- |
| TOTAL FOR ACCOUNT | | | | 8,030 | 530 | 3,025 | 2,350 | --- | 3,154 | |
| GRANTS | | | | 480 | 1 | 125 | 350 | --- | 254 | |
| LOANS | | | | 7,550 | 529 | 2,900 | 2,000 | --- | 2,900 | |
| SELECTED DEVELOPMENT ACTIVITIES | | | | | | | | | | |
| SPECIAL DEV ACTIVITIES | * G | 519-0094 | 70 | 355 | 348 | 50 | 50 | 100 | 78 | --- |
| NATIONAL CADASTER | G | 519-0171 | 76 | 473 | 374 | --- | 99 | --- | --- | --- |
| ECONOMIC POLICY DEVELOPMENT | * G | 519-0232 | 80 | --- | --- | 280 | 50 | 369 | 219 | --- |
| DEV OF LOCAL GOVT SERVICES | * G | 519-0242 | 81 | --- | --- | --- | --- | 500 | 100 | --- |
| DEV OF LOCAL GOVT SERVICES | * L | 519-0242 | 81 | --- | --- | --- | --- | 2,000 | 300 | --- |
| MARGINAL COMM IMPROVE | G | 519-0251 | 80 | --- | --- | 500 | 35 | --- | 350 | --- |
| MARGINAL COMM IMPROVE | L | 519-0251 | 80 | --- | --- | 5,000 | 1,300 | --- | 2,700 | --- |
| TOTAL FOR ACCOUNT | | | | 828 | 722 | 5,830 | 1,534 | 2,969 | 3,747 | |
| GRANTS | | | | 828 | 722 | 830 | 234 | 969 | 747 | |
| LOANS | | | | --- | --- | 5,000 | 1,300 | 2,000 | 3,000 | |
| ECONOMIC SUPPORT FUND | | | | | | | | | | |
| EMERGENCY URBAN EMPLOYMENT | G | 519-0256 | 80 | --- | --- | 5,000 | 3,500 | --- | 1,500 | --- |
| TOTAL FOR ACCOUNT | | | | --- | --- | 5,000 | 3,500 | --- | 1,500 | |
| GRANTS | | | | --- | --- | 5,000 | 3,500 | --- | 1,500 | |
| LOANS | | | | --- | --- | --- | --- | --- | --- | |
| TOTAL FOR COUNTRY | | | | 25,634 | 13,324 | 28,626 | 12,079 | 18,219 | 20,764 | |
| GRANTS | | | | 10,134 | 7,286 | 8,626 | 6,420 | 3,219 | 5,184 | |
| LOANS | | | | 15,500 | 6,038 | 20,000 | 5,659 | 15,000 | 15,580 | |

| | | | | | | | |
|---|--|--|-------------------------------------|---|-------------------------------------|--|--|
| TITLE Agricultural Services | | FUNDS Agriculture, Rural Development and Nutrition | | PROPOSED OBLIGATION (In thousands of dollars) FY 81 L-5,000; G-500 | | | LIFE OF PROJECT L-5,000; G-500 |
| NUMBER 519-0192 | | PRIOR REFERENCE None. | | INITIAL OBLIGATION FY 81 | ESTIMATED FINAL OBLIGATION FY 81 | | ESTIMATED COMPLETION DATE OF PROJECT FY 86 |
| GRANT <input checked="" type="checkbox"/> | LOAN <input checked="" type="checkbox"/> | NEW <input checked="" type="checkbox"/> | CONTINUING <input type="checkbox"/> | | | | |

Purpose: To improve the financial viability of the beneficiaries of the Government of El Salvador's (GOES) Agrarian Reform Program.

Background: The distribution of land holdings is badly skewed in El Salvador. Four of the country's farm units command 64% of the total farm lands, while 80% of the farms are less than 3 hectares in size and total only 15% of all farm lands. About 60% of El Salvador's farmers do not own their own land. As a high priority, the GOES is formulating plans to increase the access to agricultural lands of the landless and small farmers. A major reform goal is a fundamental restructuring of land holding patterns and establishment of campesino organizations to encourage more small farmer participation in the development process.

Host Country and Other Donors: Since 1973, El Salvador's National Agriculture Development Bank has provided financing to 30 cooperatives to acquire 6,300 hectares on 300 farms. Since the commencement of its operation in 1976, the El Salvador Institute of Agrarian Transformation has acquired 12,740 hectares of land and distributed 5,350 hectares to 7,600 farmers who farm these lands jointly. Another 2,600 hectares have been distributed to individual families.

Beneficiaries: A.I.D. project beneficiaries will be primarily small farmers who acquire land through the agriculture reform program. It is expected that the number of direct beneficiaries will be at least 40,000 families or 240,000 people. The estimated A.I.D. cost-per-family is \$140.

FY 81 Program: Activities undertaken under this project will help insure that the newly landed program beneficiaries will have access to those goods and services vital to their welfare and the economic viability of their production units. These goods

and services include: development of crop diversification technology, expanded extension services, increased availability of high yield inputs, improved marketing facilities and services, and cooperative development. The development of a seed improvement program, fruit and timber nursery, and small animal and livestock breeding centers will create a high return particularly suited to small farm requirements.

(\$ thousands)
Major Outputs (and A.I.D. Unit Cost): All Years

| | Unit | Cost |
|---|------|--------|
| Improved research extension service | 1 | (200) |
| Information dissemination system equipped | 1 | (1700) |
| Increased availability of agricultural inputs | 2000 | (0.5) |
| Improved marketing of diversified crops | 20 | (65) |
| Agricultural production cooperative system strengthened | 1 | (1200) |
| Agriculture reform policy and program formulation | 1 | (100) |

FY 81

| <u>A.I.D. Financed Inputs:</u> | <u>Loan</u> | <u>Grant</u> |
|--------------------------------|-------------|--------------|
| Technical Assistance | 500 | 500 |
| Training | 500 | - |
| Commodities | 3,400 | - |
| Contingency | 100 | - |
| Total | 5,000 | 500 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|----------------|--------------------------------|-----------------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | To be selected. |
| Estimated Fiscal Year 1980 | - | - | - | |
| Estimated through September 30, 1980 | - | - | - | |
| | - | <u>Future Year Obligations</u> | <u>Estimated Total Cost</u> | |
| Proposed Fiscal Year 1981 | L-5,000; G-500 | - | L-5,000; G-500 | |

| | | | | | |
|---|--|--|--|---------------------------------------|-------------------------------------|
| TITLE Small Enterprises Development | | FUNDS Agriculture, Rural Development and Nutrition | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 519-0229 | | PRIOR REFERENCE None. | FY 81 L-4,000; G-500 | LIFE OF PROJECT L-9,000; G - 1,000 | |
| GRANT <input checked="" type="checkbox"/> | LOAN <input checked="" type="checkbox"/> | NEW <input type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | INITIAL OBLIGATION FY 80 | ESTIMATED FINAL OBLIGATION FY 81 |
| | | | ESTIMATED COMPLETION DATE OF PROJECT FY 83 | | |

Purpose: To develop and expand small-scale profitable enterprises owned and operated by the Salvadoran poor.

Background and Progress to Date: An estimated 2.6 million of the country's 4.5 million population have annual per capita incomes below \$250. Of the approximately 2.45 million who live outside San Salvador, more than 1.3 million are small farm worker or tenant families, more than 700,000 are dispersed and landless poor, and more than 400,000 are inhabitants of market towns and communities. These people have few opportunities to improve their economic well-being. There have been only limited efforts to increase the number and capacity of productive enterprises owned or operated by the Salvadoran rural poor. Small-scale producers thus lack access to effective means for starting or modernizing their enterprises. Major constraints facing them include: a lack of credit at reasonable terms; inadequate supporting technical services; and few production and marketing information services. The project attacks these constraints through two community-based credit and service-delivery institutions. One is FEDECACES, a private federation which supports a system of multi-purpose cooperatives and provides its members with education services and financing. A.I.D. assistance will help FEDECACES increase its number of cooperatives outside San Salvador from 22 to 31. The second participating institution is FEDECCREDITO, a public-private federation of decentralized, privately-controlled credit agencies. A.I.D. support will help FEDECCREDITO improve its planning, provide marketing services to small-scale farming and business enterprises, and expand supervised credit services. Operations will concentrate in 11 credit agencies in the eastern and north-eastern zones, three of which will be new.

Host Country and Other Donors: FEDECACES and FEDECCREDITO will finance salary and operating costs, as well as lending capital. Their contributions are estimated at \$5.8 million. The Inter-American Development Bank is assisting FEDECCREDITO in the north-western region, while the World Bank proposes assistance in

selected urban areas.

Beneficiaries: Primary beneficiaries will be the poor who own, operate, or are employed in small-scale businesses, artisan and farm enterprises, and cooperatives. An estimated 250,000 Salvadorans will benefit from the project. Cost-per-beneficiary is estimated at less than \$40.

FY 81 Program: To extend project operations, including institutional expansion, credit and related services.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---|----------------|--------|
| | Unit | Cost |
| Education system expanded (FEDECACES) | 1 | (300) |
| Planning/evaluation system strengthened (FEDECACES) | 1 | (45) |
| Cooperatives added to FEDECACES system | 9 | (25) |
| FEDECACES sub-loans | 4,900 | (1.43) |
| Skills training program upgraded (FEDECCREDITO) | 1 | (150) |
| Planning/R&D system strengthened (FEDECCREDITO) | 1 | (100) |
| New "caja" agencies created | 3 | (60) |
| FEDECCREDITO sub-loans | 5,000 | (1.16) |

A.I.D. Financed Inputs:

| | FY 81 | |
|----------------------|-------|-------|
| | Grant | Loan |
| Technical assistance | 250 | - |
| Training | 225 | - |
| Commodities | 25 | - |
| Credit fund | - | 3,920 |
| Equipment | - | 80 |
| TOTAL | 500 | 4,000 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|----------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | FEDECACES FEDECCREDITO |
| Estimated Fiscal Year 1980 | L-5,000; G-500 | L-1,200; G-200 | | |
| Estimated through September 30, 1980 | L-5,000; G-500 | L-1,200; G-200 | L-3,800; G-300 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | L-4,000; G-500 | - | L-9,000; G-1,000 | |

| | | | | | |
|---|-------------------------------|--|---|-------------------------------------|--|
| TITLE Population Dynamics | | FUNDS Population Planning | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 519-0210 | NEW <input type="checkbox"/> | PRIOR REFERENCE | FY 81 750 | LIFE OF PROJECT 9,925 | |
| GRANT <input checked="" type="checkbox"/> | LOAN <input type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | INITIAL OBLIGATION FY 80 | ESTIMATED FINAL OBLIGATION FY 84 | ESTIMATED COMPLETION DATE OF PROJECT FY 85 |
| FY 80 Latin America Programs, p. 147 | | | | | |

Purpose: To reduce El Salvador's annual rate of population growth from the present 3.3% to 2.5% by 1985.

Background and Progress to Date: El Salvador's rate of population growth is one of the highest in the world. At the current rate, the population will double in 21 years, reaching 9 million by the year 2000. The possible ramifications of this trend in terms of food, basic services, poverty and environmental degradation are obvious. While family planning services are offered in all Ministry of Health clinics, the availability of contraceptives in rural areas is still very limited. In short, rural people contribute most to population growth. For example, the 1978 National Contraceptive Prevalence Survey shows that 56.4% of married women in the capital city's metropolitan area were using contraceptives while only 26.2% of married women in rural areas were practicing modern family planning methods. There are encouraging signs, however, that the country may be on the verge of a major and sustained decline in fertility. In 1978, some 27,000 sterilizations were performed, and the national contraceptive prevalence rate had increased from 21.6% in 1975 to 34.4% in 1978. If the activities envisioned in this five-year project have their expected impact, contraceptive use should increase to 60% of married women by 1985, and desired family size should be reduced. The result would be a population growth rate of 2% and a total population of 8 million by the year 2000.

Host Country and Other Donors: The Government of El Salvador (GOES) will provide an estimated \$12.8 million during the life of the project. Other donors will provide \$12 million. Funds will be spent on family planning services, research, evaluation, supervision, equipment, educational campaigns, and training.

Beneficiaries: Primary beneficiaries will be rural women who will for the first time have access to methods which can limit their

fertility. Nationally, some 356,000 married couples will benefit directly from family planning, and the total population will benefit from the population growth decline and the subsequent higher level of economic and social development. The estimated A.I.D. cost-per-direct beneficiary is estimated to be \$28.

FY 81 Program: Activities started in FY 1980 will continue with emphasis on expanding sterilization services, community-based contraceptive distribution in 2,000 villages, and commercial retail sales of contraceptives in over 800 pharmacies and 3,000 small shops. A second national contraceptive prevalence survey to measure impact on the birth rate will start, and studies will be initiated on reasons why some women are not contracepting. Other continuing activities include mass media and interpersonal promotional programs and motivational seminars for national and state-level leaders.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|--|----------------|------------|
| | Unit | Cost |
| Married women using contraceptives | 356,000 | (0.017) |
| Community distribution sites for contraceptives | 2,000 | (1.943) |
| Commercial retail sales outlets for contraceptives | 3,800 | (0.014) |
| A.I.D. Financed Inputs: | | |
| | FY 81 | |
| Technical assistance | | 86 |
| Participants | | 74 |
| Commodities | | 145 |
| Local costs | | 445 |
| TOTAL | | 750 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES Salvadoran Demographic Association, Ministries of Health and Agriculture, GOES Population Technical Committee (Ministry of Planning), Salvadoran Social Security Institute, U.S. Center for Disease Control. |
|--|-------------|--------------|--------------|--|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | |
| Estimated Fiscal Year 1980 | 1,000 | 250 | | |
| Estimated through September 30, 1980 | 1,000 | 250 | 750 | |
| Proposed Fiscal Year 1981 | 750 | 8,175 | 9,925 | |

| | | | | | |
|--|---|-------------------------|---|-------------------------------------|--|
| TITLE Integrated Rural/Urban Health | | FUNDS Health | PROPOSED OBLIGATION (In thousands of dollars) | | |
| | | | FY 81 L-4,000; G-500 | LIFE OF PROJECT | L-4,000; G-500 |
| NUMBER 519-0245 | NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/> | PRIOR REFERENCE None | INITIAL OBLIGATION FY 81 | ESTIMATED FINAL OBLIGATION FY 81 | ESTIMATED COMPLETION DATE OF PROJECT FY 84 |
| GRANT <input checked="" type="checkbox"/> LOAN <input checked="" type="checkbox"/> | | | | | |

Purpose: To improve the health of low income rural and urban Salvadorans by expanding preventive health programs and improving curative health services.

Background: Low income Salvadorans in both rural and urban marginal areas suffer excessively high rates of infant mortality, malnutrition and morbidity. These poor health conditions are largely due to the lack of potable water, sanitation and adequate preventive and curative health care. Steps to be taken under the FY 1980 Emergency Plan in urban and rural primary health care and in nutrition and health education are designed to have an immediate impact on these problems. This combined grant/loan project will strengthen and extend that impact by supporting improvements in the planning, management and training capabilities in the Government of El Salvador's (GOES) Ministry of Health by extending services and upgrading disease control activities. The project will also include expansion of water and sanitation facilities, development of national immunization programs, and improvements to and expansion of the rural and urban community health programs staffed by paramedics and volunteer health workers.

Host Country and Other Donors: The GOES will provide \$10 million for operating and training costs. Other donors include the UN Development Program, Canada, the Inter-American Development Bank and the Pan American Health Organization.

Beneficiaries: An estimated 200,000 families will benefit directly from the project activities at an estimated cost to A.I.D. of \$22 per family.

FY 81 Program: A.I.D. loan and grant funds will finance: construction of potable water and sanitation facilities; technical assistance for a management information system; technical assistance and commodities for the nationwide immunization and disease control programs; renovation of the National Health Training School.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|--|----------------|--------|
| | All Years | |
| | Unit | Cost |
| Disease control program instituted | 1 | (950) |
| Management information system established | 1 | (500) |
| Potable water and sanitation facilities installed | 20 | (100) |
| Curative health services available to 100,000 rural families | 100,000 | (0.01) |
| Health administrators trained | 100 | (0.50) |

| A.I.D. Financed Inputs: | FY 81 | |
|----------------------------|------------|--------------|
| | Grant | Loan |
| Personnel (5 person-years) | 450 | -- |
| Training | 50 | -- |
| Commodities | -- | 1,000 |
| Construction | -- | 2,000 |
| Other local costs | -- | 1,000 |
| TOTAL | 500 | 4,000 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|----------------|--------------|--|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | -- | -- | -- | GOES Ministry of Health |
| Estimated Fiscal Year 1980 | -- | -- | -- | |
| Estimated through September 30, 1980 | -- | -- | -- | |
| Proposed Fiscal Year 1981 | L-4,000; G-500 | -- | Estimated Total Cost L-4,000; G-500 | |

| | | | | | |
|---|--|--|--|--|---|
| TITLE Special Development Activities | | FUNDS Selected Development Activities | PROPOSED OBLIGATION (In thousands of dollars) FY 81 100 | | LIFE OF PROJECT Continuing* |
| NUMBER 519-0094 | NEW <input type="checkbox"/> | PRIOR REFERENCE | INITIAL OBLIGATION FY 70 | ESTIMATED FINAL OBLIGATION FY Continuing* | ESTIMATED COMPLETION DATE OF PROJECT FY Continuing* |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | FY 80 Latin America Programs, p. 151 | | | |

Purpose: To foster civic responsibility by supporting small-scale, self-help community development activities.

Background and Progress to Date: Approximately 60% of Salvadorans live in small, rural communities which often lack basic public services and infrastructure. In spite of Government of El Salvador (GOES), international donor, and private voluntary organization efforts, all of these rural areas cannot be reached in the foreseeable future with schools, water systems and other basic infrastructure. This project provides support to rural and urban groups for activities having an immediate and direct economic and social impact. These community projects include a strong self-help element from groups and organizations having no other source of assistance. The activities are selected and monitored in close cooperation with Peace Corps Volunteers and are supported with assistance from government extension agents, public and private cooperative agencies, and other interested government ministries. FY 1979 activities included a small water-powered sugar mill, a methane gas generator, a village sanitation system, soil conservation measures, 4-H Club chicken and egg production projects, equipment for sheltered workshops, and assistance to women's groups for sewing, weaving and handicraft equipment. Cost-per-subproject averages \$2,500.

Host Country and Other Donors: GOES support consists primarily of technical assistance and advice to the recipient groups. The recipient group or organization normally provides at least 50% of the total cost, usually in the form of labor and locally procured commodities.

Beneficiaries: The beneficiaries of this project are the urban and rural poor. During FY 1979, 6,100 people benefited directly from this project at a cost-per-beneficiary to A.I.D. of \$8.20. An estimated 12,000 people are expected to benefit from the 40

projects to be implemented in FY 1981 at an average cost-per-beneficiary of \$8.33.

FY 81 Program: The project will continue to support self-help projects. Emphasis will be placed on increasing income, generating employment, increasing productivity and production, and integrating women into the development process. Whenever possible, appropriate technology will be used to maximize social and economic benefits.

| | |
|-----------------------------------|----------------------|
| Major Outputs: | <u>Through FY 81</u> |
| Self-help projects | 203 |
| | (\$ thousands) |
| A.I.D. Financed Inputs: | <u>FY 81</u> |
| Materials, equipment, local costs | 100 |
| TOTAL | 100 |

*It is expected that activities under this project will continue as long as A.I.D. maintains an assistance program in El Salvador.

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--------------------------------|-----------------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 355 | 348 | 7 | None. |
| Estimated Fiscal Year 1980 | 50 | 50 | | |
| Estimated through September 30, 1980 | 405 | 398 | 7 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 100 | Continuing* | Continuing* | |

| | | | | |
|---|---|--|---|-------------------------------------|
| TITLE Economic Policy Development | | FUNDS Selected Development Activities | PROPOSED OBLIGATION (In thousands of dollars) | |
| NUMBER 519-0232 | | PRIOR REFERENCE None. | FY 81 369 | LIFE OF PROJECT 649 |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/> | | INITIAL OBLIGATION FY 80 | ESTIMATED FINAL OBLIGATION FY 81 |

Purpose: To develop policy options and alternate programs to increase employment-generating, export-oriented economic growth.

Background and Progress to Date: Despite development policies that have raised per capita income 2% per year since 1960, El Salvador suffers from one of the highest rates of underemployment in Latin America. Given the country's extreme population density (552 persons per square mile), agriculture can no longer absorb most of the growing labor force. Similarly, the growth of industrial employment, representing only 14% of the total labor force, has been slowed by less successful development policies which have encouraged industrial growth aimed at supplying internal Central American markets. A potentially effective way to expand employment is for the Government of El Salvador (GOES) to develop policies and programs that foster export-oriented industrial development for the world market. This project will generate data and analyses of the costs and benefits of specific industrial incentives which might be adopted by El Salvador. A series of policy options for industrial development will be prepared. A program of seminars and the publication of project findings will be provided to government officials and businessmen to encourage an understanding of and support for industrial development policy reform. Implementation will begin in the third quarter of FY 1980.

Host Country and Other Donors: Under the auspices of El Salvador's Central Bank, an inter-ministerial steering committee (chaired by the Director of the Monetary Board staff) will direct the project. It will bear responsibility for planning and implementing seminars, publishing project results and developing legislative proposals. Economists from El Salvador's major private university (the University of Central America) will actively participate, especially in the research program. The host country contribution is approximately \$304,000. The World Bank will provide world price data and the research methodology.

U.S. researchers will collaborate closely with Inter-American Development-Bank financed researchers working on pricing data and cost-benefit analyses at the Ministry of Planning.

Beneficiaries: The number of beneficiaries expected to be employed as a direct result of the legislative proposals developed during the project cannot be precisely quantified now. However, the GOES adoption of export-oriented, employment-generating policies could create several thousand industrial jobs each year for the poor. Thus, the estimated cost-per-beneficiary would be less than \$100.

FY 81 Program: The team of three U.S. economists will continue to analyze the impact of tariff protection and production incentives on domestic costs and prices. Detailed analyses of the incentives and policy changes needed to promote exports by El Salvador's industrial sector and their subsequent effect on employment will begin by January 1981. The first seminars explaining project results to GOES officials will be held during FY 1981.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---|----------------|-------|
| | All Years | |
| | Unit | Cost |
| Study of protection policies and alternative policy options completed | 1 | (455) |
| Policy seminars held | 12 | (7.5) |
| Pamphlets published and legislative proposals drafted | 13 | (1.7) |

| A.I.D. Financed Inputs: | FY 81 |
|---|-------|
| Personnel (3.3 person-years) | 237 |
| Local consultants (6 person-months) | 6 |
| Observational training (180 persons-days) | 14 |
| Seminars and printing costs | 112 |
| TOTAL | 369 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | |
| Estimated Fiscal Year 1980 | 280 | 50 | | |
| Estimated through September 30, 1980 | 280 | 50 | 230 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 369 | - | 649 | |

To be selected.

| | | | | | |
|--|---|--|---|----------------------------------|--|
| TITLE Development of Local Government Services | | FUNDS Selected Development Activities | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 519-0242 | | PRIOR REFERENCE | FY 81 | LIFE OF PROJECT | ESTIMATED COMPLETION DATE |
| GRANT <input checked="" type="checkbox"/> LOAN <input checked="" type="checkbox"/> | NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/> | None | L-2,000; G-500 | L-2,000; G-500 | L-2,000; G-500 |
| | | | INITIAL OBLIGATION FY 81 | ESTIMATED FINAL OBLIGATION FY 81 | ESTIMATED COMPLETION DATE OF PROJECT FY 84 |

Purpose: To strengthen the capacity of local government institutions to provide improved basic community services to both the urban and rural poor.

Background: Most of El Salvador's 261 municipal governments are capable of providing only minimal public services because of inadequate authority and insufficient human and financial resources. Recently, the Government of El Salvador (GOES) initiated efforts to decentralize national government programs by giving local governments more authority for community, social and economic development. Built upon the urban development and urban impact program initiated in FY 1980, this project will strengthen local governments by developing their capacity to plan, stimulate, and organize community level projects for the provision of such basic physical services as: the construction and operation of markets, slaughter houses, meeting halls, cemeteries, and water and electric systems; and the maintenance of streets, public buildings and public facilities. This new project will support the improvement of municipal administrative services -- including land registration, tax collection and utilization, and civil registry.

Host Country and Other Donors: The GOES contribution to this project is estimated at \$1 million. It will finance training facilities, increased administrative staffing and commodities.

Beneficiaries: The total population of the 240 target communities of this project is 2,520,500 -- all of whom will benefit directly or indirectly from the improved and increased public services. The estimated A.I.D. cost-per-family is \$6.

FY 81 Program: A.I.D. will fund technical assistance in municipal organization and development, training in community development and project preparation, commodity management, and limited operational support. About 400 municipal projects will be completed during the life of the project and approximately 100 (or 25%) infrastructure and services projects will begin during FY 1981.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|--|----------------|-------|
| | All Years | |
| | Unit | Cost |
| Community development division strengthened | 1 | (200) |
| Technical/management assistance unit developed | 1 | (200) |
| Physical infrastructure projects completed | 300 | (5) |
| Administrative services projects completed | 100 | (4) |
| Municipal finance division established | 1 | (200) |

| A.I.D. Financed Inputs: | FY 81 | |
|-------------------------|------------|--------------|
| | Grant | Loan |
| Technical assistance | 300 | 100 |
| Training | 100 | -- |
| Commodity credits | -- | 1,900 |
| Operational support | 100 | -- |
| TOTAL | 500 | 2,000 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|----------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | -- | -- | -- | |
| Estimated Fiscal Year 1980 | -- | -- | -- | |
| Estimated through September 30, 1980 | -- | -- | -- | |
| Proposed Fiscal Year 1981 | L-2,000; G-500 | Future Year Obligations | Estimated Total Cost | |
| | | -- | L-2,000; G-500 | |

GOES Ministry of Interior, contractor to be selected.

ECONOMIC AND SOCIAL DATA

COUNTRY: GUATEMALA

BASIC DATA

TOTAL POPULATION.. (THOUSANDS, MID 1979) 6,764
 PER CAPITA GNP..... (DOLLARS, 1977) 790
 AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-77) 2.8%
 AVERAGE ANNUAL RATE OF INFLATION (1960-70) 0.1% (1970-77) 10.4%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. N.A.
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1973) TOTAL 52.9 MALE 52.2 FEMALE 53.7
 (1968) TOTAL 50.1 MALE 49.4 FEMALE 50.9
 ADULT LITERACY RATE (1973) TOTAL 46% MALE 54% FEMALE 39%
 (1964) TOTAL 38% MALE 44% FEMALE 32%

AGRICULTURE

AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1970-1978) 2.3%
 AGRICULTURAL PRODUCTION AS % OF GDP..... N.A.
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1979) 676
 LAND OWNED: BY TOP 10% N.A. BY LOWEST 10% N.A.
 MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: CORN 52% (1978)
 CASH: COFFEE 22% (1978)
 MAJOR AGRICULTURAL EXPORTS:(1978) COFFEE SUGAR COTTON
 MAJOR AGRICULTURAL IMPORTS:(1978) WHEAT MILK
 PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1977) 57%

CENTRAL GOVERNMENT FINANCES

TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)
 (1975) 330 (76) 407 (77) 591
 TOTAL EXPENDITURES (\$ MILLIONS, U.S.)
 (1975) 362 (76) 575 (77) 619
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1975) -32 (76) -168 (77) -28
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1975) 12.2% (76) 9.2% (77) 6.8%
 AS % OF GNP..... (1975) 1.2% (76) 1.2% (77) 0.8%
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1976) 511 (77) 690 (78) 765
 EQUIVALENT TO 10.0 MONTHS OF IMPORTS (1978)

FOREIGN TRADE

MAJOR EXPORTS... (1978) COFFEE SUGAR COTTON
 EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1976) 267 (1977) 384 (1978) 329
 AS % OF TOTAL EXPORTS (1976) 34% (1977) 32% (1978) 42%
 MAJOR IMPORTS... (1978) MANUFACTURES MACHINERY CHEMICALS
 IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1976) 306 (1977) 426 (1978) 438
 AS % OF TOTAL IMPORTS (1976) 36% (1977) 39% (1978) 46%
 TRADE BALANCE(\$ MILLIONS, US)(1976) -57 (77) 98 (78) -158
 MAIN TRADING PARTNERS: UNITED STATES GERMANY, FED JAPAN
 EXTERNAL PUBLIC DEBT AS % OF GNP (1977) 4.6%
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1977) 18
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1977) 1.3%

SOCIAL DATA

POPULATION GROWTH RATE.....(1968-78) 2.8%
 POPULATION IN URBAN AREAS..... (1964) 34% (1973) 36%
 TOTAL BIRTHS PER 1,000 POPULATION..... (1976) 43
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION... (1978) 9%
 POPULATION (1975) IN AGE GROUP:
 (0-14YRS) 44.2% (15-60YRS) 50.5% (60+ YRS) 4.7%
 INFANT DEATHS DURING FIRST YEAR OF LIFE / 1000 INFANTS (1976) 77
 PEOPLE PER PHYSICIAN..... (1971) 4,482
 MAJOR CAUSES OF DISEASE N.A.
 DEATH.. (1975)ENTERIC DISEASE FLU & PNEUMONIA
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.... (1974) 91%
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975) 40%
 TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:
 PRIMARY... (AGES 5-14)(1975) TOTAL 38.8% MALE 42.1% FEMALE 35.4%
 SECONDARY..... (15-19)(1975) TOTAL 18.1% MALE 20.4% FEMALE 15.6%
 POST SECONDARY (20-24)(1976) TOTAL 4.7% MALE 7.0% FEMALE 2.3%
 ENERGY PRODUCTION AS % OF CONSUMPTION..... (1976) 3%

U.S. OVERSEAS LOANS AND GRANTS - OBLIGATIONS AND LOAN AUTHORIZATIONS
(U.S. Fiscal Years - Millions of Dollars)

COUNTRY GUATEMALA

| PROGRAM | FOREIGN ASSISTANCE ACT PERIOD | | | | | TOTAL LOANS AND GRANTS 1946-78 | REPAY- MENTS AND INTEREST 1946-78 | TOTAL LESS REPAY- MENTS AND INTEREST 1946-78 |
|--|-------------------------------|------|-----|------|------|--------------------------------|-----------------------------------|--|
| | 1975 | 1976 | TQ | 1977 | 1978 | | | |
| I. ECONOMIC ASSISTANCE - TOTAL | 14.1 | 43.5 | 4.4 | 20.8 | 10.6 | 394.4 | 37.3 | 357.1 |
| Loans | 7.0 | 21.0 | - | 8.6 | - | 138.5 | 37.3 | 101.2 |
| Grants | 7.1 | 22.5 | 4.4 | 12.2 | 10.6 | 255.9 | - | 255.9 |
| a. A.I.D. and Predecessor Agencies | 9.4 | 29.0 | 3.7 | 14.3 | 4.5 | 266.3 | 26.4 | 239.9 |
| Loans | 7.0 | 21.0 | - | 8.6 | - | 124.1 | 26.4 | 97.7 |
| Grants | 2.4 | 8.0 | 3.7 | 5.7 | 4.5 | 142.2 | - | 142.2 |
| (Security Supporting Assistance) | - | - | - | - | - | 33.5 | - | - |
| b. Food for Peace (PL 480) | 3.4 | 12.5 | 0.3 | 4.5 | 4.6 | 53.9 | - | 53.9 |
| Loans | - | - | - | - | - | - | - | - |
| Grants | 3.4 | 12.5 | 0.3 | 4.5 | 4.6 | 53.9 | - | 53.9 |
| Title I - Total Sales Agreements | - | - | - | - | - | - | - | - |
| Repayable in U.S. Dollars - Loans | - | - | - | - | - | - | - | - |
| Payable in Foreign Currency - Planned for Country Use | - | - | - | - | - | - | - | - |
| Title II - Total Grants | 3.4 | 12.5 | 0.3 | 4.5 | 4.6 | 53.9 | - | 53.9 |
| Emerg. Relief, Econ. Develop. & World Food Program | * | 0.1 | - | 0.1 | 0.1 | 3.7 | - | 3.7 |
| Voluntary Relief Agencies | 3.4 | 12.4 | 0.3 | 4.4 | 4.5 | 50.2 | - | 50.2 |
| c. Other Economic Assistance | 1.3 | 2.0 | 0.4 | 2.0 | 1.5 | 74.2 | 10.9 | 63.3 |
| Loans | - | - | - | - | - | 14.4 | 10.9 | 3.5 |
| Grants | 1.3 | 2.0 | 0.4 | 2.0 | 1.5 | 59.8 | - | 59.8 |
| Peace Corps | 1.2 | 1.4 | 0.4 | 1.5 | 1.5 | 14.2 | - | 14.2 |
| Other | 0.1 | 0.6 | * | 0.5 | - | 45.6 | - | 45.6 |
| II. MILITARY ASSISTANCE - TOTAL | 2.9 | 2.2 | 0.1 | 0.5 | * | 41.5 | 8.9 | 32.6 |
| Credits or Loans | 2.3 | 1.5 | - | - | - | 10.7 | 8.9 | 1.8 |
| Grants | 0.6 | 0.7 | 0.1 | 0.5 | * | 30.8 | - | 30.8 |
| a. MAP Grants | 0.2 | 0.2 | 0.1 | * | * | 16.3 | - | 16.3 |
| b. Credit Financing - FMS | 2.3 | 1.5 | - | - | - | 10.7 | 8.9 | 1.8 |
| c. Military Assistance Service-Funded (MASF) Grants | 0.4 | 0.5 | - | 0.5 | - | 7.5 | - | 7.5 |
| d. Transfers from Excess Stocks | - | - | - | - | - | 6.7 | - | 6.7 |
| e. Other Grants | - | - | - | - | - | 0.3 | - | 0.3 |
| III. TOTAL ECONOMIC AND MILITARY ASSISTANCE | 17.0 | 45.7 | 4.5 | 21.3 | 10.6 | 435.9 | 46.2 | 389.7 |
| Loans | 9.3 | 22.5 | - | 8.6 | - | 149.2 | 46.2 | 103.0 |
| Grants | 7.7 | 23.2 | 4.5 | 12.7 | 10.6 | 286.7 | - | 286.7 |
| Other U.S. Government Loans and Grants | 0.8 | 1.2 | - | 6.2 | - | 46.3 | 30.5 | 15.8 |
| a. Export-Import Bank Loans | 0.8 | 0.2 | - | 6.2 | - | 43.9 | 28.9 | 15.0 |
| b. All Other Loans | - | 1.0 | - | - | - | 2.4 | 1.6 | 0.8 |

* LESS THAN \$50,000.

TQ - TRANSITIONAL QUARTER

ECONOMIC PROGRAMS OF OTHER DONORS

A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

(Thousands of dollars)

| TOTAL | FY 1977 | FY 1978 | FY 1979 | FY 1948-78 |
|----------|---------|---------|---------|------------|
| | 84,300 | 108,724 | 2,241 | 616,507 |
| IBRD | 55,000 | 72,000 | - | 260,500 |
| IFC | 3,000 | - | - | 18,200 |
| IDB | 25,000 | 35,691 | 292 | 313,221 |
| UNDP | 1,300 | 833 | 1,949 | 16,986 |
| OTHER UN | - | 200 | - | 7,600 |

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

(Millions of dollars) **1. D.A.C. COUNTRIES (Excluding U.S.) (Gross Disbursements)**

| Donor | CY 1977 | CY 1978 | CY 1968-78 |
|--------------|---------|---------|------------|
| TOTAL | 11.00 | 13.25 | 53.65 |
| Germany | 3.40 | 4.20 | 23.80 |
| Canada | 1.50 | 3.96 | 9.86 |
| Japan | 2.20 | 2.23 | 6.53 |
| Netherlands | 1.70 | 0.74 | 4.54 |
| Other | 2.20 | 2.12 | 8.92 |

2. O.P.E.C. COUNTRIES (Net Disbursements)

| TOTAL | CY 1977 | CY 1978 | CY 1973-78 |
|-------|---------|---------|------------|
| | | | |

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

(Millions of dollars)

| TOTAL | CY 1977 | CY 1978 | CY 1964-78 |
|-------|---------|---------|------------|
| | | | |

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| PROGRAM SUMMARY | | | | | | | |
|----------------------------------|---------------|--|---------------------|--------------|---|---------------------------------|----------------|
| <i>(In thousands of dollars)</i> | | | | | | | |
| Fiscal Year | A/ Total | Agriculture, Rural Development and Nutrition | Population Planning | Health | Education and Human Resources Development | Selected Development Activities | Other Programs |
| 1979 | | | | | | | |
| Loans | 14,600 | 14,600 | - | - | - | - | - B/ |
| Grants ... | 1,900 | 1,056 | 360 | - | 400 | 84 | (368) |
| Total .. | 16,500 | 15,656 | 360 | - | 400 | 84 | (368) |
| 1980 | | | | | | | |
| Loans | 5,500 | - | - | 5,500 | - | - | - |
| Grants ... | 1,924 | 450 | 400 | 100 | 764 | 210 | - |
| Total .. | 7,424 | 5,950 | 400 | 5,600 | 764 | 210 | - |
| 1981 | | | | | | | |
| Loans | 5,000 | 5,000 | - | - | - | - | - |
| Grants ... | 2,724 | 814 | 575 | 400 | 805 | 130 | - |
| Total .. | 7,724 | 5,814 | 575 | 400 | 805 | 130 | - |

U.S. Interests

The U.S. relationship with Guatemala is based upon historical political ties, growing mutual economic and commercial interests, and our humanitarian concern for the improvement of the living conditions and human rights of the large number of Guatemalan poor.

Development Overview

Although macro-economic statistics show the continued growth of the Guatemalan economy, they disguise the vast disparities of income, access to social services, and government resource allocation that exist particularly between rural and urban areas. These disparities reflect social and political divisions which are conducive to political unrest and adversely affect the country's future development prospects. While overall per capita gross national product has grown from about \$590 in 1970 to about \$790 in 1977, the average income of small farmers is estimated at under \$100 per year. Skewed land tenure

patterns and deteriorating land productivity due to erosion and overuse are major causes of this disparity. Malnutrition continues to affect 80% of rural children under age five, and infant mortality is high (80 children of every 1000 die in their first year). Rural health and sanitary facilities are rudimentary with less than 20% of the rural population having access to potable water. Enteric diarrhea and respiratory diseases, largely a result of malnutrition and poor water supply, cause 50% of the deaths in rural areas. Rural housing is primitive.

Socio-Economic Performance

On the whole, government social service agencies have been unable to plan and execute programs reaching the poorest members of the population. There are some encouraging indications, however, that key elements in the Government of Guatemala (GOG) are becoming increasingly concerned about improving the condition of the rural poor. Since 1974, for example, the proportion of the Ministry of Agriculture's expenditures estimated to be flowing to the rural poor increased from 30% to 78%. Recently, over 10,000 land titles have been issued for small farmers in newly-settled areas. The GOG has created a new institute to promote the development of local cooperatives through training and technical assistance. The GOG's Development Plan for 1979-82 contains as a specific objective the more equitable distribution of the benefits of growth to the poor majority, who have not shared in the country's improved economic condition. It emphasizes the development of new crops and labor-intensive agro-industrial enterprises to generate increased employment for the rural labor force. The Ministry of Health has initiated an integrated program to train more paramedical health technicians, construct additional rural health posts, and install new rural health and potable water systems.

Total Resources

External economic assistance has continued to play a major role in financing Guatemala's development. In mid 1979, active loans from international donors amounted to some

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\$630 million, including \$307 million from the Inter-American Development Bank (IDB) and \$194 million from the World Bank (IBRD). The IDB provided a \$15 million loan to Guatemala in 1979, while the IBRD made no new loans in the 12-month period ending on June 30, 1979. The Venezuelan Investment Fund has loaned \$33 million, while other donors (such as West Germany and Canada) have made available another \$8 million. Private foreign investment totaled \$131 million in 1978, mostly from U.S. sources. Foreign private voluntary organizations have donated in excess of \$10 million annually. Other donors, now moving increasingly into areas where A.I.D. has had a longstanding involvement, have been able to draw on and complement A.I.D. activities. A.I.D.'s 1977 economic assistance comprised only 7% of the total assistance to Guatemala, although A.I.D. supplied 42% of all technical assistance provided to the GOG. Guatemalan counterpart funding planned for A.I.D. projects in FY 1979, FY 1980, and FY 1981 will total some \$54.6 million, or 42% of the total project funding. The Peace Corps budget in FY 1979 amounted to approximately \$700,000, supporting 171 volunteers in country.

A.I.D. Strategy

The A.I.D. assistance strategy, developed in collaboration with the GOG's National Economic Planning Council, is directed to the rural areas, particularly the western highlands where the Indian population experiences the worst extremes of poverty. In agriculture, the program concentrates on irrigation, conservation, and the introduction of diversified nontraditional cash crops for small farmers. An integrated rural health program will support improved sanitation, additional potable water systems, preventive health, and family planning. Education efforts will emphasize both bilingual teaching and experimentation with new non-formal education methods. An ongoing grant project supports the GOG's planning and implementation of multisectoral regional development strategies in selected areas.

A/ Funds for Project Development and Support as well as Operational Program Grants are not included in this table. They are reflected in the Latin America and Caribbean Regional Program. (Continued in next column.)

| FY 81 PROGRAM HIGHLIGHTS | |
|---|--|
| -A \$5 million loan to support small farmer crop diversification by increasing opportunities to shift production to vegetable and fruit crops which offer higher value. | |
| -Continuing support to expand the coverage and improve the effectiveness of the Ministry of Health integrated rural health delivery system. | |
| -A new grant project assisting the Ministry of Education to expand non-formal education to 14 rural departments. | |

B/ Disaster Assistance Funds.

| PERSONNEL/PARTICIPANTS DATA | | | |
|--------------------------------|---------------------|------------------------|-----------------------|
| CP 81-17 (8-79) | | | |
| Category | FY 1979 (Actual) | FY 1980 (Estimated) | FY 1981 (Proposed) |
| AID Personnel ^a | | | |
| Direct Hire ^b | 19 | 16 | 19 |
| PASA ^c | 4 | 4 | 4 |
| Contract | - | - | - |
| Total | 23 | 20 | 23 |
| Participants ^d | | | |
| Noncontract | 4 | 20 | 20 |
| Contract | 38 | 34 | 44 |
| Total | 42 | 54 | 64 |

^aU.S. nationals on duty at the end of the fiscal year.
^bFY 1980 and FY 1981 position levels.
^cParticipating agency technicians.
^dProgrammed during the fiscal year.

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| RESOURCE FLOWS CP 81-08 (8-79) | | | |
|--|---------------------|------------------------|-----------------------|
| <i>(In thousands of dollars)</i> | | | |
| Program | FY 1979 (Actual) | FY 1980 (Estimated) | FY 1981 (Proposed) |
| AID* | | | |
| Loans | 3,684 | 20,212 | 16,338 |
| Grants | 1,447 | 3,031 | 2,796 |
| Total AID | 5,131 | 23,243 | 19,134 |
| P.L. 480** | | | |
| Title I | - | - | - |
| (of which Title III is) | (-) | (-) | (-) |
| Title II | 5,415 | 4,012 | 4,737 |
| Total P.L. 480 | 5,415 | 4,012 | 4,737 |
| Total AID and P.L. 480 | 10,546 | 26,555 | 23,871 |
| *AID levels represent actual and estimated expenditures. | | | |
| **P.L. 480 levels represent actual and estimated value of shipments. | | | |

| P.L. 480 PROGRAMS SUMMARY CP 81-14 (8-79) | | | | | | |
|--|---------------------|--------------|------------------------|--------------|-----------------------|--------------|
| <i>(In 000MT/\$000)</i> | | | | | | |
| Program | FY 1979 (Actual) | | FY 1980 (Estimated) | | FY 1981 (Proposed) | |
| | MT | \$ | MT | \$ | MT | \$ |
| <i>Title I</i> | | | | | | |
| Wheat | | | | | | |
| Rice | | | | | | |
| Feedgrains | | | | | | |
| Vegoil | | | | | | |
| Non-food | | | | | | |
| Title I Total .. (of which Title III is) | | - | | - | | - |
| <i>Title II</i> | | | | | | |
| Voluntary Agencies .. | | 5,415 | | 3,906 | | 4,604 |
| World Food Programs | | - | | 106 | | 133 |
| Gov't.-to-Gov't | | - | | - | | - |
| Title II Total | | 5,415 | | 4,012 | | 4,737 |
| Total P.L. 480 | | 5,415 | | 4,012 | | 4,737 |

MISSION DIRECTOR Eliseo Carrasco

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

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01/18/80

CP 81-02

PROGRAM: GUATEMALA

| | * L / G | PROJECT NUMBER | FY OF INITIAL FUNDING | -THROUGH FY79- OBLIGATIONS | EXPENDITURES | -ESTIMATED FY80- OBLIGATIONS | EXPENDITURES | -PROPOSED FY81- OBLIGATIONS | EXPENDITURES | FUTURE YEAR OBLIGATIONS |
|--|---------|----------------|-----------------------|----------------------------|--------------|------------------------------|--------------|-----------------------------|--------------|-------------------------|
| ----- | | | | | | | | | | |
| AGRICULTURE, RURAL DEV. AND NUTRITION | | | | | | | | | | |
| FOOD PRODUCTIVITY AND NUTRITIONAL IMPR | G | 520-0232 | 75 | 1,730 | 1,355 | --- | 375 | --- | --- | --- |
| SMALL FARMER IMPROVEMENT | G | 520-0233 | 76 | 1,875 | 1,077 | --- | 546 | --- | 252 | --- |
| SMALL FARMER IMPROVEMENT | L | 520-0233 | 76 | 13,000 | 2,178 | --- | 7,296 | --- | 3,526 | --- |
| SMALL FARMER MARKETING SYSTEMS | * G | 520-0238 | 78 | 661 | 28 | --- | 382 | 139 | 225 | --- |
| SMALL FARMER MARKETING SYSTEMS | L | 520-0238 | 78 | 3,400 | --- | --- | 900 | --- | 800 | --- |
| RURAL ENTERPRISES DEVELOPMENT | * G | 520-0245 | 79 | 200 | --- | 300 | 118 | 275 | 272 | 395 |
| RURAL ENTERPRISES DEVELOPMENT | L | 520-0245 | 79 | 6,000 | --- | --- | 1,062 | --- | 1,486 | --- |
| RURAL ELECTRIFICATION | L | 520-0248 | 79 | 8,600 | --- | --- | 1,121 | --- | 2,937 | --- |
| INTEGRATED AREA DEV. STUDIES | G | 520-0249 | 78 | 498 | 40 | --- | 400 | --- | 58 | --- |
| SMALL FARMER DIVERSIFICATION SYSTEM | * G | 520-0255 | 80 | --- | --- | 150 | --- | 400 | 300 | 1,950 |
| SMALL FARMER DIVERSIFICATION SYSTEM | * L | 520-0255 | 80 | --- | --- | --- | --- | 5,000 | 500 | --- |
| TOTAL FOR ACCOUNT | | | | 35,964 | 4,678 | 450 | 12,200 | 5,814 | 10,356 | |
| GRANTS | | | | 4,964 | 2,500 | 450 | 1,821 | 814 | 1,107 | |
| LOANS | | | | 31,000 | 2,178 | --- | 10,379 | 5,000 | 9,249 | |
| POPULATION PLANNING | | | | | | | | | | |
| POPULATION AND FAMILY PLANNING | G | 520-0237 | 77 | 1,050 | 899 | --- | 151 | --- | --- | --- |
| INTEGRATED FAMILY PLANNING SERVICES | * G | 520-0263 | 80 | --- | --- | 400 | 300 | 575 | 550 | 825 |
| TOTAL FOR ACCOUNT | | | | 1,050 | 899 | 400 | 451 | 575 | 550 | |
| GRANTS | | | | 1,050 | 899 | 400 | 451 | 575 | 550 | |
| LOANS | | | | --- | --- | --- | --- | --- | --- | |
| HEALTH | | | | | | | | | | |
| RURAL HEALTH SERVICE II | L | 520-0218 | 73 | 3,400 | 2,417 | --- | 983 | --- | --- | --- |
| RURAL HEALTH AND NUT. SYS. IMPR. | * G | 520-0251 | 80 | --- | --- | 100 | 50 | 400 | 280 | 610 |
| RURAL HEALTH AND NUT. SYS. IMPR. | L | 520-0251 | 80 | --- | --- | 5,500 | 700 | --- | 1,300 | --- |
| TOTAL FOR ACCOUNT | | | | 3,400 | 2,417 | 5,600 | 1,733 | 400 | 1,580 | |
| GRANTS | | | | --- | --- | 100 | 50 | 400 | 280 | |
| LOANS | | | | 3,400 | 2,417 | 5,500 | 1,683 | --- | 1,300 | |
| EDUCATION AND HUMAN RESOURCES | | | | | | | | | | |
| BASIC RURAL EDUCATION | G | 520-0228 | 75 | 1,300 | 1,031 | --- | 269 | --- | --- | --- |
| RURAL PRIMARY EDUCATION | L | 520-0229 | 75 | 7,000 | 327 | --- | 4,280 | --- | 2,393 | --- |
| PRIMARY SCHOOL RECONSTRUCTION | L | 520-0242 | 77 | 5,200 | --- | --- | 670 | --- | 1,975 | --- |
| BILINGUAL EDUCATION | * G | 520-0258 | 79 | 300 | --- | 414 | 225 | 334 | 250 | 802 |
| EDUCATION ADMINISTRATION | * G | 520-0259 | 80 | --- | --- | 200 | --- | 180 | 140 | 100 |
| NON-FORMAL EDUCATION | * G | 520-0264 | 81 | --- | --- | --- | --- | 200 | 175 | 1,000 |

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

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PROGRAM: GUATEMALA

| | * L / G | PROJECT NUMBER | FY OF INITIAL FUNDING | -THROUGH FY79- OBLIGATIONS | FY79- EXPENDITURES | -ESTIMATED FY80- OBLIGATIONS | EXPENDITURES | -PROPOSED FY81- OBLIGATIONS | EXPENDITURES | FUTURE YEAR OBLIGATIONS |
|------------------------------------|---------|----------------|-----------------------|----------------------------|--------------------|------------------------------|--------------|-----------------------------|--------------|-------------------------|
| ----- | | | | | | | | | | |
| TAX AND ADMINISTRATIVE IMPROVEMENT | * G | 520-0270 | 80 | --- | -- | 150 | 60 | 91 | 181 | 134 |
| TOTAL FOR ACCOUNT | | | | 13,800 | 1,358 | 764 | 5,504 | 805 | 5,114 | |
| GRANTS | | | | 1,600 | 1,031 | 764 | 554 | 805 | 746 | |
| LOANS | | | | 12,200 | 327 | --- | 4,950 | --- | 4,368 | |
| SELECTED DEVELOPMENT ACTIVITIES | | | | | | | | | | |
| SPECIAL DEVELOPMENT ACTIVITIES | * G | 520-0145 | 63 | 972 | 972 | 50 | 50 | 50 | 50 | --- |
| MUNICIPAL EARTHQUAKE RECOVERY | L | 520-0236 | 76 | 8,000 | 911 | --- | 3,200 | --- | 1,421 | --- |
| EARTHQUAKE HOUSING RECONSTRUCTION | * G | 520-0243 | 80 | --- | -- | 160 | 105 | 80 | 63 | --- |
| TOTAL FOR ACCOUNT | | | | 8,972 | 1,883 | 210 | 3,355 | 130 | 1,534 | |
| GRANTS | | | | 972 | 972 | 210 | 155 | 130 | 113 | |
| LOANS | | | | 8,000 | 911 | --- | 3,200 | --- | 1,421 | |
| TOTAL FOR COUNTRY | | | | 63,186 | 11,235 | 7,424 | 23,243 | 7,724 | 19,134 | |
| GRANTS | | | | 8,586 | 5,402 | 1,924 | 3,031 | 2,724 | 2,796 | |
| LOANS | | | | 54,600 | 5,833 | 5,500 | 20,212 | 5,000 | 16,338 | |

| | | | | | |
|--|--|---|--|-------------------------------|---|
| TITLE Small Farmer Marketing Systems | | FUNDS Agriculture, Rural Development and Nutrition | PROPOSED OBLIGATION (In thousands of dollars) FY 81 G-139 | | LIFE OF PROJECT L-3,400; G- 800 |
| NUMBER 520-0238 | NEW <input type="checkbox"/> | PRIOR REFERENCE | INITIAL OBLIGATION | ESTIMATED FINAL OBLIGATION | ESTIMATED COMPLETION DATE OF PROJECT |
| GRANT <input checked="" type="checkbox"/> LOAN <input checked="" type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | FY 80 Latin America Programs, p. 164 | FY 78 | FY 81 | FY 82 |

Purpose: To create a cooperative marketing mechanism to encourage small farmer production of temperate climate fruits and vegetables by eliminating obstacles imposed by traditional marketing practices.

Background and Progress to Date: This grant and its 1978 \$3.4 million companion loan support A.I.D.'s strategy of increasing small farmer income through the production of higher value diversified crops. Loan funds will finance buildings, equipment and a portion of the working capital requirements for the newly-created Cooperative Marketing Association (CECOMERCA). Grant-financed resident technicians are advising Association management personnel on organization, membership promotion, and the purchase and sale of fresh produce. Transportation, storage and handling facilities financed by A.I.D. will facilitate the sale of members' produce through the Association. To date, CECOMERCA has been formed, a Board of Directors named, and staff employed. AID-financed technicians currently are providing assistance.

Host Country and Other Donors: Guatemala's research and extension agencies in the public agricultural sector are providing technical assistance support in complementary project areas. The Government of Guatemala is contributing \$2.9 million or 41% of the total costs in counterpart financing for both this grant and the companion loan. The Inter-American Development Bank is providing assistance for production credit and is considering a \$6 million loan to construct a new wholesale market facility in Guatemala City. The Canadian Government, CARE, the Rockefeller Foundation and the Central American Center for Agricultural Training and Research (CATIE) are providing financial and technical assistance in the production of crops which will be sold through the Association.

Beneficiaries: The direct beneficiaries are approximately 26,000 small farmer members of cooperatives in the Western Highlands of Guatemala who grow fruits and vegetables. Project costs are about

\$161 per family. Successful project implementation is expected to demonstrate the income-increasing potential of fruit and vegetable production to more than 400,000 other small farmers in the country.

FY 81 Program: Technical assistance will support the first full year of marketing operations for fresh vegetables. Final design and installation of permanent regional marketing facilities will be completed. Limited marketing of highly perishable fruits will be undertaken as a first step in the future expansion of cold-storage operations by the Marketing Association.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---|----------------|---------|
| | All Years | |
| | Unit | Cost |
| Marketing Association operating | 1 | (166) |
| Central collection processing facility constructed | 1 | (2,000) |
| Physical infrastructure system in place and staffed | 1 | (634) |
| Marketing infrastructure fund established | 1 | (1,050) |
| A.I.D. Financed Inputs: | | |
| Technical assistance (24 person months) | | 119 |
| Other costs | | 20 |
| TOTAL | | 139 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-----------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | L-3,400; G- 661 | G- 28 | L-3,400; G- 633 | |
| Estimated Fiscal Year 1980 | - | L- 900; G- 382 | | |
| Estimated through September 30, 1980 | L-3,400; G- 661 | L- 900; G- 410 | L-2,500; G- 251 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | G- 139 | - | L-3,400; G- 800 | |

To be selected.

| | | | | | | |
|--|--|--|--|---|-----------------------------|--|
| TITLE Rural Enterprises Development | | FUNDS Agriculture, Rural Development and Nutrition | | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 520-0245 | | NEW <input type="checkbox"/> | | FY 81 | G-275 | LIFE OF PROJECT L-6,000; G-1,170 |
| GRANT <input checked="" type="checkbox"/> LOAN <input checked="" type="checkbox"/> | | CONTINUING <input checked="" type="checkbox"/> | | PRIOR REFERENCE FY 80 Latin America Programs, p. 165 | INITIAL OBLIGATION FY 79 | ESTIMATED FINAL OBLIGATION FY 82 |
| | | | | | | ESTIMATED COMPLETION DATE OF PROJECT FY 83 |

Purpose: To develop and expand artisan and small rural enterprises by improving their access to credit, appropriate technologies and related technical assistance.

Background and Progress to Date: The underutilization of labor and the lack of appropriate technology have been identified as two major constraints to improving the incomes and quality of life of the rural poor. This project, including both the \$1.17 million grant and \$6 million FY 1979 loan, is directed toward alleviating these constraints by: (1) providing credit and technical assistance to expand employment opportunities in artisanry and small enterprise activities, and (2) financing local research to develop appropriate technologies that will increase productivity. In addition, a credit fund for small enterprises and a fund for the development and dissemination of appropriate technology will be established. A technical assistance program designed to strengthen government capacity to assist artisans and small rural enterprises is also included. To date, the loan and grant agreements have been signed. The loan agreement is in the process of being ratified by the Government of Guatemala (GOG).

Host Country and Other Donors: The GOG will contribute \$3.2 million to the credit fund and will transfer, on a non-reimbursable basis, \$1.7 million of the proposed loan to the National Finance Corporation (CORFINA) to finance appropriate technology activities. The Inter-American Development Bank has provided a \$7 million loan to CORFINA for the credit requirements of larger enterprises.

Beneficiaries: The project will directly assist about 5,500 small entrepreneurs in 118 municipalities located in seven departments of the Western Highlands. It is estimated that 18,750

person-years of employment will be generated indirectly through the project, primarily benefiting landless laborers and women. The cost-per-person benefiting from employment generated by the project is \$382.

FY 81 Program: Grant-financed long-term advisors will continue working with CORFINA's Small Industry Division to upgrade its institutional capacity and to provide short-term courses for project participants. Supported with grant funds, the artisan production and export development study with the Guatemalan Office of Export Promotion will continue and will identify specific new opportunities for small enterprise production. Long and short-term advisors in appropriate technology, which are funded under this grant, will assist the National Economic Planning Council to implement the appropriate technology component of the project.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|--|----------------|--------|
| | Unit | Cost |
| Rural enterprise credit system functioning | 1 | (507) |
| Rural credit agents trained | 25 | (0.32) |
| Artisan sub-program developed | 1 | (155) |
| Rural enterprise loans approved | 5,500 | (0.95) |
| Appropriate technology applications identified, tested and adapted | 17 | (29.4) |

| A.I.D.-Financed Inputs: | FY 81 |
|---|------------|
| Technical assistance (53 person-months) | 265 |
| Other costs | <u>10</u> |
| TOTAL | 275 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|----------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | L-6,000; G-200 | - | L-6,000; G-200 | |
| Estimated Fiscal Year 1980 | G-300 | L-1,062; G-118 | | |
| Estimated through September 30, 1980 | L-6,000; G-500 | L-1,062; G-118 | L-4,938; G-382 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | G-275 | G-395 | L-6,000; G-1,170 | |

To be selected.

| | | | | |
|--|--|---|---|----------------------------------|
| TITLE Small Farmer Diversification Systems | | FUNDS Agriculture, Rural Development and Nutrition | PROPOSED OBLIGATION (In thousands of dollars) | |
| NUMBER 520-0255 | NEW <input type="checkbox"/> | PRIOR REFERENCE | FY 81 1-5,000; G-400 | LIFE OF PROJECT L-5,000; G-2,500 |
| GRANT <input checked="" type="checkbox"/> LOAN <input checked="" type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | FY 80 Latin America Programs, p. 166 | INITIAL OBLIGATION FY 80 | ESTIMATED FINAL OBLIGATION FY 84 |
| | | | ESTIMATED COMPLETION DATE OF PROJECT FY 85 | |

Purpose: To stimulate crop diversification by small farmers through shifting production to vegetable and fruit crops which offer higher value and involve more labor.

Background and Progress to Date: Although progress has been made toward increasing yields of basic grains, analyses indicate that reliance on production of these crops severely limits the potential for improving small farm incomes. One solution is to adopt and apply modern technology, services and information which permit the farm family to meet subsistence requirements with reduced land and family labor inputs while increasing their income by applying the remaining land and labor factors to diversified crop and live-stock production. This combined loan/grant project will provide assistance to integrate the efforts of the Government of Guatemala's (GOG) Agricultural Science and Technology Institute (ICTA), other Government agencies and the cooperative movement. This project is directed toward: (1) an improved understanding of small farmer production/consumption systems; (2) the generation of appropriate diversified crop and livestock systems; (3) the development of more responsive and cost-effective methods of disseminating small farmer-oriented technologies; and, (4) the implementation of expanded technical assistance efforts to small farmers.

Host Country and Other Donors: ICTA will provide technicians and research facilities to implement the farm management, agronomic and livestock research. The Agricultural Extension Institution, through its agricultural extension network, will provide personnel and facilities to extend diversified farming systems information to the target population. The Agricultural Development Bank and the cooperatives will provide credit and agricultural inputs to farmers for diversified crop production. The cooperatives, with the collaboration of their Marketing Association, will assist in promoting diversified crop production. The Government counterpart contribution will be \$3.7 million, or 33% of total project cost.

Beneficiaries: Some 19,000 small farm families will receive direct assistance through this project. An additional 200,000 families will eventually receive the benefits of the GOG's strengthened extension and research capabilities. The average small farmer loan size is estimated to be \$200 per borrower, while extension and research costs will be approximately \$12 per family benefitted.

FY 81 Program: ICTA will initiate farm management studies to identify crop and livestock combinations and management recommendations most suitable to four highland areas. ICTA will begin agronomic research on diversified crops offering the best market opportunities which are most easily introduced to small farmers. Studies will be initiated to improve livestock production under small farm conditions.

| | | |
|--|------------------|--------------|
| | (\$ thousands) | |
| Major Outputs (and A.I.D. Unit Cost): | <u>All Years</u> | |
| | <u>Unit</u> | <u>Cost</u> |
| Diversified crop research stations functioning | 4 | (250) |
| Extensionists trained | 70 | (10) |
| Researchers trained | 30 | (10) |
| Highland areas receiving farm management recommendations | 4 | (185) |
| New small farmers participating in diversified crop production | 19,000 | (0.23) |
| A.I.D. Financed Inputs: | <u>FY 81</u> | |
| | <u>Grant</u> | <u>Loan</u> |
| Technical assistance (80 person months) | 400 | - |
| Credit and extension | - | 3,350 |
| Research | - | 1,250 |
| Participants trained (35 person years) | - | 400 |
| TOTAL | 400 | 5,000 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES Michigan State University (A Title XII Institution). |
|--|----------------|-------------------------|----------------------|--|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | |
| Estimated Fiscal Year 1980 | G-150 | - | - | |
| Estimated through September 30, 1980 | G-150 | - | G-150 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | L-5,000; G-400 | G-1,950 | L-5,000; G-2,500 | |

| | | | | | |
|---|--|--------------------------------------|---|-------------------------------------|--|
| TITLE Integrated Family Planning Services | | FUNDS Population Planning | PROPOSED OBLIGATION (In thousands of dollars) | | |
| | | | FY 81 575 | LIFE OF PROJECT 1,800 | |
| NUMBER 520-0263 | NEW <input type="checkbox"/> | PRIOR REFERENCE | INITIAL OBLIGATION FY 80 | ESTIMATED FINAL OBLIGATION FY 82 | ESTIMATED COMPLETION DATE OF PROJECT FY 83 |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | FY 80 Latin America Programs, p. 167 | | | |

Purpose: To expand the availability of family planning services by integrating them into the Government of Guatemala's low-cost rural health delivery system and into other public and private sector activities.

Background and Progress to Date: Under an A.I.D. project scheduled to end in FY 1980, APROFAM -- a Guatemalan private family planning association -- provides logistic, training and communication support to 580 Ministry of Health (MOH) facilities and to private contraceptive distribution outlets. A project evaluation and national contraceptive prevalence survey revealed that the acceptance and use of family planning services by women in the fertile age group exceeded project objectives by 20%. This new project will integrate family planning more fully into MOH activities while expanding family planning activities in the private sector. Medical supervision and other support by MOH personnel will be financed with A.I.D. funds. The project will fund contraceptive distribution at MOH and private facilities, will finance communication/education activities, will train MOH and APROFAM personnel, and will expand family planning coverage and acceptance in Indian areas (now comprising an estimated 46% of the population). The number of families participating will increase from the 100,000 served under the terminating project to 180,000 by the end of this project.

Host Country and Other Donors: The MOH will assume some salary, transportation and clinic costs. The MOH contributions are valued at \$890,000, or 43% of project cost. Private and international organizations -- including the International Planned Parenthood Federation and the UN Fund for Population Activities -- will contribute approximately \$4 million for complementary activities.

Beneficiaries: Family planning services will be available and affordable to 180,000 eligible couples at an A.I.D. cost-per-family

of \$10. Beneficiaries will be poor families who wish to limit family size to conform to their ability to support children.

FY 81 Program: A.I.D. will support: 580 MOH facilities and local MOH-government institutions, such as farmers' organizations and cooperatives, serving as outlets for contraceptives provided through APROFAM; the distribution of contraceptives with MOH medical supervision; a person-to-person communication system to increase knowledge and acceptance of family planning among Indians.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|--|----------------|------------|
| | Unit | Cost |
| Family planning service outlets (MOH and community-based) providing services | 1,600 | (0.5) |
| Indian language areas receiving services through information, education, communication systems | 4 | (150) |
| Medical supervisory system functioning | 1 | (230) |
| Information, education, communication system (non-Indian) | 1 | (100) |
| MOH service statistics system functioning | 1 | (70) |
| <u>A.I.D. Financed Inputs:</u> | <u>FY 81</u> | |
| Information, education and communication programs developed and tested for Indian areas | | 200 |
| Family planning programs, including community based distributing systems, logistic support, information and services | | 200 |
| Medical supervision | | <u>175</u> |
| TOTAL | | 575 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|---|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | Guatemalan Private Family Planning Association (APROFAM). |
| Estimated Fiscal Year 1980 | 400 | 300 | | |
| Estimated through September 30, 1980 | 400 | 300 | 100 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 575 | 825 | 1,800 | |

| | | | | | |
|--|---|--------------------------------------|---|----------------------------------|--|
| TITLE Rural Health and Nutrition System Improvement | | FUNDS Health | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 520-0251 | | PRIOR REFERENCE | FY 81 G-400 | LIFE OF PROJECT | L-5,500; G-1,110 |
| GRANT <input checked="" type="checkbox"/> LOAN <input checked="" type="checkbox"/> | NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/> | FY 80 Latin America Programs, p. 168 | INITIAL OBLIGATION FY 80 | ESTIMATED FINAL OBLIGATION FY 83 | ESTIMATED COMPLETION DATE OF PROJECT FY 84 |

Purpose: To develop the institutional capacity of the Ministry of Health (MOH) to expand the coverage and improve the effectiveness of a fully integrated MOH rural health delivery system.

Background and Progress to Date: Since 1971, the MOH has supported the creation of a cadre of auxiliary health personnel to provide services to the rural poor. A training center for rural health technicians was financed under two prior A.I.D. loans. During the 1970's, the MOH has been moving toward creation of a comprehensive, low-cost, rural health delivery system by training volunteer community health promoters and by allocating more of its health budget for rural health personnel salaries and new health posts. Many of the other elements needed for an integrated rural health delivery system, however, are either lacking or in short supply. These elements include: environmental sanitation facilities; potable water systems; well-trained and adequately supervised personnel; a well-equipped health post network; and administrative management capability at the local and MOH level. This grant and its companion \$5.5 million loan are establishing and extending to villages an integrated system of preventive health and nutrition services. Trained auxiliary workers are providing these services. Complementary project activities include the installation of potable water systems and latrines in 400 rural communities with populations of less than 1,500 in three departments.

Host Country and Other Donors: The Government of Guatemala will provide \$2.3 million in counterpart funds or 26% of total project cost. Complementary projects being implemented by other donors include installation of water and sewage systems by the Inter-American Development Bank (\$67.5 million).

Beneficiaries: The beneficiaries of this combined loan/grant project are poor people living in small rural highland communities

in the Departments of San Marcos, Totonicapan and Solola. The target population is approximately 500,000 -- resulting in a cost-per-beneficiary to the A.I.D. project (including both components) loan and grant of about \$13.

FY 81 Program: Technical assistance will develop a health information system, improve health system administration, develop a training module for auxiliary health personnel and guide environmental sanitation activities.

| | | |
|--|------------------|-------------|
| | (\$ thousands) | |
| Major Outputs (and A.I.D Unit Cost): | <u>All Years</u> | |
| | <u>Unit</u> | <u>Cost</u> |
| Integrated health services established | 1 | (192) |
| Health personnel trained and supervised | 506 | (2) |
| New health posts functioning | 50 | (16.4) |
| Water systems installed and maintained | 400 | (9.2) |
| Training program designed | 1 | (150) |
| A.I.D.-Financed Inputs: | <u>FY 81</u> | |
| Health/nutrition advisors (16 person months) | | 100 |
| Environmental sanitation advisors (12 person months) | | 60 |
| Training advisors (24 person months) | | 120 |
| Administration advisors (24 person months) | | <u>120</u> |
| TOTAL | | 400 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-----------------|--------------------------------|-----------------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | To be selected. |
| Estimated Fiscal Year 1980 | L-5,500; G- 100 | L- 700; G- 50 | | |
| Estimated through September 30, 1980 | L-5,500; G- 100 | L- 700; G- 50 | L-4,800; G- 50 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | G- 400 | G- 610 | L-5,500; G-1,110 | |

| | | | | | |
|---|---|---|---|----------------------------------|--|
| TITLE Bilingual Education | | FUNDS Education and Human Resources | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 520-0258 | | PRIOR REFERENCE FY 80 Latin America Programs, p. 169 | FY 81 334 | LIFE OF PROJECT 1,850 | |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/> | | INITIAL OBLIGATION FY 79 | ESTIMATED FINAL OBLIGATION FY 82 | ESTIMATED COMPLETION DATE OF PROJECT FY 84 |

Purpose: To develop a viable bilingual education model for improving Ministry of Education (MOE) Spanish language instruction for the indigenous rural population.

Background and Progress to Date: It is important for Indian children in Guatemala to speak Spanish. Primary education, which is taught only in Spanish, adversely affects many non-Spanish speaking Indian children who have high drop-out and failure rates. This project is helping the MOE to develop bilingual courses, instructional materials, and teaching staff. Project activities include: (a) organization of a central project implementation unit and four field teams; (b) analysis of on-going teacher/promoter training programs; (c) training of bilingual teachers and promoters; (d) development of courses for the pre-primary level in four Indian languages; (e) design and production of instructional materials; (f) gathering of project development and evaluation data for four pre-primary Indian languages.

Host Country and Other Donors: The Government of Guatemala is supporting an on-going Spanish language training program with a total staff of about 714 and an annual budget of \$800,000. The Government's counterpart contribution to this project of \$1,086,500 is 37% of total costs. UNESCO continues to assist in the training of new bilingual promoters.

Beneficiaries: The beneficiaries, who are rural children, will have an improved opportunity to complete successfully the six-year Spanish language primary curriculum. Given 18,000 beneficiary students, the cost-per-beneficiary over the project's life will be approximately \$67.

FY 81 Program: Bilingual teacher and promoter training will continue. Curriculum guides and instructional materials will be produced for the first grade in four major Indian languages. New schedules and materials at the pre-primary level will be field tested.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---|----------------|-------|
| | All Years | |
| | Unit | Cost |
| Bilingual promoters trained | 600 | (0.6) |
| Bilingual teachers trained | 300 | (1) |
| Courses/material for the pre-primary level in four languages | 4 | (157) |
| Trial courses/materials for the first grade in four languages | 4 | (67) |
| Evaluations completed | 8 | (36) |
| <u>A.I.D. Financed Inputs:</u> | | |
| | FY 81 | |
| Contract advisors (U.S. - 18 person months) | 90 | |
| Contract advisors (Local -109 person months) | 120 | |
| Short-term consultants (10 person months) | 30 | |
| Training of personnel | 46 | |
| Materials production and other costs | 39 | |
| Commodities | 9 | |
| TOTAL | 334 | |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--------------------------------|-----------------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 300 | -0- | 300 | Contractor to be selected. |
| Estimated Fiscal Year-1980 | 414 | 225 | | |
| Estimated through September 30, 1980 | 714 | 225 | 489 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 334 | 802 | 1,850 | |

| | | | | | |
|---|-------------------------------|---|--|-------------------------------------|--|
| TITLE Education Administration | | FUNDS Education and Human Resources | PROPOSED OBLIGATION (In thousands of dollars) FY 81 180 | | LIFE OF PROJECT 480 |
| NUMBER 520-0259 | NEW <input type="checkbox"/> | PRIOR REFERENCE FY 80 Latin America Programs, p. 170 | INITIAL OBLIGATION FY 80 | ESTIMATED FINAL OBLIGATION FY 82 | ESTIMATED COMPLETION DATE OF PROJECT FY 83 |
| GRANT <input checked="" type="checkbox"/> | LOAN <input type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | | | |

Purpose: To improve the administrative and technical capacities of the Ministry of Education (MOE) to manage primary and non-formal education systems more effectively, and to strengthen the capability of the National Economic Planning Council to analyze educational requirements and set realistic education goals.

Background and Progress to Date: Guatemala's educational system suffers from a lack of trained management and administrative personnel. There are no officials in the MOE, for example, with advanced degrees in education administration or planning. Much of the administration at the ministerial level is the responsibility of primary and secondary school teachers with no advanced training. A serious problem facing the MOE is its low capacity to create, implement and evaluate new programs. This project provides training to MOE and National Economic Planning Council personnel as part of a plan to ameliorate these administrative problems. Project development is expected to be completed in early 1980.

Host Country and Other Donors: This project's training activity complements Guatemala's public personnel development programs as well as the advisory assistance being provided by the UN and the Organization of American States. The Government will provide \$416,000 as its counterpart contribution, or 46% of total project costs.

Beneficiaries: More than 50 MOE professionals will receive long and short-term training during the project. The determination of an exact cost-per-beneficiary ratio for this project is not practicable because of the institution-building nature of the activity. The rural population will benefit indirectly as a result of improved primary and non-formal educational programs.

FY 81 Program: In FY 1981, A.I.D. funds will provide: (a) four in-country training seminars in administration and program management for MOE department chiefs, deputies, and project implementation staff; (b) in-country training seminars in project design, finance and personnel management for MOE and National Economic Planning Council personnel; (c) three training seminars in evaluation and project systems development for MOE project chiefs; and (d) training for approximately twelve key MOE and National Economic Planning Council employees in management, policy development, statistical analysis and computer programming.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---|----------------|-------|
| | Unit | Cost |
| General management seminars conducted | 6 | (2.5) |
| In-service staff training program established in planning, data processing and analysis | 1 | (201) |
| Short-term training workshops completed | 12 | (2) |
| Personnel trained (long-term training) | 12 | (20) |
| A.I.D. Financed Inputs: | | |
| Consultants (13 person-months) | | 68 |
| Long and short-term training (96 person-months) | | 87 |
| Transportation and commodities | | 25 |
| TOTAL | | 180 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | -0- | -0- | -0- | To be selected. |
| Estimated Fiscal Year 1980 | 200 | -0- | | |
| Estimated through September 30, 1980 | 200 | -0- | 200 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 180 | 100 | 480 | |

| | | | | | |
|---|---|---|---|-------------------------------------|---|
| TITLE Non-Formal Education | | FUNDS Education and Human Resources | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 520-0264 | | PRIOR REFERENCE FY 80 Latin America Programs, p. 171 | FY 81 200 | LIFE OF PROJECT 1,200 | |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/> | | INITIAL OBLIGATION FY 81 | ESTIMATED FINAL OBLIGATION FY 84 | ESTIMATED COMPLETION DATE OF PROJECT FY 85 |

Purpose: To assist the Government of Guatemala's (GOG) Ministry of Education (MOE) to expand non-formal education (NFE) activities throughout 14 rural departments.

Background: In 1976, less than half of the rural school-age and adult population of Guatemala had completed the fourth grade. To address this problem, the MOE and the GOG Planning Council developed a strategy calling for creation of a non-formal education organization to enable out-of-school youths and adults to better prepare for the future. In 1977, the MOE reorganized its major functions to include a Department of Non-Formal Education. This department trains NFE personnel, designs educational materials for mass media use, tests new low-cost teaching methodologies and materials, and conducts in-service training of paraprofessional community workers. Present NFE programs are available in only five departments, but the GOG plans to expand coverage to 14 departments within five years. This project will assist that expansion through technical assistance and training. Based on literacy statistics indicating that 70% of rural women but only 40% of rural men are illiterate, this project will emphasize the design, production, and delivery of educational messages and materials to rural women. Preliminary project studies have delayed the project's initial obligation from FY 1980 to FY 1981.

Host Country and Other Donors: The GOG counterpart contribution will be \$675,000, or 36% of total project costs.

Beneficiaries: The target population will be farm families who have limited access to formal education. Materials and education communication systems will be designed for both the non-Spanish speaking Indians as well as Spanish-speaking rural poor. An estimated 100,000 people will benefit from this project during its life at an estimated cost-per-beneficiary of \$12.

FY 81 Program: The first year program will assist the MOE to evaluate the capacity of both its on-going NFE delivery systems and its administrative/management systems for the purpose of expanding them into other areas of the Western Highlands and the country's Eastern sections. The Ministry will also define software and hardware requirements for improving and expanding the delivery systems, materials, and training.

| | | |
|--|------------------|-------------|
| | (\$ thousands) | |
| <u>Major Outputs (and A.I.D. Unit Cost):</u> | <u>All Years</u> | |
| | <u>Unit</u> | <u>Cost</u> |
| Participants trained in NFE | 45 | (2.22) |
| Field offices developed | 4 | (55) |
| Evaluation programs developed | 4 | (50) |
| Radio stations participating | 3 | (75) |
| Improved MOE capacity to develop educational materials | 1 | (400) |
| <u>A.I.D. Financed Inputs:</u> | <u>FY 81</u> | |
| Technical assistance and indirect costs (34 person-months) | | 170 |
| Training | | 15 |
| Materials development/commodities | | 10 |
| Evaluation | | <u>5</u> |
| TOTAL | | 200 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--------------------------------|-----------------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | To be selected. |
| Estimated Fiscal Year 1980 | - | - | - | |
| Estimated through September 30, 1980 | - | - | - | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 200 | 1,000 | 1,200 | |

| | | | | | |
|---|--|--|---|-------------------------------------|--|
| TITLE Tax and Administrative Improvement | | FUNDS Education and Human Resources | PROPOSED OBLIGATION (In thousands of dollars) | | |
| | | | FY 81 91 | LIFE OF PROJECT 375 | |
| NUMBER 520-0270 | NEW <input type="checkbox"/> | PRIOR REFERENCE None. | INITIAL OBLIGATION FY 80 | ESTIMATED FINAL OBLIGATION FY 82 | ESTIMATED COMPLETION DATE OF PROJECT FY 82 |
| GRANT <input checked="" type="checkbox"/> | LOAN <input type="checkbox"/> | | | | |
| | CONTINUING <input checked="" type="checkbox"/> | | | | |

Purpose: To improve the institutional capacity of the Ministry of Finance (MOF) to fund Government of Guatemala (GOG) development programs, and to monitor externally-funded development projects.

Background and Progress to Date: The MOF is responsible for two critical development-related administrative functions which directly influence the Government's ability to conduct an effective national development program. The first involves generating internal resources through the administration of the federal tax system, and the second involves securing external resources for development investments and monitoring the implementation of externally-financed projects. The GOG has asked A.I.D. for assistance in reviewing the tax system, recommending improvements, and training a special unit within the Ministry to develop and implement an inter-ministerial management system for carrying out projects funded by foreign donors. In FY 1980, technical assistance is aiding the MOF to perform statistical analyses of the tax base and to design information systems for improved tax planning and administration. Studies of project implementation problems, such as contracting and procurement, also are being undertaken. A.I.D. will fund technical assistance and training to help implement the plans and recommendations resulting from these studies and to establish required management and information systems.

Host Country and Other Donors: The Organization of American States is funding complementary technical assistance and training activities to improve the performance of the GOG's tax collection agencies. The GOG will provide the increased staffing and operating costs necessary to implement the systems and reforms resulting from the project. These costs are estimated at \$240,000 over the two-year project life or approximately 39% of the total project cost.

Beneficiaries: The benefits of this project to the A.I.D. target group are indirect and are impractical to estimate. To the extent the MOF is able to more efficiently plan and administer the tax system, there will develop a more equitable sharing of the tax burden as well as an assured source of internal financing for development investments. A significant and growing proportion of these investments is being aimed at the rural and urban poor. Likewise, large numbers of the rural and urban poor will benefit from the improved and more rapid GOG execution of externally-financed development programs (including projects funded by A.I.D.).

FY 81 Programs: A.I.D. will continue funding technical assistance for the training of MOF personnel (e.g., from its Internal Revenue and External Finance Control Divisions) in upgrading tax administration and in improving the execution and monitoring of projects financed by foreign donors.

| | | |
|---|------------------|-------------|
| | (\$ thousands) | |
| Major Outputs (and A.I.D. Unit Cost): | <u>All Years</u> | |
| | <u>Unit</u> | <u>Cost</u> |
| Personnel trained | 21 | (5) |
| Studies completed | 8 | (25) |
| Management/information systems designed and installed | 2 | (35) |
| A.I.D. Financed Inputs: | <u>FY 81</u> | |
| Technical assistance (10 person-months) | | 50 |
| Long and short-term training (15 person-months) | | 30 |
| Commodities | | <u>11</u> |
| TOTAL | | 91 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--------------------------------|-----------------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | -0- | -0- | -0- | |
| Estimated Fiscal Year 1980 | 150 | 60 | | |
| Estimated through September 30, 1980 | 150 | 60 | 90 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 91 | 134 | 375 | |

To be selected.

| | | | | | |
|---|--|--|---|--|--|
| TITLE Special Development Activities | | FUNDS Selected Development Activities | PROPOSED OBLIGATION (In thousands of dollars) FY 81 50 | | LIFE OF PROJECT Continuing* |
| NUMBER 520-0145 | NEW <input type="checkbox"/> | PRIOR REFERENCE | INITIAL OBLIGATION FY 63 | ESTIMATED FINAL OBLIGATION FY Continuing* | ESTIMATED COMPLETION DATE OF PROJECT FY Continuing* |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | FY 80 Latin America Programs, p. 173 | | | |

Purpose: To stimulate social and economic development of small rural villages by providing part of the funds needed to complete small/self-help projects.

Background and Progress to Date: A.I.D. has facilitated the expansion of economic and social services in rural areas by enabling poor communities to organize themselves better to obtain resources necessary to satisfy their needs. Since its inception, A.I.D. has supported 1,270 projects in partnership with the central government, municipalities, private voluntary organizations and communities. In FY 1979, A.I.D.'s \$85,000 expenditure generated contributions from other sources totaling \$1,008,182. Projects initiated in FY 1979 have included schools, potable water systems, village electrification, roads and bridges.

Host Country and Other Donors: The Government of Guatemala will continue to provide technical supervision, materials and transportation. Their contribution in FY 1979 totalled \$517,879. Municipal governments (whose FY 1979 contribution was valued at \$76,832), private voluntary organizations and communities will continue to provide construction materials. Communities and municipalities also will supply unskilled and skilled labor.

Beneficiaries: Project beneficiaries are the inhabitants of small rural communities. An estimated 5,000 families are benefited each year, making A.I.D. cost-per-family about \$10.

FY 81 Program: A.I.D. will continue to provide grants to communities for the purchase of construction materials to complete needed self-help projects.

Major Outputs: Through FY 81
Projects supported 1,370

A.I.D. Financed Inputs: (\$ thousands)
FY 81
Locally-produced construction materials 50
TOTAL 50

*It is expected that activities under this project will continue as long as A.I.D. maintains an assistance program in Guatemala.

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 972 | 972 | -0- | None |
| Estimated Fiscal Year 1980 | 50 | 50 | | |
| Estimated through September 30, 1980 | 1,022 | 1,022 | -0- | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 50 | Continuing* | Continuing* | |

| | | | | | | | |
|---|----------|--|---|---|-------------------------------------|---|--|
| TITLE Earthquake Housing Reconstruction | | FUNDS Selected Development Activities | | PROPOSED OBLIGATION (In thousands of dollars) FY 81 80 | | LIFE OF PROJECT 240 | |
| NUMBER GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | 520-0243 | NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/> | PRIOR REFERENCE FY 80 Latin America Programs, p. 174 | INITIAL OBLIGATION FY 80 | ESTIMATED FINAL OBLIGATION FY 81 | ESTIMATED COMPLETION DATE OF PROJECT FY 82 | |

Purpose: To establish the capability within public and non-profit housing institutions to provide technical assistance in project development, cooperative organization, construction and mortgage financing for low-income families in earthquake-devastated areas.

Background and Progress to Date: The Government of Guatemala (GOG) mounted a credit program for residential construction following the February 1976 earthquake. However, many involved Guatemalan private non-profit and public institutions have little experience in implementing low-cost housing projects. This grant aims at developing the technical capability of the National Housing Cooperative Federation (FENACОВI) to assist these organizations to extend their services into the rural areas. The National Housing Bank (BANVI) will receive assistance in establishing a program to finance housing projects presented by cooperatives. Studies conducted on the capabilities of BANVI and FENACОВI, have identified their technical assistance requirements.

Host Country and Other Donors: The GOG is providing \$34 million in housing construction credit. The Inter-American Development Bank is providing a \$20 million loan for housing credit; the World Bank is providing a \$20 million loan for urban sites and services; the Central American Bank for Economic Integration is providing \$30 million through a Housing Investment Guarantee Program and other resources.

Beneficiaries: Beneficiaries include housing cooperatives and homeowners' associations of low-income families who will be assisted in meeting their housing needs. Due to the institution-building nature of this project, it is not practical to determine costs-per-beneficiary.

FY 81 Program: A.I.D. will continue to provide technical assistance to develop a cooperative financing capacity within BANVI and a servicing capacity within FENACОВI which will assist cooperatives and homeowners' associations in implementing and financing low-cost housing projects.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|--|----------------|--------------|
| | Unit | Cost |
| FENACОВI technical assistance provided | 1 | (70) |
| BANVI cooperative financing capacity established | 1 | (170) |
| <u>A.I.D. Financed Inputs:</u> | | |
| | | <u>FY 81</u> |
| Resident consultant services (12 person-months) | | 60 |
| Short-term consultants (2 person-months) | | 10 |
| Other costs | | <u>10</u> |
| TOTAL | | 80 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--------------------------------|-----------------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | -0- | -0- | -0- | |
| Estimated Fiscal Year 1980 | 160 | 105 | | |
| Estimated through September 30, 1980 | 160 | 105 | 55 | |
| Proposed Fiscal Year 1981 | 80 | - | 240 | |
| | | <u>Future Year Obligations</u> | <u>Estimated Total Cost</u> | |

To be selected.

ECONOMIC AND SOCIAL DATA

COUNTRY: GUYANA

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1979) 847
 PER CAPITA GNP..... (DOLLARS,1977) 560
 AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-77) 1.7%
 AVERAGE ANNUAL RATE OF INFLATION N.A.
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. N.A.
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1973) TOTAL 67.9 MALE 65.3 FEMALE 70.6
 (1968) TOTAL 65.2 MALE 62.9 FEMALE 67.5
 ADULT LITERACY RATE (1972) TOTAL 85% MALE N.A. FEMALE N.A.
 (1960) TOTAL 67% MALE 91% FEMALE 83%

AGRICULTURE

AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1970-1978) -0.1%
 AGRICULTURAL PRODUCTION AS % OF GDP..... N.A.
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1979) 169
 LAND OWNED: BY TOP 10% N.A. BY LOWEST 10% N.A.
 MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: ROOTS & TUBERS BEANS 1% (1977)
 CASH: RICE SUGARCANE 38% (1977)
 MAJOR AGRICULTURAL EXPORTS:(1978) SUGAR RICE
 MAJOR AGRICULTURAL IMPORTS:(1978) CORN DAIRY PRODUCTS
 PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1970) 30%

CENTRAL GOVERNMENT FINANCES

TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)
 (1975) 195 (76) 153 (77) 138
 TOTAL EXPENDITURES (\$ MILLIONS, U.S.)
 (1975) 242 (76) 309 (77) 213
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1975) -47 (76) -156 (77) -75
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1975) 4.0% (76) 7.4% (77) 6.1%
 AS % OF GNP..... (1975) 2.1% (76) 5.5% (77) 3.1%
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1976) 27 (77) 23 (78) 58
 EQUIVALENT TO 3.0 MONTHS OF IMPORTS (1978)

FOREIGN TRADE

MAJOR EXPORTS... (1978) BAUXITE SUGAR RICE
 EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1976) 54 (1977) 46 (1978) 61
 AS % OF TOTAL EXPORTS (1976) 19% (1977) 18% (1978) 21%
 MAJOR IMPORTS... (1978) MANUFACTURES MACHINERY FOODSTUFFS
 IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1976) 104 (1977) 85 (1978) 64
 AS % OF TOTAL IMPORTS (1976) 29% (1977) 27% (1978) 23%
 TRADE BALANCE(\$ MILLIONS, US)(1976) -85 (77) -56 (78) 18
 MAIN TRADING PARTNERS: UNITED KINGDO UNITED STATES TRINIDAD & TO
 EXTERNAL PUBLIC DEBT AS % OF GNP N.A.
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... N.A.
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1977) 15.5%

SOCIAL DATA

POPULATION GROWTH RATE.....(1968-78) 2.1%
 POPULATION IN URBAN AREAS..... (1960) 16% (1973) 40%
 TOTAL BIRTHS PER 1,000 POPULATION..... (1978) 28
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION... N.A.
 POPULATION (1975) IN AGE GROUP:
 (0-14YRS) 43.7% (15-60YRS) 51.3% (60+ YRS) 5.1%
 INFANT DEATHS DURING FIRST YEAR OF LIFE / 1000 INFANTS (1972) 51
 PEOPLE PER PHYSICIAN..... (1974) 3,245
 MAJOR CAUSES OF DISEASE N.A.
 DEATH.. (1972)PREGNANCY NATAL DISEASES
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.... (1974) 104%
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY N.A.
 TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:
 PRIMARY... (AGES 5-14)(1976) TOTAL 60.2% MALE 60.6% FEMALE 59.8%
 SECONDARY..... (15-19)(1976) TOTAL 73.8% MALE 72.9% FEMALE 74.7%
 POST SECONDARY (20-24)(1973) TOTAL 3.2% MALE 4.2% FEMALE 2.2%
 ENERGY PRODUCTION AS % OF CONSUMPTION..... N.A.

U.S. OVERSEAS LOANS AND GRANTS - OBLIGATIONS AND LOAN AUTHORIZATIONS
(U.S. Fiscal Years - Millions of Dollars)

| COUNTRY GUYANA | PROGRAM | FOREIGN ASSISTANCE ACT PERIOD | | | | | TOTAL LOANS AND GRANTS 1946-78 | REPAY- MENTS AND INTEREST 1946-78 | TOTAL LESS REPAY- MENTS AND INTEREST 1946-78 |
|---|---------|---------------------------------------|------|-----|------|-------|---|--|--|
| | | 1975 | 1976 | TQ | 1977 | 1978 | | | |
| | | I. ECONOMIC ASSISTANCE - TOTAL | 1.3 | 2.0 | 0.1 | 6.3 | | | |
| Loans | 1.0 | 1.8 | - | 6.2 | 24.4 | 85.1 | 6.9 | 78.2 | |
| Grants | 0.3 | 0.2 | 0.1 | 0.1 | 2.4 | 28.9 | - | 28.9 | |
| a. A.I.D. and Predecessor Agencies | 1.0 | 1.8 | * | 6.3 | 24.9 | 104.7 | 6.5 | 98.2 | |
| Loans | 1.0 | 1.8 | - | 6.2 | 22.5 | 82.5 | 6.5 | 76.0 | |
| Grants | * | * | * | 0.1 | 2.4 | 22.2 | - | 22.2 | |
| (Security Supporting Assistance) | - | - | - | - | - | 9.6 | - | - | |
| b. Food for Peace (PL 480) | 0.2 | 0.2 | 0.1 | * | 1.9 | 7.8 | 0.4 | 7.4 | |
| Loans | - | - | - | - | 1.9 | 2.6 | 0.4 | 2.2 | |
| Grants | 0.2 | 0.2 | 0.1 | - | - | 5.2 | - | 5.2 | |
| Title I - Total Sales Agreements | - | - | - | - | 1.9 | 2.6 | 0.4 | 2.2 | |
| Repayable in U.S. Dollars - Loans | - | - | - | - | 1.9 | 2.6 | 0.4 | 2.2 | |
| Payable in Foreign Currency - Planned for Country Use | - | - | - | - | - | - | - | - | |
| Title II - Total Grants | 0.2 | 0.2 | 0.1 | * | - | 5.2 | - | 5.2 | |
| Emerg. Relief, Econ. Develop. & World Food Program | 0.2 | 0.2 | 0.1 | * | - | 3.3 | - | 3.3 | |
| Voluntary Relief Agencies | - | - | - | - | - | 1.9 | - | 1.9 | |
| c. Other Economic Assistance | 0.1 | * | - | - | - | 1.5 | - | 1.5 | |
| Loans | - | - | - | - | - | - | - | - | |
| Grants | 0.1 | * | - | - | - | 1.5 | - | 1.5 | |
| Peace Corps | - | - | - | - | - | 1.3 | - | 1.3 | |
| Other | 0.1 | * | - | - | - | 0.2 | - | 0.2 | |
| II. MILITARY ASSISTANCE - TOTAL | | | | | | | | | |
| Credits or Loans | | | | | | | | | |
| Grants | | | | | | | | | |
| a. MAP Grants | | | | | | | | | |
| b. Credit Financing - FMS | | | | | | | | | |
| c. Military Assistance Service-Funded (MASF) Grants | | | | | | | | | |
| d. Transfers from Excess Stocks | | | | | | | | | |
| e. Other Grants | | | | | | | | | |
| III. TOTAL ECONOMIC AND MILITARY ASSISTANCE | | | | | | | | | |
| Loans | | | | | | | | | |
| Grants | | | | | | | | | |
| Other U.S. Government Loans and Grants | | 4.6 | - | - | - | 6.6 | 1.5 | 5.1 | |
| a. Export-Import Bank Loans | | - | - | - | - | 6.6 | 1.5 | 5.1 | |
| b. All Other Loans | | 4.6 | - | - | - | - | - | - | |

* LESS THAN \$50,000.

TQ - TRANSITIONAL QUARTER

ECONOMIC PROGRAMS OF OTHER DONORS

A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS

(Thousands of dollars)

| TOTAL | FY 1977 | FY 1978 | FY 1979 | FY 1946-78 |
|----------|---------|---------|---------|------------|
| | * | 68.325 | 37.108 | 174.781 |
| IBRD | | - | 15,000 | 55,810 |
| IFC | | - | 2,000 | 2,000 |
| IDB | | 58,300 | 14,900 | 73,200 |
| UNDP | * | 25 | 58 | 14,121 |
| OTHER UN | | - | 150 | 1,150 |
| IDA | | 10,000 | 5,000 | 28,500 |

* Less than \$50,000

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

(Millions of dollars) **1. D.A.C. COUNTRIES (Excluding U.S.) (Gross Disbursements)**

| Donor | CY 1977 | CY 1978 | CY 1968-78 |
|--------------|-------------|--------------|--------------|
| TOTAL | 3.50 | 15.80 | 83.90 |
| UK | 1.60 | 12.28 | 51.08 |
| Canada | 1.40 | 2.87 | 26.17 |
| Japan | 0.20 | 0.02 | 2.22 |
| Germany | 0.10 | 0.01 | 1.81 |
| Other | 0.20 | 0.62 | 2.62 |

2. O.P.E.C. COUNTRIES (Net Disbursements)

| TOTAL | CY 1977 | CY 1978 | CY 1973-78 |
|-------|---------|---------|------------|
| | - | - | 5.00 |

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

(Millions of dollars)

| TOTAL | CY 1977 | CY 1978 | CY 1964-78 |
|----------------|---------|---------|------------|
| | 20 | - | 66 |
| USSR | - | - | - |
| Eastern Europe | 20 | - | 30 |
| China | - | - | 36 |

GUYANA

| PROGRAM SUMMARY | | | | | | | |
|---------------------------|--------------------|--|---------------------|--------------|---|---------------------------------|----------------|
| (In thousands of dollars) | | | | | | | |
| Fiscal Year. | Total ^A | Agriculture, Rural Development and Nutrition | Population Planning | Health | Education and Human Resources Development | Selected Development Activities | Other Programs |
| 1979 | | | | | | | |
| Loans | 2,900 | - | - | 2,900 | - | - | - |
| Grants ... | 2,992 | 1,115 | - | 1,800 | - | 77 | - |
| Total .. | 5,892 | 1,115 | - | 4,700 | - | 77 | - |
| 1980 | | | | | | | |
| Loans | 1,000 | 1,000 | - | - | - | - | - |
| Grants ... | 1,994 | 1,894 | - | - | - | 100 | - |
| Total .. | 2,994 | 2,894 | - | - | - | 100 | - |
| 1981 | | | | | | | |
| Loans | 2,500 | 2,500 | - | - | - | - | - |
| Grants ... | 2,750 | 2,650 | - | - | - | 100 | - |
| Total .. | 5,250 | 5,150 | - | - | - | 100 | - |

U.S. Interests

As part of a broader policy which emphasizes regional cooperation and development in the Caribbean, the United States has an interest in supporting equitable development in Guyana and maintaining positive relationships with the Guyanese people and Government. Guyana is an important exporter of bauxite and sugar, the latter primarily for the European Common Market.

Development Overview

In recent years, Guyana's economy has been adversely affected by increasing costs of imports (especially petroleum), declining prices for its principal exports and continuing labor unrest. During the sugar boom of 1974-75, the Government of Guyana (GOG) greatly expanded its investment and expenditures. However, the subsequent sharp drop in sugar prices and the stagnation of bauxite prices led to a large balance of payments deficit and a deterioration of public sector revenues and gross national savings.

In response, the GOG in mid-1978 sharply limited public sector expenditures and entered into a stand-by agreement with the International Monetary Fund (IMF). These controls were extended in 1979 as the GOG negotiated a three-year Extended Fund Facility with the IMF providing nearly \$80 million in special credits. Guyana's continuing weak financial position and the consequent deterioration of public institutional capabilities pose major obstacles to the restoration of a healthy economy. If these problems remain unresolved, the country faces the possibility of further reduction in essential social services and the standard of living.

Socio-Economic Performance

GOG's key development objectives include: increased production in agriculture, forestry, mining and fisheries; expansion and development of exports; training of skilled manpower; and improvement in the delivery of basic social services, especially primary health care. The Government remains firmly committed to social and economic equality for all its people. Its current strategy of investing heavily in the agricultural sector as a primary means of furthering development is intended to improve the incomes of small farmers and to increase export earnings. The GOG is channeling 33.8% of all public investment into agriculture for the period 1978-81. This represents an increase of 15.1% over the previous five-year planning period. Education continues to be a high priority in Guyana, as evidenced by the 85% literacy rate. The A.I.D./GOG Rural Health Systems Project, initiated in 1979, will improve primary health care for the rural poor. In order to implement the reforms prescribed by the IMF, the GOG has adopted a comprehensive set of policies to restrain domestic demand, mobilize public sector resources and restore economic growth. Growing unemployment, lack of managerial and technical manpower, and inadequate incentives for increased private sector investment, however, remain as major constraints to development.

Total Resources

U.S. assistance to Guyana consisting of A.I.D. loans and

GUYANA

grants and PL 480 Title I and Title II commodities amounted to \$8.6 million in 1979. No investments by U.S. firms or the Export-Import Bank were reported in 1978, and private U.S. banks have provided less than \$3 million in loans. Several major donors -- including the World Bank, Inter-American Development Bank, International Fund for Agricultural Development, European Economic Community, Britain and Canada -- have signed agreements over the past three years to provide approximately \$175 million in development assistance, 70% of which is devoted to projects in agriculture and forestry. The remaining 30% provides support for a variety of activities in health, education, transportation and social services.

A.I.D. Strategy

A.I.D.'s goal is to assist Guyana, in cooperation with other multilateral and bilateral donors, to resume broad-based economic growth, principally by stimulating agricultural productivity within the framework of the GOG's national development plan. A.I.D. resources are focused on: increased production of food crops, particularly rice; farm-to-market roads; irrigation; credit; and the creation of off-farm employment opportunities. Additional A.I.D.-funded projects in health and skills training complement and support these activities in a concerted effort to improve the standard of living of the rural poor.

A/ Funds for Project Development and Support as well as Operational Program Grants are not included in this table. They are reflected in the Latin America and Caribbean Regional Program.

| FY 81 PROGRAM HIGHLIGHTS | |
|--------------------------|--|
| - | Initiate agricultural projects to strengthen the GOG's capability (1) to plan, implement and evaluate effective food-production programs and (2) to conduct agriculture research, extension, and education activities. |
| - | Support the on-going Weaning Food Project to improve nutrition among school age children. |
| - | Continue the PL 480 Title I program to provide essential foodstuffs and increased availability of local currency for self-help and rural development projects. |

| PERSONNEL/PARTICIPANTS DATA CP 81-17 (8-79) | | | |
|--|---------------------|------------------------|-----------------------|
| Category | FY 1979 (Actual) | FY 1980 (Estimated) | FY 1981 (Proposed) |
| AID Personnel^a | | | |
| Direct Hire ^b | 12 | 14 | 14 |
| PASA ^c | - | - | - |
| Contract | - | - | - |
| Total | 12 | 14 | 14 |
| Participants^d | | | |
| Noncontract | 26 | 41 | 13 |
| Contract | - | 11 | 17 |
| Total | 26 | 52 | 30 |
| ^a U.S. nationals on duty at the end of the fiscal year. ^b FY 1980 and FY 1981 position levels. ^c Participating agency technicians. ^d Programmed during the fiscal year. | | | |

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| RESOURCE FLOWS | | | |
|----------------------------------|---------------------|------------------------|-----------------------|
| <i>(In thousands of dollars)</i> | | | |
| Program | FY 1979 (Actual) | FY 1980 (Estimated) | FY 1981 (Proposed) |
| AID* | | | |
| Loans | 1,635 | 1,717 | 5,320 |
| Grants | 179 | 1,680 | 2,442 |
| Total AID | 1,814 | 3,397 | 7,762 |
| P.L. 480** | | | |
| Title I | 2,300 | 2,300 | 1,600 |
| (of which Title III is) | (-) | (-) | (-) |
| Title II | 73 | 155 | 210 |
| Total P.L. 480 | 2,373 | 2,455 | 1,810 |
| Total AID and P.L. 480 | 4,187 | 5,852 | 9,572 |

*AID levels represent actual and estimated expenditures.
**P.L. 480 levels represent actual and estimated value of shipments.

| P.L. 480 PROGRAMS SUMMARY | | | | | | |
|---------------------------|---------------------|-------|------------------------|-------|-----------------------|-------|
| <i>(In 000MT/\$000)</i> | | | | | | |
| Program | FY 1979 (Actual) | | FY 1980 (Estimated) | | FY 1981 (Proposed) | |
| | MT | \$ | MT | \$ | MT | \$ |
| <i>Title I</i> | | | | | | |
| Wheat | 1 | 100 | 1 | 200 | 1.5 | 300 |
| Rice | - | - | - | - | - | - |
| Feedgrains | - | - | - | - | - | - |
| Vegoil | 2 | 2,200 | 3 | 2,100 | 1.5 | 1,300 |
| Non-food | - | - | - | - | - | - |
| Title I Total .. | | 2,300 | | 2,300 | | 1,600 |
| (of which Title III is) | | (-) | | (-) | | (-) |
| <i>Title II</i> | | | | | | |
| Voluntary Agencies .. | | - | | - | | - |
| World Food Programs | | 26 | | - | | - |
| Gov't.-to-Gov't | | 47 | | 155 | | 210 |
| Title II Total | | 73 | | 155 | | 210 |
| Total P.L. 480 | | 2,373 | | 2,455 | | 1,810 |

MISSION DIRECTOR Donor M. Lion

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

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PROGRAM: GUYANA

| | * L / G | PROJECT NUMBER | FY OF INITIAL FUNDING | -THROUGH FY79- OBLIGATIONS | EXPENDITURES | -ESTIMATED FY80- OBLIGATIONS | EXPENDITURES | -PROPOSED FY81- OBLIGATIONS | EXPENDITURES | FUTURE YEAR OBLIGATIONS |
|---------------------------------------|---------|----------------|-----------------------|----------------------------|--------------|------------------------------|--------------|-----------------------------|--------------|-------------------------|
| ----- | | | | | | | | | | |
| AGRICULTURE, RURAL DEV. AND NUTRITION | | | | | | | | | | |
| SEED FARM DEVELOPMENT | G | 504-0065 | 78 | 500 | 41 | --- | 200 | --- | 200 | --- |
| RURAL ROADS | G | 504-0068 | 78 | 1,400 | --- | 300 | 500 | --- | 500 | --- |
| RURAL ROADS | L | 504-0068 | 79 | 6,200 | --- | --- | 450 | --- | 1,110 | --- |
| SECOND RICE MODERNIZATION PROJECT | * G | 504-0072 | 79 | 400 | --- | 569 | 100 | 213 | 300 | 318 |
| SECOND RICE MODERNIZATION PROJECT | L | 504-0072 | 78 | 15,000 | --- | --- | 250 | --- | 1,000 | --- |
| WEANING FOODS DEVELOPMENT | G | 504-0073 | 78 | 390 | 68 | 110 | 250 | --- | 182 | --- |
| SMALL FARM DEVELOPMENT | * G | 504-0075 | 80 | --- | --- | 315 | 100 | 550 | 200 | 535 |
| SMALL FARM DEVELOPMENT | L | 504-0075 | 78 | 7,500 | --- | --- | 100 | --- | 1,000 | --- |
| AGRICULTURE SECTOR PLANNING | * G | 504-0077 | 80 | --- | --- | 600 | --- | 500 | 350 | 798 |
| AGRICULTURE SECTOR PLANNING | L | 504-0077 | 80 | --- | --- | 1,000 | --- | --- | 1,000 | --- |
| AG. SECTOR SERVICES | * G | 504-0087 | 81 | --- | --- | --- | --- | 1,000 | 100 | 3,500 |
| AG. SECTOR SERVICES | * L | 504-0087 | 81 | --- | --- | --- | --- | 2,500 | --- | --- |
| WEANING FOODS, PHASE II | * G | 504-0088 | 81 | --- | --- | --- | --- | 387 | --- | --- |
| TOTAL FOR ACCOUNT | | | | 31,390 | 109 | 2,894 | 1,950 | 5,150 | 5,942 | |
| GRANTS | | | | 2,690 | 109 | 1,894 | 1,150 | 2,650 | 1,832 | |
| LOANS | | | | 28,700 | --- | 1,000 | 800 | 2,500 | 4,110 | |
| HEALTH | | | | | | | | | | |
| RURAL HEALTH SYSTEMS | G | 504-0066 | 79 | 1,800 | --- | --- | 400 | --- | 500 | --- |
| RURAL HEALTH SYSTEMS | L | 504-0066 | 79 | 2,900 | --- | --- | 100 | --- | 860 | --- |
| TOTAL FOR ACCOUNT | | | | 4,700 | --- | --- | 500 | --- | 1,360 | |
| GRANTS | | | | 1,800 | --- | --- | 400 | --- | 500 | |
| LOANS | | | | 2,900 | --- | --- | 100 | --- | 860 | |
| EDUCATION AND HUMAN RESOURCES | | | | | | | | | | |
| PUBLIC SECTOR MANPOWER TRAINING | L | 504-0060 | 77 | 1,000 | 210 | --- | 233 | --- | 350 | --- |
| TOTAL FOR ACCOUNT | | | | 1,000 | 210 | --- | 233 | --- | 350 | |
| GRANTS | | | | --- | --- | --- | --- | --- | --- | |
| LOANS | | | | 1,000 | 210 | --- | 233 | --- | 350 | |
| SELECTED DEVELOPMENT ACTIVITIES | | | | | | | | | | |
| SPECIAL DEVELOPMENT ACTIVITIES | * G | 504-0031 | 65 | 556 | 472 | 100 | 130 | 100 | 110 | --- |
| IMPROVED GEORGETOWN STREETS | L | 504-0056 | 71 | 6,200 | 5,616 | --- | 584 | --- | --- | --- |

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

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PROGRAM: GUYANA

| | * L / PROJECT G NUMBER | FY OF INITIAL FUNDING | -THROUGH FY79- OBLIG ATIONS | EXPENDI TURES | -ESTIMATED FY80- OBLIG ATIONS | EXPENDI TURES | -PROPOSED FY81- OBLIG ATIONS | EXPENDI TURES | FUTURE YEAR OBLIG ATIONS |
|-------------------|------------------------------|-----------------------------|-----------------------------------|------------------|-------------------------------------|------------------|------------------------------------|------------------|-----------------------------------|
| ----- | | | | | | | | | |
| TOTAL FOR ACCOUNT | | | 6,756 | 6,088 | 100 | 714 | 100 | 110 | |
| GRANTS | | | 556 | 472 | 100 | 130 | 100 | 110 | |
| LOANS | | | 6,200 | 5,616 | --- | 584 | --- | --- | |
| TOTAL FOR COUNTRY | | | 43,846 | 6,407 | 2,994 | 3,397 | 5,250 | 7,762 | |
| GRANTS | | | 5,046 | 581 | 1,994 | 1,680 | 2,750 | 2,442 | |
| LOANS | | | 38,800 | 5,826 | 1,000 | 1,717 | 2,500 | 5,320 | |

| | | | | | | |
|--|--|---|--|---|----------------------------|---------------------------|
| TITLE Rice Modernization II | | FUNDS Agriculture, Rural Development and Nutrition | | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 504-0072 | | PRIOR REFERENCE | | FY 81 | | LIFE OF PROJECT |
| GRANT <input checked="" type="checkbox"/> | LOAN <input checked="" type="checkbox"/> | FY 80 Latin America Programs, p. 65 | | G-213 | | L-15,000; G-1,500 |
| NEW <input type="checkbox"/> | | | | INITIAL OBLIGATION | ESTIMATED FINAL OBLIGATION | ESTIMATED COMPLETION DATE |
| CONTINUING <input checked="" type="checkbox"/> | | | | FY 78 | FY 82 | OF PROJECT |
| | | | | | | FY 83 |

Purpose: To increase small farmer income by reducing post harvest rice losses, and to increase the efficiency of the rice marketing system.

Background and Progress to Date: The majority of Guyana's 40,000 farmers produce rice. Annual crop yields have increased from 120,000 metric tons (MT) in 1968 to 182,000 MTs in 1978. Rice production is projected to increase to 500,000 MTs by 1987 as a result of completing three large irrigation and flood control projects funded by other donors and cultivating land not previously irrigated. An A.I.D. loan authorized in FY 1969 provided funds for the construction of facilities with 52,000 MTs of storage and drying capacity. This earlier project was a major factor in increasing small farmer income by 40%. By the mid-1980s, rice yields are expected to greatly outstrip current storage, drying, and milling capacity. This loan will fund the construction of five new storage and drying centers and expand other existing facilities. Three new rice mills will be built, and the Georgetown rice export facility (destroyed in a 1977 fire) will be rebuilt. This project's grant component will be used to improve the financial management and processing capabilities of the Guyana Rice Board (GRB). Progress to date has been slower than anticipated, largely because the Government of Guyana (GOG) experienced delays in meeting the initial conditions of the loan/grant agreement. In addition, the evaluation of proposals and the subsequent selection of a contractor for the engineering services required more time than expected during the planning stage. As a result of these delays, the project is approximately eight months behind schedule.

Host Country and Other Donors: The GOG has budgeted \$5.5 million to support the project. Other major donors are the World Bank, Inter-American Development Bank and International Fund for Agricultural Development.

Beneficiaries: The project will directly benefit an estimated 20,000 small-farm families (6 persons per family) engaged in rice cultivation and additionally will provide employment for an estimated 3,000 to 5,000 people in drying, storage and packaging activities. Based on the beneficiary figure of 20,000 families, the A.I.D. assisted cost-per-family would be approximately \$825 over the project's life.

FY 81 Program: All engineering design work will be completed, and the contract for all construction (including equipment procurement) will be awarded. Training of GRB personnel, initiated in FY 1980, will continue.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|--|----------------|----------|
| | Unit | Cost |
| New drying and storage centers | 5 | (1982.4) |
| New multi-stage rice mills | 3 | (440.0) |
| Existing storage and drying centers expanded | 6 | (283.6) |
| Georgetown export facility rehabilitated | 1 | (2068.0) |
| GRB personnel trained: | | |
| In-country | 207 | (1.2) |
| Abroad | 48 | (4.9) |

| A.I.D. Financed Inputs: | FY 81 |
|---|--------------|
| Training (15 person-months) | 51.8 |
| Technical assistance (21 person-months) | 161.2 |
| TOTAL | 213.0 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-----------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | L-15,000; G-400 | -0- | L-15,000; G-400 | Jarvis International. |
| Estimated Fiscal Year 1980 | G-569 | L-250; G-100 | | |
| Estimated through September 30, 1980 | L-15,000; G-969 | L-250; G-100 | L-14,750; G-869 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | G-213 | G-318 | L-15,000; G-1,500 | |

| | | | | | |
|---|--|--|---|--|----------------------------------|
| TITLE Small Farm Development | | FUNDS Agriculture, Rural Development and Nutrition | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 504-0075 | | PRIOR REFERENCE FY 80 Latin America Programs, p. 67 | FY 81 | G-550 | LIFE OF PROJECT L-7,500; G-1,400 |
| GRANT <input checked="" type="checkbox"/> | LOAN <input checked="" type="checkbox"/> | | NEW <input type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | ESTIMATED FINAL OBLIGATION FY 83 |

Purpose: To increase the production of rice and other food crops on 6,000 small farms in the Black Bush Region.

Background and Progress to Date: The Black Bush Region is a 26,500-acre, irrigated, new-land settlement with a potential for expansion to 46,600 acres. This expansion would enable annual rice production in the project area to increase from 34,000 metric tons (MT) to 67,500 MTs. Development of this potential will require substantial investments in irrigation, drainage systems, land levelling and farmer services (e.g., technical assistance, improved seeds, and access to machinery pools). Because of the scope and magnitude of this program, project financing is provided by A.I.D., the World Bank (IBRD), the Inter-American Development Bank (IDB), and the International Fund for Agricultural Development (IFAD). A.I.D. funds meet the cost of engineering consultants for infrastructure design and construction supervision as well as technical assistance to farmers for machinery pool management, agricultural equipment use, and training in new farming methods. The other donors are providing financing for public works and related equipment, such as pumps. Implementation, however, has been slow, in large measure due to the delays in the signing of agreements by other project participants (IDB, IFAD, and IBRD). Further, the inherent administrative complexity of such a multi-donor activity has caused delays in instituting adequate implementation arrangements among the various involved entities of the Government of Guyana (GOG).

Host Country and Other Donors: IBRD and IFAD each are allocating \$10 million for the project. The IDB input amounts to \$7.2 million. Combined with the GOG contribution of \$8.1 million and the A.I.D. \$7.5 million loan, the total project cost is \$42.8 million. In addition, A.I.D. will provide \$1.4 million of grant funding for training and technical assistance at the farm level.

Beneficiaries: Project beneficiaries will be the 6,000 farm families (36,000 persons) located in the project area. A.I.D. assistance cost-per-family will be \$1,483, or \$247 per capita. In addition, the increase in rice production will give a substantial boost to the national economy.

FY 81 Program: The design work started in FY 1980 will continue, and construction will get underway. Technical assistance at the farm level and for the machinery pool (initiated in FY 1980) will also continue, while procurement of small farm equipment will be completed.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---|----------------|------------|
| | Unit | Cost |
| Ministry of Agriculture personnel trained | 56 | (17) |
| Public works designs prepared | 1 | (3,520) |
| Seed production facility/ seed delivery system renovated | 1 | (275) |
| Equipment pool and maintenance shop renovated | 1 | (2,170) |
| On-farm extension services improved | 1 | (1,980) |
| A.I.D. Financed Inputs: | FY 81 | |
| Technical assistance (70 person-months) | | 490 |
| Training (30 person-months) | | 60 |
| TOTAL | | 550 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|----------------|--------------|--|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1978 | L-7,500 | -0- | L-7,500 | |
| Estimated Fiscal Year 1980 | G-315 | L-100; G-100 | | |
| Estimated through September 30, 1980 | L-7,500; G-315 | L-100; G-100 | L-7,400; G-215 | |
| Proposed Fiscal Year 1981 | G-550 | G-535 | Estimated Total Cost L-7,500; G-1,400 | |

To be selected.

| | | | | | | | |
|---|--|--|--|--|-------------------------------------|--|----------------------------------|
| TITLE Agriculture Sector Planning | | FUNDS Agriculture, Rural Development and Nutrition | | PROPOSED OBLIGATION (In thousands of dollars) FY 81 G-500 | | | LIFE OF PROJECT L-1,000; G-1,898 |
| NUMBER 504-0077 | NEW <input type="checkbox"/> | PRIOR REFERENCE FY 80 Latin America Programs, p. 68 | | INITIAL OBLIGATION FY 80 | ESTIMATED FINAL OBLIGATION FY 83 | ESTIMATED COMPLETION DATE OF PROJECT FY 84 | |
| GRANT <input checked="" type="checkbox"/> | LOAN <input checked="" type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | | | | | |

Purpose: To develop within the Government of Guyana (GOG) the institutional capability for effective agricultural sector planning.

Background and Progress to Date: Under the current National Plan, the Government has called for one third of all public investment to be directed to agricultural development. Furthermore, most external donor assistance, including U.S. assistance, is directed at the agriculture sector. The GOG, however, suffers from a severe shortage of personnel with the analytical and statistical skills necessary to manage agricultural policies and programs. The problem will become even more critical as more resources are made available for rural development. This project will help to develop project management skills and to upgrade the analytical and data management capability of the three GOG organizations responsible for agricultural sector planning: the Resource Development and Planning Division (RDPD) of the Ministry of Agriculture, the Statistics Bureau of the Ministry of Economic Development (MED), and the National Data Management Authority. This project was approved and scheduled for implementation in FY 1979, but implementation was delayed until FY 1980 due to the unavailability of funds. During FY 1980, a contract will be signed for services of four long-term specialists to provide advisory assistance in planning and data management.

Host Country and Other Donors: The Government will increase its agriculture sector planning staff and will provide a building (now nearing completion) to house a computer and the data processing personnel. The GOG contribution to the project will be \$4.2 million. The Inter-American Institute for Agricultural Sciences is providing complementary technical assistance in planning to the RDPD.

Beneficiaries: Due to the institution-building nature of the project, a computation of cost-per-beneficiary ratios is not practical.

However, the benefits derived from the improved GOG agricultural sector planning capacity resulting from the project will redound largely to small farmers since the bulk of foreign and domestic assistance in the sector is directed at this group.

FY 81 Program: Four long-term specialists, who are beginning their work during FY 1980, will continue to provide guidance and advisory assistance in planning, data collection and data management. Short-term advisory help in specialized areas will be initiated. Three in-country training seminars will be held, and one RDPD staff member and one MED staff member will receive specialized U.S. training. Finally, a major survey relating to farm household expenditure, consumption and income will be conducted.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---------------------------------------|----------------|---------|
| | Unit | Cost |
| 1982 - 1985 sector plan | 1 | (200) |
| Major crop production estimates | 8 | (40) |
| Annual capital budget prepared | 5 | (60) |
| Special studies conducted | 8 | (50) |
| Personnel trained in-country | 10 | (2) |
| Personnel trained abroad | 4 | (7.5) |
| Functioning computer center. | 1 | (1,000) |

| A.I.D. Financial Inputs: | FY 81 |
|---|-------|
| Technical assistance (60 person-months) | 405 |
| Participants trained (18 person months) | 40 |
| Evaluation and contingencies | 55 |
| TOTAL | 500 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|----------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | To be selected. |
| Estimated Fiscal Year 1980 | L-1,000; G-600 | - | - | |
| Estimated through September 30, 1980 | L-1,000; G-600 | - | L-1,000; G-600 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | G-500 | G-798 | L-1,000; G- 1,898 | |

| | | | | | | | |
|---|--|---|--|---|-------------------------------------|---|-------------------------------------|
| TITLE Agriculture Sector Services | | FUNDS Agriculture, Rural Development and Nutrition | | PROPOSED OBLIGATION (In thousands of dollars) FY 81 L-2,500; G-1,000 | | | LIFE OF PROJECT L-2,500; G-4,500 |
| NUMBER 504-0087 | NEW <input checked="" type="checkbox"/> | PRIOR REFERENCE None. | | INITIAL OBLIGATION FY 81 | ESTIMATED FINAL OBLIGATION FY 84 | ESTIMATED COMPLETION DATE OF PROJECT FY 85 | |
| GRANT <input checked="" type="checkbox"/> | LOAN <input checked="" type="checkbox"/> | CONTINUING <input type="checkbox"/> | | | | | |

Purpose: To strengthen Guyanese institutional capabilities in the areas of agricultural research, education and extension.

Background: The Government of Guyana (GOG), supported by several international donors, is investing substantial financial resources in the development of the country's agricultural sector. Development activities will be focused on irrigation, drainage and flood control projects designed to increase the productivity of existing lands and to expand farm acreage. To assure that productivity is maximized in existing and new farm areas, a critical examination will be made of agricultural research, education and extension (REE) services. During FY 1980, A.I.D. will contract with a Title XII institution to conduct a baseline study of the country's institutional capability to provide effective REE services. The study will assess the full extent of the trained personnel shortage and recommend ways to overcome this constraint to development. Both capital investment and a major technical assistance effort will be required in order to carry out the improvement/expansion recommendations that are likely to result from the study. A.I.D.-sponsored project activities will be determined after the completion of the Title XII baseline report.

Host Country and Other Donors: The GOG is expected to contribute approximately 40% (\$2.8 million) of the financing required to carry out the project. The Inter-American Development Bank also has expressed interest in strengthening the institutional base for REE services, although it is awaiting the results of the baseline study prior to making any commitment.

Beneficiaries: Approximately 40,000 farmers will benefit from an improved REE system. Guyana's agricultural productivity is very

low compared to that of other countries with similar growing conditions (e.g., soil, climate, rainfall, etc.). An improved REE capability will improve both productivity and farmer incomes. It is estimated that the cost-per-beneficiary farmer will be \$175.

FY 81 Program: The project is planned for approval by mid-FY 1981. During the remainder of that fiscal year, technical services will be provided, and training activities will be initiated.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---|----------------|-------|
| | Unit | Cost |
| Capital improvements at key research institutions | 3 | (670) |
| Personnel trained | 20 | (160) |
| Organizational structures improved | 4 | (300) |
| Research/extension publications produced | 12 | (2) |

| A.I.D. Financed Inputs: | FY 81 | |
|--|--------------|--------------|
| | Grant | Loan |
| Capital improvement at research stations | - | 2,500 |
| Technical assistance (9 person-years) | 810 | - |
| Training (60 person-months) | 40 | - |
| Commodities | 150 | - |
| TOTAL | 1,000 | 2,500 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|------------------|--------------|------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | |
| Estimated Fiscal Year 1980 | - | - | - | |
| Estimated through September 30, 1980 | - | - | - | |
| Proposed Fiscal Year 1981 | L-2,500; G-1,000 | G-3,500 | L-2,500; G-4,500 | |

To be selected.

| | | | | | | |
|---|---|---|-----------------------------|--|--|------------------------|
| TITLE Weaning Food II | | FUNDS Agriculture, Rural Development and Nutrition | | PROPOSED OBLIGATION (In thousands of dollars) FY 81 387 | | LIFE OF PROJECT 387 |
| NUMBER 504-0088 | NEW <input checked="" type="checkbox"/> | PRIOR REFERENCE None. | INITIAL OBLIGATION FY 81 | ESTIMATED FINAL OBLIGATION FY 81 | ESTIMATED COMPLETION DATE OF PROJECT FY 83 | |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | CONTINUING <input type="checkbox"/> | | | | | |

Purpose: To establish in Guyana the capability to produce and distribute nutritious weaning foods made from local products.

Background: A three-year project was initiated by A.I.D. in FY 1978 to assist the Government of Guyana (GOG) to develop and produce nutritious, low-cost weaning foods. Studies revealed that some 50% of Guyana's children below the age of five suffer from malnutrition, attributable largely to early weaning and inadequate supplementation. The project had as its major objectives the establishment of a weaning food plant, the production of 1,355 metric tons (MT) of food over three years, and the formation of a retail distribution system. Preparation of the plant and installation of equipment are now nearing completion, and mass production will get underway in March 1980. Experimental quantities of the food already have been produced. This proposed follow-on project will expand the production and distribution operation beyond its initial experimental stage and will add an education component. Both production and distribution -- which are expected to encourage the widespread use of this and other nutritious foods -- are anticipated to reach full market potential during the period of 1982-1984. During the second phase of the project, continued assistance will be required to conduct market surveys, to provide technical help and to make possible the import of necessary materials. Local production of corn and soybeans should be sufficient by the end of the project to supplant Title II commodities that will be provided in diminishing amounts for the duration of the project. At the conclusion, the operation will be self-sustaining with local ingredients, packaging and financing.

Host Country and Other Donors: During the project's course the GOG will gradually assume full responsibility for the costs of raw materials, production, packaging and distribution. The GOG's contribution is approximately \$1,300,000.

Beneficiaries: It is estimated that 40-50% of the 150,000 pre-school population, or about 67,000 children, will be reached through the weaning food program at a cost-per-beneficiary of \$13 per child. The primary target group is infants and children 4 months to 2 years of age. A secondary target group is pre-school children in the 2-5 year age group.

FY 81 Program: An expanded nutrition education program will be conducted. Based on the findings of an upcoming evaluation, some project adjustments may be necessary in its manufacturing, distribution and promotion elements. A market research study will be conducted. Free distribution of approximately 15% of the factory's scheduled output of 780 MTs of food will be made to Maternal-Child Health Clinics.

| | |
|--|------------------|
| | (\$ thousands) |
| Major Outputs (and A.I.D. Unit Cost): | <u>All Years</u> |
| | Unit Cost |
| Metric tons of weaning food produced | 2,340 (0.09) |
| Market surveys conducted | 3 (12) |
| Sales promotion campaigns completed | 3 (15) |
| Retail distribution system established | 1 (55) |

| | |
|---|--------------|
| A.I.D. Financed Inputs: | <u>FY 81</u> |
| Technical assistance | 160 |
| Materials (e.g., factory equipment, vitamin/mineral premixes, etc.) | 220 |
| Market research studies | 35 |
| Contingency | <u>32</u> |
| TOTAL | 387 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | To be selected. |
| Estimated Fiscal Year 1980 | - | - | - | |
| Estimated through September 30, 1980 | - | - | - | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 387 | - | 387 | |

| | | | | | |
|---|--|--|---|--|--|
| TITLE Special Development Activities | | FUNDS Selected Development Activities | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 504-0031 | | PRIOR REFERENCE | FY 81 | 100 | LIFE OF PROJECT |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/> | FY 80 Latin America Programs, p. 70 | INITIAL OBLIGATION FY 65 | ESTIMATED FINAL OBLIGATION FY Continuing* | ESTIMATED COMPLETION DATE OF PROJECT FY Continuing* |

Purpose: To promote community development initiatives by partially financing small self-help projects which directly benefit participating Guyanese communities.

Background and Progress to Date: Since 1965, A.I.D. assistance has been provided to a variety of community self-help activities: adding rooms to community clinics, providing instructional materials, rehabilitating vocational training centers, and purchasing items like pipe for village water systems or books for rural schools. Projects qualifying for this small grant assistance must have self-help components. For example, a community furnishes labor, while the grant provides funding to purchase materials for the expansion of local clinics. During FY 1979, A.I.D. supported a total of 18 community self-help projects. These projects included support for farm plot activities at three schools and the construction of four potable water systems and a village market. Seventeen of the 18 projects were located in rural areas.

Host Country and Other Donors: At least 50% of the cost of each project was provided by local community groups through contributions of funds, labor and/or materials.

Beneficiaries: Groups in small rural communities who otherwise would lack funds to finance these self-help activities are the immediate beneficiaries. In FY 1979, the average number of beneficiaries for each of the 18 projects was 1,100, or a total of 19,800 people. Average cost-per-beneficiary was \$4.14.

FY 81 Program: Projects funded under this program stem from specific requests for assistance submitted by community groups and

other local organizations. Thus, the exact size and scope of the program cannot be pre-determined. Based on past experience, however, activities funded in FY 1981 are likely to include the construction of health huts, farm roads, basic water supply systems, and the expansion of village school buildings.

| | |
|---|----------------|
| Major Outputs: | Through FY 81 |
| Sub-projects | 272 |
| | (\$ thousands) |
| A.I.D. Financed Inputs: | FY 81 |
| Building supplies and miscellaneous tools | 100 |
| TOTAL | 100 |

*It is expected that activities under this project will continue as long as A.I.D. maintains an assistance program in Guyana.

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--|-------------------------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 556 | 472 | 84 | None. |
| Estimated Fiscal Year 1980 | 100 | 130 | | |
| Estimated through September 30, 1980 | 656 | 602 | 54 | |
| Proposed Fiscal Year 1981 | 100 | Future Year Obligations Continuing* | Estimated Total Cost Continuing* | |

ECONOMIC AND SOCIAL DATA

COUNTRY: HAITI

| *BASIC DATA* | | | | *FOREIGN TRADE* | | | |
|--|-------------------|-----------|-----------------|--|---|--|--|
| TOTAL POPULATION.. (THOUSANDS, MID 1979) | 5,005 | | | MAJOR EXPORTS... (1978) | COFFEE MANUFACTURES BAUXITE | | |
| PER CAPITA GNP..... (DOLLARS, 1977) | 230 | | | EXPORTS TO U.S. | (\$ MILLIONS, US, FOB) (1976) 78 (1977) 160 (1978) 184 | | |
| AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-77) | 0.1% | | | AS % OF TOTAL EXPORTS (1976) | 62% | | |
| AVERAGE ANNUAL RATE OF INFLATION (1960-70) | 4.1% | | (1970-77) 13.3% | MAJOR IMPORTS... (1978) | MANUFACTURES FOODSTUFFS MACHINERY | | |
| NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. | N.A. | | | IMPORTS FROM U.S. | (\$ MILLIONS, US, CIF) (1976) 113 (1977) 223 (1978) 224 | | |
| LIFE EXPECTANCY AT BIRTH, IN YEARS | | | | AS % OF TOTAL IMPORTS | N.A. | | |
| (1973) TOTAL | 50.0 | MALE 49.0 | FEMALE 51.0 | TRADE BALANCE(\$ MILLIONS, US)(1973) | -22 (74) -35 (75) -62 | | |
| (1968) TOTAL | 47.7 | MALE 47.0 | FEMALE 48.5 | MAIN TRADING PARTNERS: UNITED STATES FRANCE JAPAN | | | |
| ADULT LITERACY RATE (1971) TOTAL | 23% | MALE 29% | FEMALE 18% | EXTERNAL PUBLIC DEBT AS % OF GNP (1977) | 10.7% | | |
| (1960) TOTAL | 15% | MALE 17% | FEMALE 12% | SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT, | (\$ MILLIONS, U.S.)..... (1977) 13 | | |
| *AGRICULTURE* | | | | AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1977) | 7.1% | | |
| AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE | (1970-1978) -3.3% | | | *SOCIAL DATA* | | | |
| AGRICULTURAL PRODUCTION AS % OF GDP..... (1976) | 45% | | | POPULATION GROWTH RATE.....(1968-78) | 1.8% | | |
| POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1979) | 1,001 | | | POPULATION IN URBAN AREAS..... (1960) | 14% (1977) 24% | | |
| LAND OWNED: BY TOP 10% N.A. BY LOWEST 10% N.A. | | | | TOTAL BIRTHS PER 1,000 POPULATION..... (1977) | 42 | | |
| MAJOR CROP(S) | ARABLE LAND YEAR | | | MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION... (1977) | 31% | | |
| SUBSISTENCE: CORN PULSES RICE | 77% (1978) | | | POPULATION (1975) IN AGE GROUP: | (0-14YRS) 40.4% (15-60YRS) 51.6% (60+ YRS) 6.3% | | |
| CASH: COFFEE SUGARCANE | 10% (1978) | | | INFANT DEATHS DURING FIRST YEAR OF LIFE / 1000 INFANTS (1970) | 130 | | |
| MAJOR AGRICULTURAL EXPORTS:(1978) COFFEE | | | | PEOPLE PER PHYSICIAN..... (1976) | 11,344 | | |
| MAJOR AGRICULTURAL IMPORTS:(1978) WHEAT SOYBEAN OIL | | | | MAJOR CAUSES OF DISEASE (1975)MALARIA FLU & PNEUMONIA TUBERCULOSIS | | | |
| PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1977) | 70% | | | DEATH.. (1977)TETANUS ENTERIC DISEASE FLU & PNEUMONIA | | | |
| *CENTRAL GOVERNMENT FINANCES* | | | | PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.... (1974) | 90% | | |
| TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.) | | | | POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975) | 14% | | |
| (1975) 93 (76) 109 (77) 127 | | | | TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP: | | | |
| TOTAL EXPENDITURES (\$ MILLIONS, U.S.) | | | | PRIMARY... (AGES 5-14)(1976) TOTAL | 42.2% MALE 44.1% FEMALE 40.3% | | |
| (1975) 133 (76) 129 (77) 156 | | | | SECONDARY..... (15-19)(1971) TOTAL | 5.6% MALE 7.4% FEMALE 3.8% | | |
| DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.) | | | | POST SECONDARY (20-24)(1976) TOTAL | .8% MALE 1.1% FEMALE .4% | | |
| (1975) -40 (76) -20 (77) -29 | | | | ENERGY PRODUCTION AS % OF CONSUMPTION..... (1976) | 15% | | |
| DEFENSE EXPENDITURES, | | | | | | | |
| AS % OF TOTAL EXPENDITURES.. (1975) 7.8% (76) 8.5% (77) 7.4% | | | | | | | |
| AS % OF GNP..... (1975) 1.1% (76) 0.9% (77) 0.9% | | | | | | | |
| OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD, | | | | | | | |
| (\$MILLIONS, U.S.) (1975) 13 (76) 28 (77) 34 | | | | | | | |
| EQUIVALENT TO 1.0 MONTHS OF IMPORTS (1975) | | | | | | | |

U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS
(U.S. Fiscal Years – Millions of Dollars)

COUNTRY HAITI

| PROGRAM | FOREIGN ASSISTANCE ACT PERIOD | | | | | TOTAL LOANS AND GRANTS 1946-78 | REPAY- MENTS AND INTEREST 1946-78 | TOTAL LESS REPAY- MENTS AND INTEREST 1946-78 |
|--|-------------------------------|------|------|------|------|---|--|--|
| | 1975 | 1976 | TQ | 1977 | 1978 | | | |
| I. ECONOMIC ASSISTANCE – TOTAL | 9.3 | 23.4 | 11.9 | 40.7 | 27.5 | 229.4 | 5.4 | 224.0 |
| Loans | 2.3 | 9.9 | 8.0 | 10.7 | 10.5 | 56.3 | 5.4 | 50.9 |
| Grants | 7.0 | 13.5 | 3.9 | 30.0 | 17.0 | 173.1 | - | 173.1 |
| a. A.I.D. and Predecessor Agencies | 3.6 | 9.3 | 11.0 | 21.1 | 8.9 | 141.1 | 4.3 | 136.8 |
| Loans | - | 5.0 | 8.0 | - | - | 27.8 | 4.3 | 23.5 |
| Grants | 3.6 | 4.3 | 3.0 | 21.1 | 8.9 | 113.3 | - | 113.3 |
| (Security Supporting Assistance) | - | - | - | - | - | 47.7 | - | - |
| b. Food for Peace (PL 480) | 5.6 | 13.9 | 0.9 | 19.3 | 18.5 | 84.0 | 0.8 | 83.2 |
| Loans | 2.3 | 4.9 | - | 10.7 | 10.5 | 28.2 | 0.8 | 27.4 |
| Grants | 3.3 | 9.0 | 0.9 | 8.6 | 8.0 | 55.8 | - | 55.8 |
| Title I - Total Sales Agreements | 2.3 | 4.9 | - | 10.7 | 10.5 | 28.2 | 0.8 | 27.4 |
| Repayable in U.S. Dollars - Loans | 2.3 | 4.9 | - | 10.7 | 10.5 | 28.2 | 0.8 | 27.4 |
| Payable in Foreign Currency - Planned for Country Use | - | - | - | - | - | - | - | - |
| Title II - Total Grants | 3.3 | 9.0 | 0.9 | 8.6 | 8.0 | 55.8 | - | 55.8 |
| Emerg. Relief, Econ. Develop. & World Food Program | 0.6 | 3.2 | 0.2 | 1.1 | 2.3 | 12.2 | - | 12.2 |
| Voluntary Relief Agencies | 2.7 | 5.8 | 0.7 | 7.5 | 5.7 | 43.6 | - | 43.6 |
| c. Other Economic Assistance | 0.1 | 0.2 | - | 0.3 | 0.1 | 4.3 | 0.3 | 4.0 |
| Loans | - | - | - | - | - | 0.3 | 0.3 | - |
| Grants | 0.1 | 0.2 | - | 0.3 | 0.1 | 4.0 | - | 4.0 |
| Peace Corps | - | - | - | - | - | - | - | - |
| Other | 0.1 | 0.2 | - | 0.3 | 0.1 | 4.0 | - | 4.0 |
| II. MILITARY ASSISTANCE – TOTAL | * | 0.1 | * | 0.6 | 0.7 | 5.6 | - | 5.6 |
| Credits or Loans | - | - | - | 0.5 | 0.5 | 1.0 | - | 1.0 |
| Grants | * | 0.1 | * | 0.1 | 0.2 | 4.6 | - | 4.6 |
| a. MAP Grants | * | - | * | - | - | 2.4 | - | 2.4 |
| b. Credit Financing - FMS | - | - | - | 0.5 | 0.5 | 1.0 | - | 1.0 |
| c. Military Assistance Service-Funded (MASF) Grants | * | 0.1 | - | 0.1 | 0.2 | 1.2 | - | 1.2 |
| d. Transfers from Excess Stocks | - | - | - | - | - | 0.2 | - | 0.2 |
| e. Other Grants | - | - | - | - | - | 0.8 | - | 0.8 |
| III. TOTAL ECONOMIC AND MILITARY ASSISTANCE | 9.3 | 23.5 | 11.9 | 41.3 | 28.2 | 235.0 | 5.4 | 229.6 |
| Loans | 2.3 | 9.9 | 8.0 | 11.2 | 11.0 | 57.3 | 5.4 | 51.9 |
| Grants | 7.0 | 13.6 | 3.9 | 30.1 | 17.2 | 177.7 | - | 177.7 |
| Other U.S. Government Loans and Grants | - | 0.3 | - | - | 1.2 | 29.6 | 18.6 | 9.5 |
| a. Export-Import Bank Loans | - | - | - | - | - | 28.1 | 18.6 | 9.5 |
| b. All Other Loans | - | 0.3 | - | - | 1.2 | 1.5 | * | * |

* LESS THAN \$50,000.

TQ - TRANSITIONAL QUARTER

ECONOMIC PROGRAMS OF OTHER DONORS

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS
(Thousands of dollars)

| TOTAL | FY 1977 | FY 1978 | FY 1979 | FY 1946-78 |
|----------|---------|---------|---------|------------|
| TOTAL | 26,400 | 39,057 | 61,085 | 295,168 |
| IBRD | - | - | - | 2,600 |
| IDB | 15,700 | 5,200 | 38,330 | 150,900 |
| UNDP | 700 | 2,257 | 6,255 | 25,118 |
| OTHER UN | - | - | - | 6,600 |
| IDA | 10,000 | 31,600 | 16,500 | 109,950 |

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

(Millions of dollars)

1. D.A.C. COUNTRIES (Excluding U.S.) (Gross Disbursements)

| Donor | CY 1977 | CY 1978 | CY 1969-78 |
|-------------|---------|---------|------------|
| TOTAL | 11.40 | 22.77 | 69.17 |
| France | 2.00 | 2.35 | 21.25 |
| Canada | 4.70 | 8.28 | 20.08 |
| Germany | 3.40 | 9.18 | 18.38 |
| Belgium | 0.30 | 1.56 | 4.66 |
| Netherlands | 0.90 | 1.23 | 3.63 |
| Other | 0.10 | 0.17 | 1.17 |

2. O.P.E.C. COUNTRIES (Net Disbursements)

| TOTAL | CY 1977 | CY 1978 | CY 1973-78 |
|-------|---------|---------|------------|
| TOTAL | - | - | 5.00 |

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

(Millions of dollars)

| TOTAL | CY 1977 | CY 1978 | CY 1954-78 |
|-------|---------|---------|------------|
| TOTAL | - | - | - |

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| | | PROGRAM SUMMARY | | | | | | CP 81-13 (8-79) |
|-------------|-------------|--|---------------------|--------|---|---------------------------------|------------------|-----------------|
| | | (In thousands of dollars) | | | | | | |
| Fiscal Year | A/ Total | Agriculture, Rural Development and Nutrition | Population Planning | Health | Education and Human Resources Development | Selected Development Activities | Other Programs | |
| 1979 | | | | | | | | |
| Loans | -- | -- | -- | -- | -- | -- | -- ^{B/} | |
| Grants ... | 7,677 | 2,912 | 934 | 3,627 | 3 | 201 | (25) | |
| Total .. | 7,677 | 2,912 | 934 | 3,627 | 3 | 201 | (25) | |
| 1980 | | | | | | | | |
| Loans | -- | -- | -- | -- | -- | -- | -- | |
| Grants ... | 5,762 | 2,400 | 1,618 | 800 | 401 | 543 | -- | |
| Total .. | 5,762 | 2,400 | 1,618 | 800 | 401 | 543 | -- | |
| 1981 | | | | | | | | |
| Loans | -- | -- | -- | -- | -- | -- | -- | |
| Grants ... | 7,255 | 3,045 | 1,560 | 1,400 | 800 | 450 | -- | |
| Total .. | 7,255 | 3,045 | 1,560 | 1,400 | 800 | 450 | -- | |

U.S. Interest

The United States has a basic humanitarian interest in the development of Haiti, the poorest nation in the Western Hemisphere and one of the 29 least developed countries in the world. Haiti's growing population -- 80% of whom live in abject poverty -- has far outstripped both the land's capacity and present employment opportunities. Illegal immigration to the United States is becoming, more and more, the escape valve for the poor.

Development Overview

Haiti's acute poverty is reflected by the following: a life expectancy of 50 years; an infant mortality rate of 149 per thousand (compared to 13 per thousand in developed countries); an illiteracy rate of almost 80%; widespread malnutrition; an annual per-capita income of less than \$100 for 80% of the population; and urban

unemployment and underemployment of more than 40% of the potential work force. The causes of poverty are numerous and include: primitive agricultural technology; overpopulation; soil erosion; and rudimentary rural infrastructure. Development is also hampered by Haiti's limited absorptive capacity for foreign assistance -- a reflection of its inadequate financial resources, weak or nonexistent development institutions, and shortages of trained personnel.

Socio-Economic Performance

In 1978 the International Monetary Fund (IMF) entered into an Extended Fund Facility (EFF) agreement with the Government of Haiti (GOH) which called for increased GOH development revenues through basic fiscal reforms. These reforms included integrating all tax revenues into the government budget and limiting tax collection authority to the customs and internal revenue offices. Although progress on the reforms was slow initially, the Government was able to demonstrate substantial improvement at the August 1979 annual meeting of the Joint Commission, composed of the GOH and major foreign donors. This gradual but commendable progress towards fiscal modernization led the IMF to agree to renew the EFF agreement for another year. Nonetheless, much remains to be done in both fiscal and civil service reforms. Other favorable developments in 1979 included: enlargement of the main and feeder-road network; official GOH support for the use of Creole, the national language, in place of French in elementary schools; and President Duvalier's endorsement of family planning as a national goal. In addition, private foreign and Haitian entrepreneurs continued to generate new jobs through investments in labor-intensive export-oriented industries.

Total Resource Flows

Two-thirds of Haiti's development budget in FY 1978 came from external donors, supplying Haiti with approximately \$79 million. In addition to the United States, other major donors in FY 1979 were the Inter-American

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Development Bank (\$17 million), West Germany (\$9 million), and the World Bank (\$7.6 million). The U.S. private and voluntary organizations (such as CARE and the Catholic Relief Services) provided \$4.5 million from their own resources in 1978, and contributions from missionary organizations for the same year were estimated at \$6 million. U.S. private investment, almost entirely concentrated in the export sector, increased by \$8 million in 1979 to an approximate total of \$130 million. U.S. assistance is coordinated with that of other donors within the Joint Commission framework.

A.I.D. Strategy

A.I.D. strategy in Haiti centers on the problems of the rural poor who suffer from malnutrition, poor health, illiteracy and low incomes. A PL 480 Title III program planned for FY 1980 is a central part of the A.I.D. strategy to increase Haiti's absorptive capability by providing local currency for sector development programs and promoting GOH tax, budget and public administration reforms. A.I.D. programs in the agriculture sector focus on production, transportation, marketing, credit, soil conservation, and community development. A recent evaluation of an A.I.D. small farmer project revealed that during the period 1975-78 participating farms of under 6 acres were able to more than double their coffee production. The objective of the health sector program is to improve basic health services provided to the rural population. Other A.I.D.-financed projects emphasize the development and adaptation of technologies appropriate to the needs of Haiti's poor and the training of semi-skilled, field-level personnel for jobs in rural public works programs.

A/ Funds for Project Development and Support as well as Operational Program Grants are not included in this table. They are reflected in the Latin America and Caribbean Regional Program.

B/ Disaster Assistance funds.

| FY 81 PROGRAM HIGHLIGHTS | |
|---|--|
| Total assistance of \$30 million in A.I.D. Development Assistance and in PL 480 commodities supporting: | |
| - improved agricultural production for small farmers. | |
| - rural health and family planning. | |
| - appropriate technology and reforestation for fuel and soil conservation. | |
| - government administrative reforms. | |

| PERSONNEL/PARTICIPANTS DATA CP 81-17 (8-79) | | | |
|--|------------------|---------------------|--------------------|
| Category | FY 1979 (Actual) | FY 1980 (Estimated) | FY 1981 (Proposed) |
| AID Personnel ^a | 33 | 42 | 43 |
| Direct Hire ^b | | | |
| PASA ^c | -0- | -1- | -1- |
| Contract | 19 | 62 | 59 |
| Total | 52 | 105 | 103 |
| Participants ^d | | | |
| Noncontract | 56 | 38 | 70 |
| Contract | -0- | -0- | 20 |
| Total | 56 | 38 | 90 |

^aU.S. nationals on duty at the end of the fiscal year.
^bFY 1980 and FY 1981 position levels.
^cParticipating agency technicians.
^dProgrammed during the fiscal year.

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| RESOURCE FLOWS | | | |
|-------------------------------------|---------------------|------------------------|-----------------------|
| <i>(In thousands of dollars)</i> | | | |
| Program | FY 1979 (Actual) | FY 1980 (Estimated) | FY 1981 (Proposed) |
| AID* | | | |
| Loans | 1,562 | 2,083 | 1,364 |
| Grants | 6,937 | 13,281 | 13,964 |
| Total AID | 8,499 | 15,364 | 15,328 |
| P.L. 480** | | | |
| Title I | 9,000 | 9,000 | 19,400 |
| (of which Title III is) | (-) | (-) | (-) |
| Title II | 6,625 | 9,417 | 10,774 |
| Total P.L. 480 | 15,625 | 18,417 | 30,174 |
| Total AID and P.L. 480 | 24,124 | 33,781 | 45,502 |

**AID levels represent actual and estimated expenditures.*
***P.L. 480 levels represent actual and estimated value of shipments.*

| P.L. 480 PROGRAMS SUMMARY | | | | | | |
|---|---------------------|------------------------------|------------------------|------------------------------|-----------------------|-------------------------------|
| <i>(In 000MT/\$000)</i> | | | | | | |
| Program | FY 1979 (Actual) | | FY 1980 (Estimated) | | FY 1981 (Proposed) | |
| | MT | \$ | MT | \$ | MT | \$ |
| <i>Title I</i> | | | | | | |
| Wheat | 20 | 3,000 | 12 | 2,100 | 29 | 4,700 |
| Rice | 10 | 3,300 | 10 | 3,400 | 10 | 3,400 |
| Feedgrains | - | - | - | - | - | - |
| Vegoil | 4 | 2,700 | 5 | 3,500 | 14 | 11,300 |
| Non-food | - | - | - | - | - | - |
| Title I Total .. <i>(of which Title III is)</i> | | 9,000 <i>(-)</i> | | 9,000 <i>(-)</i> | | 19,400 <i>(-)</i> |
| <i>Title II</i> | | | | | | |
| Voluntary Agencies .. | | 5,553 | | 7,708 | | 8,715 |
| World Food Programs | | 1,072 | | 1,709 | | 2,059 |
| Gov't.-to-Gov't | | - | | - | | - |
| Title II Total | | 6,625 | | 9,417 | | 10,774 |
| Total P.L. 480 | | 15,625 | | 18,417 | | 30,174 |

MISSION DIRECTOR Allan R. Furman

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

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CP 81-02

PROGRAM: HAITI

| | * L / G | PROJECT NUMBER | FY OF INITIAL FUNDING | -THROUGH FY79- OBLIGATIONS | EXPENDITURES | -ESTIMATED FY80- OBLIGATIONS | EXPENDITURES | -PROPOSED FY81- OBLIGATIONS | EXPENDITURES | FUTURE YEAR OBLIGATIONS |
|---------------------------------------|---------|----------------|-----------------------|----------------------------|--------------|------------------------------|--------------|-----------------------------|--------------|-------------------------|
| ----- | | | | | | | | | | |
| AGRICULTURE, RURAL DEV. AND NUTRITION | | | | | | | | | | |
| SMALL FARMER DEVELOPMENT | G | 521-0073 | 76 | 1,905 | 1,240 | --- | 265 | --- | 545 | --- |
| SMALL FARMER DEVELOPMENT | L | 521-0073 | 74 | 6,000 | 2,852 | --- | 658 | --- | 800 | --- |
| AGR FEEDER ROADS | G | 521-0074 | 76 | 2,706 | 2,389 | 1,700 | 1,050 | --- | 946 | --- |
| AGR FEEDER ROADS | L | 521-0074 | 76 | 5,000 | 3,261 | --- | 1,175 | --- | 564 | --- |
| NUTRITION IMPROVEMENT | G | 521-0075 | 76 | 1,769 | 1,116 | --- | 450 | --- | 253 | --- |
| INTEGRATED AGR DEV | * G | 521-0078 | 76 | 4,090 | 294 | --- | 1,000 | 1,500 | 1,800 | 3,710 |
| INTEGRATED AGR DEV | L | 521-0078 | 77 | 8,000 | --- | --- | 250 | --- | --- | --- |
| SMALL FARMER MARKETING | G | 521-0083 | 77 | 750 | 64 | 200 | 240 | --- | --- | 1,250 |
| ROAD MAINTENANCE II | * G | 521-0084 | 77 | 9,450 | 2,679 | --- | 4,500 | 745 | 3,000 | 370 |
| AGR. DEV. SUPPORT II | G | 521-0092 | 80 | 1,000 | --- | 200 | 150 | --- | 300 | 2,847 |
| INTERSECTORAL NUTRITION DEV. | G | 521-0099 | 80 | --- | --- | 300 | 150 | --- | 100 | 2,700 |
| STRENGTHENING RURAL CREDIT INST | * G | 521-0121 | 81 | --- | --- | --- | --- | 500 | 400 | 450 |
| FORESTRY MANAGEMENT | * G | 521-0122 | 81 | --- | --- | --- | --- | 300 | 250 | 2,750 |
| TOTAL FOR ACCOUNT | | | | 40,670 | 13,895 | 2,400 | 9,888 | 3,045 | 8,958 | |
| GRANTS | | | | 21,670 | 7,782 | 2,400 | 7,805 | 3,045 | 7,594 | |
| LOANS | | | | 19,000 | 6,113 | --- | 2,083 | --- | 1,364 | |
| POPULATION PLANNING | | | | | | | | | | |
| MCH/FAMILY PLANNING II | G | 521-0087 | 78 | 2,437 | 2,001 | 1,618 | 1,481 | --- | 642 | --- |
| MCH/FAMILY PLANNING III | * G | 521-0124 | 81 | --- | --- | --- | --- | 1,560 | 500 | 4,135 |
| TOTAL FOR ACCOUNT | | | | 2,437 | 2,001 | 1,618 | 1,481 | 1,560 | 1,142 | |
| GRANTS | | | | 2,437 | 2,001 | 1,618 | 1,481 | 1,560 | 1,142 | |
| LOANS | | | | --- | --- | --- | --- | --- | --- | |
| HEALTH | | | | | | | | | | |
| STRENGTHENING HEALTH SERVICES II | G | 521-0086 | 77 | 7,525 | 3,594 | --- | 2,000 | --- | 1,931 | --- |
| RURAL HEALTH DEL. SYSTEM | * G | 521-0091 | 79 | 3,627 | --- | 800 | 1,335 | 1,400 | 1,800 | 10,173 |
| TOTAL FOR ACCOUNT | | | | 11,152 | 3,594 | 800 | 3,335 | 1,400 | 3,731 | |
| GRANTS | | | | 11,152 | 3,594 | 800 | 3,335 | 1,400 | 3,731 | |
| LOANS | | | | --- | --- | --- | --- | --- | --- | |
| EDUCATION AND HUMAN RESOURCES | | | | | | | | | | |
| ADMIN TRAINING AND IMPROVEMENT | * G | 521-0079 | 80 | --- | --- | 201 | 50 | 450 | 467 | 599 |
| RESOURCES TRAINING CENTER | * G | 521-0104 | 80 | --- | --- | 200 | 150 | 350 | 350 | 950 |

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

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CP 81-02

PROGRAM: HAITI

| | * L / G | PROJECT NUMBER | FY OF INITIAL FUNDING | -THROUGH FY79- OBLIG ATIONS | EXPENDI TURES | -ESTIMATED FY80- OBLIG ATIONS | EXPENDI TURES | -PROPOSED FY81- OBLIG ATIONS | EXPENDI TURES | FUTURE YEAR OBLIG ATIONS |
|---------------------------------|---------|----------------|-----------------------|-----------------------------|---------------|-------------------------------|---------------|------------------------------|---------------|--------------------------|
| ----- | | | | | | | | | | |
| TOTAL FOR ACCOUNT | | | | --- | --- | 401 | 200 | 800 | 817 | |
| GRANTS | | | | --- | --- | 401 | 200 | 800 | 817 | |
| LOANS | | | | --- | --- | --- | --- | --- | --- | |
| SELECTED DEVELOPMENT ACTIVITIES | | | | | | | | | | |
| SPECIAL DEVELOPMENT ACT. | * G | 521-0062 | 68 | 1,094 | 1,030 | 75 | 80 | 75 | 75 | --- |
| DEV. FINANCE CORP. | * G | 521-0085 | 80 | --- | --- | 100 | 50 | 100 | 100 | --- |
| APPROPRIATE TECHNOLOGY | * G | 521-0095 | 78 | 623 | --- | 368 | 270 | 275 | 475 | --- |
| LEGAL ASSISTANCE TO THE POOR | G | 521-0120 | 79 | 125 | --- | --- | 60 | --- | 30 | --- |
| TOTAL FOR ACCOUNT | | | | 1,842 | 1,030 | 543 | 460 | 450 | 680 | --- |
| GRANTS | | | | 1,842 | 1,030 | 543 | 460 | 450 | 680 | --- |
| LOANS | | | | --- | --- | --- | --- | --- | --- | --- |
| TOTAL FOR COUNTRY | | | | 56,101 | 20,520 | 5,762 | 15,364 | 7,255 | 15,328 | |
| GRANTS | | | | 37,101 | 14,407 | 5,762 | 13,281 | 7,255 | 13,964 | |
| LOANS | | | | 19,000 | 6,113 | --- | 2,083 | --- | 1,364 | |

| | | | | | | |
|--|--|--|--|---|-----------------------------------|--|
| TITLE Integrated Agricultural Development | | FUNDS Agriculture, Rural Development and Nutrition | | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 521-0078 | | NEW <input type="checkbox"/> | | FY 81 G-1,500 | LIFE OF PROJECT L-8,000*; G-9,300 | |
| GRANT <input checked="" type="checkbox"/> LOAN <input checked="" type="checkbox"/> | | CONTINUING <input checked="" type="checkbox"/> | | INITIAL OBLIGATION FY 76 | ESTIMATED FINAL OBLIGATION FY 83 | ESTIMATED COMPLETION DATE OF PROJECT FY 84 |
| PRIOR REFERENCE FY 80 Latin America Programs, p. 83 | | | | | | |

Purpose: To deliver productive resources and services to small farmers through expansion of the operational capacity of the Ministry of Agriculture, National Resources and Rural Development (DARNDR).

Background and Progress to Date: A.I.D. is financing the development and testing of prototype systems for providing improved extension, research, soil conservation, irrigation and credit services to Haitian small farmers in selected watershed areas. The project includes: (a) reconstruction and rehabilitation of two irrigation systems; (b) development of an institutional capability within the DARNDR for the rehabilitation and maintenance of irrigation systems; (c) hillside soil and resource management; and (d) adaptive research to develop optimal farming systems, genetic upgrading and appropriate conservation practices. Because of institutional weaknesses in the DARNDR, project implementation has been delayed. A recent evaluation recommended a major implementation change and the redesign of major components. Greater emphasis will be put on technical assistance and training, and less emphasis will be placed on operational aspects of the project. As a result, a portion of the previous loan funding is being deobligated and additional grant-funding will be provided.

Host Country and Other Donors: The Government of Haiti will provide the equivalent of \$10.5 million, or 46% of project costs. Canada is providing approximately \$4 million for equipment, facility construction, and improvements in the Faculty of Agronomy operated by the DARNDR.

Beneficiaries: With the development of an institutional system for delivering resources and services to small farmers, improvements in crop yields will be possible with resulting increases in rural incomes. During the project's life, an estimated 15,000 farm households will participate directly in the project at an estimated A.I.D. cost of \$807 per household.

FY 81 Program: Soil conservation efforts will continue in two watersheds. Work will continue on the rehabilitation of two irrigation systems comprising 1,300 hectares. Two research stations will be constructed and equipped. Field trials of selected crops will begin. Twelve participants will receive short-term overseas training, and seven participants will begin graduate-level training.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|--|----------------|--------------|
| | All Years | |
| | Unit | Cost |
| Water-user groups organized | 4 | (175) |
| Hectares of irrigation systems rehabilitated | 1300 | (1.04) |
| Hectares studied | 1200 | (0.1) |
| Soil conservation groups organized | 50 | (30) |
| Watersheds protected | 4 | (631) |
| Research stations established | 2 | (375) |
| Field trials completed | 45 | (25) |
| Short-term participants trained | 53 | (10) |
| Participants receiving graduate training | 10 | (39.5) |
| Soil Conservation training | 85 | (9) |
| Irrigation Training | 85 | (9) |
| Research/extension training | 80 | (9) |
| Management systems revised | 4 | (200) |
| Communications network established | 1 | (54) |
| A.I.D. Financed Inputs: | | FY 81 |
| Personnel (10 person-years) | | 1,000 |
| Training (16 person-months) | | 400 |
| Commodities | | 100 |
| TOTAL | | 1,500 |

*As noted in the text, a part of this project's loan component is being deobligated in FY 1980.

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES | |
|--|-------------------|--------------------------------|-----------------------------|-----------------------------------|--|
| | Obligations | Expenditures | Unliquidated | | |
| Through September 30, 1979 | L-8,000; G-4,090 | G- 294 | L-8,000; G-3,796 | Servicios Tecnicos del Caribe. | |
| Estimated Fiscal Year 1980 | - | L- 250; G-1,000 | | Others to be selected. | |
| Estimated through September 30, 1980 | L-8,000*; G-4,090 | L- 250; G-1,294 | L-7,750; G-2,796 | | |
| | | Future Year Obligations | Estimated Total Cost | | |
| Proposed Fiscal Year 1981 | G-1,500 | G-3,710 | L-8,000*; G-9,300 | | |

| | | | | | | |
|---|-------------------------------|--|--|---|-------------------------------------|---|
| TITLE Road Maintenance II | | FUNDS Agriculture, Rural Development and Nutrition | | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 521-0084 | | PRIOR REFERENCE FY 80 Latin America Programs, p. 85 | | FY 81 745 | LIFE OF PROJECT 10,565 | ESTIMATED COMPLETION DATE OF PROJECT FY 82 |
| GRANT <input checked="" type="checkbox"/> | LOAN <input type="checkbox"/> | NEW <input type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | INITIAL OBLIGATION FY 77 | ESTIMATED FINAL OBLIGATION FY 81 | |

Purpose: To expand and strengthen maintenance and rehabilitation efforts of the Government of Haiti's (GOH) National Highway Maintenance Service (SEPRRN).

Background and Progress to Date: Under the A.I.D. Road Maintenance I Project, a nucleus SEPRRN organization was formed and given responsibility for the maintenance of main trunk roads constructed by the World Bank (IBRD) and Inter-American Development Bank (IDB). This grant provides continued technical assistance to SEPRRN to increase its road maintenance capability at a rate compatible with an expanding road network. Improved roads will accelerate the flow of rural produce to the urban markets, thereby providing increased revenues for small farmers. Bids have been published for the construction of several district and sub-district facilities, and a major expansion of the training program has been designed. Procurement of the first lot of maintenance equipment is underway. By the end of FY 1980, the maintenance facilities at Hinche, Jacmel, Port-de-Paix and St. Marc will have been completed and equipped, and the Central Administration Building at Jeremie will be substantially completed. Procurement of the second lot of road maintenance equipment will be completed, with 90% of the equipment delivered. The training program will be at the halfway point, and the SEPRRN instructors will be taking over most of the training responsibilities.

Host Country and Other Donors: The GOH has approved SEPRRN's revised Five-Year Plan, which provides \$17 million or 62% of project costs for road maintenance through FY 1981 (including \$190,000 for maintenance activities performed by community councils). The IBRD, IDB, UN Development Program and France are providing assistance to various aspects of the Haitian road construction program.

Beneficiaries: The expanded maintenance activities of SEPRRN will serve local, departmental and national roads, benefiting 556,000 families in rural areas at an A.I.D. cost of \$19 per family.

FY 81 Program: The construction and equipping of the remaining district and sub-district facilities will be completed in early FY 1981. The technicians will be retrained, and advanced training is planned for qualified equipment operators and mechanics. A reporting system installed in FY 1980 will improve the Central Administration's ability to manage road maintenance activities carried out by SEPRRN. With the arrival of the second tranche of equipment, SEPRRN will be able to maintain approximately 2,400 kilometers of roads.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|--|----------------|-------|
| | All Years | |
| | Unit | Cost |
| Central Administration Building completed | 1 | (520) |
| Principal Districts operating | 2 | (325) |
| Sub-Districts operating | 6 | (318) |
| Kilometers of rehabilitated and new roads being maintained | 2400 | (3.5) |

| A.I.D. Financed Inputs: | FY 81 |
|---------------------------------------|------------|
| Personnel (3 person-years) | 300 |
| Commodities | 200 |
| Construction | 200 |
| Other costs: community action-program | 45 |
| TOTAL | 745 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--------------|--------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 9,450 | 2,679 | 6,771 | |
| Estimated Fiscal Year 1980 | - | 4,500 | | |
| Estimated through September 30, 1980 | 9,450 | 7,179 | 2,271 | |
| Proposed Fiscal Year 1981 | 745 | 370 | 10,565 | |

To be selected.
Frederick R. Harris, Inc.

| | | | | | |
|---|---|--|---|----------------------------------|--|
| TITLE Strengthening Rural Credit Institutions | | FUNDS Agriculture, Rural Development and Nutrition | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 521-0121 | | PRIOR REFERENCE None. | FY 81 500 | LIFE OF PROJECT 950 | |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/> | | INITIAL OBLIGATION FY 81 | ESTIMATED FINAL OBLIGATION FY 83 | ESTIMATED COMPLETION DATE OF PROJECT FY 84 |

Purpose: To establish a viable, well-managed Government credit institution capable of servicing the needs of rural Haiti.

Background and Progress to Date: The Agricultural Credit Bureau (BCA) of the Ministry of Agriculture is the Government of Haiti's (GOH) only channel of agricultural credit to small farmers. U.S. support of the BCA began when it was founded in 1956, and U.S. assistance was provided as recently as 1975 under the A.I.D. Small Farmer Development Project. The BCA has undergone modest expansion and currently reaches some 24,555 small farmers via approximately 2,000 Agricultural Credit Societies. However, these institutions represent less than 5% of the country's small farmers. A recent analysis of the BCA revealed serious institutional constraints which hinder significant expansion of services. These constraints include inadequate financing, a costly credit delivery system, and internal management deficiencies. This three-year project will strengthen the BCA's ability to provide credit and related financial services (e.g., savings accounts) and will give it the capacity for a ten-fold increase in its clientele. This expansion will be accomplished by: 1) improving financial and administrative management through advisory assistance and training; 2) extending outreach capability through expanded facilities, training of field level staff, and streamlining of services and procedures; 3) implementing a long-term capitalization and revenue strategy; 4) providing limited additional capital, primarily to alternative credit programs; and 5) completing several studies on various aspects of rural financial markets in Haiti which will guide future activities.

Host Country and Other Donors: The GOH will provide the necessary additional staff and operating costs plus certain costs related to the construction of regional facilities. These inputs are estimated at \$350,000 or 27% of project costs. The World Bank has provided a \$700,000 loan to BCA for lending in northern

Haiti, but it is facing disbursement problems in part due to the very problems which necessitate this A.I.D. project.

Beneficiaries: By extending BCA's outreach capacity, an estimated 250,000 small farmers will be eligible for production credit upon completion of the project. The A.I.D. cost-per-beneficiary is estimated at \$3.80 per farmer.

FY 81 Program: Participant training and limited advisory assistance will begin, regional offices will be built and furnished, and several experimental credit programs will be tested.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|--|----------------|-------|
| | Unit | Cost |
| Central/regional credit system | 1 | (235) |
| Regional offices constructed/furnished | 11 | (20) |
| Long-term participants trained | 5 | (25) |
| Short-term participants trained | 60 | (1) |
| Alternative credit programs | 5 | (50) |
| Rural financial market studies | 3 | (20) |
| <u>A.I.D. Financed Inputs:</u> | | |
| | FY 81 | |
| Personnel (1 person-year) | | 100 |
| Construction (regional offices) | | 110 |
| Training (48 person-months) | | 45 |
| Commodities (e.g., equipment and furniture for regional offices) | | 170 |
| Other costs (loan capital and studies) | | 75 |
| TOTAL | | 500 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | To be selected. |
| Estimated Fiscal Year 1980 | - | - | - | |
| Estimated through September 30, 1980 | - | - | - | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 500 | 450 | 950 | |

| | | | | | | |
|---|--------------------------|---|--|---|-------------------------------------|--|
| TITLE Forestry Management | | FUNDS Agriculture, Rural Development and Nutrition | | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 521-0122 | | NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/> | | FY 81 | LIFE OF PROJECT | 3,050 |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | PRIOR REFERENCE None. | | | INITIAL OBLIGATION FY 81 | ESTIMATED FINAL OBLIGATION FY 85 | ESTIMATED COMPLETION DATE OF PROJECT FY 86 |

Purpose: To develop a forestry management capacity in the Government of Haiti's (GOH) Ministry of Agriculture, Natural Resources and Rural Development (DARNDR) and to expand the tree planting programs of private and voluntary organizations.

Background: Destruction of hardwood and pine forests caused by increasing requirements for food and energy has resulted in a massive deterioration of the Haitian natural environment. Erosion of soil, loss of soil nutrients, high sedimentation loads in rivers and lakes, and losses of exploitable flora and fauna species are all characteristic results of the loss of tree cover. In turn, the degradation has decreased agricultural productivity, has increased siltation of irrigation systems and has jeopardized the country's major hydroelectric project. The GOH's response has been limited to efforts aimed at soil conservation. This project will enable DARNDR to implement a national forestry management system by strengthening institutions in forestry planning and management. Project activities will support regional reforestation, afforestation and agro/forestry projects. The project will build on current A.I.D. support for soil conservation under the Integrated Agricultural Development project as well as research on upland agriculture under the Agricultural Development Support II project. Final design of the project will be developed under a collaborative research grant with a U.S. university or consortium selected under the Title XII program.

Host Country and Other Donors: The GOH will contribute an estimated 25% of total project costs. Numerous private voluntary organizations are sponsoring small reforestation efforts which will receive greater varieties and numbers of seedlings through this project. In addition, the UN Food and Agriculture Organization is sponsoring a watershed management scheme in Limbe in the north of Haiti.

Beneficiaries: The project is aimed largely at institution-building, reforestation and afforestation activities for which direct beneficiary estimates are not practical. However, the agro/forestry dimension of the project is expected to benefit a minimum of 25,000 rural families at an A.I.D.-financed cost-per-family of approximately \$20.

FY 81 Program: The project's implementation schedule will be completed during the first year. Land-use mapping, reorganization of the forest service and long-term training will also be initiated.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|--|----------------|----------------|
| | Unit | All Years Cost |
| Reorganized and expanded Forest Service | 1 | (300) |
| Land-use inventory and mapping | 1 | (200) |
| Forest assessment and review of forest legislation | 1 | (300) |
| Cadaster of state land | 1 | (500) |
| Forest management plan | 1 | (300) |
| Agro-forestry research demonstration nursery centers | 5 | (100) |
| Regional forestry centers | 3 | (50) |
| Long-term training | 30 | (20) |
| Short-term training | 50 | (4) |

| A.I.D. Financed Inputs: | FY 81 |
|-----------------------------|------------|
| Personnel (2 person-years) | 200 |
| Training (20 person-months) | 50 |
| Commodities | 50 |
| TOTAL | 300 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | |
| Estimated Fiscal Year 1980 | - | - | - | |
| Estimated through September 30, 1980 | - | - | - | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 300 | 2,750 | 3,050 | |

A Title XII university or consortium to be selected.

| | | | | | | |
|---|-------------------------------|---|-------------------------------------|---|--|--|
| TITLE Maternal Child Health/Family Planning III | | FUNDS Population Planning | | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 521-0124 | | PRIOR REFERENCE None | | FY 81 1,560 | LIFE OF PROJECT 5,695 | |
| GRANT <input checked="" type="checkbox"/> | LOAN <input type="checkbox"/> | NEW <input checked="" type="checkbox"/> | CONTINUING <input type="checkbox"/> | INITIAL OBLIGATION FY 81 81 | ESTIMATED FINAL OBLIGATION FY 83 83 | ESTIMATED COMPLETION DATE OF PROJECT FY 84 84 |

Purpose: To expand the availability of Maternal/Child Health and Family Planning (MCH/FP) services to encourage their increased use.

Background: Haiti faces serious population pressures. The prospects of a continued high crude birth rate of 43 per thousand, coupled with a high crude death rate of 17 per thousand are ominous given limited arable land, continuing erosion, pervasive poverty, and inadequate employment opportunities. The resulting 2.6% population growth rate reflects both the high birth rate and the high level of infant and maternal mortality. Under Maternal Child Health/Family Planning II, A.I.D. supported the Haitian Division of Family Hygiene (DHF) in the expansion of MCH/FP services. Rural dispensaries were renovated and equipped, and auxiliary nurses were trained to staff them. Village health workers were trained to bring these services to the community. Mobile units further extended the reach of clinical facilities. An innovative approach was developed for using community councils to promote health and family planning in rural areas. A mass media campaign was expanded to provide nationwide coverage. This project will enable the DHF to expand its family planning service program and will strengthen Government of Haiti (GOH) capability to support such services.

Host Country and Other Donors: The GOH contributes trained personnel, facilities, and increasing allocations from the national budget amounting to approximately 25% of the annual project budget. The other major donor to MCH/FP programs in Haiti is the UN Fund for Population Activities which contributes approximately \$1.2 million annually to support the central activities of the DHF.

Beneficiaries: This project will expand voluntary family planning and associated maternal and child health services so that 90% of the population of Haiti will have free and easy access to these services. The approximate A.I.D. cost-per-family will be \$6 over the life-of-the-project.

FY 81 Program: MCH/FP services will be expanded through continuing support to the DHF for service delivery, including provision of contraceptive commodities, supervision and short-term training for rural personnel. A feasibility study for commercial marketing of contraceptives will be completed. The information, education and communication section of the DHF will be strengthened. Non-clinical delivery of MCH/FP services will be explored, including the factory and work-site distribution of commodities and the use of neighborhood workers.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---------------------------------------|----------------|------|
| | All Years | |
| | Unit | Cost |
| Service delivery outlets supported | 120 | (23) |
| Contraceptive marketing system | 1 | - |
| Seminars for district personnel | 30 | (23) |
| Mass media outlets | 40 | (18) |
| Community councils organized/trained | 250 | (3) |

| A.I.D. Financed Inputs: | FY 81 |
|---------------------------------------|-------|
| Local personnel (40 person-years) | 336 |
| Construction | 8 |
| In-country training (25 person-years) | 138 |
| Commodities | 959 |
| Other | 119 |

TOTAL 1,560

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | To be selected. |
| Estimated Fiscal Year 1980 | - | - | - | |
| Estimated through September 30, 1980 | - | - | - | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 1,560 | 4,135 | 5,695 | |

| | | | | | |
|---|---|--|---|-------------------------------------|---|
| TITLE Rural Health Delivery System | | FUNDS Health | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 521-0091 | | PRIOR REFERENCE FY 80 Latin America Programs, p. 92 | FY 81 1,400 | LIFE OF PROJECT 16,000 | |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/> | | INITIAL OBLIGATION FY 79 | ESTIMATED FINAL OBLIGATION FY 83 | ESTIMATED COMPLETION DATE OF PROJECT FY 84 |

Purpose: To provide low-cost preventive and curative services to 70% of the rural population of Haiti.

Background and Progress to Date: The poor health conditions prevalent throughout Haiti are evidenced by high rates of mortality and morbidity. This project represents the third phase of a program designed to build an efficient and extensive national health delivery system. The first two phases concentrated on strengthening the planning, administrative and management capabilities of the Ministry of Public Health and Population (DSPP). The present project is establishing an outreach system of 1,550 trained health agents supported by 560 trained auxiliary nurses and 220 sanitation officers. The expanded staff will provide rural communities with basic health services, including nutrition education and other preventive care. The current project is continuing efforts to strengthen the DSPP at all levels in health management, administration and planning. A.I.D. is also financing technical assistance, personnel, vehicles, equipment, supplies, the construction and renovation of health facilities, and the first year's supply of drugs and other medical materials for health agents and dispensaries.

Host Country and Other Donors: The Government of Haiti's contribution to this project will total \$17.3 million, or over 50% of project costs. The project is one part of a closely coordinated multilateral program. The Pan American Health Organization is funding the salaries and costs of five malariologists assigned to the malaria control organization and is providing technical assistance to the DSPP at both the central bureau and region levels. UNICEF is providing \$1 million (principally in commodities), and numerous dispensaries have been built by the InterAmerican Development Bank.

Beneficiaries: This project will meet the basic health needs of 70% of the rural population, an estimated 3.4 million people.

The estimated A.I.D. cost-per-beneficiary is \$4.71 over the life of the project.

FY 81 Program: The first evaluation of the project is scheduled in 1981. Also, approximately 60 health facilities will be constructed or renovated, over 600 personnel will be trained, and the health commodity supply system will be improved. Drugs will be provided to health facilities, and technical assistance to the DSPP's central bureaus will continue.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---|----------------|--------|
| | Unit | Cost |
| Health agents trained | 1,550 | (0.25) |
| Auxiliary nurses trained | 560 | (0.75) |
| Sanitary officers trained | 220 | (1.5) |
| Dispensaries constructed/renovated/operating | 273 | (33) |
| Transportation system improved | | (1850) |
| Vehicle maintenance facilities/garages constructed/renovated and equipped | 17 | (40) |
| Supply system improved | | (450) |
| Warehouse facilities constructed/renovated and equipped | 13 | (41) |
| Ministry of Health strengthened | | (2966) |
| Rural Reorientation of medical education | | (400) |

| A.I.D. Financed Inputs: | FY 81 |
|------------------------------|-------|
| Personnel (3 person-years) | 300 |
| Construction | 950 |
| Training (140 person-months) | 50 |
| Commodities | 100 |

TOTAL 1,400

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 3,627 | -0- | 3,627 | To be selected. |
| Estimated Fiscal Year 1980 | 800 | 1,335 | | |
| Estimated through September 30, 1980 | 4,427 | 1,335 | 3,092 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 1,400 | 10,173 | 16,000 | |

| | | | | | |
|---|---|---|---|----------------------------------|--|
| TITLE Administrative Training and Improvement | | FUNDS Education and Human Resources | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 521-0079 | | PRIOR REFERENCE FY 80 Latin America Programs, p. 93 | FY 81 450 | LIFE OF PROJECT 1,250 | |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/> | | INITIAL OBLIGATION FY 80 | ESTIMATED FINAL OBLIGATION FY 82 | ESTIMATED COMPLETION DATE OF PROJECT FY 83 |

Purpose: To improve the organizational structure of the Haitian civil service system, and to increase the effectiveness of the employees in the system.

Background and Progress to Date: Public administration in Haiti lacks good organization, modern administrative practices, and adequately trained personnel. These problems impede economic and social progress. An Administrative Commission -- established by the Government of Haiti (GOH) in 1974 -- has provided training courses in public administration, has surveyed public employees and their problems, has drafted legislation for a government reorganization program, and has been preparing plans to implement a public administration reform program. Under an A.I.D.-financed contract, the Institute of Public Administration completed a study of the reform program and proposed technical assistance in critical areas. Legislation to implement the reform program has been delayed, but it may be passed in early FY 1980. Upon the enactment of the legislation, the reform program will be implemented with the assistance of the Administrative Commission. A team of U.S. consultants will be selected to help the Commission strengthen its organization and methods (OM) and to help the personnel offices set up training programs, publish manuals, and undertake other administrative reforms.

Host Country and Other Donors: The GOH will contribute at least \$422,000, or 25% of the total project cost. Teaching assistance and educational materials for a four-year academic program at the National Institute for Administration, Management and Advanced International Studies are being funded by Canada. A.I.D. and other donors are also providing administrative assistance to certain ministries and agencies in connection with specific rural development projects.

Beneficiaries: The immediate beneficiaries will be government officials affected by the organization reforms, civil service

system improvements and training. The ultimate beneficiaries will be the rural poor who will benefit from the accelerated pace of development programs made possible by the administrative improvements resulting from this project. The nature of the project, however, makes it impracticable to determine individual beneficiary costs.

FY 81 Program: In FY 1981, advisors will help the Commission set up workshops for ministry officials involved in OM reforms and in the personnel system reorganization. They will also help to complete a government-wide salary survey, design a personnel information system, and collect baseline data. The first evaluation of the reform program will also be conducted.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|--|----------------|--------|
| | All Years | |
| | Unit | Cost |
| Central personnel management information system operating | 1 | (280) |
| Central government organization manual published | 1 | (213) |
| Personnel and OM offices created in development ministries | 5 | (38.4) |
| Personnel and OM offices of the Administrative Commission strengthened | 2 | (208) |
| Survey and draft law on regional government prepared | 1 | (109) |

| A.I.D. Financed Inputs: | FY 81 |
|------------------------------|------------|
| Personnel (4.5 person-years) | 437 |
| Training (6 person-months) | 13 |
| TOTAL | 450 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--------------------------------|-----------------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | |
| Estimated Fiscal Year 1980 | 201 | 50 | | |
| Estimated through September 30, 1980 | 201 | 50 | 151 | |
| Proposed Fiscal Year 1981 | 450 | 599 | 1,250 | |
| | | Future Year Obligations | Estimated Total Cost | To be selected. |
| | | | | |

| | | | | | |
|--|--|--|--|-------------------------------------|---|
| TITLE Resource Training Center | | FUNDS Education and Human Resources | PROPOSED OBLIGATION (In thousands of dollars) FY 81 350 | | LIFE OF PROJECT 1,500 |
| NUMBER 521-0104 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/> | PRIOR REFERENCE FY 80 Latin America Programs, p. 94 | INITIAL OBLIGATION FY 80 | ESTIMATED FINAL OBLIGATION FY 82 | ESTIMATED COMPLETION DATE OF PROJECT FY 84 |

Purpose: To develop a program to train the semi-skilled personnel required for implementation of small-scale rural infrastructure projects.

Background and Progress to Date: The rural development efforts of the Government of Haiti (GOH) increasingly involve investments in rural infrastructure, such as small-scale irrigation, soil conservation, potable water and farm-to-market road projects. Implementation of these projects requires trained personnel to ensure adequate construction, operation and maintenance of these facilities. Experience to date has demonstrated the lack of such personnel in the numbers required. As a result, the Government's efforts to improve rural infrastructure have been delayed. This project originally sought to respond to this problem through the creation of a paraprofessional engineering institute. Project design studies, however, demonstrated a lack of demand for such paraprofessional engineers on the part of institutions implementing rural infrastructure projects. Therefore, the project was redesigned to create a Resource Training Center (RTC) within the GOH's National Institute for Vocational Training (INFP). The Center will: (a) assist various GOH entities to plan, conduct and evaluate their own training programs for semi-skilled, field-level personnel; (b) coordinate similar training programs for various non-governmental organizations; and (c) build a data bank of experience and curricula for non-formal training of this type of personnel in Haiti.

Host Country and Other Donors: While its exact contribution has not yet been determined, the GOH will provide at least 25% of total project costs, including personnel and operating costs as well as most training courses costs. France, the International Labor Organization and the World Bank

are providing assistance in vocational education to the INFP. Many other donors are supporting rural infrastructure projects, which also will receive assistance from the RTC.

Beneficiaries: The direct beneficiaries will be the field-level personnel trained through courses planned or conducted by the RTC. The ultimate beneficiaries will be rural inhabitants benefitting from the development projects constructed, operated and maintained by personnel trained through the project. Exact calculation of cost-per-beneficiary is not feasible in a training project of this kind.

FY 81 Program: A.I.D. will to continue technical assistance to help establish the RTC and to begin RTC operations and will well as to fund the costs of high-priority training courses. The GOH will make available office facilities for the RTC.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|--|----------------|-----------|
| | Unit | Cost |
| Resource Training Center established | 1 | (500) |
| Data bank of training experience and curricula established | 1 | (100) |
| Courses planned, conducted or evaluated | 40 | (22.5) |
| A.I.D. Financed Inputs: | | |
| Personnel (2.5 person-years) | | FY 81 250 |
| Training (175 person-months) | | 35 |
| Commodities | | 65 |

TOTAL 350

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | To be selected. |
| Estimated Fiscal Year 1980 | 200 | 150 | | |
| Estimated through September 30, 1980 | 200 | 150 | 50 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 350 | 950 | 1,500 | |

| | | | | | |
|---|-------------------------------|---|---|--|--|
| TITLE Special Development Activities | | FUNDS Selected Development Activities | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 521-0062 | | PRIOR REFERENCE | FY 81 75 | LIFE OF PROJECT Continuing* | |
| GRANT <input checked="" type="checkbox"/> | LOAN <input type="checkbox"/> | FY 80 CONTINUING <input checked="" type="checkbox"/> | INITIAL OBLIGATION FY 68 | ESTIMATED FINAL OBLIGATION FY Continuing* | ESTIMATED COMPLETION DATE OF PROJECT FY Continuing* |

Purpose: To assist small, self-help community and cooperative activities in such fields as irrigation, education, health, potable water, agricultural production, vocational training and crafts production.

Background and Progress to Date: A.I.D. supports local initiatives aimed at accelerating the development of the rural poor by helping to finance low-cost, high-impact projects at the community level. The average cost-per-project is about \$4,000, and most projects are completed within one year. Communities are required to provide contributions of labor and local materials. The projects are often undertaken under the direction and administration of voluntary agencies, such as CARE, Catholic Relief Services (CRS) and Church World Services (CWS). Since the beginning of the project, over 275 small, self-help project proposals have been approved. A.I.D. funds have been used to finance: the purchase of tools for self-help road projects, training of market women, well-digging for potable water supply, public fountains, community schools and penetration roads in isolated rural areas. The FY 1981 program will continue this concentration and also will include rural irrigation systems, credit programs, tool banks and tapping springs for potable water.

Host Country and Other Donors: In addition to CARE, CRS, and CWS, the Canadian International Development Association continues to support small activities such as those assisted by A.I.D. A major component in each project is the self-help element provided by local community organizations.

Beneficiaries: The rural poor are direct beneficiaries of this project, which is designed to encourage community initiative and action in the rural areas. Projecting the approval of 20 projects in FY 1981 and the size of the average community as 200 families, the cost-per-family would be approximately \$19.

FY 81 Program: It is expected that about 20 projects will be approved.

| | |
|--------------------------------|----------------------|
| Major Outputs: | <u>Through FY 81</u> |
| Sub-projects | 315 |
| | (\$ thousands) |
| A.I.D. Financed Inputs: | <u>FY 81</u> |
| Commodities/Construction | 75 |
| TOTAL | 75 |

*It is expected that activities under this project will continue as long as A.I.D. maintains an assistance program in Haiti.

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--------------------------------|-----------------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 1,094 | 1,030 | 64 | None. |
| Estimated Fiscal Year 1980 | 75 | 80 | | |
| Estimated through September 30, 1980 | 1,169 | 1,110 | 59 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 75 | Continuing* | Continuing* | |

| | | | | | |
|---|--|--|--|-------------------------------------|--|
| TITLE Development Finance Corporation | | FUNDS Selected Development Activities | PROPOSED OBLIGATION (In thousands of dollars) FY 81 G-100 | | LIFE OF PROJECT L-3,000; G-500 |
| NUMBER 521-0085 | NEW <input type="checkbox"/> | PRIOR REFERENCE FY 80 Latin America Programs, p. 97 | INITIAL OBLIGATION FY 80 | ESTIMATED FINAL OBLIGATION FY 81 | ESTIMATED COMPLETION DATE OF PROJECT FY 84 |
| GRANT <input checked="" type="checkbox"/> | LOAN <input checked="" type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | | | |

Purpose: To assist the development of the agro-industry and other labor-intensive industries as a means of increasing productivity, income and employment opportunities for low-income Haitians.

Background and Progress to Date: The lack of medium and long-term investment credit for entrepreneurs in Haiti is a serious obstacle to development. Haiti's private business sector would like to play an increased role in the development of the country, particularly in the rural areas where 80% of the population live. A Haitian business group is working to form a private Development Finance Corporation (DFC) to finance agri-business investments in these areas and to create or expand enterprises which would generate employment opportunities. The DFC will sublend A.I.D. loan funds for the establishment or expansion of enterprises which use or process agricultural produce (primarily from small farmers) or which create a significant number of jobs at a relatively low investment per job. Due to delays in obtaining the necessary technical services, the feasibility study for the project was not completed until April 1978. Further delays by the Government of Haiti (GOH) in enacting legislation for the creation of private development banks are expected to postpone initiation of the project until late FY 1980. A.I.D. loan funds will be designated for enterprises which benefit small farmers or unemployed Haitians. A.I.D. grant funds will provide a limited amount of technical assistance considered necessary during the DFC's first years of operation.

Host Country and Other Donors: Private sector investors will provide 90% of the equity of the DFC. The GOH is expected to purchase up to 10% of the \$1 million equity required for the first five years. Both the World Bank and the Federal Republic of Germany have expressed strong interest in lending to the DFC once it is established.

Beneficiaries: Since the project will reach target group beneficiaries indirectly through enterprises which cannot be identified until the DFC commences operations, only some highly tentative approximations can be made about the project's individual beneficiary cost at this time. It is estimated that up to 3,850 farm families could benefit through A.I.D.-financed subloans at a cost of \$921 per family. The average cost of each new job created is calculated at \$1,700.

FY 81 Program: A.I.D. will continue technical assistance to the DFC in key financial and management areas.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|--|----------------|-------|
| | All Years | |
| | Unit | Cost |
| Private DFC created | 1 | (500) |
| Subloans for industrial and agro-industrial projects | 90 | (33) |
| A.I.D. Financed Inputs: | | |
| | FY 81 | |
| Personnel (1 person-year) | | 100 |
| TOTAL | | 100 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | |
| Estimated Fiscal Year 1980 | G-100 | G-50 | | |
| Estimated through September 30, 1980 | G-100 | G-50 | G-50 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | G-100 | L-3,000; G-300 | L-3,000; G-500 | |

ADELATEC,
Arthur D. Little, Inc.,
Contractor to be selected.

| | | | | | |
|--|--|--|---|-------------------------------------|---|
| TITLE Appropriate Technology | | FUNDS Selected Development Activities | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 521-0095 GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | | PRIOR REFERENCE FY 80 Latin America Programs, p. 98 | FY 81 275 | LIFE OF PROJECT 1,332 | |
| NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/> | | | INITIAL OBLIGATION FY 78 | ESTIMATED FINAL OBLIGATION FY 82 | ESTIMATED COMPLETION DATE OF PROJECT FY 83 |

Purpose: Assist Haitian institutions to identify, adapt, and introduce improved technologies appropriate to the needs of Haiti's poor.

Background and Progress to Date: The Government of Haiti (GOH) seeks technologies that can readily be made available for use by the rural population. Possible technologies identified for adaptation and introduction include: windmills for generating electricity; solar energy devices for cooking and other purposes; recycling of irrigation water and the development of locally-made, simple tools and implements. This project will establish an Appropriate Technology Center and provide technical assistance for selecting and testing technology prototypes for transfer to rural communities. In FY 1979, the Appropriate Technology Office was established, and the GOH obtained land to build the Appropriate Technology Center. Project implementation has been delayed, however, because of the slowness of the Government to determine ministerial level responsibility for the Center's administration and operation. In FY 1980, a contractor will be selected who, with Haitian counterparts, will begin the development of prototypes for improved food storage facilities, low-cost energy generation for both agricultural and domestic purposes, and low-cost water delivery systems.

Host Country and Other Donors: The GOH will contribute \$401,000 (or 23% of the project costs) for salaries and general support over the life of the project. The GOH contribution is slightly less than 25% because of the experimental nature of the project. Private voluntary organizations in Haiti are expected to aid in the prototype testing and dissemination.

Beneficiaries: Technologies will provide the rural poor with less expensive energy sources for cooking, safer and more dependable

supplies of water, and the means of augmenting incomes through increased production. Due to the research and development nature of the project, it is not feasible at this time to estimate A.I.D.'s cost-per-family over the project's life.

FY 81 Program: It is anticipated that prototypes for food and water storage containers, solar energy units, power-generating devices and hand tools will be selected and tested by the GOH and private voluntary organizations.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---|----------------|--------|
| | Unit | Cost |
| Appropriate Technology Office created | 1 | (366) |
| Appropriate Technology Workshop established and operating | 1 | (476) |
| Prototypes produced and ready for testing | 12 | (40.8) |
| A.I.D. Financed Inputs: | | |
| | FY 81 | |
| Personnel (2 person-years) | | 205 |
| Commodities | | 50 |
| Other: evaluation | | 20 |
| TOTAL | | 275 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--------------------------------|-----------------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 623 | - | 623 | |
| Estimated Fiscal Year 1980 | 368 | 270 | | |
| Estimated through September 30, 1980 | 991 | 270 | 721 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 275 | 66 | 1,332 | |

U.S. OVERSEAS LOANS AND GRANTS - OBLIGATIONS AND LOAN AUTHORIZATIONS
(U.S. Fiscal Years - Millions of Dollars)

| COUNTRY | FOREIGN ASSISTANCE ACT PERIOD | | | | | TOTAL LOANS AND GRANTS 1946-78 | REPAY- MENTS AND INTEREST 1946-78 | TOTAL LESS REPAY- MENTS AND INTEREST 1946-78 |
|---|-------------------------------|------|------|------|------|---|--|--|
| | HONDURAS | | | | | | | |
| | PROGRAM | 1975 | 1976 | TQ | 1977 | | | |
| I. ECONOMIC ASSISTANCE - TOTAL | 35.6 | 22.0 | 2.4 | 12.2 | 17.1 | 246.1 | 27.8 | 218.3 |
| Loans | 24.3 | 15.1 | - | 6.0 | 10.0 | 137.1 | 27.8 | 109.3 |
| Grants | 11.3 | 6.9 | 2.4 | 6.2 | 7.1 | 109.0 | - | 109.0 |
| e. A.I.D. and Predecessor Agencies | 25.4 | 14.8 | 1.9 | 7.8 | 13.0 | 183.5 | 20.9 | 162.6 |
| Loans | 19.0 | 13.0 | - | 6.0 | 10.0 | 122.3 | 20.9 | 101.4 |
| Grants | 6.4 | 1.8 | 1.9 | 1.8 | 3.0 | 61.2 | - | 61.2 |
| (Security Supporting Assistance) | - | - | - | - | - | 1.6 | - | - |
| b. Food for Peace (PL 480) | 9.0 | 5.9 | 0.3 | 2.8 | 2.4 | 32.7 | 1.0 | 31.7 |
| Loans | 5.3 | 2.1 | - | - | - | 7.0 | 1.0 | 6.0 |
| Grants | 3.7 | 3.8 | 0.3 | 2.8 | 2.4 | 25.7 | - | 25.7 |
| Title I - Total Sales Agreements | 5.3 | 2.1 | - | - | - | 7.0 | 1.0 | 6.0 |
| Repayable in U.S. Dollars - Loans | 5.3 | 2.1 | - | - | - | 7.0 | 1.0 | 6.0 |
| Payable in Foreign Currency - Planned for Country Use | - | - | - | - | - | - | - | - |
| Title II - Total Grants | 3.7 | 3.8 | 0.3 | 2.8 | 2.4 | 25.7 | - | 25.7 |
| Emerg. Relief, Econ. Develop. & World Food Program | 0.8 | 1.5 | - | 0.7 | 0.4 | 4.9 | - | 4.9 |
| Voluntary Relief Agencies | 2.9 | 2.3 | 0.3 | 2.1 | 2.0 | 20.8 | - | 20.8 |
| c. Other Economic Assistance | 1.2 | 1.3 | 0.2 | 1.6 | 1.7 | 29.9 | 5.9 | 24.0 |
| Loans | - | - | - | - | - | 7.8 | 5.9 | 1.9 |
| Grants | 1.2 | 1.3 | 0.2 | 1.6 | 1.7 | 22.1 | - | 22.1 |
| Peace Corps | 1.0 | 1.3 | 0.2 | 1.5 | 1.7 | 14.8 | - | 14.8 |
| Other | 0.2 | - | - | * | * | 7.3 | - | 7.3 |
| II. MILITARY ASSISTANCE - TOTAL | 4.2 | 3.5 | 0.1 | 3.1 | 3.2 | 26.4 | 2.7 | 23.7 |
| Credits or Loans | 3.0 | 2.5 | - | 2.5 | 2.5 | 10.5 | 2.7 | 7.8 |
| Grants | 1.2 | 1.0 | 0.1 | 0.6 | 0.7 | 15.9 | - | 15.9 |
| a. MAP Grants | 0.4 | 0.2 | 0.1 | * | * | 5.6 | - | 5.6 |
| b. Credit Financing - FMS | 3.0 | 2.5 | - | 2.5 | 2.5 | 10.5 | 2.7 | 7.8 |
| c. Military Assistance Service-Funded (MASF) Grants | 0.8 | 0.8 | - | 0.6 | 0.7 | 8.2 | - | 8.2 |
| d. Transfers from Excess Stocks | - | * | - | - | - | 2.0 | - | 2.0 |
| e. Other Grants | - | - | - | - | - | 0.1 | - | 0.1 |
| III. TOTAL ECONOMIC AND MILITARY ASSISTANCE | 39.8 | 25.5 | 2.5 | 15.3 | 20.3 | 272.5 | 30.5 | 242.0 |
| Loans | 27.3 | 17.6 | - | 8.5 | 12.5 | 147.6 | 30.5 | 117.1 |
| Grants | 12.5 | 7.9 | 2.5 | 6.8 | 7.8 | 124.9 | - | 124.9 |
| Other U.S. Government Loans and Grants | 1.3 | 3.9 | 0.1 | 0.6 | 0.5 | 19.5 | 12.2 | 7.3 |
| a. Export-Import Bank Loans | 1.3 | 3.9 | 0.1 | * | 0.5 | 18.9 | 12.2 | 6.7 |
| b. All Other Loans | - | - | - | 0.6 | - | 0.6 | - | 0.6 |

* LESS THAN \$50,000.

TQ - TRANSITIONAL QUARTER

ECONOMIC PROGRAMS OF OTHER DONORS

| A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS | | | | |
|--|---------|---------|------------|------------|
| <i>(Thousands of dollars)</i> | | | | |
| TOTAL | FY 1977 | FY 1978 | FY 1979 | FY 1946-79 |
| TOTAL | 155,000 | 33,682 | 177,038 | 712,067 |
| IBRD | 47,000 | 10,500 | 65,000 | 252,660 |
| IFC | - | 10,000 | - | 10,378 |
| IDB | 103,000 | 6,080 | 106,300 | 366,662 |
| UNDP | * | 1,852 | 4,238 | 19,087 |
| OTHER UN | - | 250 | 1,500 | 5,650 |
| IDA | 5,000 | 5,000 | - | 57,630 |
| * Less than \$50,000 | | | | |
| B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE | | | | |
| <i>(Millions of dollars)</i> | | | | |
| 1. D.A.C. COUNTRIES (Excluding U.S.) (Gross Disbursements) | | | | |
| Donor | CY 1977 | CY 1978 | CY 1969-78 | |
| TOTAL | 7.80 | 17.89 | 43.89 | |
| Germany | 3.00 | 3.44 | 14.84 | |
| Canada | 1.00 | 7.45 | 13.45 | |
| Japan | 2.30 | 4.94 | 8.34 | |
| UK | 1.00 | 0.60 | 3.50 | |
| Netherlands | 0.20 | 0.89 | 2.39 | |
| Other | 0.30 | 0.57 | 1.37 | |
| 2. O.P.E.C. COUNTRIES (Net Disbursements) | | | | |
| TOTAL | CY 1977 | CY 1978 | CY 1973-78 | |
| TOTAL | | | | |
| C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES | | | | |
| <i>(Millions of dollars)</i> | | | | |
| TOTAL | CY 1977 | CY 1978 | CY 1954-78 | |
| TOTAL | | | | |

HONDURAS

| PROGRAM SUMMARY | | | | | | | |
|---------------------------|---------------------|--|---------------------|---------------|---|---------------------------------|---------------------|
| (In thousands of dollars) | | | | | | | |
| Fiscal Year. | Total ^{A/} | Agriculture, Rural Development and Nutrition | Population Planning | Health | Education and Human Resources Development | Selected Development Activities | Other Programs |
| 1979 | | | | | | | |
| Loans | 16,000 | 16,000 | - | - | - | - | - |
| Grants ... | 4,697 | 2,847 | 265 | 655 | 300 | 630 | - |
| Total .. | 20,697 | 18,847 | 265 | 655 | 300 | 630 | - |
| 1980 | | | | | | | |
| Loans | 34,000 | 13,000 | - | 16,000 | - | - | 5,000 ^{B/} |
| Grants ... | 6,045 | 3,305 | 290 | 1,450 | 650 | 350 | - |
| Total .. | 40,045 | 16,305 | 290 | 17,450 | 650 | 350 | 5,000 |
| 1981 | | | | | | | |
| Loans | 15,000 | 10,000 | - | - | 5,000 | - | - |
| Grants ... | 7,259 | 6,109 | 100 | - | 1,000 | 50 | - |
| Total .. | 22,259 | 16,109 | 100 | - | 6,000 | 50 | - |

U.S. Interests

The United States has had long-standing ties with Honduras arising from trade relationships, geographic proximity, and humanitarian and development concerns for the poorest country in Central America. Given the current unsettled political and social situation prevalent in most of Central America, preserving Honduras' relative stability is of heightened importance to the United States. Honduras' progress toward more democratic government and its adoption of a growth-with-equity strategy for development offers the United States an opportunity for effective collaboration.

Development Overview

Honduras is confronted by major problems: a narrow human resource and institutional base; a geographical location which subjects it to repeated natural disasters and difficult communications; low per capita income; rapidly growing population; inadequate social services; and deterior-

ation of its key natural resources -- land, water and forests. Honduras' advantages are its current political and social stability, its agricultural frontier with underutilized land and its openness to cooperation with external investors and donor agencies.

Socio-Economic Performance

Honduras is making substantial progress despite its serious development problems. During the past two years, real economic growth rates have reached almost 8% per year with food production increasing by 7.5% per year. Progress has been made in providing additional rural schools (400 new classrooms) and additional access roads and trails (1325 kilometers).

The percentage of the population with access to water and sanitary facilities has increased by 10%. Honduras has low but improving levels of rural primary school enrollment, life expectancy (55 years in 1978, according to the Ministry of Health), and rural adult literacy (46%).

Its performance has been weakest in reducing infant mortality (103 per 1000) and in controlling the rate of the population's natural growth which continues at 3.5% per year. These patterns have increased the number of dependents for each worker and adversely affected the nutritional status of rural children (23% with second and third degree malnutrition).

The Government of Honduras' (GOH) noteworthy commitment to equitable growth is reflected in its 1979-83 Development Plan. In 1979, actual expenditures of the central government increased by 14.1% in agriculture, 22.9% in education and 22.8% in health over their 1978 levels. The GOH has begun to rationalize and increase its support for agricultural production (through the use of appropriate technologies) and agrarian reform. It has prepared major projects for electrical generation facilities and for the development of forestry and underutilized land.

HONDURAS

Total Resources

The World Bank and the Inter-American Development Bank provided \$75 million and \$88.3 million respectively to Honduras in FY 1979, and each bank is expected to provide loans totalling about \$50 million annually in the years ahead. Other international and bilateral donors can be expected to contribute about \$20 million per year. The Peace Corps will provide over \$1 million in FY 1981.

A.I.D. Strategy

A.I.D. will place primary emphasis on working with the GOH to develop and implement sectoral programs in agriculture, health, and education. In FY 1980, a health sector program will integrate the various health and nutrition related activities in which A.I.D. has been active in recent years. Emphasis will also be placed on accelerating the construction of rural water systems and sanitary facilities. P.L. 480 support will be provided for the importation and distribution of wheat to particularly vulnerable groups. Also in FY 1980, A.I.D. will fund the construction of 400 kilometers of rural trails and access roads, support the implementation of the Government's land-use planning policies, and finance the first tranche of a major effort to improve the use of Honduran water and forestry resources. Using FY 1980 Economic Support Funds which have been requested under a supplementary appropriation, A.I.D. will support municipal improvements in secondary towns and villages. A Housing Investment Guarantee program will include a pilot effort to test urban upgrading techniques in major cities. In FY 1981, funds are proposed for the second tranche of an agriculture sector program begun in FY 1979 and of the water resource/afforestation project getting under way in FY 1980. These projects will be complemented through grain marketing improvements under the PL 480 Title III program and through continuing support for the development and dissemination of appropriate technologies for small farmers. In a major new initiative, a rural education sub-sector program is expected to expand upon A.I.D.'s earlier assistance in the construction of rural primary schools.

| FY 81 PROGRAM HIGHLIGHTS | |
|--------------------------|--|
| - | Accelerated implementation of programs in agriculture production, agriculture research, rural technologies, and access roads and trails. |
| - | Increased emphasis on the rural water supply and sanitation components of the health sector program. |
| - | Implementation of programs to conserve and better utilize natural resources with emphasis on water and forest resources. |
| - | Initiation of a major program in support of improved rural education. |

A/ Funds for Project Development and Support as well as Operational Program Grants are not included in this table. They are reflected in the Latin America and Caribbean Regional Program.

B/ Supplemental Economic Support Fund request.

| PERSONNEL/PARTICIPANTS DATA | | | |
|--|---------------------|------------------------|-----------------------|
| CP 81-17 (8-79) | | | |
| Category | FY 1979 (Actual) | FY 1980 (Estimated) | FY 1981 (Proposed) |
| AID Personnel ^a | | | |
| Direct Hire ^b | 28 | 36 | 36 |
| PASA ^c | 1 | 2 | 3 |
| Contract | 6 | 8 | 8 |
| Total | 35 | 44 | 47 |
| Participants ^d | | | |
| Noncontract | 329 | 296 | 179 |
| Contract | 35 | 45 | - |
| Total | 364 | 341 | 179 |
| ^a U.S. nationals on duty at the end of the fiscal year. ^b FY 1980 and FY 1981 position levels. ^c Participating agency technicians. ^d Programmed during the fiscal year. | | | |

HONDURAS

| RESOURCE FLOWS CP 81-08 (8-79) | | | |
|--|---------------------|------------------------|-----------------------|
| <i>(In thousands of dollars)</i> | | | |
| Program | FY 1979 (Actual) | FY 1980 (Estimated) | FY 1981 (Proposed) |
| AID* | | | |
| Loans | 11,691 | 19,417 | 23,543 |
| Grants | 882 | 6,775 | 6,043 |
| Total AID | 12,573 | 26,192 | 29,586 |
| P.L. 480** | | | |
| Title I | 2,000 | 2,000 | 2,200 |
| (of which Title III is) | (2,000) | (2,000) | (2,200) |
| Title II | 2,625 | 3,457 | 4,793 |
| Total P.L. 480 | 4,625 | 5,457 | 6,993 |
| Total AID and P.L. 480 | 17,198 | 31,649 | 36,579 |
| *AID levels represent actual and estimated expenditures. | | | |
| **P.L. 480 levels represent actual and estimated value of shipments. | | | |

| P.L. 480 PROGRAMS SUMMARY CP 81-14 (8-79) | | | | | | |
|--|---------------------|--------------|------------------------|--------------|-----------------------|--------------|
| <i>(In 000MT/\$000)</i> | | | | | | |
| Program | FY 1979 (Actual) | | FY 1980 (Estimated) | | FY 1981 (Proposed) | |
| | MT | \$ | MT | \$ | MT | \$ |
| <i>Title I</i> | | | | | | |
| Wheat | 15 | 2,000 | 12 | 2,000 | 14 | 2,200 |
| Rice | - | - | - | - | - | - |
| Feedgrains | - | - | - | - | - | - |
| Vegoil | - | - | - | - | - | - |
| Non-food | - | - | - | - | - | - |
| Title I Total .. | 15 | 2,000 | 12 | 2,000 | 14 | 2,200 |
| (of which Title III is) | | (2,000) | | (2,000) | | (2,200) |
| <i>Title II</i> | | | | | | |
| Voluntary Agencies .. | | 1,918 | | 3,081 | | 3,324 |
| World Food Programs | | 707 | | 376 | | 1,469 |
| Gov't.-to-Gov't | | - | | - | | - |
| Title II Total | 15 | 2,625 | 12 | 3,457 | 14 | 4,793 |
| Total P.L. 480 | 30 | 4,625 | 24 | 5,457 | 28 | 6,993 |

MISSION DIRECTOR John R. Oleson

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(In thousands of dollars)

CP 81-02(10-78)

PROGRAM HONDURAS

| PROJECT TITLE | * | L/G | PROJECT NUMBER | FY OF INITIAL OBLIGATION | THROUGH FY 1979 | | ESTIMATED FY 1980 | | PROPOSED FY 1981 | | FUTURE YEAR OBLIGATIONS |
|--|---|-----|----------------|--------------------------|-----------------|--------------|-------------------|--------------|------------------|--------------|-------------------------|
| | | | | | OBLIGATIONS | EXPENDITURES | OBLIGATIONS | EXPENDITURES | OBLIGATIONS | EXPENDITURES | |
| AGRICULTURE, RURAL DEV. AND NUTRITION | | | | | | | | | | | |
| AGRICULTURE SECTOR I | | L | 522-0100 | 74 | 12,000 | 9,605 | --- | 2,395 | --- | --- | --- |
| NATIONAL CADASTER | | L | 522-0111 | 74 | 6,000 | 5,094 | --- | 906 | --- | --- | --- |
| SMALL FARMER TECHNOLOGIES | | G | 522-0123 | 76 | 1,139 | 279 | --- | 600 | --- | 260 | 1,349 |
| SMALL FARMER TECHNOLOGIES | | L | 522-0123 | 76 | 6,000 | 157 | --- | 2,243 | --- | 3,600 | 6,000 |
| NUTRITION | | G | 522-0124 | 76 | 750 | 469 | 250 | 329 | --- | 200 | 1,000 |
| NUTRITION | | L | 522-0124 | 76 | 3,500 | 1,056 | --- | 1,444 | --- | 1,000 | 3,500 |
| RURAL RECONSTRUCTION II | | L | 522-0133 | 76 | 7,500 | 1,709 | --- | 2,600 | --- | 3,191 | --- |
| AGUAN VALLEY RURAL ELECTRIFICATION | | L | 522-0138 | 78 | 10,000 | --- | --- | 1,500 | --- | 3,000 | --- |
| AGRICULTURAL RESEARCH | * | G | 522-0139 | 78 | 1,300 | 95 | 205 | 1,325 | 409 | 200 | --- |
| AGRICULTURE SECTOR II | * | G | 522-0150 | 79 | 1,000 | --- | 600 | 854 | 2,000 | 1,200 | 400 |
| AGRICULTURE SECTOR II | * | L | 522-0150 | 79 | 16,000 | --- | --- | 4,247 | 5,000 | 4,250 | --- |
| RURAL TECHNOLOGIES | * | G | 522-0157 | 79 | 850 | --- | 2,000 | 950 | 3,700 | 1,500 | 2,380 |
| ACCESS ROADS AND RURAL TRAILS | | G | 522-0164 | 80 | --- | --- | 250 | 80 | --- | 120 | --- |
| ACCESS ROADS AND RURAL TRAILS | | L | 522-0164 | 80 | --- | --- | 8,000 | 400 | --- | 1,100 | --- |
| WATER RESOURCES/AFFORESTATION | * | L | 522-0168 | 80 | --- | --- | 5,000 | 200 | 5,000 | 1,600 | --- |
| TOTAL FOR ACCOUNT | | | | | 66,039 | 18,464 | 16,305 | 20,073 | 16,109 | 21,221 | |
| GRANTS | | | | | 5,039 | 843 | 3,305 | 4,138 | 6,109 | 3,480 | |
| LOANS | | | | | 61,000 | 17,621 | 13,000 | 15,935 | 10,000 | 17,741 | |
| POPULATION PLANNING | | | | | | | | | | | |
| INTEGRATED RURAL HEALTH SERVICES | * | G | 522-0130 | 76 | 735 | 685 | 290 | 395 | 100 | 200 | -92 |
| TOTAL FOR ACCOUNT | | | | | 735 | 685 | 290 | 395 | 100 | 200 | |
| GRANTS | | | | | 735 | 685 | 290 | 395 | 100 | 200 | |
| LOANS | | | | | --- | --- | --- | --- | --- | --- | |
| HEALTH | | | | | | | | | | | |
| INTEGRATED RURAL HEALTH SERVICES | | G | 522-0130 | 76 | 253 | 238 | 200 | 304 | --- | 100 | --- |
| HEALTH SECTOR PLANNING | | G | 522-0148 | 79 | 475 | --- | --- | 250 | --- | 225 | --- |
| HEALTH SECTOR I | | G | 522-0153 | 80 | --- | --- | 1,000 | 150 | --- | 300 | 1,000 |
| HEALTH SECTOR I | | - | 522-0153 | 80 | --- | --- | 6,000 | 200 | --- | 900 | 4,000 |
| RURAL WATER AND SANITATION | | G | 522-0166 | 80 | --- | --- | 250 | 50 | --- | 100 | --- |
| RURAL WATER AND SANITATION | | L | 522-0166 | 80 | --- | --- | 10,000 | 300 | --- | 1,200 | --- |
| TOTAL FOR ACCOUNT | | | | | 728 | 238 | 17,450 | 1,254 | --- | 2,825 | |
| GRANTS | | | | | 728 | 238 | 1,450 | 754 | --- | 725 | |
| LOANS | | | | | --- | --- | 16,000 | 500 | --- | 2,100 | |
| EDUCATION AND HUMAN RESOURCES | | | | | | | | | | | |

*Detailed project narrative - see Activity Data Sheet
A. This is a continuing project - see Activity Data Sheet

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(In thousands of dollars)

PROGRAM HONDURAS

CP 81-02(10-79)

| PROJECT TITLE | * | L/G | PROJECT NUMBER | FY OF INITIAL OBLIGATION | THROUGH FY 1979 | | ESTIMATED FY 1980 | | PROPOSED FY 1981 | | FUTURE YEAR OBLIGATIONS |
|-------------------------------------|---|-----|----------------|--------------------------|-----------------|--------------|---------------------|--------------|------------------|--------------|-------------------------|
| | | | | | OBLIGATIONS | EXPENDITURES | OBLIGATIONS | EXPENDITURES | OBLIGATIONS | EXPENDITURES | |
| NON-FORMAL RURAL EDUCATION | | G | 522-0108 | 76 | 384 | 281 | --- | 103 | --- | --- | 3 |
| RURAL EDUCATION | | G | 522-0119 | 78 | 600 | 17 | 150 | 300 | --- | 433 | --- |
| RURAL RECONSTRUCTION II | | L | 522-0133 | 76 | 2,000 | 698 | --- | 800 | --- | 502 | --- |
| RURAL PRIMARY EDUCATION | * | G | 522-0161 | 80 | --- | --- | 500 | --- | 1,000 | 350 | 3,500 |
| RURAL PRIMARY EDUCATION | * | L | 522-0161 | 81 | --- | --- | --- | --- | 5,000 | 200 | 5,000 |
| TOTAL FOR ACCOUNT | | | | | 2,984 | 996 | 650 | 1,203 | 6,000 | 1,485 | |
| GRANTS | | | | | 984 | 298 | 650 | 403 | 1,000 | 783 | |
| LOANS | | | | | 2,000 | 698 | --- | 800 | 5,000 | 702 | |
| SELECTED DEVELOPMENT ACTIVITIES | | | | | | | | | | | |
| SPECIAL DEVELOPMENT ACTIVITIES | | G | 522-0073 | 76 | 668 | 600 | 50 | 70 | --- | 48 | --- |
| MUNICIPAL DEVELOPMENT BANK | | L | 522-0109 | 74 | 4,100 | 3,543 | --- | 557 | --- | --- | --- |
| HURRICAN R/R RURAL SHELTER RECONSTR | | L | 522-0117 | 75 | 1,000 | 375 | --- | 625 | --- | --- | --- |
| AGRO INDUSTRIAL EXPORT DEVELOPMENT | | G | 522-0120 | 76 | 1,220 | 522 | 100 | 340 | --- | 458 | --- |
| WATER RESOURCES MANAGEMENT | | G | 522-0134 | 76 | 600 | 165 | --- | 435 | --- | --- | --- |
| RURAL TRAILS | | G | 522-0137 | 78 | 400 | 39 | --- | 200 | --- | 161 | --- |
| URBAN UPGRADING | | G | 522-0155 | 80 | --- | --- | 200 | 40 | --- | 140 | --- |
| SPECIAL DEVELOPMENT ACTIVITIES | * | G | 522-0169 | 81 | --- | --- | --- | --- | 50 | 48 | --- |
| TOTAL FOR ACCOUNT | | | | | 7,988 | 5,244 | 350 | 2,267 | 50 | 855 | |
| GRANTS | | | | | 2,888 | 1,326 | 350 | 1,085 | 50 | 855 | |
| LOANS | | | | | 5,100 | 3,918 | --- | 1,182 | --- | --- | |
| ECONOMIC SUPPORT FUND | | | | | | | | | | | |
| MUNICIPAL DEV BANK | | G | 522-0165 | 80 | --- | --- | 5,000 ^{B/} | 1,000 | --- | 3,000 | --- |
| TOTAL FOR ACCOUNT | | | | | --- | --- | 5,000 | 1,000 | --- | 3,000 | |
| GRANTS | | | | | --- | --- | --- | --- | --- | --- | |
| LOANS | | | | | --- | --- | 5,000 | 1,000 | --- | 3,000 | |
| TOTAL FOR COUNTRY | | | | | 78,474 | 25,627 | 40,045 | 26,192 | 22,259 | 29,586 | |
| GRANTS | | | | | 10,374 | 3,390 | 6,045 | 6,775 | 7,259 | 6,043 | |
| LOANS | | | | | 68,100 | 22,237 | 34,000 | 19,417 | 15,000 | 23,543 | |

^{B/} Included in the \$80 million supplemental Economic Support Fund request for FY 1980.

* Detailed project narrative - see Activity Data Sheet

A. This is a continuing project - see Activity Data Sheet

| | | | | | |
|---|--|---|---|----------------------------|---------------------------|
| TITLE Agricultural Research | | FUNDS Agriculture, Rural Development and Nutrition | PROPOSED OBLIGATION (In thousands of dollars) | | |
| | | | FY 81 | 409 | LIFE OF PROJECT 1,914 |
| NUMBER 522-0139 | NEW <input type="checkbox"/> | PRIOR REFERENCE | INITIAL OBLIGATION | ESTIMATED FINAL OBLIGATION | ESTIMATED COMPLETION DATE |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | FY 80 Latin America Programs, p. 184 | FY 78 | FY 81 | OF PROJECT FY 82 |

Purpose: To strengthen the capacity of the Government of Honduras (GOH) to plan, implement, coordinate, evaluate, and disseminate agricultural research results to small farmers.

Background and Progress to Date: Reliable agricultural research information is needed to expand current agricultural production and to increase the incomes of poor small farmers. To assist the Ministry of Natural Resources (MNR) to carry out a multidisciplinary farm-centered research program directly geared to the needs of the small farmer, this project finances specialized long and short-term advisory assistance, commodities, and training. The multi-disciplinary, farm-centered research approach is now used in four major ecological regions, and will be applied in seven regions by the end of the project. Twenty new personnel have been brought into the project and have received special training in research methodology. Three trainees are studying for Masters degrees in research management and technical fields, and 14 short-courses have been given to research personnel. A long-term research policy and coordination advisor is assisting the MNR, and technical assistance in the areas of soils, entomology, agricultural economics, sociology and post harvest losses is being provided through the Central Research Unit to the seven agricultural regions. This project complements the A.I.D./GOH Agriculture Sector Program which supports the MNR's extension efforts.

Host Country and Other Donors: The GOH is providing \$1,407,000 in counterpart funds for this project. It will finance staff, commodities, transportation, training, and other costs. The Inter-American Development Bank has approved a loan of \$7 million to support agricultural research, extension and seed production.

Beneficiaries: The project will benefit 7,000 small farmers directly through on-farm research activities, and the results will

be transmitted to at least 29,000 other small farmers indirectly through the extension program. These beneficiaries have farms smaller than 35 hectares and per capita incomes of less than \$135. The estimated cost-per-farm family will be approximately \$14 in FY 1980 and \$54 for the life of the project.

FY 80 Program: Three participants in Masters degree programs will be financed in FY 1981. Twelve researchers will receive short-term training in agricultural research techniques and research management, and multi-disciplinary research teams with A.I.D.-financed technical assistance will be operating in five regions. Eight seminars for approximately 110 persons and 12 field days for farmers will also be held during this year.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---|----------------|--------|
| | Unit | Cost |
| Research scientists trained (M.S.) | 3 | (25.4) |
| Short-term training | 22 | (2) |
| Multidisciplinary research teams trained and operating | 7 | (213) |
| Regional experiment stations equipped and supporting research teams | 6 | (19) |
| Long-range national agricultural research policy and plan developed | X | - |

| A.I.D. Financed Inputs: | FY 81 |
|-------------------------|------------|
| Technical assistance | 200 |
| Participant training | 100 |
| Commodities | 69 |
| Other costs | 40 |
| Total | 409 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 1,300 | 95 | 1,215 | Personal services contracts. |
| Estimated Fiscal Year 1980 | 205 | 1,325 | | |
| Estimated through September 30, 1980 | 1,505 | 1,410 | 95 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 409 | - | 1,914 | |

| | | | | | | |
|---|--|--|--|---|-------------------------------------|---|
| TITLE Agriculture Sector II | | FUNDS Agriculture, Rural Development and Nutrition | | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 522-0150 GRANT <input checked="" type="checkbox"/> LOAN <input checked="" type="checkbox"/> | | NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/> | | PRIOR REFERENCE FY 80 Latin America Programs, p. 185 | FY 81 L-5,000; G-2,000 | LIFE OF PROJECT L-21,000, G-4,000 |
| | | | | INITIAL OBLIGATION FY 79 | ESTIMATED FINAL OBLIGATION FY 82 | ESTIMATED COMPLETION DATE OF PROJECT FY 84 |

Purpose: To develop a more rational, flexible and effective agriculture sector structure which has greater outreach and is more responsive to the needs of poor people.

Background and Progress to Date: This project addresses serious weaknesses constraining the Government of Honduras (GOH) development efforts by: (a) improving GOH institutions responsible for agricultural planning and coordination, marketing analysis and policy development as well as agricultural information gathering, analysis and dissemination; (b) increasing the number and skills of personnel working in agricultural development; (c) improving the agricultural credit and extension services available to poor farmers; and (d) developing farmer service cooperatives and small-scale farm infrastructure. The project agreements were signed in June 1979, and initial project conditions have been met. Some 30 candidates for long-term training have been selected, construction contracts for improvements to the National Agricultural University have been let, and technical assistance is being provided in agricultural planning, information systems and cooperatives.

Host Country and Other Donors: The GOH provides technical and administrative staff and pays operational costs at an estimated cost of \$73.8 million, with \$24 million for incremental project costs. Donors providing complementary assistance include: the International Agricultural Development Fund -- a \$20 million loan for integrated agricultural development; the World Bank -- \$15 million for livestock development and construction of agricultural education facilities; and the Inter-American Development Bank -- \$7 million for extension, research and seed production.

Beneficiaries: The program will directly or indirectly have an impact on at least 75% of the country's small traditional farmers as well as those individual recipients of land under the land reform program. Their per capita incomes are expected to increase

during the project from \$135 to \$175 and \$106 to \$175 respectively (1977 prices). Over the life of the project, this will mean an A.I.D. investment of approximately \$175 per beneficiary.

FY 81 Program: Technical assistance advisors will be in place; the participant and in-service training Coordination Committee will be operational; and the initial 94 participants will be in training. In addition, construction at the National Agricultural University will have begun; new agricultural planning, information, and marketing policy systems will be operational; and an improved extension service will be functioning. The initial four coop service centers will be organized; the National Agricultural Bank's regionalization program will be initiated; eight feasibility studies for infrastructure projects will be completed; and improved plant materials will be distributed to small farmers.

Major Outputs (and A.I.D. Unit Costs):

| | (\$ thousands) | |
|--|----------------|---------|
| | Unit | Cost |
| Improved extension service | 1 | (1,800) |
| Trained professional agriculturists (68 B.A.s, 154 M.A.s & 13 PhDs) | 235 | (23) |
| Short-term, in-service training courses | 64 | (5) |
| Agricultural service coops established | 8 | (306) |
| National Development Bank regionalization plan | 1 | (981) |
| Zonal infrastructure packages developed | 16 | (147) |
| Agricultural plant packages distributed | 24,000 | (.015) |

A.I.D. Financed Inputs:

| | FY 81 | |
|----------------------|--------------|--------------|
| | Grant | Loan |
| Technical assistance | 195 | 1,084 |
| Participant training | - | 2,012 |
| Commodities | 195 | 1,321 |
| Other costs | 1,610 | 583 |
| TOTAL | 2,000 | 5,000 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES | |
|--|-------------------|-------------------------|----------------------|---|--|
| | Obligations | Expenditures | Unliquidated | | |
| Through September 30, 1979 | G-1,000; L-16,000 | - | G-1,000; L-16,000 | A U.S. University Consortium, Private consulting firms, Personal service contracts. | |
| Estimated Fiscal Year 1980 | G-600 | G-854; L-4,247 | | | |
| Estimated through September 30, 1980 | G-1,600; L-16,000 | G-854; L-4,247 | G-746; L-1,753 | | |
| | | Future Year Obligations | Estimated Total Cost | | |
| Proposed Fiscal Year 1981 | G-2,000; L-5,000 | G-400 | G-4,000; L-21,000 | | |

| | | | | | |
|---|--|--|--|-------------------------------------|--|
| TITLE Rural Technologies | | FUNDS Agriculture, Rural Development and Nutrition | PROPOSED OBLIGATION (In thousands of dollars) FY 81 3,700 | | LIFE OF PROJECT 8,930 |
| NUMBER 522-0157 | NEW <input type="checkbox"/> | PRIOR REFERENCE | INITIAL OBLIGATION FY 79 | ESTIMATED FINAL OBLIGATION FY 83 | ESTIMATED COMPLETION DATE OF PROJECT FY 85 |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | FY 80 Latin America Programs, p. 186 | | | |

Purpose: To increase the productivity, income and quality of life of the rural poor through the establishment of small-scale rural enterprises and industries and the development and dissemination of improved light capital farm and household technologies.

Background and Progress to Date: This project builds upon A.I.D.'s complementary Small Farmer Technologies project in developing and adapting light capital technologies for on-farm use. Project activities include: strengthening the capacity of rural blacksmiths and metal workers to produce and upgrade improved technologies; developing the institutional capacity of the Government of Honduras (GOH) to plan, implement, and evaluate project activities; and assisting in the development of a small industry extension service to provide management and production assistance to small rural entrepreneurs usually having less than \$1,000 in assets. Rural household technologies designed to improve the wellbeing of rural families will also be developed and disseminated. The Project Agreement was signed in September 1979, and preliminary project conditions have been met. By the end of FY 1980, three new farm implements will have been produced and demonstrated; 200 families will have been trained; 210 industries will have received management/production assistance or training; and two enterprise extension regional offices will be staffed and operating.

Host Country and Other Donors: The GOH is providing \$5 million in equipment and project operating costs (33% of project costs). Complementary activities in industrial development include: \$20 million in World Bank credit to relatively small (less than \$100,000 in assets) and medium industries; a \$500,000 Inter-American Development Bank credit fund for urban artisans; and some limited technical assistance to the GOH by the Organization of American States and the United Nations.

Beneficiaries: An estimated 50,000 small farmers will use the light capital technologies developed. 10,620 families will use the improved household technologies, 1,140 enterprises will receive grant or loan assistance, and 6,200 small enterprises will receive technical assistance during the life of this project. Outside of secondary employment, the estimated A.I.D. cost-per-family beneficiary, excluding credit reflows, is \$130 over the life of the project.

FY 81 Program: Six new farm implements will be produced and demonstrated; 200 farmers will be trained; management and production assistance or training will be provided to 300 industries; and three new rural household technologies will be developed and demonstrated.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---------------------------------------|----------------|--------|
| | All Years | |
| | Unit | Cost |
| Farm implement prototypes developed | 50 | (6.68) |
| Demonstration implements produced | 13,000 | (0.08) |
| Small enterprises assisted | 6,200 | (0.9) |
| New enterprises developed | 40 | (25) |
| Small farmers trained | 1,000 | (0.1) |
| Entrepreneurs and blacksmiths trained | 1,000 | (0.1) |

| A.I.D. Financed Inputs: | FY 81 |
|---|--------------|
| Appropriate Technologies Development Fund | 320 |
| Light capital farm technologies | 1,000 |
| Personnel and training | 1,330 |
| Commodities | 500 |
| Technical assistance | 550 |
| TOTAL | 3,700 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|--|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 850 | -0- | 850 | Personal services contracts, Others to be selected. |
| Estimated Fiscal Year 1980 | 2,000 | 950 | | |
| Estimated through September 30, 1980 | 2,850 | 950 | 1,900 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 3,700 | 2,380 | 8,930 | |

| | | | | | |
|---|--|--|--|---|--|
| TITLE Water Resources and Afforestation | | FUNDS Agriculture, Rural Development and Nutrition | | PROPOSED OBLIGATION (In thousands of dollars) | |
| | | | | FY 81 5,000 | LIFE OF PROJECT 10,000 |
| NUMBER 522-0168 | NEW <input type="checkbox"/> | PRIOR REFERENCE None. | | INITIAL OBLIGATION FY 80 | ESTIMATED FINAL OBLIGATION FY 81 |
| GRANT <input type="checkbox"/> | LOAN <input checked="" type="checkbox"/> | | | | ESTIMATED COMPLETION DATE OF PROJECT FY 84 |
| | | | | | |
| | | | | | |

Purpose: To develop the Government of Honduras' (GOH) capacity to analyze problems, develop policies and implement programs in soil, water and forest conservation.

Background and Progress to Date: The watersheds of Honduras are being destroyed at an alarming rate through misuse and overuse. In two generations (if current rates of depletion continue), the forest cover will be virtually eliminated with disastrous effects on the livelihood of the two-thirds of Honduras' population involved in agriculture. In response to A.I.D.'s 1978 Agricultural Sector Assessment and other developments, the GOH has indicated its desire to change land-use policies and implement improved agricultural practices. With its initial funding obligation expected in late FY 1980, the project will help establish a national environmental protection council to develop land-use policy, provide technical assistance on land-use practices, and coordinate activities related to resource conservation. Data gathering, analysis and planning capacities will be strengthened in the Ministry of Natural Resources (MNR), the Forest Development Corporation (COHDEFOR), and the National Cadaster Program. COHDEFOR will receive assistance in promoting forest conservation through extension programs, developing watershed management programs, and expanding afforestation. The project will assist the MNR in developing and extending low-cost methods for community level projects in soil and water use and conservation.

Host Country and Other Donors: The GOH will provide approximately \$3.5 million in counterpart funds (33% of total project costs). Other GOH programs related to this project are the MNR's small farm soil conservation program and COHDEFOR's activities in general. Projects developing forest products have been financed by the Inter-American Development Bank (\$84.5 million) and the Central American Bank for Economic Integration (\$16 million). The Canadian International Development Agency and the UN Food and Agricultural Organizations are providing technical assistance to

COHDEFOR.

Beneficiaries: Benefits for the rural population will result from improved management of soil, water and forest resources. More than 1,500 small farm families (9,000 people) will benefit directly from mini-irrigation/soil conservation projects; an additional 21,000 people will benefit indirectly from project activities, particularly improvements in dry season water flows in downstream irrigation systems. The estimated cost-per-person will be approximately \$330 during the project.

FY 81 Program: This project will continue technical assistance in institutional-building at COHDEFOR and the MNR by aiding in the preparation of a land-use policy/planning system and a watershed planning/management system. COHDEFOR also plans to initiate afforestation and erosion control activities. In addition, the MNR will commence preliminary small farm irrigation activities.

(\$ thousands)

Major Outputs (and A.I.D. Unit Cost):

| | All Years | |
|--|-----------|---------|
| | Unit | Cost |
| Land-use policy/planning system | X | (1,500) |
| Watershed planning/management system | X | (2,000) |
| Training/research capability established | X | (1,500) |
| National Cadaster system improved | X | (2,500) |
| Hectares reforested/afforested | 2,500 | (.350) |
| Small irrigation systems improved | 1,500 | (1) |
| Kilometers of trails protected against erosion | 100 | (1) |

A.I.D. Financed Inputs:

| | FY 81 |
|------------------------|-------|
| Personnel and training | 2,500 |
| Commodities | 1,500 |
| Technical assistance | 1,000 |

TOTAL 5,000

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | -0- | -0- | -0- | To be selected. |
| Estimated Fiscal Year 1980 | 5,000 | 200 | | |
| Estimated through September 30, 1980 | 5,000 | 200 | 4,800 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 5,000 | - | 10,000 | |

| | | | | | |
|---|---|---|---|-------------------------------------|--|
| TITLE Integrated Rural Health Service | | FUNDS Population Planning and Health | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 522-0130 | | PRIOR REFERENCE FY 80 Latin America Programs, p. 187 | FY 81 100 | LIFE OF PROJECT | 1,486 |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/> | | INITIAL OBLIGATION FY 76 | ESTIMATED FINAL OBLIGATION FY 81 | ESTIMATED COMPLETION DATE OF PROJECT FY 81 |

Purpose: To increase Honduran institutional capacity to provide a full range of basic, effective maternal/child care and other basic health services in rural areas.

Background and Progress to Date: The health delivery system of Honduras has provided limited and inadequate health services to the rural population. The Government of Honduras (GOH) is now using trained paramedics to extend basic health services to previously unreached rural people. In 1976, A.I.D. and the GOH signed the first project agreement and began training large numbers of paramedics needed to deliver basic health services to the rural population. The construction of three paramedic training centers is now almost completed, and auxiliary nurses have been trained to staff rural health facilities. Community health workers and trained midwives are delivering basic health services to about 40% of the rural population. Project services include: immunizations; prenatal, birth and postnatal care; treatment of diarrheal diseases; treatment for colds; first-aid; nutrition education; referral for family planning services; and assistance to community development projects such as wells and latrines. The Ministry of Health is currently training supervisors in standardized, nationwide supervisory techniques.

Host Country and Other Donors: The GOH is providing approximately \$1.12 million (43% of total project costs) in health personnel salaries, per diem for supervisors, sites for training centers, and support for training facility operations. The Inter-American Development Bank is providing a \$10 million loan to finance construction of 243 rural health centers and ten hospitals, while the Pan American Health Organization is financing technical assistance in maternal/child health, biostatistics, data collection and logistics. The UN Infant and Children Emergency Fund and the UN Fund for Population Activity have provided a limited number of midwife kits.

Beneficiaries: When the paramedic outreach system is fully operational, it is expected that 80% to 90% of the rural population (or some 351,000 families) will be covered by basic health services, although many future refinements in the system will be needed to improve the health of the rural population. The approximate cost-per-family beneficiary will be less than \$1 for FY 1980 and \$4 for the life of the project.

FY 81 Programs: The FY 1981 funds are solely for supplying contraceptives.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---------------------------------------|----------------|--------------|
| | Unit | Cost |
| Paramedic training: | | |
| Auxiliary nurses | 1,120 | (.419) |
| Midwives | 4,000 | (.068) |
| Community health workers | 5,000 | (.068) |
| Training centers constructed | 3 | (72) |
| A.I.D. Financed Inputs: | | FY 81 |
| Contraceptive commodities | | <u>100</u> |
| TOTAL | | 100 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--------------------------------|-----------------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 896 | 487 | 409 | Personal services contracts. |
| Estimated Fiscal Year 1980 | 490 | 601 | | |
| Estimated through September 30, 1980 | 1,386 | 1,088 | 298 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 100 | - | 1,486 | |

| | | | | | |
|--|--|--|---|--------------------------------------|--|
| TITLE Rural Primary Education | | FUNDS Education and Human Resources | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 522-0161 | | PRIOR REFERENCE None | FY 81 L- 5,000; G- 1,000 | LIFE OF PROJECT L-10,000; G-5,000 | |
| GRANT <input checked="" type="checkbox"/> | LOAN <input checked="" type="checkbox"/> | | INITIAL OBLIGATION FY 80 | ESTIMATED FINAL OBLIGATION FY 83 | ESTIMATED COMPLETION DATE OF PROJECT FY 84 |
| NEW <input type="checkbox"/> | | | | | |
| CONTINUING <input checked="" type="checkbox"/> | | | | | |

Purpose: To provide the educational infrastructure required to increase rural primary school enrollment from the current 60% to 70% by 1984.

Background and Progress to Date: The Honduran rural school system is not meeting the rural population's basic educational needs because rural teachers tend to be poorly trained, lack materials, and have very large classes (60-90 students) in the first three grades. Moreover, teacher absenteeism, pupil dropout rates and pupil repeater rates are all high. As housing is virtually non-existent in the more remote villages, teachers work only about one-half day and spend the remainder travelling between their remote schools and homes. This low level of services in rural areas is historically below that provided in urban areas. For example, over 64% of all primary schools offer less than six grades; 99% of these schools are located in rural areas. This project, scheduled to start in late FY 1980, will help the Ministry of Education complete the nationwide installation of the central/satellite rural school concept by extending it to the traditional highlands area. It will also provide the additional infrastructure necessary to enable the nationwide rural primary system to increase initial enrollment from the current 60% of the school-age population to 70%. The project, together with ongoing A.I.D. and World Bank education projects, will provide a system-wide approach to improving rural primary education. A.I.D. presently is assisting the Government of Honduras (GOH) to replace schools/equipment lost as a result of Hurricane Fifi in the North Coast area and to provide in-service teacher training and curriculum development.

Host Country and Other Donors: Professional and administrative personnel, educational materials, equipment, travel, and training and office facilities -- valued at \$9 million -- will be provided by the GOH (37% of total project cost). A \$5 million World Bank project is building schools, equipping practical learning workshops and providing materials and school furniture through a coordinated

program in the country's southwestern region. UNICEF will continue to donate equipment and training materials.

Beneficiaries: This project will provide 100,000 rural school children with tangible benefits in the form of classrooms, teacher time and improved teacher supervision. The approximate cost-per-child benefitted is \$1.50. About 40,000 children will benefit from the school construction, and approximately 60,000 children will benefit from improved education facilitated by having teachers in residence, thereby providing more teacher contact hours.

FY 81 Program: Approximately 800 classrooms and 300 teachers' houses will be constructed and equipped in FY 1981. About 20 supervisors and 24 new in-service teacher training personnel will receive participant training. Twenty person-months of technical assistance will be provided in administration, curriculum and materials development, and evaluation.

| | | |
|--|------------------|-------------|
| | (\$ thousands) | |
| Major Outputs (and A.I.D. Unit Cost): | <u>All Years</u> | |
| | <u>Unit</u> | <u>Cost</u> |
| New classrooms | 2,500 | (4.6) |
| Teacher housing | 1,000 | (3) |
| Teachers and supervisors trained | 50 | (2.6) |
| Supervisor transportation system improved | X | - |

| | | |
|--------------------------------|--------------|--------------|
| A.I.D. Financed Inputs: | <u>FY 81</u> | |
| | <u>Loan</u> | <u>Grant</u> |
| Classrooms | 3,400 | - |
| Teacher housing | 900 | - |
| Technical assistance | - | 660 |
| Participant training | - | 340 |
| Commodities | 700 | - |
| TOTAL | 5,000 | 1,000 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES To be selected. |
|--|--------------------|--------------------------------|-----------------------------|--|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | |
| Estimated Fiscal Year 1980 | G- 500 | - | - | |
| Estimated through September 30, 1980 | G- 500 | - | G- 400 | |
| Proposed Fiscal Year 1981 | L-5,000; G - 1,000 | L-5,000; G-3,500 | L-10,000; G-5,000 | |
| | | Future Year Obligations | Estimated Total Cost | |

| | | | | | |
|---|-------------------------------|--|---|--|---|
| TITLE Special Development Activities | | FUNDS Selected Development Activities | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 522-0169 | | PRIOR REFERENCE None. | FY 81 | 50 | LIFE OF PROJECT Continuing* |
| GRANT <input checked="" type="checkbox"/> | LOAN <input type="checkbox"/> | | INITIAL OBLIGATION FY 81 | ESTIMATED FINAL OBLIGATION FY Continuing* | ESTIMATED COMPLETION DATE OF PROJECT FY Continuing* |
| NEW <input checked="" type="checkbox"/> | | CONTINUING <input type="checkbox"/> | | | |

Purpose: To support low-cost, high impact projects at the community level where small financial inputs, combined with group self-help, result in significant community benefit.

Background: Approximately 65% of Hondurans live in small, rural communities which often lack basic public services and infrastructure. In spite of Government of Honduras (GOH), international donor, and private voluntary organization efforts, all of these rural areas cannot be reached in the foreseeable future with schools, water systems and other basic infrastructure. A.I.D. will augment the efforts of the GOH and other donors in supporting small-scale projects initiated by the communities themselves when other assistance is unavailable. These projects will have an immediate, beneficial impact on the poorest in the community and will emphasize community self-help. The A.I.D. contribution will cover the cost of materials which are unavailable locally, while the community normally will provide skilled and unskilled labor, local construction materials and whatever money it can collect. This project continues the work of a similar predecessor project which, over the last fifteen years, completed over 700 community projects and benefited 40,000 families at a cost of slightly more than \$17.50 per family. These previous projects included approximately: 200 community water systems; 150 classrooms; 40 trails, bridges and check dams; 40 community buildings; plus a variety of miscellaneous development works. The sub-projects financed under this new activity will be designed to facilitate evaluation and will continue to focus on the same type of high impact community projects financed under the earlier activity.

Host Country and Other Donors: The host country frequently provides project supervision and material assistance. Local communities provide skilled and unskilled labor, local construction mate-

rials, and whatever money it can collect. The Peace Corps assists with occasional project promotion and monitoring. Private organizations, such as CARE and Catholic Relief Services, are active in similar small, self-help projects providing food-for-work commodities and materials.

Beneficiaries: This project will operate nationwide, with priority on activities affecting basic human needs in rural areas. It is expected that over 8,000 families in poor rural communities will benefit in the next five years from the approximately 110 projects to be undertaken at an average cost-per-family benefitted of \$30.

FY 81 Program: In FY 1981, using Peace Corps cooperation in implementation and monitoring, approximately 27 single or multi-community projects will be undertaken benefitting over 1,500 families. These projects are likely to include 12 water systems, 5 schools, 2 rural trails, 3 multi-use community centers and 5 miscellaneous projects. Each project will be subjected to a feasibility study prior to approval.

| | |
|--|----------------------|
| <u>Major Outputs:</u> | <u>Through FY 81</u> |
| Community development projects | 27 |
| | (\$ thousands) |
| <u>A.I.D. Financed Inputs:</u> | <u>FY 81</u> |
| Construction materials and other costs | 50 |
| TOTAL | <u>50</u> |

*It is expected that activities under this project will continue as long as A.I.D. maintains an assistance program in Honduras.

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | None. |
| Estimated Fiscal Year 1980 | - | - | - | |
| Estimated through September 30, 1980 | - | - | - | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 50 | Continuing* | Continuing* | |

ECONOMIC AND SOCIAL DATA

COUNTRY: JAMAICA

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1979) 2,170
 PER CAPITA GNP..... (DOLLARS,1977) 1,150
 AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-77) 2.1%
 AVERAGE ANNUAL RATE OF INFLATION (1960-70) 3.8% (1970-77) 15.9%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. N.A.
 LIFF EXPECTANCY AT BIRTH, IN YEARS
 (1973) TOTAL 69.5 MALE 67.9 FEMALE 71.2
 (1968) TOTAL 67.8 MALE 65.9 FEMALE 69.7
 ADULT LITERACY RATE (1972) TOTAL 82% MALE N.A. FEMALE N.A.
 (1960) TOTAL 82% MALE 79% FEMALE 85%

AGRICULTURE

AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1970-1978) -1.8%
 AGRICULTURAL PRODUCTION AS % OF GDP..... (1977) 9%
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1979) 1,085
 LAND OWNED: BY TOP 10% N.A. BY LOWEST 10% N.A.
 MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: ROOTS & TUBERS 2% (1978)
 CASH: SUGARCANE BANANAS 59% (1978)
 MAJOR AGRICULTURAL EXPORTS:(1978) SUGAR BANANAS SPICES
 MAJOR AGRICULTURAL IMPORTS:(1978) CORN WHEAT RICE
 PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1977) 24%

CENTRAL GOVERNMENT FINANCES

TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)
 (1975) 728 (76) 719 (77) 741
 TOTAL EXPENDITURES (\$ MILLIONS, U.S.)
 (1975) 1,034 (76) 1,281 (77) 1,306
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1975) -306 (76) -562 (77) -565
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1975) 1.8% (76) 2.3% (77) 2.2%
 AS % OF GNP..... (1975) 0.7% (76) 1.0% (77) 0.9%
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1976) 32 (77) 48 (78) 53
 EQUIVALENT TO 1.0 MONTHS OF IMPORTS (1978)

FOREIGN TRADE

MAJOR EXPORTS... (1978) BAUXITE SUGAR FRUITS & NUT
 EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1976) 263 (1977) 341 (1978) 377
 AS % OF TOTAL EXPORTS (1976) 42% (1977) 44% (1978) 50%
 MAJOR IMPORTS... (1978) FUELS MACHINERY FOODSTUFFS
 IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1976) 343 (1977) 300 (1978) 319
 AS % OF TOTAL IMPORTS (1976) 38% (1977) 35% (1978) 36%
 TRADE BALANCE(\$ MILLIONS, US)(1976) -281 (77) -82 (78) -137
 MAIN TRADING PARTNERS: UNITED STATES UNITED KINGDO VENEZUELA
 EXTERNAL PUBLIC DEBT AS % OF GNP (1977) 28.7%
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1977) 147
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1977) 14.9%

SOCIAL DATA

POPULATION GROWTH RATE.....(1968-78) 1.9%
 POPULATION IN URBAN AREAS..... (1960) 23% (1970) 37%
 TOTAL BIRTHS PER 1,000 POPULATION..... (1976) 30
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION... (1977) 38%
 POPULATION (1975) IN AGE GROUP:
 (0-14YRS) 46.1% (15-60YRS) 48.0% (60+ YRS) 8.5%
 INFANT DEATHS OURING FIRST YEAR OF LIFE / 1000 INFANTS (1976) 20
 PEOPLE PER PHYSICIAN..... (1974) 3,496
 MAJOR CAUSES OF
 DISEASE (1974)FLU & PNEUMONIA INFECTIOUS DIS.
 DEATH.. (1971)CEREBROVASCULAR HEART DISEASE
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.... N.A.
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975) 86%
 TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:
 PRIMARY... (AGES 5-14)(1976) TOTAL 57.8% MALE 57.4% FEMALE 58.2%
 SECONDARY..... (15-19)(1976) TOTAL 94.7% MALE 87.8% FEMALE 2.0%
 POST SECONDARY (20-24)(1973) TOTAL 6.4% MALE N.A. FEMALE N.A.
 ENERGY PRODUCTION AS % OF CONSUMPTION..... (1976) 1%

U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS
(U.S. Fiscal Years – Millions of Dollars)

COUNTRY JAMAICA

| PROGRAM | FOREIGN ASSISTANCE ACT PERIOD | | | | | TOTAL LOANS AND GRANTS 1946-78 | REPAY- MENTS AND INTEREST 1946-78 | TOTAL LESS REPAY- MENTS AND INTEREST 1946-78 |
|--|-------------------------------|------|-----|------|------|---|--|--|
| | 1975 | 1976 | TQ | 1977 | 1978 | | | |
| I. ECONOMIC ASSISTANCE – TOTAL | 4.3 | 2.2 | 2.9 | 32.1 | 23.3 | 160.9 | 8.1 | 152.8 |
| Loans | 1.4 | - | 2.4 | 28.5 | 19.5 | 94.0 | 8.1 | 85.9 |
| Grants | 2.9 | 2.2 | 0.5 | 3.6 | 3.8 | 66.9 | - | 66.9 |
| a. A.I.D. and Predecessor Agencies | 0.6 | 0.8 | 0.1 | 17.5 | 11.6 | 86.5 | 7.5 | 79.0 |
| Loans | - | - | - | 15.1 | 9.5 | 67.9 | 7.5 | 60.4 |
| Grants | 0.6 | 0.8 | 0.1 | 2.4 | 2.1 | 18.6 | - | 18.6 |
| (Security Supporting Assistance) | - | - | - | - | 11.0 | 11.0 | - | - |
| b. Food for Peace (PL 480) | 1.6 | 0.1 | 2.5 | 13.4 | 10.5 | 58.3 | 0.6 | 57.7 |
| Loans | 1.4 | - | 2.4 | 13.4 | 10.0 | 26.1 | 0.6 | 25.5 |
| Grants | 0.2 | 0.1 | 0.1 | - | 0.5 | 32.2 | - | 32.2 |
| Title I - Total Sales Agreements | 1.4 | - | 2.4 | 13.4 | 10.0 | 26.1 | 0.6 | 25.5 |
| Repayable in U.S. Dollars - Loans | 1.4 | - | 2.4 | 13.4 | 10.0 | 26.1 | 0.6 | 25.5 |
| Payable in Foreign Currency - Planned for Country Use | - | - | - | - | - | - | - | - |
| Title II - Total Grants | 0.2 | 0.1 | 0.1 | * | 0.5 | 32.2 | - | 32.2 |
| Emerg. Relief, Econ. Develop. & World Food Program | 0.1 | 0.1 | 0.1 | * | * | 14.0 | - | 14.0 |
| Voluntary Relief Agencies | 0.1 | - | - | - | 0.5 | 18.2 | - | 18.2 |
| c. Other Economic Assistance | 2.1 | 1.3 | 0.3 | 1.2 | 1.2 | 16.1 | - | 16.1 |
| Loans | - | - | - | - | - | - | - | - |
| Grants | 2.1 | 1.3 | 0.3 | 1.2 | 1.2 | 16.1 | - | 16.1 |
| Peace Corps | 1.2 | 1.0 | 0.3 | 1.0 | 1.1 | 13.7 | - | 13.7 |
| Other | 0.9 | 0.3 | - | 0.2 | 0.1 | 2.4 | - | 2.4 |
| II. MILITARY ASSISTANCE – TOTAL | - | - | - | - | - | 1.1 | - | 1.1 |
| Credits or Loans | - | - | - | - | - | - | - | - |
| Grants | - | - | - | - | - | 1.1 | - | 1.1 |
| a. MAP Grants | - | - | - | - | - | 1.1 | - | 1.1 |
| b. Credit Financing - FMS | - | - | - | - | - | - | - | - |
| c. Military Assistance Service-Funded (MASF) Grants | - | - | - | - | - | * | - | * |
| d. Transfers from Excess Stocks | - | - | - | - | - | * | - | * |
| e. Other Grants | - | - | - | - | - | - | - | - |
| III. TOTAL ECONOMIC AND MILITARY ASSISTANCE | 4.3 | 2.2 | 2.9 | 32.1 | 23.3 | 162.0 | 8.1 | 153.9 |
| Loans | 1.4 | - | 2.4 | 28.5 | 19.5 | 94.0 | 8.1 | 85.9 |
| Grants | 2.9 | 2.2 | 0.5 | 3.6 | 3.8 | 68.0 | - | 68.0 |
| Other U.S. Government Loans and Grants | 16.1 | 0.2 | - | 0.5 | - | 80.4 | 38.7 | 41.7 |
| a. Export-Import Bank Loans | 16.1 | 0.2 | - | - | - | 79.0 | 37.6 | 41.4 |
| b. All Other Loans | - | - | - | 0.5 | - | 1.4 | 1.1 | 0.3 |

* LESS THAN \$50,000.

TQ - TRANSITIONAL QUARTER

ECONOMIC PROGRAMS OF OTHER DONORS

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

(Thousands of dollars)

| TOTAL | FY 1977 | FY 1978 | FY 1979 | FY 1946-79 |
|----------|---------|---------|---------|------------|
| TOTAL | 26,500 | 90,782 | 87,348 | 439,235 |
| IBRD | 15,000 | 75,050 | 59,000 | 286,860 |
| IFC | - | - | - | 3,127 |
| IDB | 11,100 | 13,135 | 27,185 | 131,189 |
| UNDP | 400 | 1,997 | 1,611 | 16,807 |
| OTHER UN | - | 600 | - | 1,700 |

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

(Millions of dollars)

1. D.A.C. COUNTRIES (Excluding U.S.) (Gross Disbursements)

| Donor | CY 1977 | CY 1978 | CY 1968-78 |
|-------------|---------|---------|------------|
| TOTAL | 14.50 | 75.93 | 176.63 |
| UK | 1.50 | 37.55 | 85.05 |
| Canada | 4.10 | 11.29 | 42.09 |
| Netherlands | 5.00 | 21.95 | 29.55 |
| Germany | 3.40 | 2.99 | 16.69 |
| Other | 0.50 | 2.15 | 3.25 |

2. O.P.E.C. COUNTRIES (Net Disbursements)

| TOTAL | CY 1977 | CY 1978 | CY 1973-78 |
|-------|---------|---------|------------|
| TOTAL | - | - | - |

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

(Millions of dollars)

| TOTAL | CY 1977 | CY 1978 | CY 1964-78 |
|----------------|---------|---------|------------|
| TOTAL | 38 | 30 | 77 |
| USSR | 30 | - | 30 |
| Eastern Europe | 8 | 28 | 36 |
| China | - | 2 | 11 |

JAMAICA

| PROGRAM SUMMARY | | | | | | | | CP 81-13 (8-79) |
|---------------------------|---------------------|--|---------------------|-----------|---|---------------------------------|----------------|-----------------|
| (In thousands of dollars) | | | | | | | | |
| Fiscal Year | Total ^{A/} | Agriculture, Rural Development and Nutrition | Population Planning | Health | Education and Human Resources Development | Selected Development Activities | Other Programs | |
| 1979 | | | | | | | | |
| Loans | 2,740 | 2,740 | -- | -- | -- | -- | -B/ | |
| Grants ... | 2,850 | 1,519 | 888 | 77 | 311 | 55 | (206) | |
| Total .. | 5,590 | 4,259 | 888 | 77 | 311 | 55 | (206) | |
| 1980 | | | | | | | | |
| Loans | 5,500 | 5,500 | -- | -- | -- | -- | -- | |
| Grants ... | 2,755 | 1,534 | 485 | -- | 486 | 250 | -- | |
| Total .. | 8,255 | 7,034 | 485 | -- | 486 | 250 | -- | |
| 1981 | | | | | | | C/ | |
| Loans | 10,700 | 4,000 | -- | -- | -- | 3,700 | 3,000 | |
| Grants ... | 2,615 | 1,565 | 600 | -- | -- | 450 | -- | |
| Total .. | 13,315 | 5,565 | 600 | -- | -- | 4,150 | 3,000 | |

U.S. Interests

U.S. interests in Jamaica stem from geographic proximity, ethnic ties, trade, large U.S. private investments, and a shared commitment to democratic institutions and human rights.

Development Overview

The prospect of increased foreign exchange and tax revenues from bauxite, sugar, and coffee exports and from a rapidly growing tourist industry prompted the Government of Jamaica (GOJ) in the early 1970s to embark on an ambitious program to promote growth with equity. The program involved heavy public expenditures for education, social welfare, health and housing. The planned export and revenue expansion did not materialize, however, and the GOJ has sustained large budget deficits while supporting these programs. The combination of declining exports and increasing budget deficits has contributed to severe balance of payments pressures, an accelerated rate of

inflation, a declining gross national product, and a sharp drop in per capita income over the last six years. Currently, Jamaica's agriculture is stagnant; its skilled human resource base is thin; and almost 50% of its labor force is unemployed or underemployed, due in part to growing stagnation in the private sector. Although progress has been made in reducing the birth rate, Jamaica's population continues to grow too rapidly given its available natural resources. It is heavily dependent on imports -- especially food, fuel and machinery -- and its balance of payments position remains precarious despite assistance from the International Monetary Fund (IMF) and other donors. U.S. assistance has helped to cushion the negative impact of these developments on the poor.

Socio Economic Performance

Even though Jamaica has restricted imports, curtailed consumption, set wage and price controls and devalued its currency, a combination of sustained self-help and external assistance measures is still required to help the nation meet its basic needs and to lay the foundation for sustained economic development. Despite its problems, Jamaica's commitment to equitable income distribution remains strong. Government expenditures for agriculture, housing and education have increased significantly over the last seven years. The tax structure has been made more progressive, and a land-lease project involving the rental or purchase of unused land by small farmers has been introduced. The Government has established an agricultural marketing corporation to purchase products from small farmers, and it has instituted a vigorous cooperative development program. The formation of community councils to promote local development activities has been accelerated, and a comprehensive effort to eliminate illiteracy has been launched. In addition to ranking nutrition as a high priority, the GOJ has actively supported family planning for the past 17 years.

Total Resources

Jamaica has received substantial external assistance in

JAMAICA

recent years. The IMF through its three-year Extended Fund Facility (\$400 million), the World Bank (\$45 million in 1978), and the Inter-American Development Bank (\$13.7 million) are the primary multilateral lenders. In 1978, Britain, Canada, the Netherlands, Venezuela, Mexico, Hungary, the USSR, the People's Republic of China, and Cuba provided technical and capital assistance totalling \$200 million. Private U.S. investments in Jamaica exceed \$590 million, and private U.S. banking loans to or guaranteed by the central government total \$252.7 million.

A.I.D. Strategy

A.I.D.'s strategy is to support efforts to provide employment and meet the basic human needs of the poor, whose problems have been made increasingly acute during the recent austerity period.

A.I.D.-funded programs include efforts to: increase agricultural and fish production; improve the marketing infrastructure for agricultural products; increase employment opportunities through skills training and vocational education; provide better health services to the rural poor; address the problems posed by increasing energy costs; and reduce population pressures through family planning. Although most of these programs are still in the early stages of implementation, impact on the poor already is evident in the fish-production program, where annual profits of \$280 per one-quarter-acre pond have been demonstrated in rural communities. Under the family planning program, 120,000 Jamaicans -- most of whom are poor -- are receiving family-planning services. For FY 1981, \$3 million of Economic Support Fund (ESF) assistance is proposed to promote employment among Jamaica's urban poor and to support urban development.

A/ Funds for Project Development and Support as well as Operational Program Grants are not included in this table. They are reflected in the Latin America and Caribbean Regional Program.

B/ Disaster Assistance funds.

C/ Economic Support Funds.

| FY 81 PROGRAM HIGHLIGHTS | |
|--------------------------|---|
| - | \$3.9 million to develop alternative energy sources for Jamaica. |
| - | \$3 million to strengthen agricultural research, education, and extension. |
| - | \$1.7 million in grants for family planning services, fish production, and agricultural planning. |
| - | \$3 million in ESF assistance to support urban development and employment. |

| PERSONNEL/PARTICIPANTS DATA CP 81-17 (8-79) | | | |
|--|---------------------|------------------------|-----------------------|
| Category | FY 1979 (Actual) | FY 1980 (Estimated) | FY 1981 (Proposed) |
| AID Personnel^a | | | |
| Direct Hire ^b | 21 | 21 | 25 |
| PASA ^c | 3 | 2 | 1 |
| Contract | 11 | 19 | 28 |
| Total | 35 | 46 | 54 |
| Participants^d | | | |
| Noncontract | 25 | 74 | 63 |
| Contract | 11 | 10 | 10 |
| Total | 36 | 84 | 73 |
| ^a U.S. nationals on duty at the end of the fiscal year. ^b FY 1980 and FY 1981 position levels. ^c Participating agency technicians. ^d Programmed during the fiscal year. | | | |

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| RESOURCE FLOWS | | | |
|----------------------------------|---------------------|------------------------|-----------------------|
| <i>(In thousands of dollars)</i> | | | |
| Program | FY 1979 (Actual) | FY 1980 (Estimated) | FY 1981 (Proposed) |
| AID* | | | |
| Loans | 3,389 | 14,625 | 10,480 |
| Grants | 1,608 | 3,482 | 3,545 |
| Total AID | 4,997 | 18,107 | 14,025 |
| P.L. 480** | | | |
| Title I | 10,000 | 10,000 | - |
| (of which Title III is) | (-) | (-) | (-) |
| Title II | 213 | 57 | 124 |
| Total P.L. 480 | 10,213 | 10,057 | 124 |
| Total AID and P.L. 480 | 15,210 | 28,164 | 14,149 |

*AID levels represent actual and estimated expenditures.
**P.L. 480 levels represent actual and estimated value of shipments.

| P.L. 480 PROGRAMS SUMMARY | | | | | | |
|---------------------------|---------------------|--------|------------------------|--------|-----------------------|-------|
| <i>(In 000MT/\$000)</i> | | | | | | |
| Program | FY 1979 (Actual) | | FY 1980 (Estimated) | | FY 1981 (Proposed) | |
| | MT | \$ | MT | \$ | MT | \$ |
| <i>Title I</i> | | | | | | |
| Wheat | 6 | 1,000 | 14 | 3,400 | - | - |
| Rice | - | - | - | - | - | - |
| Feedgrains | 73 | 8,000 | 51 | 5,800 | - | - |
| Vegoil | 1 | 1,000 | 1 | 800 | - | - |
| Non-food | - | - | - | - | - | - |
| Title I Total .. | | 10,000 | | 10,000 | | - |
| (of which Title III is) | | (-) | | (-) | | (-) |
| <i>Title II</i> | | | | | | |
| Voluntary Agencies .. | | 84 | | - | | - |
| World Food Programs | | 39 | | 57 | | 124 |
| Gov't.-to-Gov't | | 90 | | - | | - |
| Title II Total | | 213 | | 57 | | 124 |
| Total P.L. 480 | | 10,213 | | 10,057 | | 124 |

MISSION DIRECTOR Glenn O. Patterson

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

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PROGRAM: JAMAICA

| | * L / G | PROJECT NUMBER | FY OF INITIAL FUNDING | -THROUGH FY79- OBLIGATIONS | EXPENDITURES | -ESTIMATED FY80- OBLIGATIONS | EXPENDITURES | -PROPOSED FY81- OBLIGATIONS | EXPENDITURES | FUTURE YEAR OBLIGATIONS |
|---|---------|----------------|-----------------------|----------------------------|--------------|------------------------------|--------------|-----------------------------|--------------|-------------------------|
| ----- | | | | | | | | | | |
| AGRICULTURE, RURAL DEV. AND NUTRITION | | | | | | | | | | |
| INLAND FISHERIES DEVELOPMENT | G | 532-0038 | 73 | 455 | 385 | --- | 70 | --- | --- | --- |
| RUR. COMM NUT. AND INCOME IMPROVEMENT | G | 532-0045 | 77 | 154 | 40 | --- | 114 | --- | --- | --- |
| INTEGRATED RURAL DEV | * G | 532-0046 | 77 | 1,300 | 680 | 700 | 646 | 500 | 724 | --- |
| INTEGRATED RURAL DEV | * L | 532-0046 | 77 | 13,000 | 1,296 | --- | 6,391 | 1,000 | 6,000 | --- |
| FISH PRODUCTION SYSTEM DEV | * G | 532-0059 | 79 | 380 | --- | 300 | 350 | 465 | 355 | 272 |
| FISH PRODUCTION SYSTEM DEV | L | 532-0059 | 79 | 2,740 | --- | --- | 1,384 | --- | 630 | --- |
| AGR. MARKETING | L | 532-0060 | 80 | --- | --- | 5,500 | 410 | --- | 1,900 | 6,500 |
| AGRICULTURAL PLANNING | * G | 532-0061 | 79 | 450 | --- | 534 | 600 | 600 | 758 | 744 |
| AGRICULTURAL RESEARCH, EXTENSION & EDUC | * L | 532-0062 | 81 | --- | --- | --- | --- | 3,000 | 250 | --- |
| TOTAL FOR ACCOUNT | | | | 18,479 | 2,401 | 7,034 | 9,965 | 5,565 | 10,617 | |
| GRANTS | | | | 2,739 | 1,105 | 1,534 | 1,780 | 1,565 | 1,837 | |
| LOANS | | | | 15,740 | 1,296 | 5,500 | 8,185 | 4,000 | 8,780 | |
| POPULATION PLANNING | | | | | | | | | | |
| FAMILY PLANNING SERVICE | G | 532-0041 | 77 | 1,941 | 1,110 | 485 | 615 | --- | 701 | --- |
| POPULATION AND FAMILY PLANNING SERVICES | * G | 532-0069 | 81 | --- | --- | --- | --- | 600 | 380 | 4,000 |
| TOTAL FOR ACCOUNT | | | | 1,941 | 1,110 | 485 | 615 | 600 | 1,081 | |
| GRANTS | | | | 1,941 | 1,110 | 485 | 615 | 600 | 1,081 | |
| LOANS | | | | --- | --- | --- | --- | --- | --- | |
| HEALTH | | | | | | | | | | |
| HEALTH IMPROVEMENT FOR YOUNG CHILDREN | G | 532-0040 | 76 | 372 | 175 | --- | 150 | --- | 47 | --- |
| TOTAL FOR ACCOUNT | | | | 372 | 175 | --- | 150 | --- | 47 | |
| GRANTS | | | | 372 | 175 | --- | 150 | --- | 47 | |
| LOANS | | | | --- | --- | --- | --- | --- | --- | |
| EDUCATION AND HUMAN RESOURCES | | | | | | | | | | |
| RURAL EDUCATION SECTOR | L | 532-0009 | 77 | 11,200 | 3,560 | --- | 6,440 | --- | 1,200 | --- |
| NATIONAL PLANNING | G | 532-0039 | 76 | 635 | 351 | --- | 284 | --- | --- | --- |
| MANPOWER PLANNING TRNG + EMPLOYMENT | G | 532-0047 | 78 | 464 | 149 | 486 | 521 | --- | 280 | --- |
| TOTAL FOR ACCOUNT | | | | 12,299 | 4,060 | 486 | 7,245 | --- | 1,480 | |
| GRANTS | | | | 1,099 | 500 | 486 | 805 | --- | 280 | |
| LOANS | | | | 11,200 | 3,560 | --- | 6,440 | --- | 1,200 | |

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

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CP 81-02

PROGRAM: JAMAICA

| | L / | PROJECT NUMBER | FY OF INITIAL FUNDING | -THROUGH FY79- OBLIG ATIONS | FY79- EXPENDI TURES | -ESTIMATED FY80- OBLIG ATIONS | FY80- EXPENDI TURES | -PROPOSED FY81- OBLIG ATIONS | FY81- EXPENDI TURES | FUTURE YEAR OBLIG ATIONS |
|--|--------|-------------------|-----------------------------|-----------------------------------|---------------------------|-------------------------------------|---------------------------|------------------------------------|---------------------------|-----------------------------------|
| ----- | | | | | | | | | | |
| SELECTED DEVELOPMENT ACTIVITIES | | | | | | | | | | |
| SPECIAL DEV. ACT. | * | G 532-0029 | 66 | 594 | 537 | 50 | 82 | 50 | 50 | --- |
| SCIENCE AND TECHNOLOGY ENERGY | * | G 532-0065 | 80 | --- | --- | 200 | 50 | 200 | 150 | --- |
| SCIENCE AND TECHNOLOGY ENERGY | * | L 532-0065 | 81 | --- | --- | --- | --- | 3,700 | 500 | 2,800 |
| APPROPRIATE TECHNOLOGY AND ENVIRONMENT | * | G 532-0071 | 81 | --- | --- | --- | --- | 100 | 50 | 400 |
| EXPORT DEVELOPMENT | * | G 532-0072 | 81 | --- | --- | --- | --- | 100 | 50 | 400 |
| TOTAL FOR ACCOUNT | | | | 594 | 537 | 250 | 132 | 4,150 | 800 | |
| GRANTS | | | | 594 | 537 | 250 | 132 | 450 | 300 | |
| LOANS | | | | --- | --- | --- | --- | 3,700 | 500 | |
| ECONOMIC SUPPORT FUND | | | | | | | | | | |
| URBAN DEVELOPMENT | * | L 532-0067 | 81 | --- | --- | --- | --- | 3,000 | --- | --- |
| TOTAL FOR ACCOUNT | | | | --- | --- | --- | --- | 3,000 | --- | |
| GRANTS | | | | --- | --- | --- | --- | --- | --- | |
| LOANS | | | | --- | --- | --- | --- | 3,000 | --- | |
| TOTAL FOR COUNTRY | | | | 33,685 | 8,203 | 8,255 | 18,107 | 13,315 | 14,025 | |
| GRANTS | | | | 6,745 | 3,427 | 2,755 | 3,482 | 2,615 | 3,545 | |
| LOANS | | | | 26,940 | 4,856 | 5,500 | 14,625 | 10,700 | 10,480 | |

| | | | | | | | |
|---|--|--|--|--|--|--|--|
| TITLE Integrated Rural Development | | FUNDS Agriculture, Rural Development and Nutrition | | PROPOSED OBLIGATION (In thousands of dollars) FY 81 L-1,000; G-500 | | LIFE OF PROJECT L-14,000; G-2,500 | |
| NUMBER 532-0046 | NEW <input type="checkbox"/> | PRIOR REFERENCE FY 80 Latin America Programs, p. 109 | | INITIAL OBLIGATION FY 77 | ESTIMATED FINAL OBLIGATION FY 81 | ESTIMATED COMPLETION DATE OF PROJECT FY 82 | |
| GRANT <input checked="" type="checkbox"/> | LOAN <input checked="" type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | | | | | |

Purpose: To increase agricultural production on small hillside farms in the "Pindars River" and "Two Meeting" watersheds; to control soil erosion in the watersheds and to strengthen the institutional capability of the Ministry of Agriculture.

Background and Progress to Date: The project seeks to raise the standard of living and agricultural productivity of hillside farmers in two watershed areas by involving them in soil conservation, erosion control, and forestation activities. More effective agricultural extension services, credit, and marketing outlets will be provided to these farms. The project will also finance research and training. The Peace Corps is collaborating with A.I.D. by assigning 30 Volunteers to the project.

Four of five demonstration centers have been established, and 29% of the farmers in Two Meetings and 25% of the farmers in Pindars River watersheds are actively participating in the project. Twenty field days and 213 short-term training seminars for farmers have been held, and four training sessions for staff have been conducted. Reforestation of 174 acres of public land and 670 acres of private land has been completed. Employment generated by the project has totalled 29,600 person-days. A recently completed evaluation demonstrated that the project is producing a beneficial impact and merits an extension of its final obligation date and a modest increase in its funding level.

Host Country and Other Donors: The Government of Jamaica is providing \$14 million for salaries, production credit and the local costs of soil conservation. Other donors involved in related activities are: the Inter-American Development Bank--\$7 million for agricultural marketing; World Bank--\$15 million for rural development; UN Development Program and UN Food and Agriculture Organization--technical assistance.

Beneficiaries: Approximately 4,000 small farmer families living in the watershed areas will directly benefit from the project at an estimated A.I.D.-financed cost of \$4,200 each. Participating farmers' incomes will increase by an estimated 250% by the end of the project.

FY 81 Program: FY 81 funds will provide for technical assistance in soil conservation, agronomy, extension, marketing, rural credit, home economics, training, and equipment.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|--|----------------|--------|
| | Unit | Cost |
| Domestic water supply improved | X | -- |
| Acres treated | 17,700 | (0.5) |
| Acres of forests developed | 5,000 | (0.5) |
| Miles of roads constructed | 22 | (62.5) |
| Acres of farm land improved | 10,000 | (0.3) |
| Miles of power lines installed (rural electrification) | 70 | (10) |

A.I.D. Financed Inputs:

| | FY 81 | |
|---------------------------------------|------------|--------------|
| | Grant | Loan |
| Technical assistance (3 person-years) | 350 | -- |
| Training (5 long-term, 9 short-term) | 150 | 225 |
| Commodities | -- | 550 |
| Other costs (demonstration centers) | -- | 225 |
| TOTAL | 500 | 1,000 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | L-13,000; G-1,300 | L-1,296; G-680 | L-11,704; G-620 | Pacific Consultants. |
| Estimated Fiscal Year 1980 | 6-700 | L-6,391; G-646 | | |
| Estimated through September 30, 1980 | L-13,000; G-2,000 | L-7,687; G-1,326 | L-5,313; G-674 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | L-1,000; G-500 | | L-14,000; G-2,500 | |

| | | | | | | |
|--|--|--|--|---|--|--|
| TITLE Fish Production System Development | | FUNDS Agriculture, Rural Development and Nutrition | | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 532-0059 | | NEW <input type="checkbox"/> | | FY 81 G-465 | LIFE OF PROJECT G-1,367; L-2,740 | |
| GRANT <input checked="" type="checkbox"/> LOAN <input checked="" type="checkbox"/> | | CONTINUING <input checked="" type="checkbox"/> | | PRIOR REFERENCE FY 80 Latin America Programs, p. 110 | INITIAL OBLIGATION FY 79 | ESTIMATED FINAL OBLIGATION FY 82 |
| | | | | | ESTIMATED COMPLETION DATE OF PROJECT FY 83 | |

Purpose: To develop the capability of Government of Jamaica (GOJ) institutions to increase inland fish production throughout the country.

Background and Progress to Date: Jamaica has not been able to produce sufficient quantities of foodstuffs to meet domestic needs. Traditionally, imports have filled this gap, thereby contributing to the drain on foreign exchange. Fish is an important source of protein in the local diet, and Jamaica now imports 18 pounds per person each year at a cost of up to \$2.25 per pound. Marine fisheries -- offering only limited opportunities for expansion -- cannot produce a sufficient quantity of fish to meet current and expected demand. Pond-raised fish could be sold for approximately \$0.80 per pound, and production is expected to reach 6 million pounds annually by 1981. This project builds upon an A.I.D. pilot program that developed fingerling production and an intensive fish culture technology for Jamaica. Data obtained from participants in the pilot program indicate a \$280 increase in annual income to small farmers with an average pond size of one-quarter acre and a \$1,700 per acre annual income increase for farmers with ponds of three or more acres. In addition to increasing the availability of skilled personnel in aquaculture, the project will expand freshwater fish production research programs, aquaculture extension activities, the production of fingerlings, and the aquaculture curriculum at both the Jamaica School of Agriculture and the University of the West Indies. The project's completion date has been extended one year because implementation delays have been caused by severe flooding in the Spring of 1979.

Host Country and Other Donors: The Jamaican contribution will amount to \$4.8 million for construction costs, fish food, personnel and operating costs of the GOJ's Fisheries Division. Other donor assistance is concentrated on marine fisheries and not on inland freshwater fish farming.

Beneficiaries: Approximately 10,000 of Jamaica's 300,000 rural families will benefit directly from this activity as producers of fish (through increased job opportunities in marketing and processing). Rural and urban consumers will gain from the less-expensive, domestically-raised fish and the increased availability of fish protein. Estimated A.I.D. project costs-per-rural farmer/producer family over the life of the project will be \$410.

FY 81 Program: An additional hatchery/demonstration facility will be established at Ferris Cross in Western Jamaica. The Twickenham Park and Mitchell Town research and hatchery facilities will be expanded by 10 and 20 acres respectively. An islandwide agriculture extension system will be established. The aquaculture curriculum at the Jamaica School of Agriculture and the University of the West Indies will be expanded. Research on polyculture systems will continue at Twickenham Park.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---------------------------------------|----------------|--------|
| | Unit | Cost |
| Personnel trained | 19 | (26.6) |
| Hatchery facilities | 2 | (350) |
| Research facilities upgraded | 1 | (152) |
| Acres of water in fish production | 1,100 | (2.5) |

| A.I.D. Financed Inputs: | FY 81 |
|---|------------|
| Technical assistance (4 person-years) | 400 |
| Participant training (40 person-months) | 65 |
| TOTAL | 465 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|----------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | L-2,740; G-380 | - | L-2,740; G-380 | Auburn University. |
| Estimated Fiscal Year 1980 | G-300 | L-1,384; G-350 | | |
| Estimated through September 30, 1980 | L-2,740; G-680 | L-1,384; G-350 | L-1,356; G-330 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | G-465 | G-222 | L-2,740; G-1,367 | |

| | | | | | | | |
|---|---|--|--|--|---|---|---|
| TITLE Agricultural Planning | | | FUNDS Agriculture, Rural Development and Nutrition | | PROPOSED OBLIGATION (In thousands of dollars) | | |
| | | | | | FY 81 600 | LIFE OF PROJECT 2,328 | |
| NUMBER GRANT <input checked="" type="checkbox"/> | 532-0061 LOAN <input type="checkbox"/> | NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/> | PRIOR REFERENCE FY 80 Latin America Programs, p. 111 | | INITIAL OBLIGATION FY 79 | ESTIMATED FINAL OBLIGATION FY 82 | ESTIMATED COMPLETION DATE OF PROJECT FY 84 |

Purpose: To provide an improved statistical and analytical base for the formulation of agricultural policy and the design and evaluation of rural development projects.

Background and Progress to Date: With the Government of Jamaica's strong emphasis on the agricultural sector, successful agricultural development will depend on strengthening the planning capability of the Ministry of Agriculture (MOA). The MOA has established: (1) a Data Bank and Evaluation Unit with responsibility for data collection on a wide range of rural socio-economic factors and for project evaluation; (2) an Agricultural Planning Unit responsible for preparation of analytical studies for agricultural policy formulation and project design; and (3) a Training Division responsible for administration of human resource development throughout the Ministry. Present Data Bank and Evaluation Unit staff have considerable expertise in statistical methods, but they require more experience in survey techniques. Staff members of the Agricultural Planning Unit are knowledgeable about Jamaica's agricultural sector, but they need training and experience in policy analysis. None of the personnel currently attached to the Training Division has had experience in the area of training administration.

This project provides technical assistance, training, and commodities to help meet these needs. The Project Agreement was signed in June 1979, and the Ministry has initiated a skills inventory and needs assessment analysis as the first step in project implementation.

Host Country and Other Donors: Jamaica will provide \$3 million to finance commodities, personnel and special studies. Other donor activities are limited to supporting some isolated training in agricultural planning and to assistance in upgrading and expanding one of the MOA's training centers.

Beneficiaries: The improvement of the planning, information gathering and processing functions as well as the development of a training capability will lead to benefits for all of Jamaica's 300,000 rural families. Over the life of the project, A.I.D. will spend \$7.80 per family. In FY 1981, A.I.D. expenditures will amount to approximately \$2 per rural family.

FY 81 Program: The improved data base will be linked to project evaluation and policy formulation. Technical assistance, training, and other support will be provided for improving project design and bolstering the administration of training.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---|----------------|--------------|
| | All Years | |
| | Unit | Cost |
| Improved MOA data analysis capacity established | 1 | (229.3) |
| Personnel trained | 161 | (6.1) |
| Analyses and surveys completed | 15 | (48.1) |
| <u>A.I.D. Financed Inputs:</u> | | |
| | | <u>FY 81</u> |
| Technical assistance (2 person years) | | 185 |
| Training (130 person months) | | 200 |
| Commodities | | 70 |
| Analyses (surveys) | | 145 |
| TOTAL | | 600 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--------------------------------|-----------------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 450 | - | 450 | To be selected. |
| Estimated Fiscal Year 1980 | 534 | 600 | | |
| Estimated through September 30, 1980 | 984 | 600 | 384 | |
| | | <u>Future Year Obligations</u> | <u>Estimated Total Cost</u> | |
| Proposed Fiscal Year 1981 | 600 | 744 | 2,328 | |

| | | | | | | |
|---|--|--|--------------------------------|---|--|-----------------------------|
| TITLE Agricultural Research, Education, and Extension | | FUNDS Agriculture, Rural Development and Nutrition | | PROPOSED OBLIGATION (In thousands of dollars) FY 81 3,000 | | LIFE OF PROJECT 3,000 |
| NUMBER 532-0062 | NEW <input checked="" type="checkbox"/> | PRIOR REFERENCE None. | INITIAL OBLIGATION FY 81 | ESTIMATED FINAL OBLIGATION FY 81 | ESTIMATED COMPLETION DATE OF PROJECT FY 84 | |
| GRANT <input type="checkbox"/> | LOAN <input checked="" type="checkbox"/> | | | | | |

Purpose: To improve the Government of Jamaica's (GOJ) ability to coordinate agricultural research, education, and extension services for the small farmer.

Background: The GOJ has been focusing its efforts on activities to revitalize the agricultural sector. The success of these efforts requires: (1) a well-trained corps of technicians who are familiar with rural agricultural sector problems; (2) strong research and extension programs; and (3) farmers capable of employing improved techniques and inputs to increase production. Agricultural research and extension are currently carried out by separate entities. Further, both activities previously have been directed toward improving export crops produced by large farmers. By strengthening and linking Jamaica's agricultural education, research, and extension capabilities, this project will help meet the needs of the small farmer. Preparations for the project began in 1978 with a baseline study conducted by the University of Kentucky. Their final report is expected in December 1979.

Host Country and Other Donors: Jamaica will provide an estimated \$2 million to cover the salaries of additional personnel and the local material costs for upgrading training centers. The Inter-American Development Bank is funding the construction of two livestock research centers which will complement the proposed A.I.D.-supported activities.

Beneficiaries: The target beneficiaries are the 300,000 small farmers who will benefit from improvements in agricultural education, research, and extension services. The A.I.D. cost-per-beneficiary is estimated at \$10.

FY 81 Program: During the first year of the project, a contractor will be selected, and the following activities will be initiated: (1) identification of appropriate types of non-formal training for research and extension personnel; (2) upgrading of the research and extension curricula of the Jamaica School of Agriculture; (3) design of new and expanded research and extension facilities; (4) selection of participants for both long and short-term training; and (5) procurement of essential commodities for support of research and extension services.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|--|----------------|---------|
| | All Years | |
| | Unit | Cost |
| Research facilities upgraded | 2 | (571.5) |
| Training facilities constructed/upgraded | 2 | (780) |
| Personnel trained: | | |
| Long-term | 6 | (27) |
| Short-term | 15 | (9) |

| A.I.D. Financed Inputs: | FY 81 |
|---------------------------------------|------------|
| Technical assistance (9 person-years) | 900 |
| Training (26 person-years) | 500 |
| Commodities | 850 |
| Construction | <u>750</u> |
| TOTAL | 3,000 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | -- | -- | -- | |
| Estimated Fiscal Year 1980 | -- | -- | -- | |
| Estimated through September 30, 1980 | -- | -- | -- | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 3,000 | -- | 3,000 | |

To be selected.

| | | | | | | | |
|---|---|--|------------------------------|--|---|-------------------------------------|--|
| TITLE Population and Family Planning Services | | | FUNDS Population Planning | | PROPOSED OBLIGATION (In thousands of dollars) | | |
| | | | | | FY 81 600 | | LIFE OF PROJECT 4,600 |
| NUMBER GRANT <input checked="" type="checkbox"/> | 532-0069 LOAN <input type="checkbox"/> | NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/> | PRIOR REFERENCE None. | | INITIAL OBLIGATION FY 81 | ESTIMATED FINAL OBLIGATION FY 84 | ESTIMATED COMPLETION DATE OF PROJECT FY 85 |

Purpose: To assist Jamaica to meet its population and family planning objectives through: (1) a population education and service delivery program directed principally toward youth; (2) increased dissemination of information and delivery of services through public and private organizations; and (3) a strengthened network of public hospitals and clinics to deliver comprehensive family planning services.

Background: The Government of Jamaica has been committed to family planning since 1962. Its goal is to reduce the national birth rate from 34.3 per 1000 in 1972 to 25 per 1000 by 1984. While overall fertility rates have declined to 27.4 per 1000 in 1978, there has been a sharp increase in adolescent fertility rates. Since 1977, A.I.D. has assisted the Government in meeting three objectives: (1) integrating family planning services into the country's basic health services; (2) integrating family life/sex education into the public school system; and (3) establishing a country-wide commercial contraceptive distribution system. This new project will launch service and educational programs specifically designed to impact on adolescents, while simultaneously increasing contraceptive supply levels, voluntary surgical contraception services, commercial contraceptive distribution and training. A strong clinic-based program of services will be continued through the Ministry of Health and Environmental Control.

Host Country and Other Donors: This project will complement a proposed FY 1980 Health and Nutrition Sector Loan aimed at strengthening the national primary health care delivery system. The UN Fund for Population Activities has provided \$600,000 since 1977 for equipment, training and contraceptives. The International Planned Parenthood Federation provides \$50,000 for budgetary support to the Jamaica Family Planning Association program and \$70,000 for other family planning supplies and

programs. The World Bank has provided a \$6.5 million loan to construct and renovate health centers in Cornwall County and to improve the primary health care system. The Government provides approximately \$2 million per year for the National Family Planning Program and will increase its funding to support this new project.

Beneficiaries: The country's population will benefit to the extent that a reduction in family size will promote an improvement in the Jamaican quality of life. The primary beneficiaries are the estimated 250,000 participating Jamaicans. The approximate life of project cost for reaching these beneficiaries will be \$18.40 per participant. Within this group, major emphasis will be placed on reaching an estimated 50,000 teenagers through family planning information and services.

FY 81 Program: All forms of family planning services will be expanded, and special emphasis will be placed on the problem of adolescent fertility.

| | | |
|--|------------------|-------------|
| | (\$ thousands) | |
| Major Outputs (and A.I.D. Unit Cost): | <u>All Years</u> | |
| | <u>Unit</u> | <u>Cost</u> |
| Trained personnel | 3,500 | (0.1) |
| National Adolescent Resource Center | 1 | (120) |
| Population policy program | 1 | (100) |
| A.I.D. Financed Inputs: | <u>FY 81</u> | |
| Technical assistance | | 65 |
| Commodities | | 100 |
| Contraceptives | | 230 |
| Other costs (seminars, pilot programs, research, etc.) | | <u>205</u> |
| | TOTAL | 600 |

| U.S. FINANCING (In thousands of dollars) | | | |
|--|-------------|--------------------------------|-----------------------------|
| | Obligations | Expenditures | Unliquidated |
| Through September 30, 1979 | - | - | - |
| Estimated Fiscal Year 1980 | - | - | - |
| Estimated through September 30, 1980 | - | - | - |
| | | <u>Future Year Obligations</u> | <u>Estimated Total Cost</u> |
| Proposed Fiscal Year 1981 | 600 | 4,000 | 4,600 |

PRINCIPAL CONTRACTORS OR AGENCIES
National Family Planning Board,
Ministry of Health and Environmental Control,
Jamaica Family Planning Association,
University of the West Indies.

| | | | | | | | |
|---|-------------------------------|--|--|---|--------------------|----------------------------|---------------------------|
| TITLE Special Development Activities | | FUNDS Selected Development Activities | | PROPOSED OBLIGATION (In thousands of dollars) | | LIFE OF PROJECT | |
| | | | | FY 81 | 50 | Continuing* | |
| NUMBER | 532-0029 | NEW <input type="checkbox"/> | | PRIOR REFERENCE | INITIAL OBLIGATION | ESTIMATED FINAL OBLIGATION | ESTIMATED COMPLETION DATE |
| GRANT <input checked="" type="checkbox"/> | LOAN <input type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | | FY 80 Latin America Programs, p. 115 | FY 66 | FY Continuing* | FY Continuing* |

Purpose: To provide support for small community self-help projects which meet local social and economic needs and foster community organizations and participation.

Background and Progress to Date: The average cost of these projects ranges between \$2,000 and \$3,000, and 15-20 grants are made each year to local organizations for community-sponsored, self-help activities. Such organizations include youth groups, clubs, and church-affiliated community groups. Recipient communities finance a minimum of 50% of the project costs (including money, labor or materials), while A.I.D. provides the remaining funds. During FY 1979, 15 grants were awarded to complete basic schools and community centers, to provide materials for craft production, and to support a variety of projects assisting children's organizations. Activities benefitting children were given special emphasis in recognition of the International Year of the Child.

Host Country and Other Donors: Communities contribute at least 50% of the costs, including all of the labor needed for the project.

Beneficiaries: The primary beneficiaries of these grants are the rural and urban poor population. An average of 50-75 families benefit from each grant, or approximately 750-1000 families per year. The A.I.D. cost-per-family will average \$50 in FY 1981.

FY 81 Program: These grants will continue to assist rural and urban groups to complete community self-help projects.

| | |
|--------------------------------|----------------------|
| Major Outputs: | <u>Through FY 81</u> |
| Community self-help grants | 290 |
| | (\$ thousands) |
| A.I.D. Financed Inputs: | <u>FY 81</u> |
| Commodities and local costs | 50 |
| TOTAL | <u>50</u> |

*It is expected that activities under this project will continue as long as A.I.D. maintains an assistance program in Jamaica.

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 594 | 537 | 57 | None. |
| Estimated Fiscal Year 1980 | 50 | 82 | | |
| Estimated through September 30, 1980 | 644 | 619 | 25 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 50 | Continuing* | Continuing* | |

| | | | | | | | |
|---|--|--|--|--|---|-------------------------------------|--|
| TITLE Science and Technology - Energy | | | FUNDS Selected Development Activities | | PROPOSED OBLIGATION (In thousands of dollars) | | |
| | | | | | FY 81 L- 3,700; G- 200 | | LIFE OF PROJECT L- 6,500; G- 400 |
| NUMBER 532-0065 | NEW <input type="checkbox"/> | PRIOR REFERENCE | FY 80 Latin America Programs, P. 116 | | INITIAL OBLIGATION FY 80 | ESTIMATED FINAL OBLIGATION FY 81 | ESTIMATED COMPLETION DATE OF PROJECT FY 84 |
| GRANT <input checked="" type="checkbox"/> | LOAN <input checked="" type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | | | | | |

Purpose: To assist the Government of Jamaica to develop economically and ecologically viable energy conservation programs and alternative energy sources.

Background and Progress to Date: Almost 100% of energy consumed in Jamaica is generated from imported products. No commercial quantities of coal, oil or gas have been discovered, and hydro-power is limited. In 1978, fuel imports comprised 24% of all imports and required the expenditure of 29% of export earnings, thus severely inhibiting economic growth. The Five-Year National Energy Plan gives priority to: the development of local energy resources; energy conservation; and the establishment of the institutions needed to promote both of these goals.

A.I.D. provided \$300,000 to carry out a series of studies designed to assist in identifying projects in these three priority areas. The studies, conducted by a U.S. contract team of energy specialists during August-November 1979, focused primarily on alternative energy sources -- including solar, bio-mass, waste conversion, and coal.

The project will support: (a) establishment of prototype alternative energy systems; (b) programs to encourage the dissemination and use of these systems; (c) energy conservation programs; (d) training; and (e) strengthening the institutional capability of the Ministry of Mining and Natural Resources (MMNR), the Scientific Research Council, and other Jamaican organizations working in the energy sector. Environmental impact studies will be conducted to assess the environmental effects of existing and proposed alternative energy generating technologies.

Host Country and Other Donors: The Government of Jamaica will provide personnel, special studies, and local costs for the project. The UN Development Program has assisted in establishing

the Energy Division in the MMNR, and it continues to provide one long-term technical advisor. The United Kingdom has provided several short-term experts in energy conservation who worked closely with the A.I.D. energy study team.

Beneficiaries: The direct beneficiaries will be some 100,000 urban and rural poor families who will receive less expensive and more widely available energy. The A.I.D.-financed cost will be approximately \$67 per family over the life of the project. As new energy systems are devised and conservation programs are implemented, the entire population will be potential beneficiaries.

FY 81 Program: Technical assistance and training will be provided to organizations working in the energy sector to initiate conservation programs and alternative energy-generating systems. Equipment will be provided to establish prototype systems for experimentation. The economic and technical feasibility of converting some industrial plants from oil to coal will be studied.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|--|----------------|--------------|
| | All Years | |
| | Unit | Cost |
| Energy conservation program | 1 | (2,100) |
| Prototype generation systems | 3 | (1,500) |
| Trained personnel | 20 | (4.5) |
| Seminars | 10 | (1) |
| A.I.D. Financed Inputs: | | |
| Technical assistance (13 person years) | Grant | FY 81 Loan |
| Training (15 person years) | - | 1,250 |
| Commodities | - | 250 |
| Other costs (studies, seminars, etc.) | - | 1,400 |
| | 200 | 800 |
| TOTAL | 200 | 3,700 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES | |
|--|----------------|-------------------------|----------------------|-----------------------------------|--|
| | Obligations | Expenditures | Unliquidated | | |
| Through September 30, 1979 | - | - | - | | |
| Estimated Fiscal Year 1980 | G-200 | G-50 | | To be selected. | |
| Estimated through September 30, 1980 | G-200 | G-50 | G-150 | | |
| | | Future Year Obligations | Estimated Total Cost | | |
| Proposed Fiscal Year 1981 | L-3,700; G-200 | L-2,800 | L-6,500; G-400 | | |

| | | | | | |
|---|---|--|---|-------------------------------------|--|
| TITLE Appropriate Technology and Environment | | FUNDS Selected Development Activities | PROPOSED OBLIGATION (In thousands of dollars) | | |
| | | | FY 81 | 100 | LIFE OF PROJECT 500 |
| NUMBER 532-0071 | NEW <input checked="" type="checkbox"/> | PRIOR REFERENCE None. | INITIAL OBLIGATION FY 81 | ESTIMATED FINAL OBLIGATION FY 83 | ESTIMATED COMPLETION DATE OF PROJECT FY 84 |
| GRANT <input checked="" type="checkbox"/> | LOAN <input type="checkbox"/> | CONTINUING <input type="checkbox"/> | | | |

Purpose: To develop a capacity to design, implement and manage technologies appropriate for Jamaica's development and to strengthen the capability of Jamaican institutions to identify and deal with environmental problems.

Background: It is imperative that all technologies utilized in local and national development be appropriate to Jamaica's economic and environmental situation -- including its high unemployment, lack of managerial skills, low productivity, lack of foreign exchange, weak institutional capacity, and growing environmental problems. Technologies must be developed which rely on locally available materials, involve labor-intensive methods, and preserve natural resources and a sound environment.

A.I.D. will finance training and technical assistance to stimulate research and prefeasibility studies on appropriate technologies such as low-cost building materials developed from local sources, local varieties of trees suitable for charcoal, and wind power to operate pumps for agricultural irrigation. Institutional links will be encouraged between Jamaican organizations and outside appropriate technology advisors.

In addition, the project will improve Jamaica's overall institutional capacity to deal with environmental concerns by providing training and technical advisors to local institutions and by establishing links with external environmental organizations to facilitate exchanges of general environmental information.

Host Country and Other Donors: The various Jamaican organizations involved in the project will provide counterpart personnel and funding. Only limited amounts of assistance have been provided by other donors on matters related to appropriate technology and environmental preservation.

Beneficiaries: The immediate beneficiaries will be those who obtain jobs as a result of the labor-intensive technologies and the personnel who will receive training and support for research and other project activities. Over the life of the project, approximately 1,000 families will benefit at a cost of \$500 per family. As appropriate technology and environmental problems are identified and resolved, the national economy will derive additional benefits.

FY 81 Program: Technical assistance and training will be provided for studies on potential intermediate technologies and on emerging environmental problems. Work will be initiated to establish an appropriate technology institute.

| | | |
|--|----------------|------------|
| | (\$ thousands) | |
| Major Outputs (and A.I.D. Unit Cost): | All Years | |
| | Unit | Cost |
| Trained personnel | 50 | (6) |
| Appropriate Technology Institute | 1 | (200) |
| A.I.D. Financed Inputs: | FY 81 | |
| Technical assistance (1 person-year) | | 70 |
| Training (6 person-months) | | 10 |
| Commodities | | 20 |
| TOTAL | | <u>100</u> |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | -- | -- | -- | To be selected. |
| Estimated Fiscal Year 1980 | -- | -- | -- | |
| Estimated through September 30, 1980 | -- | -- | -- | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 100 | 400 | 500 | |

| | | | | | |
|---|---|--|---|-------------------------------------|---|
| TITLE Export Development | | FUNDS Selected Development Activities | PROPOSED OBLIGATION (In thousands of dollars) | | |
| | | | FY 81 100 | LIFE OF PROJECT 500 | |
| NUMBER 532-0072 | NEW <input checked="" type="checkbox"/> | PRIOR REFERENCE None. | INITIAL OBLIGATION FY 81 | ESTIMATED FINAL OBLIGATION FY 83 | ESTIMATED COMPLETION DATE OF PROJECT FY 84 |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | CONTINUING <input type="checkbox"/> | | | | |

Purpose: To increase incomes of the rural and urban poor, expand employment opportunities, and generate needed foreign exchange by supporting efforts to increase exports, particularly through small, labor-intensive enterprises.

Background: In 1978, the World Trade Institute (WTI) was awarded an A.I.D. contract to conduct a series of short-term seminars in Jamaica. These seminars concentrated on the broad topic of export promotion and the specific approaches for solving export-related problems -- including foreign exchange flows, employment generation, import/export policies, and investment initiatives. The findings of the seminars made it clear that: (1) a key constraint to export growth lies in the policies and procedures underlying the administration of foreign exchange controls; (2) exports should be increased significantly by stimulating the production of non-traditional exports; and (3) a significant number of both public and private institutions are interested in adopting improved methods for expanding exports. This project, building on these WTI findings, will provide technical assistance and training opportunities directed at upgrading several key public agencies (e.g., the Jamaican National Export Corporation and the Ministry of Commerce and Industry) as well as a number of private sector organizations (such as the Jamaican Exporters Association and the Small Business Association). The project's initial phase will focus on the further refinement of training curricula, participant selection procedures, and a system for defining other areas where U.S. assistance can stimulate production and employment through the adoption of more efficient export practices. The Government of Jamaica's support for this project and its adoption of new export policies reflect its concern over Jamaica's unfavorable balance of payments position.

Host Country and Other Donors: Jamaican institutions will provide counterpart personnel and meet the local costs of the project. The World Bank has a major program loan which provides credit for the importation of needed raw materials for the export sector.

Beneficiaries: The primary beneficiaries will be small businesses in Jamaica which will be able to expand their production for export sales, thus providing additional jobs. An estimated 2,500 new jobs will be created at an average cost per job of \$200.

FY 81 Program: Technical assistance and training will be provided to initiate an export promotion program with public export organizations and private sector business associations. Short-term studies will be carried out to identify traditional and non-traditional products which are most appropriate for export.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---------------------------------------|----------------|------------|
| | Unit | Cost |
| Participants trained | 50 | (4) |
| Export studies conducted | 20 | (10) |
| Export promotion division established | 1 | (100) |
| A.I.D. Financed Inputs: | | |
| Technical assistance | | 50 |
| Training | | 50 |
| TOTAL | | 100 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | --- | --- | --- | To be selected. |
| Estimated Fiscal Year 1980 | --- | --- | --- | |
| Estimated through September 30, 1980 | --- | --- | --- | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 100 | 400 | 500 | |

| | | | | | |
|---|---|--------------------------------|---|----------------------------|---------------------------|
| TITLE Urban Development | | FUNDS Economic Support Fund | PROPOSED OBLIGATION (In thousands of dollars) | | |
| | | | FY 81 3,000 | LIFE OF PROJECT 3,000 | |
| NUMBER 053-0067 | NEW <input checked="" type="checkbox"/> | PRIOR REFERENCE | INITIAL OBLIGATION | ESTIMATED FINAL OBLIGATION | ESTIMATED COMPLETION DATE |
| GRANT <input type="checkbox"/> LOAN <input checked="" type="checkbox"/> | CONTINUING <input type="checkbox"/> | None. | FY 81 | FY 81 | OF PROJECT FY 84 |

Purpose: To improve employment opportunities and the quality of life of the urban poor.

Background: The greatest concentration of Jamaica's poor resides in Kingston. Probably half of Kingston's estimated 700,000 population live in slums where basic human needs (shelter, food, clothing, employment, education and health) are not being met. Unemployment ranges from 60% to 80% in many of the slum areas. Inadequate housing compounded by the lack of piped water and toilet facilities is common. Unlike some rural dwellers, city dwellers often face serious food shortages. The urban situation is deteriorating because of rapid natural population growth coupled with rural-to-urban migration. A.I.D. will initiate a multi-faceted urban development project involving: (a) vocational education and job placement programs; (b) a credit and technical assistance program for small commercial enterprises such as tailoring and shoe repair shops, handicraft centers, laundries and bakeries; (c) a technical assistance and training program for institutions responsible for urban development; and (d) a community development program aimed at involving urban slum dwellers in the identification and solution of local problems.

Host Country and Other Donors: Several host country agencies will be involved in the project, including: the Urban Development Corporation; the Vocational Education Division of the Ministry of Youth, Sports and Community Development; the Kingston metropolitan area administrative offices; and a number of private and voluntary organizations. They will provide counterpart personnel and will meet local costs. This project will complement A.I.D.'s Housing Investment Guaranty program. No other donor conducts a coordinated urban development program in Jamaica.

Beneficiaries: The beneficiaries will be among the most needy people of Jamaica -- i.e., the urban poor dwelling in the slums and ghettos of Kingston. There are approximately 350,000 people (60,000 families) in the Kingston slums, and the project will reach one-third of them at a cost-per-family of \$150.

FY 81 Program: Technical assistance and training will be provided to strengthen vocational education and job placement programs. Financing will be provided for community credit and community development programs. Local training courses will be established for civil servants responsible for delivering various social services in the Kingston metropolitan area.

| | | |
|--|------------------|--------------|
| | (\$ thousands) | |
| Major Outputs (and A.I.D. Unit Cost): | <u>All Years</u> | |
| | <u>Unit</u> | <u>Cost</u> |
| Credit program established and operating | 1 | (300) |
| Personnel trained in urban planning | 100 | (2) |
| Community development programs established | 15 | (15) |
| Persons trained in vocational skills | 500 | (1) |
| Loans made to small businesses | 200 | (8) |
| | | |
| A.I.D. Financed Inputs: | <u>FY 81</u> | |
| Technical assistance (5.5 person-years) | | 525 |
| Training (30 person-years) | | 700 |
| Commodities | | 575 |
| Other costs (credit) | | <u>1,200</u> |
| TOTAL | | 3,000 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | To be selected. |
| Estimated Fiscal Year 1980 | - | - | - | |
| Estimated through September 30, 1980 | - | - | - | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 3,000 | - | 3,000 | |

ECONOMIC AND SOCIAL DATA

COUNTRY: NICARAGUA ^{1/}

BASIC DATA

TOTAL POPULATION.. (THOUSANDS.MTD 1979) 2,535
 PER CAPITA GNP..... (DOLLARS,1977) 830
 AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-77) 2.5%
 AVERAGE ANNUAL RATE OF INFLATION (1960-70) 1.9% (1970-77) 11.0%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. (1970) 3.1%
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1973) TOTAL 52.9 MALE 51.2 FEMALE 54.6
 (1968) TOTAL 50.4 MALE 48.9 FEMALE 52.1
 ADULT LITERACY RATE (1971) TOTAL 58% MALE 58% FEMALE 57%
 (1963) TOTAL 50% MALE 50% FEMALE 49%

AGRICULTURE

AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1970-1978) 0.9%
 AGRICULTURAL PRODUCTION AS % OF GDP..... (1977) 23%
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1979) 133
 LAND OWNED: BY TOP 10% N.A. BY LOWEST 10% N.A.
 MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: CORN 31% (1978)
 CASH: COTTON 24% (1978)
 MAJOR AGRICULTURAL EXPORTS:(1978) COTTON COFFEE SUGAR
 MAJOR AGRICULTURAL IMPORTS:(1978) WHEAT ANIMAL FATS
 PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1977) 44%

CENTRAL GOVERNMENT FINANCES

TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)
 (1975) 188 (76) 217 (77) 257
 TOTAL EXPENDITURES (\$ MILLIONS, U.S.)
 (1975) 279 (76) 303 (77) 390
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1975) -91 (76) -86 (77) -133
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1975) 10.8% (76) 11.8% (77) 10.5%
 AS % OF GNP..... (1975) 2.0% (76) 2.0% (77) 1.9%
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$MILLIONS, U.S.) (1976) 147 (77) 149 (78) 50
 EQUIVALENT TO 1.0 MONTHS OF IMPORTS (1978)

FOREIGN TRADE

MAJOR EXPORTS... (1978) COTTON COFFEE CHEMICALS
 EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1976) 168 (1977) 141 (1978) 206
 AS % OF TOTAL EXPORTS (1976) 31% (1977) 22% (1978) 32%
 MAJOR IMPORTS... (1978) FOODSTUFFS CHEMICALS TRANSPORT EQ
 IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1976) 165 (1977) 219 (1978) 202
 AS % OF TOTAL IMPORTS (1976) 31% (1977) 30% (1978) 34%
 TRADE BALANCE(\$ MILLIONS, US)(1976) 10 (77) -88 (78) 50
 MAIN TRADING PARTNERS: UNITED STATES JAPAN GERMANY, FED
 EXTERNAL PUBLIC DEBT AS % OF GNP (1977) 40.3%
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1977) 101
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1977) 13.8%

SOCIAL DATA

POPULATION GROWTH RATE.....(1968-78) 2.7%
 POPULATION IN URBAN AREAS..... (1968) 45% (1976) 5%
 TOTAL BIRTHS PER 1,000 POPULATION..... (1977) 47
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION... (1978) 24%
 POPULATION (1975) IN AGE GROUP:
 (0-14YRS) 48.4% (15-60YRS) 47.4% (60+ YRS) 4.7%
 INFANT DEATHS DURING FIRST YEAR OF LIFE / 1000 INFANTS (1970) 122
 PEOPLE PER PHYSICIAN..... (1976) 1,693
 MAJOR CAUSES OF
 DISEASE (1975)MALARIA DYSENTERY FLU & PNEUMONIA
 DEATH.. (1973)ENTERIC DISEASE HEART DISEASE ACCIDENTS
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.... (1974) 105%
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975) 70%
 TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:
 PRIMARY... (AGES 5-14)(1975) TOTAL 52.8% MALE 51.7% FEMALE 53.9%
 SECONDARY..... (15-19)(1973) TOTAL 27.2% MALE 28.0% FEMALE 26.4%
 POST SECONDARY (20-24)(1972) TOTAL 6.6% MALE 8.9% FEMALE 4.4%
 ENERGY PRODUCTION AS % OF CONSUMPTION..... (1976) 5%

^{1/} The data do not reflect the results of the recent civil strife. 258

U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS
(U.S. Fiscal Years – Millions of Dollars)

ECONOMIC PROGRAMS OF OTHER DONORS

COUNTRY NICARAGUA

| PROGRAM | FOREIGN ASSISTANCE ACT PERIOD | | | | | TOTAL LOANS AND GRANTS 1946-78 | REPAY- MENTS AND INTEREST 1946-78 | TOTAL LESS REPAY- MENTS AND INTEREST 1946-78 |
|---|---------------------------------------|------|-----|------|------|---|--|--|
| | 1975 | 1976 | TQ | 1977 | 1978 | | | |
| | I. ECONOMIC ASSISTANCE – TOTAL | | | | | | | |
| Loans | 39.0 | 15.0 | - | - | 10.5 | 187.1 | 29.6 | 157.5 |
| Grants | 3.2 | 3.9 | 1.3 | 3.3 | 3.5 | 93.2 | - | 93.2 |
| a. A.I.D. and Predecessor Agencies | | | | | | | | |
| Loans | 39.0 | 15.0 | - | - | 10.5 | 174.1 | 20.8 | 153.3 |
| Grants | 1.1 | 1.8 | 0.9 | 1.4 | 2.0 | 40.2 | - | 40.2 |
| (Security Supporting Assistance) | - | - | - | - | - | - | - | - |
| b. Food for Peace (PL 480) | | | | | | | | |
| Loans | - | - | - | - | - | - | - | - |
| Grants | 1.4 | 0.9 | 0.1 | 0.4 | 0.1 | 18.5 | - | 18.5 |
| Title I - Total Sales Agreements | - | - | - | - | - | - | - | - |
| Repayable in U.S. Dollars - Loans | - | - | - | - | - | - | - | - |
| Payable in Foreign Currency - Planned for Country Use | - | - | - | - | - | - | - | - |
| Title II - Total Grants | 1.4 | 0.9 | 0.1 | 0.4 | 0.1 | 18.5 | - | 18.5 |
| Emerg. Relief, Econ. Develop. & World Food Program | 0.2 | 0.4 | 0.1 | 0.4 | 0.1 | 5.5 | - | 5.5 |
| Voluntary Relief Agencies | 1.2 | 0.5 | - | - | - | 13.0 | - | 13.0 |
| c. Other Economic Assistance | | | | | | | | |
| Loans | - | - | - | - | - | 13.0 | 8.8 | 4.2 |
| Grants | 0.7 | 1.2 | 0.3 | 1.5 | 1.4 | 34.5 | - | 34.5 |
| Peace Corps | 0.7 | 1.2 | 0.3 | 1.1 | 1.1 | 7.2 | - | 7.2 |
| Other | * | - | - | 0.4 | 0.3 | 27.3 | - | 27.3 |
| II. MILITARY ASSISTANCE – TOTAL | | | | | | | | |
| Credits or Loans | 3.0 | 2.5 | - | 2.5 | - | 8.0 | 3.1 | 4.9 |
| Grants | 1.3 | 1.1 | 0.2 | 0.6 | 0.4 | 24.6 | - | 24.6 |
| a. MAP Grants | | | | | | | | |
| b. Credit Financing - FMS | 3.0 | 2.5 | - | 2.5 | - | 8.0 | 3.1 | 4.9 |
| c. Military Assistance Service-Funded (MASF) Grants | 0.7 | 0.7 | - | 0.6 | 0.4 | 11.6 | - | 11.6 |
| d. Transfers from Excess Stocks | 0.2 | 0.2 | - | - | - | 5.2 | - | 5.2 |
| e. Other Grants | - | - | - | - | - | - | - | - |
| III. TOTAL ECONOMIC AND MILITARY ASSISTANCE | | | | | | | | |
| Loans | 42.0 | 17.5 | - | 2.5 | 10.5 | 195.1 | 32.7 | 162.4 |
| Grants | 4.5 | 5.0 | 1.5 | 3.9 | 3.9 | 117.8 | - | 117.8 |
| Other U.S. Government Loans and Grants | | | | | | | | |
| a. Export-Import Bank Loans | * | 12.4 | - | 3.4 | 0.2 | 36.3 | 25.0 | 11.3 |
| b. All Other Loans | 0.3 | - | - | - | - | 2.7 | 3.0 | 0.3 |

* LESS THAN \$50,000.

TQ - TRANSITIONAL QUARTER

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

(Thousands of dollars)

| TOTAL | FY 1977 | FY 1978 | FY 1979 | FY 1946-78 |
|----------|---------|---------|---------|------------|
| TOTAL | 55,200 | 66,666 | 39,032 | 481,591 |
| IBRD | 22,000 | 13,120 | - | 161,360 |
| IFC | - | - | - | 9,471 |
| IDB | 33,200 | 53,546 | 36,765 | 268,435 |
| UNDP | - | - | 1,742 | 14,610 |
| OTHER UN | - | - | 525 | 4,725 |
| IDA | - | - | - | 22,990 |

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

(Millions of dollars)

1. D.A.C. COUNTRIES (Excluding U.S.) (Gross Disbursements)

| Donor | CY 1977 | CY 1978 | CY 1969-78 |
|---------|---------|---------|------------|
| TOTAL | 5.30 | 3.24 | 36.24 |
| Germany | 3.70 | 1.80 | 25.50 |
| Canada | 0.60 | 0.07 | 3.67 |
| UK | 0.70 | 0.36 | 3.46 |
| Japan | 0.20 | 0.34 | 1.84 |
| Other | 0.10 | 0.67 | 1.77 |

2. O.P.E.C. COUNTRIES (Net Disbursements)

| TOTAL | CY 1977 | CY 1978 | CY 1973-78 |
|-------|---------|---------|------------|
| TOTAL | - | - | - |

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

(Millions of dollars)

| TOTAL | CY 1977 | CY 1978 | CY 1964-78 |
|-------|---------|---------|------------|
| TOTAL | - | - | - |

NICARAGUA

| PROGRAM SUMMARY | | | | | | | | CP 81-13 (8-78) |
|----------------------------------|-------------|--|---------------------|--------|---|---------------------------------|----------------|-----------------|
| <i>(In thousands of dollars)</i> | | | | | | | | |
| Fiscal Year | A/ Total | Agriculture, Rural Development and Nutrition | Population Planning | Health | Education and Human Resources Development | Selected Development Activities | Other Programs | |
| 1979 | | | | | | | | |
| Loans | -- | -- | -- | -- | -- | -- | (3,029) B/ | |
| Grants ... | 8,192 | -- | 147 | -- | -- | 45 | 8,000 C/ | |
| Total .. | 8,192 | -- | 147 | -- | -- | 45 | 8,000 | |
| 1980 | | | | | | | | |
| Loans | 70,000 | | | | | | 70,000 | |
| Grants ... | 6,700 | 850 | 250 | 200 | 250 | 150 | 5,000 | |
| Total .. | 76,700 | 850 | 250 | 200 | 250 | 150 | 75,000 D/ | |
| 1981 | | | | | | | | |
| Loans | 43,000 | 8,000 | -- | 3,000 | 7,000 | -- | 25,000 | |
| Grants ... | 1,949 | 724 | 350 | 425 | 300 | 150 | -- | |
| Total .. | 44,949 | 8,724 | 350 | 3,425 | 7,300 | 150 | 25,000 C/ | |

U.S. Interest

Nicaragua's Government of National Reconstruction faces enormous problems as it attempts to rebuild and restructure its shattered economy. U.S. assistance can accelerate reconstruction, bolster moderate economic policies, and help to create a positive relationship with the new Government.

Development Overview

The recent revolution caused considerably greater damage to the Nicaraguan economy than the 1972 Managua earthquake. Physical losses in each disaster totaled \$500-\$800 million. However, whereas the earthquake destroyed Managua's commercial center and some of its housing, the revolution has seriously interfered with economic activity nationwide by interrupting commercial and industrial activity through inventory losses and industrial plant destruction and by preventing the planting of cotton and food crops, thus necessitating emergency food distribution

to approximately 40% of the population. Housing suffered severe damage in the poor neighborhoods of Esteli, Managua, Leon and Masaya. In addition, the revolution precipitated capital flight on the order of \$500 million as well as the departure of many entrepreneurs, managers and technicians.

The revolution came at a time when the economy was already beset by difficulties, largely because of previous heavy short-term borrowing from foreign banks. After eighteen months of civil strife, Nicaragua in August 1979 had a foreign exchange gap of over \$750 million. Debt service in 1980 is expected to exceed the total value of exports. According to a recent UN Economic Commission for Latin America report, per capita gross national product dropped from \$991 in 1977 to \$649 in 1979 (constant 1978 dollars). Lacking foreign exchange and fiscal resources, the country's only hope is massive economic assistance, coupled with the formulation by the new Government of policies which restore the confidence of the private sector in Nicaragua and abroad. Provided these policies are successful and support is received from the United States and other donors, Nicaragua's foreign exchange gap is projected to be reduced to \$300 million by the end of 1980. Additional support is expected to help reduce the gap to \$175 million by the end of 1981. Under these circumstances, Nicaragua's reconstruction period could be brief, and the country could again achieve the growth rates that made it the fastest developing country in Central America during the past two decades.

Socio-Economic Performance

Austerity, production, and equity are the Government's principal economic themes. Public sector salaries have been slashed; the Central Bank is pursuing a non-inflationary credit policy; agricultural production and agrarian reform are being accorded highest priority; the banking system is facilitating the recuperation of the industrial sector; and a nationwide education program is being launched.

NICARAGUA

Total Resource Flows

Other donors are contributing significant resources to Nicaragua's reconstruction programs. The Inter-American Development Bank hopes to commit \$152 million in new projects in CY 1979. The World Bank is considering \$50 million in new assistance in CY 1980. Contributions and pledges have been made by a number of countries including Venezuela (\$45 million), Germany (about \$30 million), Spain (\$8 million), Sweden (\$9 million), Mexico (\$4 million), Canada (\$5 million), and other Central American nations (\$100 million). Technical assistance has been pledged by Panama, Cuba, Costa Rica, Denmark, the U.S.S.R., and Brazil, among others. OPEC has lent \$10 million on concessionary terms, and the International Monetary Fund may also be an important source of financing. The United States has provided approximately \$25 million in emergency food, medical, financial, and agricultural assistance to the new Government as well as additional donations made to private organizations.

A.I.D. Strategy

A.I.D. has requested a supplemental appropriation from Economic Support Funds from FY 1980 to provide Nicaragua with urgently-needed foreign exchange support, especially to the private sector, and to support economic reconstruction. Since a serious foreign exchange gap is projected to continue into 1981, A.I.D. is proposing additional assistance from Economic Support Funds in FY 1981 to meet this short-term requirement. At the same time, A.I.D. will begin to shift the emphasis of its program to development assistance. In agriculture, a major project would strengthen the Nicaraguan Agrarian Reform Institute and expand the INVIERNO (now PROCAMPO) program of integrated rural development nationwide. The nascent integrated rural health delivery system, initiated with A.I.D. support, would be consolidated and expanded. An education sector program would increase educational opportunities for the Nicaraguan rural poor.

| FY 81 PROGRAM HIGHLIGHTS | |
|--|---|
| A.I.D. financing will help: | |
| - | provide technical information and credit to small farmers. |
| - | supply basic health services in remote rural areas. |
| - | increase the number of children reached by primary education. |
| Private voluntary organizations will continue to receive financial support from A.I.D. to carry out services in rural areas. | |

A/ Funds for Project Development and Support as well as Operational Program Grants are not included in this table. They are reflected in the Latin America and Caribbean Regional Program. *(See additional footnotes on next page.)

| PERSONNEL/PARTICIPANTS DATA | | | |
|--|---------------------|------------------------|-----------------------|
| CP 81-17 (8-79) | | | |
| Category | FY 1979 (Actual) | FY 1980 (Estimated) | FY 1981 (Proposed) |
| AID Personnel^a | | | |
| Direct Hire ^b | 8 | 19 | 19 |
| PASA ^c | - | - | - |
| Contract | 1 | 2 | 2 |
| Total | 9 | 21 | 21 |
| Participants^d | | | |
| Noncontract | 12 | 43 | 55 |
| Contract | 10 | 20 | 20 |
| Total | 22 | 63 | 75 |
| ^a U.S. nationals on duty at the end of the fiscal year. ^b FY 1980 and FY 1981 position levels. ^c Participating agency technicians. ^d Programmed during the fiscal year. | | | |

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| RESOURCE FLOWS | | | |
|--|---------------------|------------------------|-----------------------|
| <i>(In thousands of dollars)</i> | | | |
| Program | FY 1979 (Actual) | FY 1980 (Estimated) | FY 1981 (Proposed) |
| AID* | | | |
| Loans | 6,393 | 88,337 | 36,790 |
| Grants | 290 | 10,635 | 4,050 |
| Total AID | 6,683 | 98,972 | 40,840 |
| P.L. 480** | | | |
| Title I | 2,600 | 10,000 | 8,800 |
| (of which Title III is) | (-) | (-) | (-) |
| Title II | 3,652 | 4,057 | - |
| Total P.L. 480 | 6,252 | 14,057 | 8,800 |
| Total AID and P.L. 480 | 12,935 | 113,029 | 49,640 |
| *AID levels represent actual and estimated expenditures. | | | |
| **P.L. 480 levels represent actual and estimated value of shipments. | | | |

CP 81-08 (8-79)

(*Footnotes:)

B/Disaster Assistance Funds.

C/Economic Support Funds (ESF).

D/Supplemental ESF Request.

| P.L. 480 PROGRAMS SUMMARY | | | | | | |
|--------------------------------|---------------------|--------------|------------------------|---------------|-----------------------|--------------|
| <i>(In 000MT/\$000)</i> | | | | | | |
| Program | FY 1979 (Actual) | | FY 1980 (Estimated) | | FY 1981 (Proposed) | |
| | MT | \$ | MT | \$ | MT | \$ |
| <i>Title I</i> | | | | | | |
| Wheat | 15 | 2,600 | 25 | 4,300 | 55 | 8,800 |
| Rice | - | - | - | - | - | - |
| Feedgrains | - | - | 50 | 5,700 | - | - |
| Vegoil | - | - | - | - | - | - |
| Non-food | - | - | - | - | - | - |
| Title I Total .. | 15 | 2,600 | 25 | 10,000 | 55 | 8,800 |
| (of which Title III is) | (-) | (-) | (-) | (-) | (-) | (-) |
| <i>Title II</i> | | | | | | |
| Voluntary Agencies .. | - | - | - | 382 | - | - |
| World Food Programs | - | 447 | - | - | - | - |
| Gov't.-to-Gov't | - | 3,205 | - | 3,675 | - | - |
| Title II Total | - | 3,652 | - | 4,057 | - | - |
| Total P.L. 480 | 15 | 6,252 | 25 | 14,057 | 55 | 8,800 |

CP 81-14 (8-79)

MISSION DIRECTOR Lawrence E. Harrison

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(In thousands of dollars)

PROGRAM NICARAGUA

CP 81-02(10-79)

| PROJECT TITLE | * | L/G | PROJECT NUMBER | FY OF INITIAL OBLIGATION | THROUGH FY 1979 | | ESTIMATED FY 1980 | | PROPOSED FY 1981 | | FUTURE YEAR OBLIGATIONS |
|---------------------------------------|---|-----|----------------|--------------------------|-----------------|--------------|-------------------|--------------|------------------|--------------|-------------------------|
| | | | | | OBLIGATIONS | EXPENDITURES | OBLIGATIONS | EXPENDITURES | OBLIGATIONS | EXPENDITURES | |
| AGRICULTURE, RURAL DEV. AND NUTRITION | | | | | | | | | | | |
| RURAL DEV. SECTOR LOAN I | | L | 524-0118 | 75 | 14,000 | 7,898 | --- | 4,804 | --- | 1,298 | --- |
| NUTRITIONAL IMPROVEMENT PROGRAM | * | G | 524-0128 | 78 | 276 | --- | --- | 100 | 224 | 150 | --- |
| NUTRITIONAL IMPROVEMENT PROGRAM | | L | 524-0128 | 78 | 3,000 | --- | --- | 500 | --- | 1,100 | --- |
| RECONSTRUCTION GRANT | | G | 524-0179 | 80 | --- | --- | 250 | 125 | --- | 125 | --- |
| LAND REFORM | | G | 524-0180 | 80 | --- | --- | 600 | 250 | --- | 350 | --- |
| INTEG RURAL DEVELOPMENT | * | G | 524-0183 | 81 | --- | --- | --- | --- | 500 | 200 | --- |
| INTEG RURAL DEVELOPMENT | * | L | 524-0183 | 81 | --- | --- | --- | --- | 8,000 | 3,500 | --- |
| TOTAL FOR ACCOUNT | | | | | 17,276 | 7,898 | 850 | 5,779 | 8,724 | 6,723 | |
| GRANTS | | | | | 276 | --- | 850 | 475 | 724 | 825 | |
| LOANS | | | | | 17,000 | 7,898 | --- | 5,304 | 8,000 | 5,898 | |
| POPULATION PLANNING | | | | | | | | | | | |
| FAMILY PLANNING SERVICES | * | G | 524-0139 | 76 | 875 | 816 | 250 | 150 | 350 | 450 | --- |
| TOTAL FOR ACCOUNT | | | | | 875 | 816 | 250 | 150 | 350 | 450 | |
| GRANTS | | | | | 875 | 816 | 250 | 150 | 350 | 450 | |
| LOANS | | | | | --- | --- | --- | --- | --- | --- | |
| HEALTH | | | | | | | | | | | |
| RURAL HEALTH SERVICES | | L | 524-0126 | 76 | 5,000 | 741 | --- | 1,604 | --- | 2,407 | --- |
| MANAGUA URBAN RECONSTRUCTION | | L | 524-0140 | 76 | 6,000 | 4,339 | --- | 1,661 | --- | --- | --- |
| RECONSTRUCTION GRANT | | G | 524-0179 | 80 | --- | --- | 200 | 125 | --- | 75 | --- |
| HEALTH SERVICES II | * | G | 524-0184 | 81 | --- | --- | --- | --- | 425 | 100 | --- |
| HEALTH SERVICES II | * | L | 524-0184 | 81 | --- | --- | --- | --- | 3,000 | 985 | 2,000 |
| TOTAL FOR ACCOUNT | | | | | 11,000 | 5,080 | 200 | 3,390 | 3,425 | 3,567 | |
| GRANTS | | | | | --- | --- | 200 | 125 | 425 | 175 | |
| LOANS | | | | | 11,000 | 5,080 | --- | 3,265 | 3,000 | 3,392 | |
| EDUCATION AND HUMAN RESOURCES | | | | | | | | | | | |
| RURAL EDUCATION DEV. | * | G | 524-0115 | 78 | 280 | --- | --- | 110 | 300 | 325 | 310 |
| RURAL EDUCATION DEV. | | L | 524-0115 | 78 | 7,500 | --- | --- | 2,000 | --- | 2,500 | --- |
| RECONSTRUCTION GRANT | | G | 524-0179 | 80 | --- | --- | 250 | 125 | --- | 125 | --- |
| EDUCATION SECTOR PROG | * | L | 524-0185 | 81 | --- | --- | --- | --- | 7,000 | --- | --- |

*Detailed project narrative - see Activity Data Sheet

A. This is a continuing project - see Activity Data Sheet

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(in thousands of dollars)

PROGRAM NICARAGUA

CP 81-02(10-79)

| PROJECT TITLE | * | L/G | PROJECT NUMBER | FY OF INITIAL OBLIGATION | THROUGH FY 1979 | | ESTIMATED FY 1980 | | PROPOSED FY 1981 | | FUTURE YEAR OBLIGATIONS |
|---------------------------------|---|-----|----------------|--------------------------|-----------------|--------------|-------------------|--------------|------------------|--------------|-------------------------|
| | | | | | OBLIGATIONS | EXPENDITURES | OBLIGATIONS | EXPENDITURES | OBLIGATIONS | EXPENDITURES | |
| TOTAL FOR ACCOUNT | | | | | 7,780 | --- | 250 | 2,235 | 7,300 | 2,950 | |
| GRANTS | | | | | 280 | --- | 250 | 235 | 300 | 450 | |
| LOANS | | | | | 7,500 | --- | --- | 2,000 | 7,000 | 2,500 | |
| SELECTED DEVELOPMENT ACTIVITIES | | | | | | | | | | | |
| SPECIAL DEV. ACTIVITIES | * | G | 524-0058 | 64 | 671 | 671 | 150 | 150 | 150 | 150 | --- |
| MANAGUA URBAN RECONSTRUCTION | | L | 524-0107 | 74 | 24,000 | 16,232 | --- | 7,768 | --- | --- | A |
| TOTAL FOR ACCOUNT | | | | | 24,671 | 16,903 | 150 | 7,918 | 150 | 150 | |
| GRANTS | | | | | 671 | 671 | 150 | 150 | 150 | 150 | |
| LOANS | | | | | 24,000 | 16,232 | --- | 7,768 | --- | --- | |
| ECONOMIC SUPPORT FUND | | | | | | | | | | | |
| EMERGENCY CASH GRANT | | G | 524-K601 | 79 | 8,000 | --- | --- | 8,000 | --- | --- | --- |
| RECONSTRUCTION PROGRAM LOAN I | | L | 524-0187 | 80 | --- | --- | 70,000 | 70,000 | --- | --- | --- |
| RECONSTRUCTION PROGRAM GRANT I | | G | 524-0188 | 80 | --- | --- | 5,000 | 1,500 | --- | 2,000 | --- |
| RECONSTRUCTION PROGRAM LOAN II | * | L | 524-0189 | 81 | --- | --- | --- | --- | 25,000 | 25,000 | --- |
| TOTAL FOR ACCOUNT | | | | | 8,000 | --- | 75,000 | 79,500 | 25,000 | 27,000 | |
| GRANTS | | | | | 8,000 | --- | 5,000 | 9,500 | --- | 2,000 | |
| LOANS | | | | | --- | --- | 70,000 | 70,000 | 25,000 | 25,000 | |
| TOTAL FOR COUNTRY | | | | | 69,602 | 30,697 | 76,700 | 98,972 | 44,949 | 40,840 | |
| GRANTS | | | | | 10,102 | 1,487 | 6,700 | 10,635 | 1,949 | 4,050 | |
| LOANS | | | | | 59,500 | 29,210 | 70,000 | 88,337 | 43,000 | 36,790 | |

B/ Included in the \$80 million supplemental Economic Support Fund request for FY 1980.

*Detailed project narrative - see Activity Data Sheet

A. This is a continuing project - see Activity Data Sheet

| | | | | | |
|--|--|--|---|-------------------------------------|--|
| TITLE Nutrition Improvement Program | | FUNDS Agriculture, Rural Development and Nutrition | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 524-0128 | | PRIOR REFERENCE FY 80 Latin America Programs, p. 203 | FY 81 G-224 | LIFE OF PROJECT L-3,000; G-500 | |
| GRANT <input checked="" type="checkbox"/> LOAN <input checked="" type="checkbox"/> | NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/> | | INITIAL OBLIGATION FY 78 | ESTIMATED FINAL OBLIGATION FY 81 | ESTIMATED COMPLETION DATE OF PROJECT FY 83 |

Purpose: To improve the well-being of the rural poor by: (a) increasing the availability of food; (b) improving dietary habits; and (c) extending nutrition-related preventive health activities through maternal and child health services.

Background and Progress to Date: In 1966, a nutrition assessment of Nicaragua by the Nutrition Institute for Central America and Panama (INCAP) identified a high incidence of undernutrition. Reassessments in 1975 and 1976 by INCAP, the Ministry of Health (MOH) and A.I.D. revealed little change. Post-war data indicate a worsening of an already poor nutrition picture. These alterations in nutritional status will necessitate the redesign of this loan. However, the basic objectives will remain the same: 1) improving dietary habits; 2) increasing food availability to groups at greatest risk; 3) extending maternal-child health preventive care to groups at greatest nutritional risk; and 4) establishing and improving systems for project impact assessment and nutrition surveillance. The following elements probably will be emphasized: a mix of formal, non-formal, and mass media educational approaches; salt iodization; rational use of supplementary feeding; development of low-cost, high-protein blended foods; community-level efforts to increase local food availability; strengthening of contingency food distribution plans; integration of nutritional activities with preventive maternal-child health care; rural community nutrition surveillance; antiparasitic campaigns; enhancement of rural community supporting services; and evaluation of program effectiveness.

Host Country and Other Donors: UNICEF, the Pan American Health Organization, and the Pan American Development Foundation have been engaged in discussions regarding possible nutrition activities with the MOH and the Ministry of Social Welfare -- with their primary focus on pre-school education and maternal-child health care. INCAP continues the support provided in nutritional

status assessment and program design. U.S. and local private voluntary organizations -- such as the Nicaraguan Vaccination and Community Development Program, Committee for Evangelical Development Assistance, CARE, and CARITAS -- are continuing their low-cost, self-help activities in community development, nutrition education, and emergency feeding at the local level.

Beneficiaries: The primary target groups are pregnant and lactating women and children under six years old. The project needs redesigning, this precluding estimates of future beneficiary costs.

FY 81 Program: The project will implement nutritional interventions in areas related to: formal, non-formal, and mass media nutrition education; community-level pilot food production; and community-based nutrition efforts. They will either be extended to new regions or all regions, depending on the deployment strategy chosen by MOH and the Government of Nicaragua. Nutrition training and research will continue.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---|----------------|---------|
| | All Years | |
| | Unit | Cost |
| Nutrition education program | 1 | (645.8) |
| A national nutrition surveillance system | 1 | (645.8) |
| A national policy for iodization of salt | 1 | (440.8) |
| System and facility for testing low-cost blended food | 1 | (845.8) |
| Community nutrition field workers trained | 600 | (1) |

| A.I.D. Financed Inputs: | FY 81 |
|-------------------------|------------|
| Technical assistance | 224 |
| TOTAL | 224 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|----------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | L-3,000; G-276 | - | L-3,000; G-276 | |
| Estimated Fiscal Year 1980 | - | L-500; G-100 | | |
| Estimated through September 30, 1980 | L-3,000; G-276 | L-500; G-100 | L-2,500; G-176 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | G-224 | - | L-3,000; G-500 | To be selected. |

| | | | | | |
|--|--|--|---|-------------------------------------|--|
| TITLE Integrated Rural Development | | FUNDS Agriculture, Rural Development and Nutrition | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 524-0183 | | PRIOR REFERENCE None | FY 81 L-8,000; G-500 | | LIFE OF PROJECT L-8,000; G-500 |
| GRANT <input checked="" type="checkbox"/> LOAN <input checked="" type="checkbox"/> | NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/> | | INITIAL OBLIGATION FY 81 | ESTIMATED FINAL OBLIGATION FY 81 | ESTIMATED COMPLETION DATE OF PROJECT FY 85 |

Purpose: To assist in the implementation of an integrated agrarian reform and rural development program which will create productive employment and improve the standard of living of small-scale farmers and agricultural laborers.

Background : The Nicaraguan Agrarian Reform Institute (INRA) is the rural and agricultural development agency selected by the Government of National Reconstruction (GNR) to plan and implement an integrated agrarian reform and rural development program. To carry out this task, the Campesino Development Institute (INVIERNO) -- established by the former Government of Nicaragua with loan assistance from A.I.D. -- has been incorporated into INRA. In addition, the Agriculture Sector Planning Division of the Ministry of Agriculture (partially financed by the same loan) also has been added to INRA. INVIERNO established an effective system to reach over 9,000 small farmer clients in two regions with agricultural production/investment credit, technical assistance, and organization services. It additionally provided loans to 230 small town enterprises, as well as assistance to improve rural road systems and municipal services. INRA proposes to expand these services to other areas and to provide similar services to farms now being cooperatively operated by persons who were previously landless agricultural laborers. The nature, size and scope of the proposed expansion may require the establishment of a separate agricultural bank which can specialize in the provision of credit in coordination with INRA and the Ministry of Foreign Trade.

Host Country and Other Donors: The GNR's contribution will be in the form of personnel and project support costs. It is expected that other sources of capital will be made available to provide similar support services for agro-industrial enterprises operated directly by the GNR.

Beneficiaries: Individual small-scale farmers and formerly landless agricultural laborers farming cooperatively on land provided by INRA will be the direct and principal beneficiaries of this project. These persons are the target group of rural poor which the GNR and A.I.D. wish to assist. 8,000 families will be directly affected with an estimated cost-per-family of approximately \$1,000.

FY 81 Program: Grant technical assistance, participant training and a limited amount of commodity support will expedite the establishment of the expanded banking system. Also, technical assistance and training in farm investment planning and management will begin to help INRA personnel to operate the project efficiently. Capital to expand agricultural credit will be provided.

| | | |
|--|------------------|--------------|
| | (\$ thousands) | |
| Major Outputs (and A.I.D. Unit Cost): | <u>All Years</u> | |
| | <u>Unit</u> | <u>Cost</u> |
| Credit and technical assistance to 8,000 families | 8,000 | (.9) |
| Improve credit management | 1 | (1,000) |
| A.I.D. Financed Inputs: | <u>FY 81</u> | |
| | <u>Loan</u> | <u>Grant</u> |
| Agricultural credit | 7,400 | - |
| Technical assistance (180 person months) | 450 | 450 |
| Commodities | 150 | 50 |
| Total | 8,000 | 500 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|----------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | To be selected. |
| Estimated Fiscal Year 1980 | - | - | - | |
| Estimated through September 30, 1980 | - | - | - | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | L-8,000; G-500 | - | L-8,000; G-500 | |

| | | | | | |
|---|--|---|---|-------------------------------------|--|
| TITLE Family Planning Services | | FUNDS Population Planning | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 524-0139 | | PRIOR REFERENCE FY 80 Latin America Programs, p. 206 | FY 81 350 | LIFE OF PROJECT 1,475 | |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/> | | INITIAL OBLIGATION FY T.O. (1976) | ESTIMATED FINAL OBLIGATION FY 81 | ESTIMATED COMPLETION DATE OF PROJECT FY 81 |

Purpose: To provide family planning (FP) and maternal/child health (MCH) services through health centers, health workers and community organizations.

Background and Progress to Date: Nicaragua has an estimated 1979 population of 2,500,000 with an annual population growth rate of 3.3%. Nicaragua has traditionally been conservative in its approach to the delivery of family planning services, and opposition to family planning seemed to have gained momentum after the civil war. However, faced with strong evidence that women were demanding family planning services, the Government of National Reconstruction (GNR) has revised the Maternal and Child Welfare sub-division of the Ministry of Health to include family planning. Based upon an assessment of future needs, A.I.D. will support public and private family planning efforts, whenever possible.

Host Country and Other Donors: Having entered a period of transition, the GNR is only beginning to formulate its family planning policy and has not yet determined the dimensions of future activities. Contacts are now being made by private sector family planning entities for assistance from the International Planned Parenthood Federation (IPPF) and the Pathfinder Fund. The amounts of their possible contributions are as yet undetermined, but there is every reason to believe that they will be responsive to identified Nicaraguan needs. In 1978, other donor contributions to Nicaraguan family planning programs were as follows:

| | |
|--|------------------|
| IPPF | \$278,000 |
| Pathfinder Fund | 59,969 |
| Association for Voluntary Sterilization | 101,315 |
| | <u>\$439,284</u> |

Beneficiaries: Primary beneficiaries will be families in the lowest economic levels in urban and rural areas who wish to limit their size. The estimated cost is \$2 per family beneficiary.

FY 81 Program: A.I.D. will support the Maternal and Child Welfare and Family Planning Division of the Ministry of Health as well as private family planning entities with budget support, participant training, consultants, workshops, and commodities (i.e. contraceptives, medical equipment and supplies).

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|--|----------------|----------------|
| | Unit | All Years Cost |
| Health centers providing MCH/FP services and backstopping midwives | 130 | (3.1) |
| FP acceptors served through health centers and midwives | 80,000 | (.0067) |
| Midwives trained | 2,000 | (.117) |
| Statistical reporting and evaluation systems established | 1 | (270) |

| A.I.D. Financed Inputs: | FY 81 |
|---|------------|
| Commodities | 50 |
| Local support costs | 95 |
| Survey and evaluation | 20 |
| Materials and supplies | 30 |
| Midwife training | 95 |
| Breast feeding program | 40 |
| Promotion of programs, audio visual materials | 20 |
| TOTAL | 350 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 875 | 816 | 59 | To be selected. |
| Estimated Fiscal Year 1980 | 250 | 150 | | |
| Estimated through September 30, 1980 | 1,125 | 966 | 159 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 350 | - | 1,475 | |

| | | | | | |
|---|--|-------------------------|---|---|--|
| TITLE Health Services II | | FUNDS Health | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 524-0184 | | PRIOR REFERENCE None | FY 81 L-3,000; G-425 | | LIFE OF PROJECT L-5,000; G-425 |
| GRANT <input checked="" type="checkbox"/> | LOAN <input checked="" type="checkbox"/> | | INITIAL OBLIGATION FY 81 81 | ESTIMATED FINAL OBLIGATION FY 81 81 | ESTIMATED COMPLETION DATE OF PROJECT FY 86 |
| NEW <input checked="" type="checkbox"/> | | | | | |
| CONTINUING <input type="checkbox"/> | | | | | |

Purpose: To improve, integrate and extend public health services to the poor.

Background: The major health problems identified by the A.I.D.-supported 1975 Health Sector Assessment are still prevalent today -- such as massive morbidity and mortality as a consequence of enteritis, communicable diseases, malnutrition and malaria. An A.I.D.-supported program initiated in 1976: extends basic health coverage to some 163,000 rural Nicaraguans; trains health personnel, especially community-level health workers; and strives to improve the rural health referral system. The new Government of National Reconstruction (GNR) is committed to extending integrated, low-cost health services nationwide. Financial and technical assistance will be provided in the following areas: the training of professional and community-level health personnel; provision of health facilities and equipment; installation of basic environmental sanitation facilities such as wells, aqueducts, and latrines; continuation of immunization/vector control programs; and the mobilization, coordination and evaluation of the delivery system.

Host Country and Other Donors: The Inter-American Development Bank (IDB) has an existing \$20 million loan to finance the building and equipping of new health facilities. Some of the funds will probably be reprogrammed for repair/reconstruction of existing health facilities. Both the IDB and the International Bank of Reconstruction and Development (IBRD) have existing loans for municipal water projects, principally for Managua and the major cities. The IBRD also has a \$3 million loan for rural sanitation. The Pan American Health Organization will continue to provide key inputs to the Ministry of Health in both administrative and technical areas. The GNR has accorded the health system high priority and will provide as much counterpart funding as its limited resources permit.

Beneficiaries: Project beneficiaries will be the 77% (925,000 persons) of the 1.2 million rural population who have annual cash incomes of \$120 or less plus approximately 175,000 similar persons living in urban areas whose health status has declined as a result of months of civil strife. The cost-per-beneficiary of the total project is approximately \$5.

FY 81 Program: Due to the dramatic changes taking place in the health sector, FY 1981 activities will consist primarily of planning, programming and initial implementation activities. In addition to supporting these activities, grant funds will be used for any necessary research and evaluation, training, and commodity procurement.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|--|----------------|---------|
| | Unit | Cost |
| Personnel trained: | | |
| Professional | 15 | (15) |
| Non-professional | 911 | (1) |
| Municipal environmental sanitation subprojects | 25 | (24.6) |
| Municipal malaria control program | 25 | (24.6) |
| Specialized studies | 6 | (125) |
| Health delivery system | 1 | (2,150) |

| A.I.D. Financed Inputs: | FY 81 | |
|-------------------------|--------------|------------|
| | Loan | Grant |
| Contract services | 600 | 225 |
| Training | 600 | 125 |
| Commodities | 1,000 | 50 |
| Other costs | 800 | 25 |
| Total | 3,000 | 425 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|----------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | To be selected. |
| Estimated Fiscal Year 1980 | - | - | - | |
| Estimated through September 30, 1980 | - | - | - | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | L-3,000; G-425 | L-2,000 | L-5,000; G-425 | |

| | | | | | |
|---|--|--|---|-------------------------------------|--|
| TITLE Rural Education Development | | FUNDS Education and Human Resources | PROPOSED OBLIGATION (In thousands of dollars) | | |
| | | | FY 81 G-300 | LIFE OF PROJECT L-7,500; G- 890 | |
| NUMBER 524-0115 | NEW <input type="checkbox"/> | PRIOR REFERENCE | INITIAL OBLIGATION FY 78 | ESTIMATED FINAL OBLIGATION FY 82 | ESTIMATED COMPLETION DATE OF PROJECT FY 83 |
| GRANT <input checked="" type="checkbox"/> | LOAN <input checked="" type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | FY 80 Latin America Programs, p. 207 | | |

Purpose: To help the Government of National Reconstruction (GNR) expand and improve its capacity to provide integrated and relevant education services to the rural poor in the target area.

Background and Progress to Date: The Rural Education Development Program consists of five major components to address organizational and operational constraints and to expand educational opportunities for the rural poor in selected geographic areas: administrative reform and management improvement within the Ministry of Public Education (MPE); integrated community development; curriculum development and related materials production; training for supervisors and teachers; and the improvement and extension of rural education delivery systems. An A.I.D. companion loan of \$7.5 million authorized in FY 1978 will assist the expansion and improvement of rural education in approximately 1,400 isolated rural communities, while the complementary FY 1981 A.I.D. grant funds will support administrative reform efforts needed to address management constraints. During FY 1980, the project -- which has not yet begun -- will evaluate its design in the light of new conditions to determine whether redesign is necessary.

Host Country and Other Donors: The GNR will support the project as possible with operating expenses, commodities and curriculum materials. Other donors are active in secondary and vocational education.

Beneficiaries: The beneficiaries of this project will be the 360,000 poor rural youth in selected geographic areas who are expected to participate in educational and community decision-making. The estimated beneficiary cost is \$23 per person reached or trained in FY 1980 and \$19 per beneficiary over the life of the project.

FY 81 Program: Project implementation will get underway in earnest as priorities, activities, and procedures are clarified with the GNR.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|--|----------------|------------|
| | All Years | Unit Cost |
| A planning/evaluation unit in the MPE | 1 | (53) |
| An inter-ministerial coordinating system | 1 | (10) |
| An integrated data system for analysis and management | 1 | (31) |
| Effective operational methods in communications, records and budget | 1 | (60) |
| A revised MPE organizational structure | 1 | (85) |
| A trained central office staff supporting MPE promoters in the field | 1 | (40) |
| Training program established for local school committees | 1 | (21) |
| Infrastructural improvements in up to 1400 communities | 1400 | (5.3) |
| A.I.D. Financed Inputs: | | |
| Technical assistance | | 250 |
| Other costs | | 50 |
| TOTAL | | 300 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-----------------|--------------------------------|-----------------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | L-7,500; G- 280 | - | L-7,500; G- 280 | To be selected. |
| Estimated Fiscal Year 1980 | - | L-2,000; G- 110 | | |
| Estimated through September 30, 1980 | L-7,500; G- 280 | L-2,000; G- 110 | L-5,500; G- 170 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | G- 300 | G- 310 | L-7,500; G- 890 | |

| | | | | | |
|---|--|--|---|-------------------------------------|---|
| TITLE Education Sector Program | | FUNDS Education and Human Resources | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 524-0185 GRANT <input checked="" type="checkbox"/> LOAN <input checked="" type="checkbox"/> | | NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/> | PRIOR REFERENCE None. | FY 81 L-7,000 | LIFE OF PROJECT L-7,000; G-500 |
| | | | INITIAL OBLIGATION FY 81 | ESTIMATED FINAL OBLIGATION FY 83 | ESTIMATED COMPLETION DATE OF PROJECT FY 86 |

Purpose: To help the Government of National Reconstruction (GNR) to expand and improve its capacity to provide quality, integrated and relevant educational services to the poor of Nicaragua.

Background: A.I.D.'s Education Sector Program -- which is the major follow-up activity to the Rural Educational Development Program (REDP) -- has five major components to address organizational and operational constraints and expand educational opportunities for the rural poor: (1) administrative reform within the Ministry of Education (MOE); (2) integrated community development; (3) curriculum development and materials production; (4) training for supervisors and teachers; and (5) the improvement and extension of rural education delivery systems. Some of the financial resources of the on-going REDP are being used to construct and reconstruct new classrooms needed after the civil insurrection. This project will support the consolidation of certain aspects of the administrative reform, the adaptation of the curriculum for adult education, the extension of pre-school education, and the introduction of new elements in the primary school curriculum.

Host Country and Other Donors: The World Bank will finance approximately \$260,000 in technical assistance and materials related to administrative reform and \$90,000 for adult education. UNESCO, UNICEF and the Organization of American States will finance about \$300,000 in curriculum development, pre-school education, and physical facility and material costs. The GNR, which has substantially increased the priority of education and is committed to eliminating illiteracy, will contribute increasingly larger amounts as its financial position improves.

Beneficiaries: Approximately 360,000 rural and urban children-- most of them poor -- are expected to benefit from increased educa-

tional opportunities, a strengthened curriculum, more efficient MOE administrative procedures, and heightened participation in the educational process. The approximate beneficiary cost is \$21 per child.

FY 81 Program: Project implementation during FY 1981 will focus on the further decentralization of MOE services and other administrative reform measures, a responsive plan and curriculum for adult education, methods to extend and improve pre-school education opportunities to children of urban and rural poor, and an assessment and modernization of the primary school curriculum.

| | | |
|--|------------------|-------------|
| | (\$ thousands) | |
| Major Outputs (and A.I.D. Unit Cost): | <u>All Years</u> | |
| | <u>Unit</u> | <u>Cost</u> |
| MOE administration improved | 1 | (2,325) |
| Community organizations established by municipality | 57 | (2) |
| Curriculum improved | 1 | (1,520) |
| Personnel trained | | |
| Teachers | 941 | (.85) |
| Supervisors/administrators | 200 | (1.2) |
| Classrooms improved or constructed | 1,428 | (1.75) |
| A.I.D. Financed Inputs: | <u>FY 81</u> | |
| Training | 1,050 | |
| Commodities | 1,400 | |
| Construction | 1,900 | |
| Technical assistance (15 person years) | 800 | |
| Other costs | 1,850 | |
| TOTAL | 7,000 | |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | |
| Estimated Fiscal Year 1980 | - | - | - | |
| Estimated through September 30, 1980 | - | - | - | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | L-7,000 | G-500 | L-7,000; G-500 | |

To be selected.

| | | | | | |
|---|--|--|---|----------------------------|-----------------------------|
| TITLE Special Development Activities | | FUNDS Selected Development Activities | PROPOSED OBLIGATION (In thousands of dollars) | | |
| | | | FY 81 | 150 | LIFE OF PROJECT Continuing* |
| NUMBER 524-0058 | NEW <input type="checkbox"/> | PRIOR REFERENCE | INITIAL OBLIGATION | ESTIMATED FINAL OBLIGATION | ESTIMATED COMPLETION DATE |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | FY 80 Latin America Programs, p. 208 | FY 64 | FY Continuing* | OF PROJECT FY Continuing* |

Purpose: To foster greater civic responsibility and to support grassroots, locally-initiated efforts by assisting community organizations and their leaders in the planning, designing, financing and implementing of self-help projects.

Background and Progress to Date: This project was initiated in 1964 as a means of providing a quick, direct response to requests for assistance to poor rural and urban communities which are engaged in self-help endeavors. Since the inception of the program, 374 projects have been carried out throughout Nicaragua, with approximately 250 in agriculture, education and health. The average project cost is \$1,800, and local community contributions to these activities amount to approximately \$245,000.

Host Country and Other Donors: Each community which receives a grant provides a minimum of 25% of the total cost of the project in either cash or in-kind contributions of labor, construction materials, transportation and salaries. In many projects, community contributions account for 50% of the total cost.

Beneficiaries: The target groups assisted by this project are poor residents of rural and urban communities who undertake community development and organization efforts but lack the resources and public sector support needed to complete their community improvement projects. Some 18,500 persons benefitted from the 11 projects supported in FY 1979. Approximately 40 projects benefitting 95,000 persons will be carried out in FY 1981. The cost-per-person benefitted in 1981 is approximately \$1.60.

FY 81 Program: The project will continue to operate on a nation-wide basis, placing priority on activities stressing basic human needs in rural and poor urban areas.

Major Outputs:

Through FY 81

| | |
|--|-----|
| Agriculture improvement projects | 20 |
| Education and vocational training activities | 150 |
| Health and nutrition projects | 81 |
| Rural infrastructure projects | 45 |
| Leadership training projects | 37 |
| Miscellaneous projects | 41 |

(\$ thousands)

A.I.D. Financed Inputs:

FY 81

| | |
|--|-----|
| Construction materials, supplies, transportation and local costs | 150 |
| TOTAL | 150 |

*It is expected that activities under this project will continue as long as A.I.D. maintains an assistance program in Nicaragua.

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 671 | 671 | - | None. |
| Estimated Fiscal Year 1980 | 150 | 150 | | |
| Estimated through September 30, 1980 | 821 | 821 | - | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 150 | Continuing* | Continuing* | |

| | | | | | |
|---|--|--------------------------------|---|-------------------------------------|--|
| TITLE Reconstruction Program Loan II | | FUNDS Economic Support Fund | PROPOSED OBLIGATION (In thousands of dollars) | | |
| | | | FY 81 | 25,000 | LIFE OF PROJECT 25,000 |
| NUMBER 524-0189 | NEW <input checked="" type="checkbox"/> | PRIOR REFERENCE | INITIAL OBLIGATION FY 81 | ESTIMATED FINAL OBLIGATION FY 81 | ESTIMATED COMPLETION DATE OF PROJECT FY 82 |
| GRANT <input type="checkbox"/> LOAN <input checked="" type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | None. | | | |

Purpose: To continue balance of payments support for the importation of essential goods and services needed by the private and public sector and for priority rehabilitation and development activities.

Background: A \$70 million loan and a companion \$5 million grant from Economic Support Funds (ESF) were proposed by A.I.D. for FY 1980 to assist in ameliorating Nicaragua's critical balance of payments problem and to accelerate economic reconstruction. Eighteen months of civil strife had left Nicaragua in August 1979 with a foreign exchange resource gap of \$758 million and gross Central Bank resources of only \$3.5 million. The FY 1980 ESF loan funds, including 60% for private sector purchases of U.S. imports, would finance the importation of agricultural production inputs, industrial raw materials, equipment, spare parts and essential consumer goods. Local currency generated by the loan would be used for public works, business and farm credits, and housing and municipal development. With support from the United States and other sources, the projected foreign exchange resources gap would be narrowed to about \$299 million by the end of 1980. The purpose of this proposed FY 1981 ESF loan is to further reduce this foreign exchange resources gap to a more manageable level and to reinforce the momentum towards revitalizing Nicaragua's economy.

Host Country and Other Donors: To meet Nicaragua's urgent financial needs, major contributions/pledges have been made by the Federal Republic of Germany (\$30 million); Venezuela (\$45 million); Netherlands and Spain (\$11.5 million each); and Central American Countries (\$100 million). New resources from international financial institutions have included: the Inter-American Development Bank (\$95.5 million); World Bank (\$50 million); International Monetary Fund (\$22 million); and Organization of Petroleum Exporting Countries (\$10 million). The Government accords highest priority to the recovery/reconstruction effort and will provide as

much counterpart funds as its limited resources permit.

Beneficiaries: Nicaraguans as a whole will benefit from national economic recovery. The local currencies generated will: benefit 8,000 small farmers and business families; support rural work projects providing basic services to rural dwellers; provide employment opportunities to 18,000 rural and urban dwellers; and help deliver basic services for people in the rural areas, secondary cities and towns. The cost-per-beneficiary is approximately about \$10.

FY 81 Program: The proposed ESF loan will help reduce Nicaragua's projected foreign exchange resources gap from approximately \$299 million to \$175 million by the end of 1981, and the local currencies generated by the loan will continue support for high impact development activities. For example, credit (principally for working capital) will be available for small industrial, commercial, and service enterprises and farms. Employment generating public works projects will be funded, and low-cost homes will be built for the rural poor.

| | | |
|---|----------------|-------------|
| | (\$ thousands) | |
| Major Outputs (and A.I.D. Unit Cost): | All Years | |
| | <u>Unit</u> | <u>Cost</u> |
| (Using local currency funds): | | |
| Small business credit | 1,500 | (2.5) |
| Small farmer credit | 2,500 | (1.5) |
| Public works projects generating 18,000 jobs | 250 | (50) |
| Low-cost single-family dwellings | 1,600 | (3) |
| A.I.D. Financed Inputs: | <u>FY 81</u> | |
| Agricultural supplies, equipment, spare parts, etc. | | 25,000 |
| | TOTAL | 25,000 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | |
| Estimated Fiscal Year 1980 | - | - | - | |
| Estimated through September 30, 1980 | - | - | - | |
| Proposed Fiscal Year 1981 | 25,000 | - | 25,000 | |
| | | Future Year Obligations | Estimated Total Cost | To be selected. |

U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS
(U.S. Fiscal Years – Millions of Dollars)

ECONOMIC PROGRAMS OF OTHER DONORS

COUNTRY PANAMA

| PROGRAM | FOREIGN ASSISTANCE ACT PERIOD | | | | | TOTAL LOANS AND GRANTS 1946-78 | REPAY- MENTS AND INTEREST 1946-78 | TOTAL LESS REPAY- MENTS AND INTEREST 1946-78 |
|--|---------------------------------------|------|------|------|------|---|--|--|
| | 1975 | 1976 | TQ | 1977 | 1978 | | | |
| | I. ECONOMIC ASSISTANCE – TOTAL | 21.2 | 24.7 | 6.7 | 16.3 | | | |
| Loans | 6.7 | 21.0 | 3.5 | 12.2 | 20.0 | 217.5 | 56.9 | 160.6 |
| Grants | 14.5 | 3.7 | 3.2 | 4.1 | 3.1 | 184.2 | - | 184.2 |
| a. A.I.D. and Predecessor Agencies | 8.3 | 22.7 | 4.0 | 13.7 | 21.3 | 271.5 | 47.4 | 224.1 |
| Loans | 6.7 | 21.0 | 3.5 | 12.2 | 20.0 | 204.6 | 47.4 | 157.2 |
| Grants | 1.6 | 1.7 | 0.5 | 1.5 | 1.3 | 66.9 | - | 66.9 |
| (Security Supporting Assistance) | - | - | - | - | - | 27.0 | - | - |
| b. Food for Peace (PL 480) | 0.9 | 1.2 | * | 2.2 | 1.3 | 19.8 | - | 19.8 |
| Loans | - | - | - | - | - | - | - | - |
| Grants | 0.9 | 1.2 | * | 2.2 | 1.3 | 19.8 | - | 19.8 |
| Title I - Total Sales Agreements | - | - | - | - | - | - | - | - |
| Repayable in U.S. Dollars - Loans | - | - | - | - | - | - | - | - |
| Payable in Foreign Currency - Planned for Country Use | - | - | - | - | - | - | - | - |
| Title II - Total Grants | 0.9 | 1.2 | * | 2.2 | 1.3 | 19.8 | - | 19.8 |
| Emerg. Relief, Econ. Develop. & World Food Program | - | - | - | - | - | - | - | - |
| Voluntary Relief Agencies | 0.9 | 1.2 | * | 2.2 | 1.3 | 19.8 | - | 19.8 |
| c. Other Economic Assistance | 12.0 | 0.8 | 2.7 | 0.4 | 0.5 | 110.4 | 9.5 | 100.9 |
| Loans | - | - | - | - | - | 12.9 | 9.5 | 3.4 |
| Grants | 12.0 | 0.8 | 2.7 | 0.4 | 0.5 | 97.5 | - | 97.5 |
| Peace Corps | - | - | - | - | - | 6.9 | - | 6.9 |
| Other | 12.0 | 0.8 | 2.7 | 0.4 | 0.5 | 90.6 | - | 90.6 |
| II. MILITARY ASSISTANCE – TOTAL | 0.6 | 0.9 | 0.2 | 3.1 | 0.5 | 13.2 | 0.1 | 13.1 |
| Credits or Loans | - | - | - | 2.5 | - | 2.5 | 0.1 | 2.4 |
| Grants | 0.6 | 0.9 | 0.2 | 0.6 | 0.5 | 10.7 | - | 10.7 |
| a. MAP Grants | 0.3 | 0.2 | 0.2 | 0.2 | * | 4.6 | - | 4.6 |
| b. Credit Financing - FMS | - | - | - | 2.5 | - | 2.5 | 0.1 | 2.4 |
| c. Military Assistance Service-Funded (MASF) Grants | 0.3 | 0.6 | - | 0.4 | 0.5 | 4.4 | - | 4.4 |
| d. Transfers from Excess Stocks | - | 0.1 | - | - | - | 1.7 | - | 1.7 |
| e. Other Grants | - | - | - | - | - | - | - | - |
| III. TOTAL ECONOMIC AND MILITARY ASSISTANCE | 21.8 | 25.6 | 6.9 | 19.4 | 23.6 | 414.9 | 57.0 | 357.9 |
| Loans | 6.7 | 21.0 | 3.5 | 14.7 | 20.0 | 220.0 | 57.0 | 163.0 |
| Grants | 15.1 | 4.6 | 3.4 | 4.7 | 3.6 | 194.9 | - | 194.9 |
| Other U.S. Government Loans and Grants | 30.1 | 10.3 | * | - | - | 139.3 | 103.3 | 36.0 |
| a. Export-Import Bank Loans | 30.1 | 8.9 | * | - | - | 137.9 | 103.1 | 34.8 |
| b. All Other Loans | - | 1.4 | - | - | - | 1.4 | 0.2 | 1.2 |

* LESS THAN \$50,000.

TQ - TRANSITIONAL QUARTER

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

(Thousands of dollars)

| TOTAL | FY 1977 | FY 1978 | FY 1979 | FY 1946-79 |
|----------|---------|---------|---------|------------|
| | 109,000 | 22,483 | 68,234 | 586,586 |
| IBRD | 57,500 | 12,000 | 34,000 | 257,620 |
| IFC | - | 3,800 | 3,000 | 8,273 |
| IDB | 51,000 | 5,367 | 28,966 | 294,710 |
| UNDP | 500 | 1,316 | 1,748 | 21,663 |
| OTHER UN | - | - | 520 | 4,320 |

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

(Millions of dollars)

1. D.A.C. COUNTRIES (Excluding U.S.) (Gross Disbursements)

| Donor | CY 1977 | CY 1978 | CY 1969-78 |
|--------------|---------|---------|------------|
| TOTAL | 0.80 | 1.71 | 8.01 |
| Germany | 0.30 | 0.88 | 3.58 |
| Japan | 0.30 | 0.33 | 2.13 |
| UK | - | 0.15 | 1.25 |
| Other | 0.20 | 0.35 | 1.05 |

2. O.P.E.C. COUNTRIES (Net Disbursements)

| TOTAL | CY 1977 | CY 1978 | CY 1973-78 |
|-------|---------|---------|------------|
| | | | |

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

(Millions of dollars)

| TOTAL | CY 1977 | CY 1978 | CY 1954-78 |
|-------|---------|---------|------------|
| | | | |

PANAMA

| PROGRAM SUMMARY | | | | | | | |
|----------------------------------|---------------|--|---------------------|-----------|---|---------------------------------|----------------|
| <i>(In thousands of dollars)</i> | | | | | | | |
| Fiscal Year | A/ Total | Agriculture, Rural Development and Nutrition | Population Planning | Health | Education and Human Resources Development | Selected Development Activities | Other Programs |
| 1979 | | | | | | | |
| Loans | 16,000 | 16,000 | -- | -- | -- | -- | -- |
| Grants ... | 3,310 | 1,000 | 1,453 | -- | 279 | 578 | -- |
| Total .. | 19,310 | 17,000 | 1,453 | -- | 279 | 578 | -- |
| 1980 | | | | | | | |
| Loans | 4,700 | -- | -- | -- | 4,700 | -- | -- |
| Grants ... | 1,140 | 500 | 40 | -- | -- | 600 | -- |
| Total .. | 5,840 | 500 | 40 | -- | 4,700 | 600 | -- |
| 1981 | | | | | | | |
| Loans | 8,900 | 3,400 | -- | -- | 3,500 | 2,000 | -- |
| Grants ... | 1,040 | -- | 440 | -- | -- | 600 | -- |
| Total .. | 9,940 | 3,400 | 440 | -- | 3,500 | 2,600 | -- |

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The urban poor face increasingly severe problems, with unemployment and underemployment affecting about 35% of the work force. Substandard housing, limited social services and malnutrition also affect most of the urban poor, whose condition is aggravated by the continuing migration of unskilled rural poor to the cities.

Socio Economic Performance

The Government of Panama (GOP) has undertaken major efforts to cope with the problems of the poor, and significant social progress has been registered over the past 10 years: Panama's population growth rate has declined from 3.5% to 2.4%; average life expectancy has increased from 64.9 to 66.5 years (1968-73); the number of educational facilities has increased by 50%; and infant mortality has dropped from 90 to 47 deaths per 1,000 births (1960-76).

Relatively little has been done to remove the causes of poverty, however. For example, the skill level of most Panamanian workers, both rural and urban, remains low with consequent effects on their productivity and income earning potential. The Panamanian economy has been plagued by stagnation in recent years. Modest economic expansion in 1979 is expected to increase real per capita income for the first time in six years. To stimulate the economy and expand public investment, the GOP has been borrowing heavily from abroad. In 1978 it was necessary to allocate almost half of domestic revenues for debt servicing. Rising revenues and a reduction in public borrowing, however, should ease the debt service burden.

New revenues from the Canal are expected to bolster GOP finances, although the exact amounts are uncertain since they are largely tied to the volume of Canal traffic. Moreover, a sizeable portion of these revenues will be needed to finance the development and management of the Canal and other resources obtained under the Treaties, thus adding to the burden on governmental institutions whose financial and human resources already are strained.

U. S. Interests

The principal U.S. interest in Panama is to foster a democratic political structure and socio-economic environment conducive to the successful implementation of the Canal Treaties and the improvement in the living conditions of Panama's rural and urban poor.

Development Overview

The appearance of affluence among some Panamanians, especially those centered along the Canal corridor, contrasts sharply with the poverty prevailing in much of the rest of the country. Nearly 40% of the population lives in poverty, and conditions are actually worsening for many of these people due to higher unemployment and rising prices.

Some of the rural poor have received agricultural, medical and educational services previously unavailable to them. Many continue to survive on extremely low incomes and are malnourished with resulting low productivity.

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Total Resources

In 1978, the international lending agencies extended \$46 million in loans, U.N. programs supplied about \$1.6 million in technical assistance and other countries provided \$2.5 million. In addition to its other programs, the U.S. Government also committed \$25 million for Housing Investment Guarantees.

A.I.D. Strategy

The A.I.D. program is providing increased support to GOP efforts to generate employment opportunities and upgrade the marketable skills of the poor, with the objective of significantly reducing unemployment from the current estimated 25-30%. The A.I.D. program is also helping to upgrade Government and business management capabilities so as to make both sectors more responsive to the country's development needs. Equally important are those efforts that will help reduce deforestation in Panama's major watersheds and expand the use of low cost technologies to satisfy the need for energy and higher productivity among the nation's small farmers.

An important element in this program will be the construction or improvement of nearly 4,000 houses for the low-income population. Other elements include family planning activities to reinforce efforts which have already significantly reduced the birth rate, and PL-480 commodities to combat malnutrition (affecting 1 out of every 6 Panamanians). In these efforts, emphasis will be placed on reaching women and indigenous populations and utilizing the services of private voluntary organizations where possible.

A/ Funds for Project Development and Support as well as Operational Program Grants are not included in this table. They are reflected in the Latin America and Caribbean Regional Program.

| FY 81 PROGRAM HIGHLIGHTS | |
|--------------------------|--|
| - | In rural areas: increase income and create employment opportunities on and off the farm. |
| - | In urban centers: stimulate new private investment, generate employment, upgrade job skills and improve living conditions of the urban poor. |
| - | In government and the private sector: improve management capabilities. |

| PERSONNEL/PARTICIPANTS DATA CP 81-17 (8-79) | | | |
|--|---------------------|------------------------|-----------------------|
| Category | FY 1979 (Actual) | FY 1980 (Estimated) | FY 1981 (Proposed) |
| AID Personnel ^a | | | |
| Direct Hire ^b | 27 | 29 | 30 |
| PASAC ^c | 1 | 3 | 5 |
| Contract | 5 | 7 | 7 |
| Total | 33 | 39 | 42 |
| Participants ^d | | | |
| Noncontract | 35 | 91 | 62 |
| Contract | - | - | - |
| Total | 35 | 91 | 62 |

^aU.S. nationals on duty at the end of the fiscal year.
^bFY 1980 and FY 1981 position levels.
^cParticipating agency technicians.
^dProgrammed during the fiscal year.

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| RESOURCE FLOWS CP 81-08 (8-79) | | | |
|--|---------------------|------------------------|-----------------------|
| <i>(In thousands of dollars)</i> | | | |
| Program | FY 1979 (Actual) | FY 1980 (Estimated) | FY 1981 (Proposed) |
| AID* | | | |
| Loans | 7,179 | 22,457 | 19,387 |
| Grants | 1,442 | 4,767 | 5,553 |
| Total AID | 8,621 | 27,224 | 24,940 |
| P.L. 480** | | | |
| Title I | -- | -- | -- |
| (of which Title III is) | (--) | (--) | (--) |
| Title II | 1,089 | 981 | 1,130 |
| Total P.L. 480 | 1,089 | 981 | 1,130 |
| Total AID and P.L. 480 | 9,687 | 28,205 | 26,070 |
| *AID levels represent actual and estimated expenditures. | | | |
| **P.L. 480 levels represent actual and estimated value of shipments. | | | |

| P.L. 480 PROGRAMS SUMMARY CP 81-14 (8-79) | | | | | | |
|--|---------------------|--------------|------------------------|------------|-----------------------|--------------|
| <i>(In 000MT/\$000)</i> | | | | | | |
| Program | FY 1979 (Actual) | | FY 1980 (Estimated) | | FY 1981 (Proposed) | |
| | MT | \$ | MT | \$ | MT | \$ |
| <i>Title I</i> | | | | | | |
| Wheat | | | | | | |
| Rice | | | | | | |
| Feedgrains | | | | | | |
| Vegoil | | | | | | |
| Non-food | | | | | | |
| Title I Total . . . (of which Title III is) | | - | | - | | - |
| <i>Title II</i> | | | | | | |
| Voluntary Agencies . . . | | 1,072 | | 909 | | 1,015 |
| World Food Programs | | 17 | | 72 | | 115 |
| Gov't.-to-Gov't | | -- | | -- | | -- |
| Title II Total | | 1,089 | | 981 | | 1,130 |
| Total P.L. 480 | | 1,089 | | 981 | | 1,130 |

MISSION DIRECTOR Adelmo Ruiz

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

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| | * L / G | PROJECT NUMBER | FY OF INITIAL FUNDING | -THROUGH FY79- OBLIGATIONS | FY79- EXPENDITURES | -ESTIMATED FY80- OBLIGATIONS | EXPENDITURES | -PROPOSED FY81- OBLIGATIONS | EXPENDITURES | FUTURE YEAR OBLIGATIONS |
|---------------------------------------|---------|----------------|-----------------------|----------------------------|--------------------|------------------------------|--------------|-----------------------------|--------------|-------------------------|
| ----- | | | | | | | | | | |
| AGRICULTURE, RURAL DEV. AND NUTRITION | | | | | | | | | | |
| RURAL COOPERATIVE DEV. | L | 525-0173 | 74 | 8,100 | 7,487 | --- | 613 | --- | --- | --- |
| MUNICIPAL DEVELOPMENT | L | 525-0176 | 75 | 4,000 | 2,962 | --- | 1,038 | --- | --- | --- |
| GRAINS AND PERISHABLES MARKETING | L | 525-0178 | 75 | 6,200 | 1,246 | --- | 2,872 | --- | 2,082 | --- |
| AGRICULTURAL TECHNOLOGY DEVELOPMENT | G | 525-0180 | 79 | 500 | --- | 500 | 149 | --- | 406 | --- |
| AGRICULTURAL TECHNOLOGY DEVELOPMENT | L | 525-0180 | 79 | 5,000 | --- | --- | 696 | --- | 2,265 | --- |
| GROWTH AND SERVICE CENTERS DEV (URB) | L | 525-0185 | 78 | 10,000 | 40 | --- | 3,491 | --- | 2,302 | --- |
| INTEGRATED RURAL DEV. TONOSI | L | 525-0186 | 77 | 9,700 | 124 | --- | 442 | --- | 2,000 | --- |
| WATERSHED MANAGEMENT | L | 525-0191 | 79 | 10,000 | 651 | --- | 4,250 | --- | 3,000 | --- |
| ACCESS ROADS | L | 525-0192 | 78 | 10,000 | 378 | --- | 2,273 | --- | 3,513 | --- |
| GUAYMI DEVELOPMENT | G | 525-0200 | 79 | 500 | 24 | --- | 141 | --- | 232 | --- |
| RURAL COOPERATIVE ENTERPRISES | * L | 525-0222 | 81 | --- | --- | --- | --- | 3,400 | 300 | --- |
| TOTAL FOR ACCOUNT | | | | 65,000 | 12,912 | 500 | 15,965 | 3,400 | 16,100 | |
| GRANTS | | | | 1,000 | 24 | 500 | 290 | --- | 638 | |
| LOANS | | | | 64,000 | 12,888 | --- | 15,675 | 3,400 | 15,462 | |
| POPULATION PLANNING | | | | | | | | | | |
| POPULATION II | * G | 525-0204 | 79 | 1,453 | 23 | 40 | 602 | 440 | 427 | 1,317 |
| TOTAL FOR ACCOUNT | | | | 1,453 | 23 | 40 | 602 | 440 | 427 | |
| GRANTS | | | | 1,453 | 23 | 40 | 602 | 440 | 427 | |
| LOANS | | | | --- | --- | --- | --- | --- | --- | |
| HEALTH | | | | | | | | | | |
| RURAL HEALTH DELIVERY SYSTEM | G | 525-0181 | 76 | 9,500 | 2,955 | --- | 3,016 | --- | 3,529 | --- |
| TOTAL FOR ACCOUNT | | | | 9,500 | 2,955 | --- | 3,016 | --- | 3,529 | |
| GRANTS | | | | 9,500 | 2,955 | --- | 3,016 | --- | 3,529 | |
| LOANS | | | | --- | --- | --- | --- | --- | --- | |
| EDUCATION AND HUMAN RESOURCES | | | | | | | | | | |
| TRAINING FOR DEV. | G | 525-0164 | 73 | 1,823 | 1,439 | --- | 347 | --- | 37 | --- |
| EDUCATION SECTOR II | L | 525-0179 | 76 | 13,500 | 5,693 | --- | 6,482 | --- | 1,325 | --- |
| DEVELOPMENT PLANNING AND MANAGEMENT | * L | 525-0209 | 81 | --- | --- | --- | --- | 3,500 | 300 | --- |
| WORKFORCE DEVELOPMENT | L | 525-0214 | 80 | --- | --- | 4,700 | 300 | --- | 1,800 | --- |

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

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PROGRAM: PANAMA

| | * L / G | PROJECT NUMBER | FY OF INITIAL FUNDING | -THROUGH FY79- OBLIG ATIONS | FY79- EXPENDI TURES | -ESTIMATED FY80- OBLIG ATIONS | EXPENDI TURES | -PROPOSED FY81- OBLIG ATIONS | EXPENDI TURES | FUTURE YEAR OBLIG ATIONS |
|---------------------------------|---------|----------------|-----------------------|-----------------------------|---------------------|-------------------------------|---------------|------------------------------|---------------|--------------------------|
| TOTAL FOR ACCOUNT | | | | 15,323 | 7,132 | 4,700 | 7,129 | 3,500 | 3,462 | |
| GRANTS | | | | 1,823 | 1,439 | --- | 347 | --- | 37 | |
| LOANS | | | | 13,500 | 5,693 | 4,700 | 6,782 | 3,500 | 3,425 | |
| SELECTED DEVELOPMENT ACTIVITIES | | | | | | | | | | |
| SPECIAL DEVELOPMENT ACT | * G | 525-0101 | 64 | 674 | 599 | 75 | 106 | 100 | 90 | --- |
| ALTERNATIVE ENERGY SOURCES | G | 525-0207 | 79 | 500 | --- | 325 | 281 | --- | 457 | --- |
| ALTERNATIVE ENERGY SOURCES II | * L | 525-0215 | 81 | --- | --- | --- | --- | 2,000 | 500 | --- |
| ENVIRONMENTAL MANAGEMENT | G | 525-0217 | 80 | --- | --- | 200 | 125 | --- | 75 | --- |
| EMPLOYMENT INSTITUTE | * G | 525-0223 | 81 | --- | --- | --- | --- | 500 | 300 | 500 |
| TOTAL FOR ACCOUNT | | | | 1,174 | 599 | 600 | 512 | 2,600 | 1,422 | |
| GRANTS | | | | 1,174 | 599 | 600 | 512 | 600 | 922 | |
| LOANS | | | | --- | --- | --- | --- | 2,000 | 500 | |
| TOTAL FOR COUNTRY | | | | 92,450 | 23,621 | 5,840 | 27,224 | 9,940 | 24,940 | |
| GRANTS | | | | 14,950 | 5,040 | 1,140 | 4,767 | 1,040 | 5,553 | |
| LOANS | | | | 77,500 | 18,581 | 4,700 | 22,457 | 8,900 | 19,387 | |

| | | | | | | |
|---|--|--|--|---|----------------------------------|--|
| TITLE Rural Cooperative Enterprises | | FUNDS Agriculture, Rural Development and Nutrition | | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 525-0222 | | NEW <input checked="" type="checkbox"/> | | FY 81 | 3,400 | LIFE OF PROJECT 3,400 |
| GRANT <input type="checkbox"/> LOAN <input checked="" type="checkbox"/> | | CONTINUING <input type="checkbox"/> | | INITIAL OBLIGATION FY 81 | ESTIMATED FINAL OBLIGATION FY 81 | ESTIMATED COMPLETION DATE OF PROJECT FY 85 |
| | | PRIOR REFERENCE None | | | | |

Purpose: To strengthen and expand the institutional capacity of the agricultural cooperative movement, and to provide additional resources for production credit and for the development of agro-industrial enterprises.

Background: From 1975 to 1979, A.I.D. assisted the Panamanian cooperative movement to improve its technical, managerial and extension capabilities. A.I.D. also provided the movement with credit, equipment, and infrastructure and working capital. As a result of this assistance, the cooperative movement has experienced major expansions in membership, efficiency and the volume of its services. To further reduce costs and to provide a broader range of services to its membership, the Agriculture Cooperative Federation is expanding its operations to include selected agro-industrial enterprises. This expansion includes: fertilizer, pesticide and herbicide blending facilities; feed mill operations; storage and drying facilities; and processing facilities for selected export crops. This proposed project will assist the Agriculture Cooperative Federation in (1) further improving its institutional capacity, (2) expanding its line of production credit, and (3) decreasing the cost of agricultural inputs through direct participation in selected agro-industrial enterprises.

Host Country and Other Donors: The Government of Panama will support this project by providing an estimated \$2.7 million (or 45% of total project costs) to conduct training, finance support activities and improve project administration.

Beneficiaries: The project will directly assist some 7,500 small and medium-size producers who are members of the agriculture cooperative movement and an estimated 37,500 to 45,000 individuals from the cooperative members' families. The A.I.D. project cost is estimated at \$310 per family, or \$113 per year over the life of the project.

FY 81 Program: Three advisors will be hired; 20 technicians will start training; a production credit fund will be established; feasibility studies for agro-industrial enterprises will be initiated; and the eligibility criteria for subgranting will be established.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---|----------------|--------|
| | All Years | |
| | Unit | Cost |
| Professional staff trained | 90 | (4.44) |
| Agro-industrial activities initiated | 3 | (333) |
| Institutional development activities undertaken | 10 | (50) |
| Production credit loans made | 3,000 | (0.30) |

| A.I.D. Financed Inputs: | FY 81 |
|--|--------------|
| Technical assistance (8 person years long-term; 2 person years short-term) | 400 |
| Staff development | 500 |
| Construction | 1,250 |
| Production credit | 1,250 |
| TOTAL | 3,400 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | Panama Ministry of Agriculture. |
| Estimated Fiscal Year 1980 | - | - | - | |
| Estimated through September 30, 1980 | - | - | - | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 3,400 | - | 3,400 | |

ACTIVITY DATA SHEET

| | | | | | |
|---|---|---|---|-------------------------------------|--|
| TITLE Population II | | FUNDS Population Planning | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 525-0204 | | PRIOR REFERENCE FY 80 Latin America Programs, p. 218 | FY 81 440 | LIFE OF PROJECT 3,250 | |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/> | | INITIAL OBLIGATION FY 79 | ESTIMATED FINAL OBLIGATION FY 84 | ESTIMATED COMPLETION DATE OF PROJECT FY 84 |

Purpose: To expand the delivery of family planning information and services to a higher proportion of the fertile age population.

Background and Progress to Date: The population growth rate in Panama has declined from 3.2% in 1967 to 2.5% in 1977. An earlier A.I.D. project has been credited with contributing to this decline. During implementation of that project, additional problems were identified which must be solved if Panama's impressive performance in slowing the population growth rate is to continue. This current Population II project is assisting the Government of Panama (GOP) to further reduce the birth rate. Efforts are underway to reinforce and expand contraceptive use by improving the availability of family planning information and services to adolescents, rural women and men who have had only limited access to those services in the past. Programs are being developed to enable private and public sector organizations to support sex education and the commercial retail sale of contraceptives.

Host Country and Other Donors: The GOP's contribution totals \$5 million (or 61% of total project costs). A \$3.6 million portion is for the delivery of family planning services in over 300 health facilities, and the remaining \$1.4 million is for sex education. Other funds for commodities and technical assistance will be made available through a number of international and private organizations. The UN Fund for Population Activities is also providing \$2.4 million for the Ministry of Health's integrated maternal child health/family planning program.

Beneficiaries: An estimated 100,000 men and women will benefit directly from family planning services provided under this project at an estimated A.I.D. cost of \$4.40 per family in FY 1981 and \$4 per family over the life of the project. An additional 200,000 men, women and secondary students will benefit from the information and education component, at an estimated A.I.D. cost of \$2 per person.

FY 81 Program: The family planning services of the Ministry of Health will be strengthened by providing equipment, commodities and training. In addition, the program will assist the Ministry of Education to furnish sex education training to secondary school teachers and counselors, to conduct special studies and pilot projects in sex education and family planning for adolescents, and to initiate projects in demography and family planning education.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---|----------------|-----------|
| | Unit | Cost |
| Family planning services provided through all GOP health facilities | 300 | (1,285) |
| Sex education included in secondary school curriculum | X | (1,000) |
| Family planning information available to adolescents | X | (1,000) |
| Personnel trained in demography and family planning | 4,500 | (0.08) |
| Sex education trainees prepared and working | 3,300 | (0.09) |
| <u>A.I.D. Financed Inputs:</u> | | |
| Family planning commodities | | 20 |
| Training | | 120 |
| Information materials development | | 120 |
| Clinical equipment | | 80 |
| Family planning studies | | 80 |
| Other costs | | <u>20</u> |
| TOTAL | | 440 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|--|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 1,453 | 23 | 1,430 | GOP Ministry of Health, Ministry of Education, Ministry of Labor and Social Welfare. |
| Estimated Fiscal Year 1980 | 40 | 602 | | |
| Estimated through September 30, 1980 | 1,453 | 625 | 868 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 440 | 1,317 | 3,250 | |

| | | | | | |
|--|--|---|--|-------------------------|-------------------------------------|
| TITLE Development Planning and Management | | FUNDS Education and Human Resources | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 525-0209 | | | FY 81 | 3,500 | LIFE OF PROJECT 3,500 |
| GRANT <input type="checkbox"/> | LOAN <input checked="" type="checkbox"/> | NEW <input checked="" type="checkbox"/> | CONTINUING <input type="checkbox"/> | PRIOR REFERENCE None | ESTIMATED FINAL OBLIGATION FY 81 |
| | | | ESTIMATED COMPLETION DATE OF PROJECT FY 84 | | |

Purpose: To strengthen the capacity of public sector institutions (1) to plan and implement priority development programs and (2) to improve the delivery of public services to the urban and rural poor.

Background: Panama faces a severe challenge to its already over-taxed public institutions because of its lack of economic growth over the last five years and its concurrent expansion of social service programs. This project -- with its goal of identifying and providing solutions for managerial weaknesses -- will: develop a rational administrative structure adapted to current conditions; introduce modern management techniques at all managerial levels; develop an expanded and growing cadre of middle-level planners and administrators; and improve the gathering and analyzing of information required for policy determination, planning and programming.

Host Country and Other Donors: The Government of Panama (GOP) will support this project by providing an estimated \$1.2 million (or 26% of the total project cost) for in-country training and project administration.

Beneficiaries: The direct beneficiaries will be those public sector institutions with responsibilities for planning and administering programs with a major impact on the quality of life of the total population. A strengthened public sector management capacity resulting from this project should lead ultimately to an improvement in the quality of life for the urban and rural poor. Individual A.I.D. family costs cannot be estimated for this type of institution-building project.

FY 81 Project: Studies will be conducted to identify major managerial strengths and weaknesses and to recommend actions required to strengthen the managerial process; specific institutional

restructuring plans and management training programs will be developed; activities will be designed for the better utilization of public sector personnel; participants will begin training in the areas identified during the project design stage; development planning and management workshops will be initiated.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---|----------------|--------------|
| | Unit | Cost |
| Management studies and analyses | 8 | (30) |
| Surveys and evaluation of the impact of institutional reforms on the poor | 15 | (30) |
| A public sector personnel planning, training, and utilization system | 1 | (150) |
| GOP personnel training (U.S. and other countries) | 70 | (10) |
| GOP personnel trained in country | 500 | (0.83) |
| A materials collection, preparation and dissemination system | 1 | (150) |
| A.I.D. Financed Inputs: | FY 81 | |
| In-country and exterior training | | 1,200 |
| Material development | | 300 |
| Equipment | | 500 |
| Evaluation/studies | | 700 |
| Technical assistance | | 800 |
| TOTAL | | 3,500 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--------------------------------|-----------------------------|---|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | GOP Ministry of Planning and Economic Policy. |
| Estimated Fiscal Year 1980 | - | - | - | |
| Estimated through September 30, 1980 | - | - | - | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 3,500 | | 3,500 | |

PROGRAM: PANAMA

ACTIVITY DATA SHEET

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| | | | | | | |
|---|--|--|-----------------------------|--|--|--------------------------------|
| TITLE Special Development Activities | | FUNDS Selected Development Activities | | PROPOSED OBLIGATION (In thousands of dollars) FY 81 100 | | LIFE OF PROJECT Continuing* |
| NUMBER 525-0101 | NEW <input type="checkbox"/> | PRIOR REFERENCE | INITIAL OBLIGATION FY 64 | ESTIMATED FINAL OBLIGATION FY Continuing* | ESTIMATED COMPLETION DATE OF PROJECT FY Continuing* | |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | FY 80 Latin America Programs, p. 222 | | | | |

Purpose: To foster civic responsibility, greater self-reliance, and community action among Panama's poor majority by supporting small-scale, self-help community development projects.

Background and Progress to Date: This project is a direct means of making A.I.D. assistance available to local communities. The requesting community group normally plans, organizes and carries out its program to the extent possible utilizing its own labor and local resources. Host country ministries and agencies often provide technical assistance. A.I.D. usually covers less than 50% of the total project cost, and its funds serve as a catalyst to attract other funding. Numerous self-help projects have been supported by A.I.D. contributions under this project. These include rural school construction, sanitation facilities, vocational training centers, health centers, agricultural cooperatives, small bridge and dock construction, rural libraries and community centers. Historically, an average of 20 projects are approved per year reaching an estimated 10,000 recipients and attracting approximately \$175,000 in complementary local support.

Host Country and Other Donors: Participating community residents design and implement projects with their own resources, including labor and local funds. Various Panamanian Government and private sector organizations provide technical advice, organizational support and other resources.

Beneficiaries: All project activities are directed to the poor, mostly in rural areas. The average subproject involves about 75 families and costs \$2,500. This translates into an A.I.D. cost-per-family of approximately \$33.

FY 81 Program: A.I.D. will continue to support small self-help projects. U.S. Government excess property is often provided to the projects.

| | |
|--------------------------------|----------------------|
| <u>Major Outputs:</u> | <u>Through FY 81</u> |
| Self-help projects | 360 |
| | (\$ thousands) |
| <u>A.I.D. Financed Inputs:</u> | <u>FY 81</u> |
| Construction materials | 50 |
| Equipment | 30 |
| Miscellaneous | <u>20</u> |
| TOTAL | 100 |

*It is expected that activities under this project will continue as long as A.I.D. maintains an assistance program in Panama.

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--------------------------------|-----------------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 674 | 599 | 75 | None. |
| Estimated Fiscal Year 1980 | 75 | 106 | | |
| Estimated through September 30, 1980 | 749 | 705 | 44 | |
| | | <u>Future Year Obligations</u> | <u>Estimated Total Cost</u> | |
| Proposed Fiscal Year 1981 | 100 | Continuing* | Continuing* | |

| | | | | | |
|---|---|--|---|-------------------------------------|---|
| TITLE Alternative Energy Sources II | | FUNDS Selected Development Activities | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 525-0215 | | PRIOR REFERENCE None | FY 81 2,000 | LIFE OF PROJECT 2,000 | |
| GRANT <input type="checkbox"/> LOAN <input checked="" type="checkbox"/> | NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/> | | INITIAL OBLIGATION FY 81 | ESTIMATED FINAL OBLIGATION FY 81 | ESTIMATED COMPLETION DATE OF PROJECT FY 85 |

Purpose: To provide energy to marginal and isolated areas of Panama.

Background: Panama has an extensive national electric power grid. However, electrical energy from the grid is not being supplied to the more isolated areas of the country. Many communities in such areas produce their own electricity from small diesel generators, but the initial cost and subsequent operation of these generators is high. The Government of Panama (GOP) is attempting to develop low-cost sources of energy for those communities. A.I.D. is assisting the government through a current grant project to test a number of alternative energy technologies, carry out feasibility studies on other technologies, and prepare a master plan for alternative energy sources which will identify specific energy development pilot projects. The funds under this proposed project will be used to implement these specific pilot projects and to continue other activities (e.g., feasibility studies) needed to ensure continued development of alternative energy sources in Panama.

Host Country and Other Donors: The GOP will support this project by providing about \$1.2 million (or 38% of the total project cost). Other donors (e.g., The UN Development Program and the Organization of American States) may provide technical assistance.

Beneficiaries: The beneficiaries will be a large number of rural families who until now have not received reasonably priced electric energy for work and home uses. The A.I.D. cost to each family benefited is expected to be less than \$250. If amortized on a 20 year basis, this cost for each family would be about \$2.40 per month.

FY 81 Programs: Sign loan agreement; initiate major procurement actions.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---|----------------|------------|
| | Unit | Cost |
| Master Plan for alternative energy sources updated | X | (100) |
| Micro-hydroelectric systems constructed | 20 | (50) |
| Agricultural waste utilization sources developed | 10 | (67.5) |
| GOP technicians trained | 6 | (5) |
| GOP personnel trained | 15 | (3) |
| Applications of alternative energy sources | 5 | (40) |
| <u>A.I.D. Financed Inputs:</u> | | |
| | <u>FY 81</u> | |
| Micro-hydroelectric equipment/technical assistance | | 1,000 |
| Bio-mass waste utilization equipment/technical assistance | | 600 |
| In-country and external training | | 100 |
| Other technical assistance (e.g., additional feasibility studies) | | <u>300</u> |
| TOTAL | | 2,000 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|---|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | GOP Institute for Hydraulic and Electric Resources. |
| Estimated Fiscal Year 1980 | - | - | - | |
| Estimated through September 30, 1980 | - | - | - | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 2,000 | - | 2,000 | |

PROGRAM: PANAMA

ACTIVITY DATA SHEET

CP 81-05 (8-79)

| | | | | | |
|---|-------------------------------|--|---|-------------------------------------|--|
| TITLE Employment Institute | | FUNDS Selected Development Activities | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 525-0223 | | PRIOR REFERENCE | FY 81 500 | LIFE OF PROJECT 1,000 | |
| GRANT <input checked="" type="checkbox"/> | LOAN <input type="checkbox"/> | None | INITIAL OBLIGATION FY 81 | ESTIMATED FINAL OBLIGATION FY 82 | ESTIMATED COMPLETION DATE OF PROJECT FY 84 |
| NEW <input checked="" type="checkbox"/> | | | | | |
| CONTINUING <input type="checkbox"/> | | | | | |

Purpose: To establish an institution which will promote employment and investment, initiate pilot projects, and provide technical assistance to resolve employment and investment problems.

Background: For at least the last decade, Panama has suffered from relatively high levels of unemployment and an inequitable distribution of income. Unemployment during the early 1970's, when the economy was thriving, was between 7% and 10% of the labor force. Since 1974, Panama's growth has stopped, with a resultant increase in unemployment which is estimated by various sources as between 25% and 35% of the labor force. This proposed project will establish an investment and employment institute which will: (1) identify and analyze existing and potential private investment opportunities, (2) promote new investment, (3) orient private and public investment toward labor-intensive production methods, and (4) assist marginal groups which may not be reached through normal labor market programs. The Employment Institute will conduct research, disseminate information, and serve as a coordinating mechanism between various government agencies and the private sector.

Host Country and Other Donors: The Government of Panama (GOP) is expected to provide at least \$500,000 (or 33%) of the total project costs. No other donors are expected to be engaged in this activity.

Beneficiaries: Beneficiaries will be the unemployed and the marginally employed poor, particularly those residing in urban areas. Individual family costs, which ultimately depend on the number of wage earners reached, cannot be estimated at this time.

FY 81 Program: The Employment Institute will be established and staffed. Analyses will be initiated to assist the GOP to identify major areas for employment and investment activities.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---|----------------|--------|
| | Unit | Costs |
| Employment Institute established | 1 | (200) |
| Major studies and analyses conducted | 22 | (9.1) |
| New labor-intensive enterprises established | 18 | (22.2) |
| Investment incentives established | 4 | (12.5) |

| A.I.D. Financed Inputs: | FY 81 |
|------------------------------|------------|
| Technical assistance | 100 |
| Staff training | 50 |
| Evaluations/studies/analyses | 250 |
| Promotional activities | 50 |
| Operating expenses | 50 |
| TOTAL | 500 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--------------------------------|-----------------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | To be selected. |
| Estimated Fiscal Year 1980 | - | - | - | |
| Estimated through September 30, 1980 | - | - | - | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 500 | 500 | 1,000 | |

ECONOMIC AND SOCIAL DATA

COUNTRY: PARAGUAY

BASIC DATA

TOTAL POPULATION.. (THOUSANDS, MID 1979) 2,973
 PER CAPITA GNP..... (DOLLARS, 1977) 730
 AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-77) 2.4%
 AVERAGE ANNUAL RATE OF INFLATION (1960-70) 3.0% (1970-77) 12.8%
 NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. (1970) 4.0%
 LIFE EXPECTANCY AT BIRTH, IN YEARS
 (1973) TOTAL 61.9 MALE 60.3 FEMALE 63.6
 (1968) TOTAL 60.1 MALE 58.6 FEMALE 61.7
 ADULT LITERACY RATE (1972) TOTAL 80% MALE 85% FEMALE 76%
 (1962) TOTAL 75% MALE 81% FEMALE 69%

AGRICULTURE

AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
 (1970-1978) 3.9%
 AGRICULTURAL PRODUCTION AS % OF GDP..... (1976) 35%
 POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1979) 48
 LAND OWNED: BY TOP 10% N.A. BY LOWEST 10% N.A.
 MAJOR CROP(S) ARABLE LAND YEAR
 SUBSISTENCE: CORN CASSAVA 33% (1977)
 CASH: SOYBEANS COTTON SUGAR 38% (1978)
 MAJOR AGRICULTURAL EXPORTS:(1978) SOYBEANS COTTON
 MAJOR AGRICULTURAL IMPORTS:(1978) WHEAT DAIRY PRODUCTS
 PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1977) 51%

CENTRAL GOVERNMENT FINANCES

TOTAL DOMESTIC REVENUES (\$ MILLIONS, U.S.)
 (1975) 142 (76) 153 (77) 211
 TOTAL EXPENDITURES (\$ MILLIONS, U.S.)
 (1975) 151 (76) 183 (77) 205
 DEFICIT(-) OR SURPLUS (\$ MILLIONS, U.S.)
 (1975) -9 (76) -30 (77) 6
 DEFENSE EXPENDITURES,
 AS % OF TOTAL EXPENDITURES.. (1975) 14.8% (76) 13.3% (77) 14.2%
 AS % OF GNP..... (1975) 1.5% (76) 1.5% (77) 1.4%
 OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
 (\$ MILLIONS, U.S.) (1976) 158 (77) 268 (78) 466
 EQUIVALENT TO 15.0 MONTHS OF IMPORTS (1978)

FOREIGN TRADE

MAJOR EXPORTS... (1978) COTTON SOYBEANS MEAT
 EXPORTS TO U.S.
 (\$ MILLIONS, US, FOB) (1976) 22 (1977) 40 (1978) 18
 AS % OF TOTAL EXPORTS (1976) 12% (1977) 15% (1978) 7%
 MAJOR IMPORTS... (1978) FUELS MACHINERY MOTOR VEHICL
 IMPORTS FROM U.S.
 (\$ MILLIONS, US, CIF) (1976) 20 (1977) 34 (1978) 31
 AS % OF TOTAL IMPORTS (1976) 9% (1977) 11% (1978) 8%
 TRADE BALANCE(\$ MILLIONS, US)(1976) -41 (77) -28 (78) -131
 MAIN TRADING PARTNERS: ARGENTINA BRAZIL UNITED STATES
 EXTERNAL PUBLIC DEBT AS % OF GNP (1977) 15.4%
 SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
 (\$ MILLIONS, U.S.)..... (1977) 26
 AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1977) 6.3%

SOCIAL DATA

POPULATION GROWTH RATE.....(1968-78) 2.9%
 POPULATION IN URBAN AREAS..... (1962) 36% (1975) 40%
 TOTAL BIRTHS PER 1,000 POPULATION..... (1977) 39
 MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION... (1978) 27%
 POPULATION (1975) IN AGE GROUP:
 (0-14YRS) 45.1% (15-60YRS) 49.1% (60+ YRS) 6.1%
 INFANT DEATHS DURING FIRST YEAR OF LIFE / 1000 INFANTS (1970) 64
 PEOPLE PER PHYSICIAN..... (1975) 1,188
 MAJOR CAUSES OF
 DISEASE (1975) ANCYLOSTOMIASIS FLU & PNEUMONIA TUBERCULO
 DEATH.. (1976) ILL-DEFINED CAUS ENTERIC DISEASE
 PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.... (1974) 118%
 POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975) 13%
 TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:
 PRIMARY... (AGES 5-14)(1975) TOTAL 61.2% MALE 63.7% FEMALE 58.7%
 SECONDARY..... (15-19)(1975) TOTAL 25.7% MALE 26.1% FEMALE 25.2%
 POST SECONDARY (20-24) TOTAL N.A. MALE N.A. FEMALE N.A.
 ENERGY PRODUCTION AS % OF CONSUMPTION..... (1976) 15%

U.S. OVERSEAS LOANS AND GRANTS - OBLIGATIONS AND LOAN AUTHORIZATIONS
(U.S. Fiscal Years - Millions of Dollars)

| COUNTRY | FOREIGN ASSISTANCE ACT PERIOD | | | | | TOTAL LOANS AND GRANTS 1946-78 | REPAY- MENTS AND INTEREST 1946-78 | TOTAL LESS REPAY- MENTS AND INTEREST 1946-78 |
|--|-------------------------------|------|------|-----|------|---|--|--|
| | PARAGUAY | | | | | | | |
| | PROGRAM | 1975 | 1976 | TQ | 1977 | | | |
| I. ECONOMIC ASSISTANCE - TOTAL | 8.0 | 5.5 | 1.3 | 3.2 | 3.5 | 167.7 | 39.8 | 127.9 |
| Loans | 4.7 | 2.5 | - | - | - | 84.6 | 39.8 | 44.2 |
| Grants | 3.3 | 3.0 | 1.3 | 3.2 | 3.5 | 83.7 | - | 83.7 |
| a. A.I.D. and Predecessor Agencies | 6.7 | 4.4 | 1.1 | 1.7 | 1.8 | 110.4 | 23.0 | 87.4 |
| Loans | 4.7 | 2.5 | - | - | - | 57.2 | 23.0 | 34.2 |
| Grants | 2.0 | 1.9 | 1.1 | 1.7 | 1.8 | 53.2 | - | 53.2 |
| (Security Supporting Assistance) | - | - | - | - | - | - | - | - |
| b. Food for Peace (PL 480) | 0.4 | 0.1 | - | 0.2 | 0.3 | 37.9 | 12.0 | 25.9 |
| Loans | - | - | - | - | - | 19.0 | 12.0 | 7.0 |
| Grants | 0.4 | 0.1 | - | 0.2 | 0.3 | 18.9 | - | 18.9 |
| Title I - Total Sales Agreements | - | - | - | - | - | 22.3 | 12.0 | 10.3 |
| Repayable in U.S. Dollars - Loans | - | - | - | - | - | 10.8 | 5.9 | 4.9 |
| Payable in Foreign Currency - Planned for Country Use | - | - | - | - | - | 11.5 | 6.1 | 5.4 |
| Title II - Total Grants | 0.4 | 0.1 | - | 0.2 | 0.3 | 15.6 | - | 15.6 |
| Emerg. Relief, Econ. Develop. & World Food Program | 0.4 | 0.1 | - | 0.2 | 0.3 | 2.9 | - | 2.9 |
| Voluntary Relief Agencies | - | - | - | - | - | 12.7 | - | 12.7 |
| c. Other Economic Assistance | 0.9 | 1.0 | 0.2 | 1.3 | 1.4 | 19.4 | 4.8 | 14.6 |
| Loans | - | - | - | - | - | 7.8 | 4.8 | 3.0 |
| Grants | 0.9 | 1.0 | 0.2 | 1.3 | 1.4 | 11.6 | - | 11.6 |
| Peace Corps | 0.7 | 0.8 | 0.2 | 0.8 | 1.1 | 7.0 | - | 7.0 |
| Other | 0.2 | 0.2 | * | 0.5 | 0.3 | 4.6 | - | 4.6 |
| II. MILITARY ASSISTANCE - TOTAL | 1.1 | 2.6 | 0.9 | 0.7 | 0.6 | 30.3 | 0.4 | 29.9 |
| Credits or Loans | - | 0.4 | - | - | - | 0.7 | 0.4 | 0.3 |
| Grants | 1.1 | 2.2 | 0.9 | 0.7 | 0.6 | 29.6 | - | 29.6 |
| a. MAP Grants | 0.7 | 0.5 | 0.2 | 0.3 | * | 9.5 | - | 9.5 |
| b. Credit Financing - FMS | - | 0.4 | - | - | - | 0.7 | 0.4 | 0.3 |
| c. Military Assistance Service-Funded (MASF) Grants | 0.3 | 0.6 | - | 0.4 | 0.6 | 6.7 | - | 6.7 |
| d. Transfers from Excess Stocks | 0.1 | 1.1 | 0.7 | * | - | 11.2 | - | 11.2 |
| e. Other Grants | - | - | - | - | - | 2.2 | - | 2.2 |
| III. TOTAL ECONOMIC AND MILITARY ASSISTANCE | 9.1 | 8.1 | 2.2 | 3.9 | 4.1 | 198.0 | 40.2 | 157.8 |
| Loans | 4.7 | 2.9 | - | - | - | 84.7 | 40.2 | 44.5 |
| Grants | 4.4 | 5.2 | 2.2 | 3.9 | 4.1 | 113.3 | - | 113.3 |
| Other U.S. Government Loans and Grants | - | - | - | - | - | 12.9 | 16.7 | 3.8- |
| a. Export-Import Bank Loans | - | - | - | - | - | 12.9 | 16.7 | 3.8- |
| b. All Other Loans | - | - | - | - | - | - | - | - |

* LESS THAN \$50,000.

TQ - TRANSITIONAL QUARTER

ECONOMIC PROGRAMS OF OTHER DONORS

| A. ASSISTANCE FROM INTERNATIONAL AGENCIES - COMMITMENTS | | | | |
|---|---------|---------|------------|------------|
| <i>(Thousands of dollars)</i> | | | | |
| TOTAL | FY 1977 | FY 1978 | FY 1979 | FY 1946-79 |
| TOTAL | 56,700 | 104,645 | 97,221 | 555,541 |
| IBRD | 40,000 | 39,000 | 64,000 | 193,300 |
| IFC | - | - | - | 5,400 |
| IDB | 11,600 | 64,173 | 31,182 | 284,796 |
| UNDP | 700 | 1,362 | 1,439 | 20,745 |
| OTHER UN | 400 | 110 | 600 | 5,810 |
| IDA | 4,000 | - | - | 45,490 |
| B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE | | | | |
| <i>(Millions of dollars)</i> | | | | |
| 1. D.A.C. COUNTRIES (Excluding U.S.) (Gross Disbursements) | | | | |
| Donor | CY 1977 | CY 1978 | CY 1969-78 | |
| TOTAL | 21.10 | 19.68 | 91.38 | |
| Germany | 5.00 | 5.05 | 44.15 | |
| Japan | 14.70 | 12.78 | 36.88 | |
| Switzerland | 0.50 | 0.73 | 4.83 | |
| Other | 0.90 | 1.12 | 5.52 | |
| 2. O.P.E.C. COUNTRIES (Net Disbursements) | | | | |
| TOTAL | CY 1977 | CY 1978 | CY 1973-78 | |
| TOTAL | - | - | - | |
| C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES | | | | |
| <i>(Millions of dollars)</i> | | | | |
| TOTAL | CY 1977 | CY 1978 | CY 1954-78 | |
| TOTAL | - | - | - | |

PARAGUAY

| PROGRAM SUMMARY | | | | | | | |
|---------------------------|-------------|--|---------------------|--------|---|---------------------------------|----------------|
| (In thousands of dollars) | | | | | | | |
| Fiscal Year. | A/ Total | Agriculture, Rural Development and Nutrition | Population Planning | Health | Education and Human Resources Development | Selected Development Activities | Other Programs |
| 1979 | | | | | | | |
| Loans | 5,000 | 5,000 | -- | -- | -- | -- | -- |
| Grants . . . | 1,647 | 1,076 | 82 | -- | 344 | 145 | B/ (75) |
| Total .. | 6,647 | 6,076 | 82 | -- | 344 | 145 | (75) |
| 1980 | | | | | | | |
| Loans | -- | -- | -- | -- | -- | -- | -- |
| Grants . . . | 1,013 | 575 | -- | -- | 313 | 125 | -- |
| Total .. | 1,013 | 575 | -- | -- | 313 | 125 | -- |
| 1981 | | | | | | | |
| Loans | -- | -- | -- | -- | -- | -- | -- |
| Grants . . . | 1,139 | 884 | -- | -- | 205 | 50 | -- |
| Total .. | 1,139 | 884 | -- | -- | 205 | 50 | -- |

CP 81-13 (8-79)

presents an opportunity for the Paraguayan Government to respond to the economic and social needs of the poor, who are concentrated in rural areas.

Rural poverty in Paraguay is associated with:

- Static agricultural technologies in the minifundia areas.
- Uncertain land rights of small farmers partly due to a lack of a national land registration system.
- Inadequate transportation and communication.
- Insufficient educational opportunities.
- Inadequate health and family planning services.

Socio-Economic Performance

In the past decade, the Paraguayan economy has performed very well in aggregate terms. The gross domestic product grew at an average rate of 6.6% from 1970 to 1975. It reached 7.5% in 1976 and rose to 11.8% in 1977 and 10% in 1978. Between 1970 and 1978, the rate of inflation of consumer prices was moderate, averaging 9.2% annually. However, indications are that the rate for 1979 may reach 25%. International reserves have increased rapidly from \$158 million in 1976 to \$466 million in 1978.

U. S. Interests

U.S. interests in Paraguay include maintaining long-established ties of friendship with the Paraguayan people, persuading the government to respect human rights, and promoting the formation of a socio-economic base upon which an open democratic system can evolve. The prime economic and commercial interests involve U.S. sales for regional hydroelectric projects and developing industries as well as U.S. private foreign investment in Paraguayan industries. A.I.D. focuses on direct assistance to the rural poor and encourages the Paraguayan Government and private institutions to develop programs which meet this objective.

Development Overview

The Paraguayan economy is experiencing an unprecedented boom generated by massive investment in hydroelectric power development and by favorable conditions in world markets for Paraguay's agricultural exports. This rapid growth

Despite impressive growth in macro terms, serious inequities in the distribution of income remain. Fortunately, there is increasing public awareness of the need to address the problems of the poor. The national government budget for 1980 proposes significantly larger allocations for agriculture (up 55%), education (up 32%) and health (up 60%). With A.I.D. assistance, land ownership records have been improved and collection of land taxes (which are higher for larger holdings) have increased. A.I.D. was instrumental in achieving an increased tax allocation for municipal governments. A vigorous colonization program has resettled over 120,000 farm families on new land. In support of an A.I.D. project, the Ministry of Agriculture has committed the government to a significant permanent increase in the budget for agriculture extension services through decentralized regional service centers.

PARAGUAY

Total Resources

In 1978, commitments by external donor nations to Paraguay totalled \$23.5 million in grants and nearly \$115 million in concessional loans. Several major donors are active: the World Bank which provided \$39 million, the Inter-American Development Bank which lent \$74.3 million, and the United Nations Development Program, and the Organization of American States which provided grant-funded technical assistance. Foreign commercial banks loaned Paraguay \$74.5 million during 1978. Foreign direct investment during 1978 totalled \$22 million. The Peace Corps provided 120 volunteer years in FY 1978 and 150 volunteer years in FY 1979.

A.I.D. Strategy

To encourage a more equitable distribution of benefits from the current growth process, A.I.D. will provide technical and financial assistance to government entities and private institutions dealing with the most pressing problems of the poor. Primary emphasis will be placed on assisting small farmers to improve the technology they use for producing traditional cash crops (through expanded extension services and research) and to increase production of new crops, particularly fruits and vegetables. These commodities have high value, are labor intensive, and enjoy an expanding market. The cooperative movement which has proved to be an effective vehicle for delivering financial and technical assistance to rural families will continue to receive strong support. A.I.D. will continue to experiment with innovative, low-cost delivery systems to expand access to rural education and health services. A bilingual education program will open opportunities for monolingual Guarani speakers.

A/ Funds for Project Development and Support as well as Operational Program Grants are not included in this table. They are reflected in the Latin America and Caribbean Regional Program.

B/ Disaster Assistance funds.

| FY 81 PROGRAM HIGHLIGHTS | |
|--------------------------|---|
| - | All A.I.D. projects concentrate on problems of poor rural families. |
| - | A.I.D. will continue developing small farmer technologies, increasing small farm production in <u>minifundia</u> areas, and promoting bilingual education for monolingual Guarani speakers. |

| PERSONNEL/PARTICIPANTS DATA CP 81-17 (8-79) | | | |
|--|---------------------|------------------------|-----------------------|
| Category | FY 1979 (Actual) | FY 1980 (Estimated) | FY 1981 (Proposed) |
| AID Personnel ^a | | | |
| Direct Hire ^b | 10 | 10 | 10 |
| PASA ^c | | | |
| Contract | 3 | 10 | 15 |
| Total | 13 | 20 | 25 |
| Participants ^d | | | |
| Noncontract | 8 | 20 | 21 |
| Contract | | 9 | 12 |
| Total | 8 | 29 | 33 |

^aU.S. nationals on duty at the end of the fiscal year.
^bFY 1980 and FY 1981 position levels.
^cParticipating agency technicians.
^dProgrammed during the fiscal year.

PARAGUAY

| RESOURCE FLOWS CP 81-08 (8-79) | | | |
|--|---------------------|------------------------|-----------------------|
| <i>(In thousands of dollars)</i> | | | |
| Program | FY 1979 (Actual) | FY 1980 (Estimated) | FY 1981 (Proposed) |
| AID* | | | |
| Loans | 403 | 2,226 | 950 |
| Grants | 522 | 1,619 | 1,541 |
| Total AID | 925 | 3,845 | 2,491 |
| P.L. 480** | | | |
| Title I | - | - | - |
| (of which Title III is) | (-) | (-) | (-) |
| Title II | - | - | - |
| Total P.L. 480 | - | - | - |
| Total AID and P.L. 480 | 925 | 3,845 | 2,491 |
| *AID levels represent actual and estimated expenditures. | | | |
| **P.L. 480 levels represent actual and estimated value of shipments. | | | |

| P.L. 480 PROGRAMS SUMMARY CP 81-14 (8-79) | | | | | | |
|--|---------------------|-------|------------------------|-------|-----------------------|-------|
| <i>(In 000MT/\$000)</i> | | | | | | |
| Program | FY 1979 (Actual) | | FY 1980 (Estimated) | | FY 1981 (Proposed) | |
| | MT | \$ | MT | \$ | MT | \$ |
| <i>Title I</i> | | | | | | |
| Wheat | | | | | | |
| Rice | | | | | | |
| Feedgrains | | | | | | |
| Vegoil | | | | | | |
| Non-food | | | | | | |
| Title I Total . . . (of which Title III is) | | - | | - | | - |
| | | (-) | | (-) | | (-) |
| <i>Title II</i> | | | | | | |
| Voluntary Agencies . . . | | | | | | |
| World Food Programs | | | | | | |
| Gov't.-to-Gov't | | | | | | |
| Title II Total | | - | | - | | - |
| Total P.L. 480 | | - | | - | | - |

MISSION DIRECTOR Paul Montavon

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

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01/18/80

CP 81-02

PROGRAM: PARAGUAY

| | L / G | PROJECT NUMBER | FY OF INITIAL FUNDING | -THROUGH FY79- OBLIG ATIONS | FY79- EXPENDI TURES | -ESTIMATED FY80- OBLIG ATIONS | EXPENDI TURES | -PROPOSED FY81- OBLIG ATIONS | EXPENDI TURES | FUTURE YEAR OBLIG ATIONS |
|---------------------------------------|-------------|-------------------|-----------------------------|-----------------------------------|---------------------------|-------------------------------------|------------------|------------------------------------|------------------|-----------------------------------|
| ----- | | | | | | | | | | |
| AGRICULTURE, RURAL DEV. AND NUTRITION | | | | | | | | | | |
| CREDIT UNIONS | G | 526-0101 | 69 | 1,854 | 1,732 | 70 | 192 | --- | --- | --- |
| SMALL FARM TECHNOLOGY | * G | 526-0109 | 79 | 500 | --- | --- | 250 | 500 | 400 | --- |
| SMALL FARM TECHNOLOGY | L | 526-0109 | 79 | 5,000 | --- | --- | 1,700 | --- | 950 | --- |
| MINIFUNDING CROP INTENSIFICATION | • G | 526-0118 | 79 | 445 | --- | 632 | 545 | 384 | 550 | 439 |
| TOTAL FOR ACCOUNT | | | | 7,799 | 1,732 | 702 | 2,687 | 884 | 1,900 | |
| GRANTS | | | | 2,799 | 1,732 | 702 | 987 | 884 | 950 | |
| LOANS | | | | 5,000 | --- | --- | 1,700 | --- | 950 | |
| POPULATION PLANNING | | | | | | | | | | |
| POPULATION II | G | 526-0305 | 79 | 82 | --- | --- | 82 | --- | --- | --- |
| TOTAL FOR ACCOUNT | | | | 82 | --- | --- | 82 | --- | --- | |
| GRANTS | | | | 82 | --- | --- | 82 | --- | --- | |
| LOANS | | | | --- | --- | --- | --- | --- | --- | |
| EDUCATION AND HUMAN RESOURCES | | | | | | | | | | |
| RURAL RADIO EDUCATION | G | 526-0502 | 78 | 579 | 558 | --- | 21 | --- | --- | --- |
| BILINGUAL EDUCATION | * G | 526-0503 | 78 | 478 | 68 | 313 | 386 | 205 | 450 | --- |
| CADESTRAL SURVEY | L | 526-0703 | 74 | 2,300 | 1,774 | --- | 526 | --- | --- | --- |
| TOTAL FOR ACCOUNT | | | | 3,357 | 2,400 | 313 | 933 | 205 | 450 | |
| GRANTS | | | | 1,057 | 626 | 313 | 407 | 205 | 450 | |
| LOANS | | | | 2,300 | 1,774 | --- | 526 | --- | --- | |
| SELECTED DEVELOPMENT ACTIVITIES | | | | | | | | | | |
| LEGAL AID TO THE POOR | G | 526-0510 | 79 | 75 | --- | 75 | 63 | --- | 87 | --- |
| SPECIAL DEVELOPMENT ACTIVITIES | • G | 526-0601 | 64 | 548 | 534 | 50 | 60 | 50 | 54 | --- |
| TOTAL FOR ACCOUNT | | | | 623 | 534 | 125 | 123 | 50 | 141 | |
| GRANTS | | | | 623 | 534 | 125 | 123 | 50 | 141 | |
| LOANS | | | | --- | --- | --- | --- | --- | --- | |
| TOTAL FOR COUNTRY | | | | 11,861 | 4,656 | 1,140 | 3,825 | 1,139 | 2,491 | |
| GRANTS | | | | 4,561 | 2,892 | 1,140 | 1,599 | 1,139 | 1,541 | |
| LOANS | | | | 7,300 | 1,774 | --- | 2,226 | --- | 950 | |

| | | | | | |
|--|--|--|---|-------------------------------------|---|
| TITLE Small Farm Technology | | FUNDS Agriculture, Rural Development and Nutrition | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 526-0109 | | PRIOR REFERENCE FY 79 Latin America Programs, p. 805 | FY 81 G-500 | LIFE OF PROJECT L-5,000; G-1,000 | |
| GRANT <input checked="" type="checkbox"/> | LOAN <input checked="" type="checkbox"/> | | INITIAL OBLIGATION FY 79 | ESTIMATED FINAL OBLIGATION FY 81 | ESTIMATED COMPLETION DATE OF PROJECT FY 82 |
| NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/> | | | | | |

Purpose: To assist the Ministry of Agriculture (MAG) to identify, develop and extend appropriate technology to small farmers.

Background and Progress to Date: Small farms in Paraguay make poor use of family labor and land resources partly because the technology available to them has remained unchanged for decades. Average productivity per farm laborer is very low, and yields per hectare have not improved noticeably since 1961. This project is designed to create and diffuse technology directly applicable to the identified needs of the small farmer. The MAG will restructure part of its present research system and its extension service to provide new emphasis on the needs of small farmers. Central to the new structure will be teams of researchers, located in small farmer areas, which will develop new practices on the farmers' own land to meet their particular needs. In turn, the extension service will focus its efforts upon transferring the new practices to groups of small farmers. Experiment station research will be reoriented toward providing the technological information required by the field teams to create locally adapted technology. Additional support will be given to the National Seed Service for assuring the availability of indicated new varieties and to the MAG Planning Office for participating in the economic analysis of research findings and of farm management programs undertaken by the extension service. The project was signed with the Paraguayan Government (GOP) in mid-1979 and began implementation in late 1979 after the initial conditions were satisfied. By the end of FY 1980, it is expected that the research teams will become operational, the mechanization unit for building and field testing prototypes will be established, training programs will be initiated, a rotating fund to finance new seed varieties will be established and various economic studies will be completed.

Host Country and Other Donors: Government of Paraguay will contribute \$5.3 million.

Beneficiaries: The direct beneficiaries are the approximately 50,000 small farmers in the field test areas. Indirectly, all small farmers in the country are potential beneficiaries. The cost-per-beneficiary for the life of the project is estimated to be \$8.34.

FY 81 Program: All of the work begun in FY 1980 will continue through FY 1981. Training of GOP technicians and farmers will be intensified, all eight research teams will be functioning, a series of field trials on new seed varieties will be carried out, the number of hectares producing certified seed will be increased, and various studies will be completed.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|--|----------------|------------|
| | Unit | Cost |
| Field research teams formed and working | 8 | (20) |
| Technicians trained and working in field teams | 80 | (2) |
| Field trial plots | 7,500 | (0.6) |
| Number of hectares producing certified seeds | 1,000 | (0.4) |
| Number of socio-economic studies performed | | |
| by the MAG | 10 | (20) |
| Person years of MAG staff training | 89 | (5) |
| A.I.D. Financed Inputs: | FY 81 | |
| Personnel (60 person-months) | | <u>500</u> |
| TOTAL | | 500 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|----------------|--------------------------------|-----------------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | L-5,000; G-500 | - | L-5,000; G-500 | To be selected. |
| Estimated Fiscal Year 1980 | - | L-1,700; G-250 | | |
| Estimated through September 30, 1980 | L-5,000; G-500 | L-1,700; G-250 | L-4,000; G-250 | |
| | - | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | G-500 | - | L-5,000; G-1,000 | |

| | | | | | |
|---|---|--|---|-----|--------------------------------------|
| TITLE Minifundia Crop Intensification | | FUNDS Agriculture, Rural Development and Nutrition | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 526-0118 | | PRIOR REFERENCE FY 80 Latin America Programs, p. 272 | FY 81 | 384 | LIFE OF PROJECT |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/> | | ESTIMATED FINAL OBLIGATION | 83 | 1,900 |
| | | | INITIAL OBLIGATION | 79 | ESTIMATED COMPLETION DATE OF PROJECT |
| | | | FY | | FY |
| | | | | | 83 |

Purpose: To assist Paraguay to intensify crop production in the minifundia or Central Zone and to develop related marketing/processing systems.

Background and Progress to Date: A.I.D.'s target group in Paraguay includes a particularly disadvantaged class of small farm families with landholdings of less than 12 acres. These families, concentrated in the five central departments, produce little and hence earn little from the farm. Production and income could be increased by more fully utilizing family labor and land -- a change now hindered because the technology for profitable off-season cash crops which would complement the small farmer's traditional cash crops (primarily cotton) are lacking. This project will make it possible for small farm families to profitably grow these non-traditional crops. With A.I.D. support, CREDICOOP (a small-farmer oriented private agricultural cooperative confederation) will promote and finance on a pilot basis the production, processing, and marketing of several labor intensive fruit and vegetable crops. In so doing, CREDICOOP will build an integrated production-marketing system through which it will provide all services required for success. These include credit, technical assistance, and marketing services.

Host Country and Other Donors: Although CREDICOOP is a private organization, the Government of Paraguay (GOP) actively provides support for it and, through it, for this project. Specifically, the GOP provides CREDICOOP: (1) the fulltime services of both a senior agricultural extension agent and an agricultural credit expert; (2) assistance in developing and multiplying improved seeds; (3) a regular budgetary supplement. In addition, CREDICOOP (as all agricultural cooperatives) is given special benefits such as lower import and export duties. GOP contributions over the life of the project are estimated at \$860,000. The Swiss Government will provide an engineer for one year to help design

appropriate irrigation equipment. CREDICOOP's contribution to the project will total \$2.5 million.

Beneficiaries: Approximately 500 small farm families will benefit directly from the project. The life of project cost in terms of A.I.D. funds per family benefitted will be about \$3,800. While this figure appears high, it should be recognized that considerable initial investment is required to set up an effective, integrated production-marketing system. Once established, and as more farmers begin to use the system, the cost per family should decline sharply.

FY 81 Program: To continue activities begun in FY 1980 -- including technical assistance, training, small farmer production loans, and seed improvement and multiplication.

| | | |
|--|----------------|-------------|
| <u>Major Outputs (and A.I.D. Unit Cost):</u> | (\$ thousands) | |
| | All Years | |
| | <u>Unit</u> | <u>Cost</u> |
| Pilot storage, rough-processing plant | 1 | (320) |
| Office building | 1 | (105) |
| Production loans to farmers | 1,150 | (.6) |
| Participants trained in cooperating country | 2,300 | (.03) |

| | |
|-------------------------------------|--------------|
| <u>A.I.D. Financed Inputs:</u> | <u>FY 81</u> |
| Credit for production loans | 198 |
| Technical assistance | 150 |
| Seed improvement and multiplication | 23 |
| Training programs | 5 |
| Evaluation | 8 |
| Total | 384 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 445 | - | 445 | |
| Estimated Fiscal Year 1980 | 632 | 545 | | |
| Estimated through September 30, 1980 | 1,077 | 545 | 532 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 384 | 439 | 1,900 | |

CREDICOOP,
Ministry of Agriculture,
A U.S. university to be selected.

| | | | | | | |
|---|-------------------------------|--|--|---|-------------------------------------|---|
| TITLE Bilingual Education | | FUNDS Education and Human Resources | | PROPOSED OBLIGATION (In thousands of dollars) | | |
| | | | | FY 81 205 | LIFE OF PROJECT 996 | |
| NUMBER 526-0503 | NEW <input type="checkbox"/> | PRIOR REFERENCE | | INITIAL OBLIGATION FY 78 | ESTIMATED FINAL OBLIGATION FY 81 | ESTIMATED COMPLETION DATE OF PROJECT FY 82 |
| GRANT <input checked="" type="checkbox"/> | LOAN <input type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | | FY 80 Latin American Programs, p. 274 | | |

Purpose: To develop Ministry of Education (MOE) capability to provide bilingual education instruction for non-Spanish speaking children.

Background and Progress to Date: About 65% of rural Paraguayan children entering school speak only Guarani, (an indigenous language), although almost all classroom instruction is given in Spanish. The Government of Paraguay recognizes that the rural poor who remain monolingual in Guarani cannot achieve functional literacy and remain excluded from many social and economic opportunities. In an effort to increase the number of children who stay in school and advance to the next grade, the MOE requested A.I.D. assistance for development of a program for systematic instruction in Guarani as the primary language of instruction in the first grade and Spanish as a second language. The project will be implemented on an experimental and pilot basis in the Department of Paraguari for a period of four years. Three experimental schools will be selected to use bilingual education methods and bilingual didactic materials with three other schools selected as control institutions using educational methods and didactic materials in the current MOE curriculum. By the fourth grade, students in the experimental schools are expected to have achieved functional literacy in both Spanish and Guarani. Over the last year, 16 Ministry of Education staff have completed short-term training at the University of New Mexico. A Project Implementation Plan was completed in September 1979. The Ministry of Education is in the process of selecting eight participants for long-term academic training in the United States.

Host Country and Other Donors: Government of Paraguay: Equivalent of \$677,030 over the life of the project.

Beneficiaries: Direct beneficiaries will be 1,080 rural students in the first three grades of the experimental schools. If the results of the experimental phase are satisfactory, the MOE may establish a permanent Bilingual Education Unit within the Ministry. The cost per beneficiary for FY 1981 will be \$461 per student.

FY 81 Program: By the end of 1980, the project will complete: The preparation of didactic materials, simple texts, and guidance manuals for teachers, school directors, and school supervisors; pre-testing of pupils, in-service training of project teachers and training abroad for project technicians; and the establishment of an ongoing evaluation system. Implementation of the bilingual education practices and concepts in the first grade classroom will begin in FY 1981.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---|----------------|-------|
| | Unit | Cost |
| Students receiving bilingual instructions | 1,080 | (.65) |
| Teachers trained in-country | 250 | (.5) |
| Tested materials for three grades | 3 | (25) |
| Bilingual education manual for Paraguay | 1 | (25) |
| Trained MOE staff | 24 | (2.3) |

| A.I.D. Financed Inputs: | FY 81 | |
|--|-------|-----|
| Commodities | | 15 |
| Local costs (training, materials production) | | 190 |
| TOTAL | | 205 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 478 | 68 | 410 | To be selected. |
| Estimated Fiscal Year 1980 | 313 | 386 | | |
| Estimated through September 30, 1980 | 791 | 454 | 337 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 205 | - | 996 | |

| | | | | | | |
|---|-------------------------------|--|--------------------------------------|---|----------------------------|--------------------------------------|
| TITLE Special Development Activities | | FUNDS Selected Development Activities | | PROPOSED OBLIGATION (In thousands of dollars) | | |
| | | | | FY 80 | 50 | LIFE OF PROJECT Continuing* |
| NUMBER | 526-0601 | NEW <input type="checkbox"/> | PRIOR REFERENCE | INITIAL OBLIGATION | ESTIMATED FINAL OBLIGATION | ESTIMATED COMPLETION DATE OF PROJECT |
| GRANT <input checked="" type="checkbox"/> | LOAN <input type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | FY 80 Latin America Programs, p. 275 | FY 64 | FY Continuing* | FY Continuing* |

Purpose: To support small, high-impact community development projects.

Background and Progress to Date: Through the end of FY 1979, a total of 269 projects received assistance, benefiting approximately 494,800 people. In FY 1979, 25 projects were implemented at a total A.I.D. cost of \$70,000. The self-help, local contribution for these projects amounted to \$203,000. There were 68,800 beneficiaries. Activities carried out with project funds included: improvement, construction and/or enlargement of several schools located in rural areas; equipment to provide training (sewing, typing, cooking) to low-income urban and rural youngsters; water systems for a health center and for small farmers; construction of sanitary latrines and protection of water springs used by a community in coordination with 4-H Clubs; enlargement of a rural health center serving 35,000 people; and purchase of row-tiller for small farmer organization. Other projects included: assistance to over 8,000 flood victims; seed, equipment and tools for an Indian colony to start an agricultural program; improvement of roads and bridges to increase farmer access to market towns; completion of an office for a small savings and loan cooperative serving medium to low-income people; and, in cooperation with Peace Corps Volunteers, a vaccination campaign, poultry raising/beekeeping projects, electrical installations for a school, construction of a sanitary post and a small town well, a vegetable garden program, purchase of a projector for a rural school, a road improvement project, purchase of cooking stoves, and construction of a small health post in a remote area.

Host Country and Other Donors:

Government of Paraguay: Technical assistance, materials and equipment.

Local Communities: At least 50% of the cost of each sub-project through the contribution of funds, labor and/or materials.

Beneficiaries: Low income and other disadvantaged people in both rural and urban areas. It is estimated that the cost per beneficiary will be between \$1 and \$2 in FY 1981.

FY 81 Program: About 20 projects similar to those outlined above will be implemented.

| <u>Major Outputs:</u> | (\$ thousands) Through FY 81 |
|-------------------------------------|---------------------------------|
| Sub-projects | 314 |
| <u>A.I.D. Financed Inputs:</u> | <u>FY 81</u> |
| Building supplies and equipment | 40 |
| Local skilled labor and other costs | 10 |
| Total | 50 |

*It is expected that activities under this project will continue as long as A.I.D. maintains an assistance program in Paraguay.

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES | |
|--|-------------|--------------------------------|-----------------------------|-----------------------------------|--|
| | Obligations | Expenditures | Unliquidated | | |
| Through September 30, 1978 | 548 | 534 | 14 | None. | |
| Estimated Fiscal Year 1979 | 50 | 60 | | | |
| Estimated through September 30, 1979 | 598 | 594 | 4 | | |
| | | Future Year Obligations | Estimated Total Cost | | |
| Proposed Fiscal Year 1980 | 50 | Continuing* | Continuing* | | |

U.S. OVERSEAS LOANS AND GRANTS – OBLIGATIONS AND LOAN AUTHORIZATIONS
(U.S. Fiscal Years – Millions of Dollars)

| COUNTRY | PERU | | | | | TOTAL LOANS AND GRANTS 1946-78 | REPAY- MENTS AND INTEREST 1946-78 | TOTAL LESS REPAY- MENTS AND INTEREST 1946-78 | |
|--|---------|-------------------------------|------|------|------|---|--|--|------|
| | PROGRAM | FOREIGN ASSISTANCE ACT PERIOD | | | | | | | |
| | | 1975 | 1976 | TQ | 1977 | | | | 1978 |
| I. ECONOMIC ASSISTANCE – TOTAL | 16.1 | 21.8 | 1.9 | 22.9 | 54.7 | 539.1 | 106.3 | 432.8 | |
| Loans | 7.0 | 11.0 | - | 15.1 | 44.0 | 276.8 | 106.3 | 170.5 | |
| Grants | 9.1 | 10.8 | 1.9 | 7.8 | 10.7 | 262.3 | - | 262.3 | |
| a. A.I.D. and Predecessor Agencies | 8.9 | 12.7 | 0.9 | 17.4 | 22.0 | 275.0 | 37.3 | 237.7 | |
| Loans | 7.0 | 11.0 | - | 15.0 | 19.0 | 176.9 | 37.3 | 139.6 | |
| Grants | 1.9 | 1.7 | 0.9 | 2.4 | 3.0 | 98.1 | - | 98.1 | |
| (Security Supporting Assistance) | - | - | - | - | - | 1.7 | - | - | |
| b. Food for Peace (PL 480) | 6.4 | 8.7 | 1.0 | 5.3 | 31.9 | 181.1 | 26.8 | 154.3 | |
| Loans | - | - | - | - | 25.0 | 49.2 | 26.8 | 22.4 | |
| Grants | 6.4 | 8.7 | 1.0 | 5.3 | 6.9 | 131.9 | - | 131.9 | |
| Title I - Total Sales Agreements | - | - | - | - | 25.0 | 49.4 | 26.8 | 22.6 | |
| Repayable in U.S. Dollars - Loans | - | - | - | - | 25.0 | 21.2 | 2.4 | 19.4 | |
| Payable in Foreign Currency - Planned for Country Use | - | - | - | - | - | 27.6 | 24.4 | 3.2 | |
| Title II - Total Grants | 6.4 | 8.7 | 1.0 | 5.3 | 6.9 | 131.7 | - | 131.7 | |
| Emerg. Relief, Econ. Develop. & World Food Program | 3.1 | 4.7 | 0.1 | 2.5 | 4.4 | 73.4 | - | 73.4 | |
| Voluntary Relief Agencies | 3.3 | 4.0 | 0.9 | 2.8 | 2.5 | 58.3 | - | 58.3 | |
| c. Other Economic Assistance | 0.8 | 0.4 | - | 0.2 | 0.8 | 83.0 | 42.2 | 40.8 | |
| Loans | - | - | - | 0.1 | - | 50.7 | 42.2 | 8.5 | |
| Grants | 0.8 | 0.4 | - | 0.1 | 0.8 | 32.3 | - | 32.3 | |
| Peace Corps | 0.6 | - | - | - | - | 25.3 | - | 25.3 | |
| Other | 0.2 | 0.4 | - | 0.1 | 0.8 | 7.0 | - | 7.0 | |
| II. MILITARY ASSISTANCE – TOTAL | 21.3 | 1.1 | 20.3 | 10.9 | 8.9 | 234.3 | 36.5 | 197.8 | |
| Credits or Loans | 20.5 | - | 20.0 | 10.0 | 8.0 | 93.0 | 36.5 | 56.5 | |
| Grants | 0.8 | 1.1 | 0.3 | 0.9 | 0.9 | 141.3 | - | 141.3 | |
| a. MAP Grants | - | - | 0.3 | - | - | 75.0 | - | 75.0 | |
| b. Credit Financing - FMS | 20.5 | - | 20.0 | 10.0 | 8.0 | 93.0 | 36.5 | 56.5 | |
| c. Military Assistance Service-Funded (MASF) Grants | 0.8 | 1.1 | - | 0.9 | 0.9 | 19.1 | - | 19.1 | |
| d. Transfers from Excess Stocks | - | - | - | - | - | 20.3 | - | 20.3 | |
| e. Other Grants | - | - | - | - | - | 26.9 | - | 26.9 | |
| III. TOTAL ECONOMIC AND MILITARY ASSISTANCE | 37.4 | 22.9 | 22.2 | 33.8 | 63.6 | 773.4 | 142.8 | 630.6 | |
| Loans | 27.5 | 11.0 | 20.0 | 25.1 | 52.0 | 369.8 | 142.8 | 227.0 | |
| Grants | 9.9 | 11.9 | 2.2 | 8.7 | 11.6 | 403.6 | - | 403.6 | |
| Other U.S. Government Loans and Grants | 31.3 | 63.9 | 28.8 | 76.3 | 74.9 | 630.3 | 589.8 | 40.5 | |
| a. Export-Import Bank Loans | 16.3 | 34.0 | 4.3 | 2.2 | 0.7 | 379.9 | 369.4 | 10.5 | |
| b. All Other Loans | 15.0 | 29.9 | 24.5 | 74.1 | 74.2 | 250.4 | 220.4 | 30.0 | |

ECONOMIC PROGRAMS OF OTHER DONORS

| A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS | | | | |
|---|---------|---------|------------|------------|
| <i>(Thousands of dollars)</i> | | | | |
| TOTAL | FY 1977 | FY 1978 | FY 1979 | FY 1946-79 |
| | 154,800 | 28,546 | 191,140 | 1,223,408 |
| IBRD | 121,600 | 80 | 123,800 | 676,080 |
| IFC | - | - | 2,500 | 26,180 |
| IDB | 32,100 | 26,657 | 60,189 | 465,169 |
| UNDP | 800 | 1,309 | 2,651 | 44,429 |
| OTHER UN | 300 | 500 | 2,000 | 11,550 |
| B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE | | | | |
| <i>(Millions of dollars)</i> | | | | |
| 1. D.A.C. COUNTRIES (Excluding U.S.) (Gross Disbursements) | | | | |
| Donor | CY 1977 | CY 1978 | CY 1969-78 | |
| TOTAL | 63.80 | 92.77 | 450.57 | |
| Germany | 25.80 | 45.09 | 161.89 | |
| Japan | 4.40 | 18.99 | 106.29 | |
| Netherlands | 7.50 | 13.10 | 54.80 | |
| France | 2.90 | 0.72 | 30.82 | |
| Belgium | 2.80 | 3.76 | 22.86 | |
| UK | 6.20 | 1.57 | 20.37 | |
| Other | 14.20 | 9.54 | 53.54 | |
| 2. O.P.E.C. COUNTRIES (Net Disbursements) | | | | |
| | CY 1977 | CY 1978 | CY 1973-78 | |
| TOTAL | - | - | - | |
| C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES | | | | |
| <i>(Millions of dollars)</i> | | | | |
| TOTAL | 1 | - | 283 | |
| USSR | - | - | 25 | |
| Eastern Europe | 1 | - | 216 | |
| China | - | - | 42 | |

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| PROGRAM SUMMARY | | | | | | | |
|---------------------------|--------------------|--|---------------------|--------------|---|---------------------------------|----------------|
| (In thousands of dollars) | | | | | | | |
| Fiscal Year. | Total ^A | Agriculture, Rural Development and Nutrition | Population Planning | Health | Education and Human Resources Development | Selected Development Activities | Other Programs |
| 1979 | | | | | | | |
| Loans | 28,800 | 23,000 | - | 5,800 | - | - | - |
| Grants ... | 4,030 | 1,388 | 576 | 802 | 1,212 | 52 | - |
| Total .. | 32,830 | 24,388 | 576 | 6,602 | 1,212 | 52 | - |
| 1980 | | | | | | | |
| Loans | 14,460 | 14,460 | - | - | - | - | - |
| Grants ... | 3,445 | 1,895 | - | 450 | 400 | 700 | - |
| Total .. | 17,905 | 16,355 | - | 450 | 400 | 700 | - |
| 1981 | | | | | | | |
| Loans | 22,000 | 22,000 | - | - | - | - | - |
| Grants ... | 6,515 | 5,642 | 400 | 900 | 700 | 873 | - |
| Total .. | 30,515 | 27,642 | 400 | 900 | 700 | 873 | - |

U.S. Interest

Economic assistance reflects and reinforces a mutually beneficial relationship between the United States and Peru. The objectives of the A.I.D. program -- helping Peru to overcome its current economic crisis and to address its chronic problems of rural and urban poverty -- are both a humanitarian imperative and a practical basis for stronger U.S.-Peruvian ties in trade and investment. Both countries share a commitment to the maintenance of human rights and democratic processes. General elections rescheduled for May 1980 will usher in a civilian government for the first time since 1968.

Development Overview

During the past year, Peru has overcome massive balance of payments deficits through tight fiscal and monetary policies, increased volume and value of exports, major rescheduling of foreign debts, and increased development assistance. However, improved national finances have not

yet affected the lives of ordinary people, who have seen a drastic decline in living standards. Families in the bottom half of the income distribution are experiencing hunger and deprivation -- for example, at least one half million persons in the slums of Lima alone are malnourished. There are several causes of Peru's long-term poverty: a centralized administration which concentrates resources and decisions in Lima; the lack of economic and social investment in the Andean highlands where large numbers of poor people live and in adjacent high-jungle areas which have strong economic potential; the stagnation of agricultural production; a rapid urban growth resulting in massive urban poverty; and the deterioration of an already limited natural resource base.

Socio-Economic Performance

The Peruvian Government has promoted equity reforms in education, land tenure, and urban settlement. Its achievements include land redistribution benefiting 350,000 rural families, provision of basic education to over 70% of Peru's children, progressive land titling policies and the expansion of services for the urban poor. The government has pursued politically-difficult economic policies in order to improve the country's finances and create the basis for economic growth. Despite its political commitment, the Peruvian government has lacked the resources necessary to implement a fully successful growth-with-equity strategy.

Total Resources

Principal donors in FY 1979 were: the United States (A.I.D. and P.L. 480 commitments of \$83 million); West Germany (\$38 million disbursed and at least \$75 million in new commitments); the International Bank for Reconstruction and Development (IBRD) (\$124 million); and the Inter-American Development Bank (IDB) (\$57 million). The United Nations Development Program and other bilateral donors maintained smaller programs. Assistance levels are up from prior-year averages of \$250 million, reflecting the concern of the donor community for Peru's current economic difficulties. Donor agencies have frequent and

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constructive contacts with one another -- for example, A.I.D. has benefited from West Germany's experience in the Peruvian energy sector, while the IDB has modeled one of its recent loans on A.I.D.'s successful project in Small Rural Enterprises. Private capital flows are also important to the Peruvian economy -- for example, U.S. bank loans total \$1.2 billion while direct investment is on the order of \$1.4 billion.

A.I.D. Strategy

A.I.D.'s development strategy for Peru stresses:

--Sierra social programs: To provide health, family planning, education, and nutrition services to the 6 million rural inhabitants of the poorest highland region of the country. With high fertility rates, infant mortality approaching 200 per thousand, and 67% illiteracy among rural women, the Sierra presents a wide range of unfilled human needs which can only be met through the steady expansion of government services using low-cost models.

--Sierra and high jungle economic growth: To stimulate an agriculture-based growth which provides employment and income for the country's principal poverty groups in such critical areas as irrigation, agriculture research and extension, and rural small business.

--Urban basic human needs: To provide essential services to the urban poor. At least 2.5 million urban residents live in conditions of intense poverty. A.I.D.'s expanding investment guarantee program provides water, sewerage, and electricity with over 55,000 persons having benefited to date.

P.L. 480 programs address the current hunger problem. Operational program grants have permitted U.S. and local private voluntary organizations to triple their distribution of Title II food over the past 18 months. Some 1.5 million rural and urban people benefit from the Title II program including a large percentage of poor women who participate in food-for-work projects.

| FY 81 PROGRAM HIGHLIGHTS | |
|--------------------------|--|
| - | A loan to stimulate agricultural production in the Sierra and high jungle. |
| - | A loan to conserve natural resources and promote reforestation. |
| - | A grant to explore energy alternatives for rural Peru. |
| - | A health and family planning grant to establish a Peruvian capacity to more effectively address health and population growth problems. |
| - | Continuation of the P.L. 480 Title I and Title II programs. |

A/ Funds for Project Development as well as Operational Program Grants are not included in this table. They are reflected in the Latin America and Caribbean Regional Program.

| PERSONNEL/PARTICIPANTS DATA | | | |
|----------------------------------|---------------------|------------------------|-----------------------|
| CP 81-17 (8-79) | | | |
| Category | FY 1979 (Actual) | FY 1980 (Estimated) | FY 1981 (Proposed) |
| AID Personnel^a | | | |
| Direct Hire ^b | 20 | 25 | 26 |
| PASA ^c | - | - | - |
| Contract | 7 | 10 | 12 |
| Total | 27 | 35 | 38 |
| Participants^d | | | |
| Noncontract | 20 | 50 | 42 |
| Contract | - | - | - |
| Total | 20 | 50 | 42 |

^aU.S. nationals on duty at the end of the fiscal year.
^bFY 1980 and FY 1981 position levels.
^cParticipating agency technicians.
^dProgrammed during the fiscal year.

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| RESOURCE FLOWS | | | |
|--|---------------------|------------------------|-----------------------|
| <i>(In thousands of dollars)</i> | | | |
| Program | FY 1979 (Actual) | FY 1980 (Estimated) | FY 1981 (Proposed) |
| AID* | | | |
| Loans | 8,303 | 26,945 | 34,351 |
| Grants | 1,431 | 5,514 | 6,201 |
| Total AID | 9,734 | 32,459 | 40,552 |
| P.L. 480** | | | |
| Title I | 20,000 | 20,000 | 20,000 |
| (of which Title III is) | (-) | (-) | (-) |
| Title II | 14,165 | 13,785 | 15,585 |
| Total P.L. 480 | 34,165 | 33,785 | 35,585 |
| Total AID and P.L. 480 | 43,899 | 66,244 | 76,137 |
| *AID levels represent actual and estimated expenditures. | | | |
| **P.L. 480 levels represent actual and estimated value of shipments. | | | |

| P.L. 480 PROGRAMS SUMMARY | | | | | | |
|--|---------------------|-----------------|------------------------|-----------------|-----------------------|-----------------|
| <i>(In 000MT/\$000)</i> | | | | | | |
| Program | FY 1979 (Actual) | | FY 1980 (Estimated) | | FY 1981 (Proposed) | |
| | MT | \$ | MT | \$ | MT | \$ |
| <i>Title I</i> | | | | | | |
| Wheat | - | - | - | - | 29 | 4,600 |
| Rice | 73 | 20,000 | 53 | 20,000 | 44 | 15,400 |
| Feedgrains | - | - | - | - | - | - |
| Vegoil | - | - | - | - | - | - |
| Non-food | - | - | - | - | - | - |
| Title I Total .. (of which Title III is) | | 20,000 (-) | | 20,000 (-) | | 20,000 (-) |
| <i>Title II</i> | | | | | | |
| Voluntary Agencies .. | | 10,285 | | 12,518 | | 13,846 |
| World Food Programs | | 1,226 | | 1,267 | | 1,739 |
| Gov't.-to-Gov't | | 2,654 | | - | | - |
| Title II Total | | 14,165 | | 13,785 | | 15,585 |
| Total P.L. 480 | | 34,165 | | 33,785 | | 35,585 |

MISSION DIRECTOR Leonard Yaeger

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

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PROGRAM: PERU

| | * L / G | PROJECT NUMBER | FY OF INITIAL FUNDING | -THROUGH FY79- OBLIGATIONS | EXPENDITURES | -ESTIMATED FY80- OBLIGATIONS | EXPENDITURES | -PROPOSED FY81- OBLIGATIONS | EXPENDITURES | FUTURE YEAR OBLIGATIONS |
|--|---------|----------------|-----------------------|----------------------------|--------------|------------------------------|--------------|-----------------------------|--------------|-------------------------|
| ----- | | | | | | | | | | |
| AGRICULTURE, RURAL DEV. AND NUTRITION | | | | | | | | | | |
| FRESH WATER FISHERIES DEV. | G | 527-0144 | 77 | 465 | 246 | --- | 219 | --- | --- | --- |
| SOYBEAN AND CORN PRO. ON SMALL FARMS | G | 527-0149 | 76 | 1,875 | 1,245 | 237 | 568 | --- | 299 | --- |
| USE OF TREATED SEWAGE FOR IRRIGATION | G | 527-0150 | 77 | 200 | 186 | --- | 14 | --- | --- | --- |
| AGR. COOPERATIVE FEDERATIONS | L | 527-0155 | 75 | 7,000 | 487 | --- | 1,660 | --- | 2,092 | --- |
| SIERRA WATER AND LAND USE | L | 527-0156 | 76 | 11,000 | 2,119 | --- | 3,673 | --- | 3,392 | --- |
| RURAL DEV. AGRIBUSINESS FUND | L | 527-0159 | 77 | 15,000 | 3,977 | --- | 8,350 | --- | 2,673 | --- |
| APPROPRIATE RURAL TECHN. | * G | 527-0162 | 78 | 540 | 59 | 200 | 544 | 490 | 499 | --- |
| DEV. OF SUB-TROPICAL LANDS | L | 527-0163 | 78 | 19,000 | 6 | --- | 3,554 | --- | 11,329 | --- |
| ON-FARM WATER MANAGEMENT | G | 527-0170 | 78 | 380 | 199 | 117 | --- | --- | 181 | --- |
| BANCOOP TECHNICAL ASSISTANCE | G | 527-0174 | 79 | 259 | 42 | 241 | 266 | --- | 192 | --- |
| RURAL ENTERPRISES II | L | 527-0176 | 79 | 8,000 | --- | --- | 1,422 | --- | 2,089 | --- |
| INTEGRATED REGIONAL DEVELOPMENT | * G | 527-0178 | 79 | 300 | --- | 300 | 175 | 350 | 500 | 1,000 |
| INTEGRATED REGIONAL DEVELOPMENT | L | 527-0178 | 79 | 15,000 | --- | --- | 2,000 | --- | 5,225 | --- |
| AGR RESEARCH, EXTENSION AND EDUCATION | * G | 527-0192 | 80 | --- | --- | 400 | 200 | 500 | 600 | 1,300 |
| AGR RESEARCH, EXTENSION AND EDUCATION | L | 527-0192 | 80 | --- | --- | 9,000 | 2,000 | --- | 2,800 | --- |
| NUTRITION PLANNING | * G | 527-0210 | 81 | --- | --- | --- | --- | 397 | 200 | 803 |
| SIERRA AGRICULTURAL PRODUCTION | * L | 527-0211 | 81 | --- | --- | --- | --- | 12,000 | 1,000 | --- |
| WATER SHED MANAGEMENT | * G | 527-0214 | 81 | --- | --- | --- | --- | 200 | 100 | 800 |
| WATER SHED MANAGEMENT | * L | 527-0214 | 81 | --- | --- | --- | --- | 10,000 | 1,000 | --- |
| SOIL CONSERVATION | * G | 527-0220 | 80 | --- | --- | 400 | 184 | 513 | 548 | 1,087 |
| RURAL ENERGY ALTERNATIVES | * G | 527-0226 | 81 | --- | --- | --- | --- | 3,192 | 800 | --- |
| RURAL ENERGY SUPPLY | L | 527-0230 | 80 | --- | --- | 5,460 | --- | --- | 1,000 | --- |
| TOTAL FOR ACCOUNT | | | | 79,019 | 8,566 | 16,355 | 24,946 | 27,642 | 36,519 | |
| GRANTS | | | | 4,019 | 1,977 | 1,895 | 2,287 | 5,642 | 3,919 | |
| LOANS | | | | 75,000 | 6,589 | 14,460 | 22,659 | 22,000 | 32,600 | |
| POPULATION PLANNING | | | | | | | | | | |
| RES, TRG, AND HEA SER FOR HIGH AND MED | G | 527-0145 | 76 | 371 | 252 | --- | 63 | --- | 56 | --- |
| NATIONAL RESPONSIBLE PARENTHOOD | G | 527-0160 | 79 | 26 | 1 | --- | 25 | --- | --- | --- |
| EXTENSION OF INTEG. PRIMARY HELTH | G | 527-0219 | 79 | 550 | --- | --- | 218 | --- | 224 | --- |
| HLTH & POP SERV FOR MARGINAL URBAN AREAS | * G | 527-0223 | 81 | --- | --- | --- | --- | 400 | 200 | 700 |
| TOTAL FOR ACCOUNT | | | | 947 | 253 | --- | 306 | 400 | 480 | |
| GRANTS | | | | 947 | 253 | --- | 306 | 400 | 480 | |
| LOANS | | | | --- | --- | --- | --- | --- | --- | |
| HEALTH | | | | | | | | | | |
| EXTENSION OF INTEG. PRIMARY HELTH | G | 527-0219 | 79 | 800 | --- | --- | 333 | --- | 251 | --- |
| EXTENSION OF INTEG. PRIMARY HELTH | L | 527-0219 | 79 | 5,800 | --- | --- | 2,447 | --- | 1,701 | --- |
| HLTH & POP SERV FOR MARGINAL URBAN AREAS | * G | 527-0223 | 81 | --- | --- | --- | --- | 250 | 150 | 750 |
| SUR MEDIO HEALTH AND FAMILY PLANNING | * G | 527-0224 | 80 | --- | --- | 450 | 400 | 650 | 400 | --- |

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

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PROGRAM: PERU

| | * L / G | PROJECT NUMBER | FY OF INITIAL FUNDING | -THROUGH FY79- OBLIGATIONS | EXPENDITURES | -ESTIMATED FY80- OBLIGATIONS | EXPENDITURES | -PROPOSED FY81- OBLIGATIONS | EXPENDITURES | FUTURE YEAR OBLIGATIONS |
|--|---------|----------------|-----------------------|----------------------------|--------------|------------------------------|--------------|-----------------------------|--------------|-------------------------|
| TOTAL FOR ACCOUNT | | | | 6,600 | --- | 450 | 3,180 | 900 | 2,502 | |
| GRANTS | | | | 800 | --- | 450 | 733 | 900 | 801 | |
| LOANS | | | | 5,800 | --- | --- | 2,447 | --- | 1,701 | |
| EDUCATION AND HUMAN RESOURCES | | | | | | | | | | |
| BILINGUAL EDUCATION | G | 527-0146 | 75 | 632 | 580 | --- | 52 | --- | --- | --- |
| EDUCATION SERVICE CENTERS | G | 527-0148 | 77 | 1,590 | 106 | --- | 1,029 | --- | 203 | --- |
| DECENTRALIZING ED PLANNING | G | 527-0158 | 76 | 955 | 822 | --- | 133 | --- | --- | --- |
| PRE-SCHOOL ED AS A CATALYST FOR COMM DEV | * G | 527-0161 | 79 | 420 | --- | 400 | 464 | 400 | 426 | 380 |
| SOUTHERN SIERRA EDUCATION SECTOR | * G | 527-0215 | 81 | --- | --- | --- | --- | 300 | 200 | 2,700 |
| TOTAL FOR ACCOUNT | | | | 3,597 | 1,508 | 400 | 1,678 | 700 | 829 | |
| GRANTS | | | | 3,597 | 1,508 | 400 | 1,678 | 700 | 829 | |
| LOANS | | | | --- | --- | --- | --- | --- | --- | |
| SELECTED DEVELOPMENT ACTIVITIES | | | | | | | | | | |
| SPECIAL DEV. ACTIVITIES | * G | 527-0061 | 63 | 1,069 | 1,039 | 50 | 60 | 50 | 70 | --- |
| RURAL ENTERPRISES DEVELOPMENT | L | 527-0141 | 75 | 10,000 | 8,211 | --- | 1,789 | --- | --- | --- |
| LAND USE INVENTORY-ENVIRONMENTAL PLANG | * G | 527-0202 | 80 | --- | --- | 500 | 400 | 450 | 400 | 1,050 |
| CREDIT FOR LOW INCOME NEIGHBORHOODS | * G | 527-0218 | 81 | --- | --- | --- | --- | 187 | 100 | 388 |
| REGIONAL DEVELOPMENT COORDINATION | * G | 527-0222 | 80 | --- | --- | 150 | 80 | 186 | 150 | 164 |
| TOTAL FOR ACCOUNT | | | | 11,069 | 9,250 | 700 | 2,329 | 873 | 720 | |
| GRANTS | | | | 1,069 | 1,039 | 700 | 540 | 873 | 720 | |
| LOANS | | | | 10,000 | 8,211 | --- | 1,789 | --- | --- | |
| TOTAL FOR COUNTRY | | | | 101,232 | 19,577 | 17,905 | 32,439 | 30,515 | 41,050 | |
| GRANTS | | | | 10,432 | 4,777 | 3,445 | 5,544 | 8,515 | 6,749 | |
| LOANS | | | | 90,800 | 14,800 | 14,460 | 26,895 | 22,000 | 34,301 | |

| | | | | | |
|---|--|--|---|----------------------------|---------------------------|
| TITLE Appropriate Rural Technologies | | FUNDS Agriculture, Rural Development and Nutrition | PROPOSED OBLIGATION (In thousands of dollars) | | |
| | | | FY 81 | 490 | LIFE OF PROJECT 1,230 |
| NUMBER 527-0162 | NEW <input type="checkbox"/> | PRIOR REFERENCE | INITIAL OBLIGATION | ESTIMATED FINAL OBLIGATION | ESTIMATED COMPLETION DATE |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | FY 80 Latin America Programs, p. 286 | FY 78 | FY 81 | OF PROJECT FY 82 |

Purpose: To develop low-cost agriculture and agro-industrial technologies to address problems of low productivity, under-employment, and disadvantageous marketing arrangements faced by the rural poor.

Background and Progress to Date: In the past seven years, Peru has carried out extensive social and economic reforms to increase incomes among the poor. In the sierra, however, conditions have remained relatively static. Among the principal constraints are the lack of: (a) new on-farm technologies permitting farmers to take fuller advantage of their limited land base; and (b) new off-farm technologies increasing agro-industrial production and providing greater opportunities for non-agricultural employment. This project helps develop Government of Peru (GOP) institutional capability to test new employment and income generating technologies with particular emphasis on the needs of the sierra poor. These include: development of low-cost farm implements; demonstration plots for double cropping on different types of soil; simple technologies to improve post-harvest storage, preservation, and processing of perishables; improved utilization of natural energies, including wind, water, and sun; and low-cost construction materials for use in rural shelters. The Institute of Industrial and Technical Investigation (ITINTEC) is the primary GOP coordinating body. During the past year, an Appropriate Rural Technology Office has been established in ITINTEC. Diagnostic studies have been completed, and four prefeasibility studies have been initiated.

Host Country and Other Donors: The GOP will contribute \$700,000 to help finance research and development costs, equipment, field testing and evaluation. The Swiss Government is planning to assist ITINTEC in the development of a vocational training center. The International Potato Center is developing dehydration processes for potatoes and other vegetables which can be adapted to various small agro-industrial enterprises.

Beneficiaries: Several thousand sierra poor (small farmers, landless rural workers, women employed in rural cottage industries) will benefit directly from the project. As new technologies are increasingly adopted, the ultimate number of beneficiaries will be in the tens of thousands. The institution-building nature of this project precludes determining per farm-family cost.

FY 81 Program: Additional technical assistance will be provided to strengthen ITINTEC's capabilities to carry out appropriate technology programs. Feasibility studies will be completed. Prototype equipment will be developed, and various technologies will be demonstrated. Working models of at least three new technologies will be tested and demonstrated.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|--|----------------|-------|
| | All Years | |
| | Unit | Cost |
| Prefeasibility studies completed | 16 | (6) |
| Feasibility studies completed | 13 | (22) |
| Research and development studies completed | 6 | (120) |
| Improved institutional capacity within ITINTEC | X | (100) |

| A.I.D. Financed Inputs: | FY 81 |
|---------------------------------|-------|
| Technical assistance | 13 |
| Training, seminars | 35 |
| Equipment, subscriptions, books | 16 |
| Technology examination | 12 |
| Feasibility studies | 31 |
| Prototype test and development | 290 |
| Technology dissemination | 93 |
| Total | 490 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------------|-------------------------------|---|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 540 | 59 | 481 | Dr. Robert E. Stickney, Others to be selected. |
| Estimated Fiscal Year 1980 | 200 | 544 | | |
| Estimated through September 30, 1980 | 740 | 603 | 137 | |
| Proposed Fiscal Year 1981 | 490 | Future Year Obligations -- | Estimated Total Cost 1,230 | |

| | | | | | |
|--|---|--|---|----------------------------------|--|
| TITLE Integrated Regional Development | | FUNDS Agriculture, Rural Development and Nutrition | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 527-0178 | | PRIOR REFERENCE Advice of Change, April 16, 1979 | FY 81 | G-350 | LIFE OF PROJECT L-15,000; G-1,050 |
| GRANT <input checked="" type="checkbox"/> LOAN <input checked="" type="checkbox"/> | NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/> | | INITIAL OBLIGATION FY 79 | ESTIMATED FINAL OBLIGATION FY 82 | ESTIMATED COMPLETION DATE OF PROJECT FY 84 |

Purpose: To strengthen the regional planning capacity of regional development agencies and to establish a mechanism for financing and executing priority sub-projects in selected market towns and rural areas in the Departments of Junin and Cajamarca.

Background and Progress to Date: Stepped-up investment in Peru's rural departments is essential to effectively address rural poverty, given the historic concentration of resources in Lima. The Government of Peru (GOP) has recently initiated a system of planning and administrative decentralization through the establishment of regional development agencies to plan regional development, relate regional plans to national priorities, and coordinate public investments. Working through these regional agencies in two key departments, A.I.D. is helping to: (1) identify areas where production potential exists and finance rural infrastructure in these areas; (2) develop the transport network linking rural areas to local service centers and market towns; (3) develop infrastructure and service capacity of selected towns (electricity, water, sewerage, markets, etc.); (4) strengthen through technical assistance the regional planning capacity of the development committees in Junin and Cajamarca to permit more effective use of their budgeted development funds including those provided by this project's FY 1979 loan component.

Host Country and Other Donors: Peru's recent initiatives in the area of administrative decentralization have attracted the interest of a number of donors, e.g. West Germany and the International Bank for Reconstruction and Development. The GOP contribution to this project is \$13 million. In addition, the Government has announced a doubling of its budget allocations for small rural works projects in 1980.

Beneficiaries: The population of Junin is 696,641 and that of Cajamarca is 929,161. Although the rural population (about 70% of the total) will benefit to some extent from the infrastruc-

ture created under the project, the principal benefits will go to persons whose villages are linked to market roads for the first time, to farmers who receive more irrigation water as a result of the construction of small dams, etc. In the towns of both departments, lower income people will benefit through construction of basic services, while the urban population at large will benefit from investments (e.g. markets) which stimulate greater economic activity. Approximate cost per farm family is \$70.

FY 81 Program: Regional committees will be staffed and functional in the two departments. These committees will select and design priority rural and urban investments, many of which will be well underway by FY 1981 (using funds provided under the FY 1979 loan component of this project).

| | | |
|--|------------------|-------------|
| | (\$ thousands) | |
| <u>Major Outputs (and A.I.D. Unit Cost):</u> | <u>All years</u> | |
| | <u>Unit</u> | <u>Cost</u> |
| Institutionalized regional planning process | 2 | (458) |
| Market town development fund projects: | | |
| - Markets | 50 | (10) |
| - Slaughter houses | 50 | (8) |
| - Electrical distribution systems | 50 | (5) |
| - Electrical generation | 50 | (70) |
| Rural public works projects: | | |
| - Irrigation (hectares) | 10,000 | (.3) |
| - Roads (kilometers) | 550 | (12) |
| - Health posts | 50 | (4) |
| Persons employed in rural public works | 6,665 | (4) |
| <u>A.I.D. Financed Inputs:</u> | <u>FY 81</u> | |
| Technical Assistance/Personnel | | <u>350</u> |
| Total | | 350 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES To be selected. |
|--|-----------------|--------------------------------|-----------------------------|--|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | L-15,000; G-300 | -- | L-15,000; G-300 | |
| Estimated Fiscal Year 1980 | G-300 | L-2,000; G-175 | | |
| Estimated through September 30, 1980 | L-15,000; G-600 | L-2,000; G-175 | L-13,000; G-425 | |
| | | <u>Future Year Obligations</u> | <u>Estimated Total Cost</u> | |
| Proposed Fiscal Year 1981 | G-350 | 100 | L-15,000; G-1,050 | |

| | | | | | |
|--|--|--|---|-------------------------------------|---|
| TITLE Agriculture Research, Extension and Education | | FUNDS Agriculture, Rural Development and Nutrition | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 527-0192 | | PRIOR REFERENCE | FY 81 G-500 | LIFE OF PROJECT | L-9,000; G-2,200 |
| GRANT <input checked="" type="checkbox"/> LOAN <input checked="" type="checkbox"/> | NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/> | FY 80 Latin America Programs, p. 290 | INITIAL OBLIGATION FY 80 | ESTIMATED FINAL OBLIGATION FY 84 | ESTIMATED COMPLETION DATE OF PROJECT FY 85 |

Purpose: To improve agriculture production by strengthening the institutions which make up Peru's agriculture research, extension and education system.

Background and Progress to Date: With its agrarian reform now in a consolidated phase, the Government of Peru sees a pressing need to improve its system for bringing new technology to the small farmer. This major loan/grant project beginning in FY 1980 focuses on the problem of small farmer technology through the development of five commodity-specific National Production Programs (NPPs) which will prepare and continually update technological packages to be extended to producers. Each NPP will deal with a commodity important to the small farmer of the sierra or the high jungle -- rice, corn, potatoes, livestock, small grains, etc. The NPPs will be focused geographically in areas of principal importance for their particular commodity. Backing up the extension-oriented NPPs will be six regional service laboratories offering soil and water analysis and six regional research centers providing research in soil management, irrigation, drainage, plant and animal protection, and farm economics. Results obtained through these research facilities will be disseminated by the NPPs, and selected Ministry of Agriculture facilities throughout the sierra and high jungle. Also, the project will strengthen the National Agrarian University which has the only graduate-level agriculture education facility in the entire country and is the source of virtually all trained research and extension personnel.

Host Country and Other Donors: The project will complement an Inter-American Development Bank (IDB) project assisting Peru in seed improvement and extension. Also, the IDB is assisting the National Agrarian University to expand its training capacity and to restore buildings damaged by the 1970 earthquake. The host country contribution totals \$3,740,000.

Beneficiaries: An estimated 310,000 farm families will benefit from: the technological packages generated by the NPPs, improved production technology provided by additional extensionists trained under the project, applications of fertilizer and disease control methods resulting from analyses in the Regional Service Labs, and demonstrations at various facilities in the commodity zones. Cost per family is \$36.

FY 81 Program: Five NPPs will be in operation. Six Regional Service labs will be providing analyses to producers. Six Regional Research Centers will be developing information to be incorporated in the technical packages of the NPPs. Personnel at all levels of the project will be receiving training.

| | | |
|---|------------------|-------------|
| | (\$ thousands) | |
| <u>Major Outputs (and A.I.D. Unit Cost):</u> | <u>All Years</u> | |
| | <u>Unit</u> | <u>Cost</u> |
| National Production Programs | 5 | (700) |
| Regional Service Labs | 6 | (90) |
| Regional Research Centers | 6 | (500) |
| National Research Support Center | 1 | (100) |
| Demonstration sites at additional research facilities | 5 | (25) |
| National Agrarian University support | 1 | (440) |
| Additional extensionists trained | 1,500 | (2.3) |

| | |
|--------------------------------|--------------|
| <u>A.I.D. Financed Inputs:</u> | <u>FY 81</u> |
| Technical Assistance | 277 |
| Training | 223 |
| Total | <u>500</u> |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|----------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | --- | --- | --- | To be selected. |
| Estimated Fiscal Year 1980 | L-9,000; G-400 | L-2,000; G-200 | | |
| Estimated through September 30, 1980 | L-9,000; G-400 | L-2,000; G-200 | L-7,000; G-200 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | G-500 | 1,300 | L-9,000; G-2,200 | |

| | | | | | |
|---|---|--|---|----------------------------------|--|
| TITLE Nutrition Planning | | FUNDS Agriculture, Rural Development and Nutrition | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 527-0210 | | PRIOR REFERENCE | FY 80 397 | LIFE OF PROJECT 1,200 | |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/> | None | INITIAL OBLIGATION FY 81 | ESTIMATED FINAL OBLIGATION FY 83 | ESTIMATED COMPLETION DATE OF PROJECT FY 84 |

Purpose: To assist the Government of Peru (GOP) to identify, evaluate, and formulate policies and programs to alleviate chronic and acute malnutrition in Peru, with particular emphasis on pre-school children and pregnant and lactating women.

Background: The nutrition problem of Peru has two principal elements: chronic malnutrition which has existed among the country's poorest population groups for years; and acute malnutrition which has increased as a result of decreasing real incomes, particularly in urban areas. The severity of malnutrition in Peru has stimulated several national and international efforts which often suffer from inadequate planning and coordination. As a result, nutrition programs tend at times to neglect the most vulnerable groups, to depend too much on donated foods and to emphasize curative rather than preventive actions. This grant will assist in the formation of a Food and Nutrition Unit within the National Planning Institute for the following purposes: (a) to identify the principal nutritional problems and priorities; (b) to evaluate existing programs with respect to their costs and nutritional benefits; (c) to modify existing programs and policies, and to design and test new programs to reduce chronic and acute malnutrition; (d) to formulate a comprehensive program encompassing strategies related to agriculture (e.g., production, processing, marketing), employment generation, basic health care delivery, and nutrition education and research; and (e) to coordinate nutrition programs of the various GOP ministries.

Host Country and Other Donors: It is anticipated that the GOP will contribute \$.5 million. The United States is the major donor in the field of nutrition in Peru with a large PL 480 pro-

gram. Other donors have some impact on the nutrition problem through assistance programs in the health and agriculture sectors. No assistance in nutrition planning is presently being offered by any other donor.

Beneficiaries: The Health Ministry and the National Planning Institute are the project's direct beneficiaries, but pre-school children and pregnant and lactating mothers are the indirect target groups. Cost-benefit information on various nutrition-intervention programs will be a principal output of this planning project.

FY 81 Program: Initial steps will be taken to set up the Food and Nutrition Planning Unit and to define its research and training requirements. The first training and research programs will be initiated late in the fiscal year.

| | | |
|--|------------------|-------------|
| | (\$ thousands) | |
| Major Outputs (and A.I.D. Unit Cost): | <u>All Years</u> | |
| | <u>Unit</u> | <u>Cost</u> |
| Nutrition policy papers | 7 | (70) |
| Nutrition research programs | 10 | (70) |
| A.I.D. Financed Inputs: | <u>FY 81</u> | |
| In-country training | | 55 |
| Technical assistance (U.S. and third-country) | | 42 |
| Diagnostic surveys, evaluation and feasibility studies | | <u>300</u> |
| Total | | 397 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--------------------------------|-----------------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1978 | - | - | - | |
| Estimated Fiscal Year 1979 | - | - | - | |
| Estimated through September 30, 1979 | - | - | - | |
| Proposed Fiscal Year 1980 | 397 | 803 | 1,200 | |
| | | Future Year Obligations | Estimated Total Cost | |

To be selected.

PROGRAM: PERU

ACTIVITY DATA SHEET

CP 80-05(10-78)

| | | | | | |
|--|--|--|---|-------------------------------------|---|
| TITLE Sierra Agricultural Production | | FUNDS Agriculture, Rural Development and Nutrition | PROPOSED OBLIGATION (In thousands of dollars) | | LIFE OF PROJECT |
| NUMBER 527-0211 GRANT <input type="checkbox"/> LOAN <input checked="" type="checkbox"/> | | PRIOR REFERENCE None | FY 80 12,000 | 12,000 | |
| NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/> | | | INITIAL OBLIGATION FY 81 | ESTIMATED FINAL OBLIGATION FY 81 | ESTIMATED COMPLETION DATE OF PROJECT FY 84 |

Purpose: To provide sierra farmers with goods and services they need to increase agriculture production.

Background: A.I.D.'s principal target group is the six million rural poor of the Andean highlands, and increased incomes for this diverse, geographically scattered group is the key to ameliorating rural poverty in Peru. As most of these families are either engaged in or dependent on agriculture, the ability of small farmers to increase production must be enhanced, particularly in food crops. Although the technology to increase production is available (through irrigation, improved livestock, improved seed varieties, and soil conservation practices), the adoption of these technologies by small farmers is difficult due to the absence of marketing facilities and medium-term credit for financing on-farm investment. This project will establish a credit mechanism to finance small farmer investment in areas such as small-scale irrigation and drainage works, liming, storage facilities, fencing, and livestock and pasture improvement (principally for sheep, alpaca and llama). Supply and marketing facilities and systems will also be financed. The project will be targeted on selected areas of the sierra and adjacent high jungle.

Host Country and Other Donors: The Government of Peru (GOP) has initiated a number of new regional development and rural public works schemes to deal with the problem of underemployment and stagnant agricultural production in the highlands. It will contribute a minimum of \$3.3 million in support of the local currency costs of the project. Currently, A.I.D. is the only donor whose strategy concentrates almost exclusively on the sierra and high jungle areas.

Beneficiaries: The principal beneficiaries will be small independent farmers. Around 6,000 families at a cost per family of approximately \$2,200 will benefit directly from the project.

FY 81 Program: Investment activities will be identified in greater detail. Institutional arrangements within the GOP will be established and commodity procurement will begin.

Major Outputs: Year-by-year outputs cannot be stated precisely. Major intermediate outputs will include: (1) an increase in marketed agricultural products from the sierra and adjacent jungle areas; (2) improved pasture; (3) expanded irrigation; (4) an increased use of improved seeds, fertilizers and veterinary medicine. It is too early in the project development phase to determine A.I.D. unit costs.

| | |
|--------------------------------|----------------|
| | (\$ thousands) |
| A.I.D.-Financed Inputs: | FY 81 |
| Infrastructure | 3,700 |
| Machinery and equipment | 1,750 |
| Livestock | 1,750 |
| Perennial crops | 2,400 |
| Technical assistance | 650 |
| Other agriculture inputs | <u>1,750</u> |
| Total | 12,000 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1978 | - | - | - | To be selected. |
| Estimated Fiscal Year 1979 | - | - | - | |
| Estimated through September 30, 1979 | - | - | - | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1980 | 12,000 | - | 12,000 | |

| | | | | | |
|---|--|--|---|--|---|
| TITLE Watershed Management | | FUNDS Agriculture, Rural Development and Nutrition | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 527-0214 GRANT <input checked="" type="checkbox"/> LOAN <input checked="" type="checkbox"/> | | PRIOR REFERENCE None | FY 81 L-10,000; G-200 | LIFE OF PROJECT L-10,000; G-1,000 | |
| NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/> | | | INITIAL OBLIGATION FY 81 81 | ESTIMATED FINAL OBLIGATION FY 83 83 | ESTIMATED COMPLETION DATE OF PROJECT FY 85 85 |

Purpose: To assist the Government of Peru (GOP) to promote the rational use of soil and water resources as part of its overall effort to increase food production and consumption in the Andean highlands (sierra) region.

Background: Water and soils are scarce resources for food production in the Peruvian sierra. Only 11% of the soils in this region are suitable for growing a limited variety of crops. Rain is not available during the short growing season when water is needed for crops. Consequently, the land resources of the Andean highlands -- which are insufficient to support a growing population -- have been misused. Overgrazing on steep hillsides has caused flood and erosion problems. Indiscriminate deforestation has further aggravated the flooding-erosion cycle and has reduced the supply of firewood, which is the main source of fuel for the rural poor. This project will finance a variety of irrigation and environmental protection activities in priority watershed areas of the highlands, including: water distribution systems for small-farm irrigation; rehabilitation practices of eroded lands; afforestation programs; improved soil conservation and land use practices; and demonstration of crop improvement methods.

Host Country and Other Donors: Several donors are heavily involved in irrigation projects -- the Inter-American Development Bank in medium-scale irrigation in the highlands, the International Bank for Reconstruction and Development and West Germany in large coastal irrigation projects, and A.I.D. in small-scale projects in the highlands. These efforts are complementary and address a major agriculture development priority, with heavy financing requirements. This project goes beyond the more conventional irrigation project to consider a wider range of water, plant and soil problems affecting the

farmer and his environment. GOP contributions to this project total \$4 million.

Beneficiaries: An undetermined number of small farm families located within the priority watershed areas will be direct beneficiaries. Indirect beneficiaries will be families in rural communities who will benefit from increased availability of farm products. The beneficiary costs cannot be determined during this preliminary phase of project development.

FY 81 Program: Reforestation and other conservation activities in the selected watershed areas will move from the planning to the initial implementation stage.

(\$ thousands)

Major Outputs (and A.I.D. Unit Cost):

| | All Years | |
|---|-----------|-------|
| | Unit | Cost |
| Afforestation (hectares) | 22,500 | (.16) |
| Rehabilitation of crop land (hectares) | 1,000 | (3) |
| Crop improvement (demonstration projects) | 25 | (50) |
| Water distribution (sub-projects) | 25 | (75) |
| Natural pasture management (hectares) | 40,000 | (.03) |

A.I.D. Financed Inputs:

| | FY 81 | |
|-----------------------------|------------|---------------|
| | Grant | Loan |
| Technical assistance | 200 | -- |
| Afforestation | -- | 3,200 |
| Equipment | -- | 2,700 |
| Construction | -- | 2,700 |
| Feasibility studies | -- | 800 |
| Crop and pasture management | -- | 600 |
| Total | 200 | 10,000 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-----------------|----------------------------------|---|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | -- | -- | -- | |
| Estimated Fiscal Year 1980 | -- | -- | -- | |
| Estimated through September 30, 1980 | -- | -- | -- | |
| Proposed Fiscal Year 1981 | L-10,000; G-200 | Future Year Obligations G-800 | Estimated Total Cost L-10,000; G-1,000 | |

To be selected.

| | | | | | |
|---|--|--|---|--|--|
| TITLE Soil Conservation | | FUNDS Agriculture, Rural Development and Nutrition | PROPOSED OBLIGATION (In thousands of dollars) FY 81 513 | | LIFE OF PROJECT 2,000 |
| NUMBER 527-0220 | NEW <input type="checkbox"/> | PRIOR REFERENCE None. | INITIAL OBLIGATION FY 80 | ESTIMATED FINAL OBLIGATION FY 82 | ESTIMATED COMPLETION DATE OF PROJECT FY 83 |
| GRANT <input checked="" type="checkbox"/> | LOAN <input type="checkbox"/> | | | | |
| | CONTINUING <input checked="" type="checkbox"/> | | | | |

Purpose: To promote soil conservation practices (including afforestation) which will increase production on small farms and protect the natural resource base.

Background and Progress to Date: Land suitable for agriculture in Peru is extremely limited. Much of the land suitable for intensive agriculture is already under crop production, and production increases must generally come from higher yields rather than the opening of new lands. This project will help the Ministry of Agriculture to promote better soil conservation and afforestation in the Andean highlands and the high jungle, which are the regions of emphasis in A.I.D.'s development strategy. Project elements include: operation and management of water and soil conservation districts; training of key personnel; studies to determine geographic areas where greatest production increases can be achieved through improved conservation practices; extensive testing of soil conservation techniques on small farms from the standpoint of economic, technical, and social viability; afforestation activities at the community level; and development of a national strategy for soil conservation.

Host Country and Other Donors: Other donors are currently not included in major financing of soil conservation activities in Peru. Additional A.I.D. programs promote sierra reforestation through food-for-work activities and a grant to the Peruvian affiliate of Church World Services. The Government of Peru will provide financing for personnel, equipment and materials, some training, and operating expenses -- an estimated \$700,000.

Beneficiaries: Beneficiaries will be approximately 220,000 rural families in selected areas of the highlands and high jungle, where the need for soil conservation is the greatest. Cost per family of A.I.D. assistance is about \$9.

FY 81 Program: Soil and water conservation districts will be functioning in two pilot regions, and they will serve as training bases for Ministry personnel engaged in testing soil conservation and afforestation practices. Results will be used by the Ministry to design packages of conservation practices and set up additional soil conservation districts.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---|----------------|-------------------|
| | Unit | All Years Cost |
| Pilot soil conservation districts established | 8 | (250) |
| Economic impact of soil conservation practices evaluated | 1 | (60) |
| Soil conservation and afforestation pilot testing carried out | 1 | (450) |
| Conservation information system developed | 1 | (250) |
| Soil conservation extensionists trained | 100 | (4) |
| Researchers trained (Third-country and U.S. training) | 12 | (30) |
| National conservation strategy developed | 1 | (250) |
| <u>A.I.D. Financed Inputs:</u> | | |
| Technical assistance | | 356 |
| Equipment and materials | | 69 |
| Operating expenses | | 55 |
| Training | | 33 |
| Total | | 513 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | --- | --- | --- | To be selected. |
| Estimated Fiscal Year 1980 | 400 | 184 | | |
| Estimated through September 30, 1980 | 400 | 184 | 216 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 513 | 1,087 | 2,000 | |

| | | | | | | |
|---|---|--|--------------------------|---|--|-------|
| TITLE Rural Energy Alternatives | | FUNDS Agriculture, Rural Development and Nutrition | | PROPOSED OBLIGATION (In thousands of dollars) | | |
| | | | | FY 81 3,192 | LIFE OF PROJECT | 3,192 |
| NUMBER 527-0226 | NEW <input checked="" type="checkbox"/> | PRIOR REFERENCE | INITIAL OBLIGATION FY 81 | ESTIMATED FINAL OBLIGATION FY 81 | ESTIMATED COMPLETION DATE OF PROJECT FY 84 | |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | CONTINUING <input type="checkbox"/> | None. | | | | |

Purpose: To help build a capacity within the Government of Peru (GOP) to analyze energy alternatives and conduct demonstrations of alternative energy systems.

Background: Peru has modest petroleum resources, and the country will undoubtedly be importing large quantities of oil by the mid-1980s. Although the country has considerable potential for hydroelectric power development, much of rural Peru -- particularly the impoverished sierra and the economically-promising but isolated high jungle -- cannot rely either on large-hydro or fossil-fuel energy solutions. At the same time, the provision of more adequate supplies of energy to the rural sierra and high jungle is an imperative if these areas are to develop and provide employment for a rapidly growing population. The growth of small business has been substantial, for example, in rural communities which have managed to acquire even modest electrical power access.

This project will attempt to help Peru define its energy alternatives, with special emphasis on rural areas and non-conventional energy sources. The project draws on a 1978 U.S. Department of Energy macro-survey of Peruvian energy problems as well as previous A.I.D. assistance to Peru in the area of appropriate rural technology. The project will assist Peruvian government agencies, selected universities, and department-level development committees to undertake studies in specific regions of the sierra and high jungle to determine optimum energy solutions and the potential for non-conventional energy applications.

Host Country and Other Donors: West Germany is providing technical assistance in the area of hydropower. The World Bank and the Inter-American Development Bank have financed conventional electrical power generation projects. The GOP contribution to this project will be \$500,000.

Beneficiaries: The immediate beneficiaries of this project are the staff and institutions with which A.I.D. will be working, but the ultimate target group is the rural and urban poor who will benefit from the alternative energy technology developed under the program. Due to the project's institution-building and prototype development nature, it is impossible to determine beneficiary costs.

FY 81 Program: In-depth studies of the principal energy alternatives will begin, with U.S. technical assistance. Prototype facilities to test energy alternatives will be established in several rural locations.

| | | |
|--|------------------|-------------|
| | (\$ thousands) | |
| Major Outputs (and A.I.D. Unit Cost): | <u>All Years</u> | |
| | <u>Unit</u> | <u>Cost</u> |
| Mini-hydro research | 1 | (75) |
| Solar energy study | 1 | (80) |
| Bio-mass options studied | 1 | (90) |
| Charcoal and fuel-wood strategy developed for sierra and high jungle | 1 | (60) |
| Wind-power study | 1 | (80) |
| Prototype facilities created for nine alternative technologies | 9 | (125) |
| Alternative technologies designed, built and replicated | 9 | (140) |

| | |
|---------------------------------|--------------|
| A.I.D.-Financed Inputs: | <u>FY 81</u> |
| Technical assistance | 570 |
| Training | 382 |
| Prototype facility construction | <u>2,240</u> |
| Total | 3,192 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | --- | --- | --- | |
| Estimated Fiscal Year 1980 | --- | --- | --- | |
| Estimated through September 30, 1980 | --- | --- | --- | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 3,192 | --- | 3,192 | |

To be selected.

| | | | | | |
|---|-------------------------------|---|---|-------------------------------------|--|
| TITLE Health and Population Services for Marginal Urban Areas | | FUNDS Health and Population Planning | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 527-0223 | | PRIOR REFERENCE None | FY 81 P-400; H-250 | LIFE OF PROJECT P-1,100; H-1,000 | ESTIMATED COMPLETION DATE OF PROJECT FY 84 |
| GRANT <input checked="" type="checkbox"/> | LOAN <input type="checkbox"/> | NEW <input checked="" type="checkbox"/> | CONTINUING <input type="checkbox"/> | INITIAL OBLIGATION FY 81 | ESTIMATED FINAL OBLIGATION FY 83 |

Purpose: The purpose of the project is to extend integrated primary health services, including family planning, to the marginal areas of Peru's major population centers.

Background: Major health initiatives of the Government of Peru (GOP) and A.I.D. have focused on rural communities currently without access to the health infrastructure. This project is designed to provide health and family planning services in marginal urban areas which have little or no access currently to these services. Urban areas in Peru, like others in Latin America, are experiencing rapid population growth which outstrips the ability of governmental agencies to respond with both financial and human resources to meet ever-increasing needs for even minimal health services. The lack of contraceptive services only exacerbates the problem. Current government and academic studies, including the World Fertility Survey of Peru, demonstrate the demand for health and family planning services by mothers and children in these areas. The project seeks to test and develop cost-effective maternal/child and family planning services in areas of high population density.

Host Country and Other Donors: The GOP will support 25% of the total program requirements including salaries of professional personnel and facilities. The UN Fund for Population Activity currently supports hospital-based service programs while A.I.D. concentrates primarily on lower levels -- paraprofessionals and health post auxiliaries. This project will complement A.I.D. food-for-work activities in urban slums under which some 25 health posts are being constructed each year in Lima.

Beneficiaries: Over the life of the project, approximately 500,000 urban families will have access to health and family planning services on a continuing basis. Costs per family are therefore estimated to be \$4 to \$5.

FY 81 Program: Utilizing the experience of the GOP/A.I.D. Primary Health Care Project, this project will implement training, supervisory, education and health activities in several urban pilot areas. The focus will be on maternal/child health and family planning programs which include prenatal, childbirth and postpartum services such as immunizations, family planning, and hospital referrals when indicated. The institution-building nature of some outputs precludes determining A.I.D. unit costs.

| | | |
|---|------------------|-------------|
| | (\$ thousands) | |
| <u>Major Outputs (and A.I.D. Unit Cost):</u> | <u>All years</u> | |
| | <u>Unit</u> | <u>Cost</u> |
| Community health workers trained and equipped | 500 | (2) |
| Referral system operational | X | - |
| Information/evaluation system operational | X | - |
| Health and education service system operational | X | - |
| <u>A.I.D.-Financed Inputs:</u> | <u>FY 81</u> | |
| Commodities | | 155 |
| Equipment | | 260 |
| Training | | 125 |
| Technical assistance | | 50 |
| Education | | 60 |
| Total | | 650 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------------------|----------------------|------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | --- | --- | --- | |
| Estimated Fiscal Year 1980 | --- | --- | --- | |
| Estimated through September 30, 1980 | --- | --- | --- | |
| | Future Year Obligations | Estimated Total Cost | | |
| Proposed Fiscal Year 1981 | P-400; H-250 | P-700; H-750 | P-1,100; H-1,000 | To be selected. |

| | | | | | |
|---|---|--|---|-------------------------------------|--|
| TITLE Sur Medio Health and Family Planning | | FUNDS Health | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 527-0224 | | PRIOR REFERENCE FY 80 Population Planning Annex VII, p. 148 | FY 81 650 | LIFE OF PROJECT 1,100 | |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/> | | INITIAL OBLIGATION FY 80 | ESTIMATED FINAL OBLIGATION FY 81 | ESTIMATED COMPLETION DATE OF PROJECT FY 82 |

Purpose: The purpose of the project is to develop a model, cost-effective health and family planning service program for one region of Peru utilizing para-professional and community leaders to administer low-cost health services.

Background and Progress to Date: The health problems of Peru are severe. Population growth is 2.9%, and infant mortality is 147 per 1000 nationally. The Ministry of Health suffers from organizational and bureaucratic constraints including the lack of trained technical personnel and the lack of financial resources to support effective programs. This project addresses these serious health problems through the utilization of para-professionals and community workers to provide health, family planning and nutrition services. The project blends together a number of A.I.D. resources: Latin America and Caribbean Bureau grant funding, PL 480 Title II food for maternal/child distribution, and contraceptives funded from the Development Support Bureau (DSB). The project began in late FY 1979 utilizing A.I.D.'s DSB funds and is being continued in the period FY 1980-1981 using health funds from A.I.D.'s regular bilateral program in Peru. Special emphasis will be given mothers and children.

Host Country and Other Donors: Host country contributions include supervisory personnel, physical facilities, medicines and equipment. The UN Fund for Population Activity is supporting hospital-based services and referrals while A.I.D. support is focused at the community level. Government of Peru (GOP) contributions over the life-of-project are estimated at \$1 million or approximately one-half of the total project costs.

Beneficiaries: The beneficiaries of the project will be the 650,000 persons in the region who will be reached by mass media and other health education and service programs. Approximately 60% of the population will receive some preventive or curative

service intervention including immunizations, food supplements, family planning and other maternal/child health services. Cost per beneficiary is estimated at \$1.23.

FY 81 Program: The program should be in full operation by FY 1981, including completion of all training activities and full commodity distribution. Data should be collected from the first phase evaluation, and plans should be underway for GOP financial support for the continuation of the project. The institution-building nature of some outputs precludes determining A.I.D. unit costs.

| | | |
|--|------------------|-------------|
| | (\$ thousands) | |
| Major Outputs (and A.I.D. Unit Cost): | <u>All Years</u> | |
| | <u>Unit</u> | <u>Cost</u> |
| Community agents trained and equipped | 1,800 | (.4) |
| All health centers and sanitary posts operations | X | - |
| Health information system operational | X | - |
| Referral system operational | X | - |
| A.I.D. Financed Inputs: | <u>FY 81</u> | |
| Salaries | 100 | |
| Training | 50 | |
| Supervision | 75 | |
| Commodities | 175 | |
| Equipment | 200 | |
| Evaluation | 50 | |
| Total | 650 | |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES Peru Ministry of Health |
|--|-------------|--------------------------------|-----------------------------|--|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | |
| Estimated Fiscal Year 1980 | 450 | 400 | 50 | |
| Estimated through September 30, 1980 | 450 | 400 | 50 | |
| Proposed Fiscal Year 1981 | 650 | - | 1,100 | |
| | | Future Year Obligations | Estimated Total Cost | |

| | | | | | | |
|--|--|--|--|---|-------------------------------|---|
| TITLE Pre-School Education as a Catalyst for Community Development | | FUNDS Education and Human Resources | | PROPOSED OBLIGATION (In thousands of dollars) | | |
| | | | | FY 81 400 | LIFE OF PROJECT 1,600 | |
| NUMBER 527-0161 | NEW <input type="checkbox"/> | PRIOR REFERENCE | | INITIAL OBLIGATION 79 | ESTIMATED FINAL OBLIGATION 82 | ESTIMATED COMPLETION DATE OF PROJECT 83 |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | FY 80 Latin America Programs, p. 295 | | FY | FY | FY |

Purpose: To assist in the development, implementation and assessment of alternative low-cost pre-school education programs for disadvantaged children in the highlands of Peru.

Background and Progress to Date: Many children and adults who fall within A.I.D.'s target population belong to linguistic and cultural groups which do not possess the skills and prior orientation required for subsequent success in the public school system. To address this problem, Peru has established a Pre-School Education Program with a goal of serving over one million pre-school age children by 1985, which would represent approximately 25% of the age group. This project will assist the Government of Peru (GOP) by providing viable, low-cost approaches to pre-school education. The major portion of the project will be the replication in at least three sierra departments of Peru (Puno, Cuzco, and Ancash) of a pilot pre-school program now being tested in the Puno area. The program is based in community pre-school education centers and is multi-sectoral -- including cognitive development, nutrition, and community self-help concepts. This program is designed to offer to the Ministry of Education (MOE) an alternative pre-school education model in order to meet its pre-school objectives as well as provide them with comparative data on results, costs, and inputs required later for a national program. The project agreement was signed in late FY 1979.

Host Country or Other Donors: GOP and local community contributions will total \$500,000 for salaries, stipends for pre-school education promoters, materials, supplies, travel and per diem. UNICEF and A.I.D. are cooperating in the development of activities aimed at the pre-school child.

Beneficiaries: Primary beneficiaries will be approximately 48,000 Peruvian children (ages 3 to 5) participating in 400

pre-school centers. It is anticipated that girls particularly will benefit from the program based on high participation rates in the pilot activities described above. The cost per beneficiary is estimated to be \$34.

FY 81 Program: A technical assistance team and GOP personnel will continue working with pre-school centers in Puno and Cuzco, while expanding pre-school education opportunities to the department of Ancash with the support of experienced personnel from the Puno program. In-service training for community-selected, para-professional teachers as well as community development components of the program will be stressed and refined. Test data on educational effectiveness will be collected and compared.

Major Outputs (and A.I.D. Unit Cost):

| | (\$ thousands) | |
|--|----------------|--------|
| | All Years | |
| | Unit | Cost |
| Curriculum and teacher modules | 30 | (4.3) |
| Para-professional teachers trained | 400 | (1.5) |
| Pre-school centers involved in program | 400 | (0.6) |
| MOE supervisory personnel trained | 12 | (12.3) |
| Students enrolled | 48,000 | (.01) |

A.I.D. Financed Inputs:

| | FY 81 |
|----------------------|-------|
| Construction | 100 |
| Technical assistance | 110 |
| Commodities | 60 |
| Training | 90 |
| Research/evaluation | 20 |
| Local implementation | 20 |

Total 400

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 420 | - | 420 | |
| Estimated Fiscal Year 1980 | 400 | 464 | | |
| Estimated through September 30, 1980 | 820 | 464 | 356 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 400 | 380 | 1,600 | |

To be selected.

PROGRAM: PERU

ACTIVITY DATA SHEET

CP 81-05 (8-79)

| | | | | | |
|---|---|--|---|-------------------------------------|--|
| TITLE Southern Sierra Education Sector Program | | FUNDS Education and Human Resources | PROPOSED OBLIGATION (In thousands of dollars) | | |
| | | | FY 81 300 | LIFE OF PROJECT 3,000 | |
| NUMBER 527-0215 | NEW <input checked="" type="checkbox"/> | PRIOR REFERENCE | INITIAL OBLIGATION FY 81 | ESTIMATED FINAL OBLIGATION FY 84 | ESTIMATED COMPLETION DATE OF PROJECT FY 85 |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | CONTINUING <input type="checkbox"/> | None . | | | |

Purpose: To reduce regional disparities in the quality and availability of education through a project which will deliver a package of education services to one of the poorest areas of the sierra.

Background: Despite progress in the seven years since its initiation, the Peruvian Education Reform is far from achieving its goal of linking the learning process more directly to socio-economic development needs. Peruvian education suffers from less-than-complete coverage, insufficient educational materials, low quality teaching skills, inadequate provision of non-formal programs, and relatively low participation of school-age girls. These deficiencies are especially acute in the rural Andean areas of the country.

A.I.D. involvement in the education sector has been limited largely to small-scale pilot and/or experimental programs in the past and will move into a more action-oriented, education services delivery program over the next several years. The proposed project will analyze the education requirements of one or two southern sierra education regions (Cuzco and Puno are possibilities) with a view to strengthening programs at all levels that are relevant to the region and its predominately poor population. The project will contain the following components: (1) non-formal programs -- vocational training, adult literacy, and school equivalency in less accessible areas; (2) education materials (development, production and distribution) for regular and non-formal programs; (3) teacher training (in-service and pre-service) for regular and non-formal programs, taking into account the diverse cultural and linguistic backgrounds of the target population; (4) radio technology as a delivery system for a variety of formal and non-formal education programs; and (5) design and planning of the establishment of education service centers (being tested elsewhere in Peru under an on-going A.I.D. grant project) in the target region.

Host Country and Other Donors: The Government of Peru (GOP) will provide at least \$1 million during the life of the project to finance salaries of teachers and support personnel, materials and equipment.

Beneficiaries: Approximately one million individuals in the age group 3-39 live in the rural areas of Cuzco and Puno. This project will address the basic education needs of an estimated 250,000 people in these areas. Estimated cost per beneficiary is \$12.

FY 81 Program: Funds will be used to finance training, curriculum development, studies for determining equipment and teaching material needs, and an inventory of existing facilities in the region.

Major Outputs: The identification of major structural weaknesses in Southern sierra education and of operational plans to correct major deficiencies; strengthening the GOP capacity in bilingual education, pre-school education, adult education and basic vocational training. Due to the project's early stage of development, it is impossible to determine A.I.D. unit costs at this time.

| | |
|---|----------------|
| | (\$ thousands) |
| A.I.D.-Financed Inputs: | FY 81 |
| Technical assistance (U.S. and third country) | 80 |
| In-country training | 40 |
| Travel and per diem | 20 |
| Studies | 40 |
| Equipment | 60 |
| Equipment materials, preparation and distribution | 60 |
| Total | 300 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--------------|--------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | -- | -- | -- | |
| Estimated Fiscal Year 1980 | -- | -- | -- | |
| Estimated through September 30, 1980 | -- | -- | -- | |
| Proposed Fiscal Year 1981 | 300 | 2,700 | 3,000 | |

To be selected.

| | | | | | |
|---|-------------------------------|--|---|--|---|
| TITLE Special Development Activities | | FUNDS Selected Development Activities | PROPOSED OBLIGATION (In thousands of dollars) | | |
| | | | FY 81 | 50 | LIFE OF PROJECT Continuing* |
| NUMBER 527-0061 | NEW <input type="checkbox"/> | PRIOR REFERENCE | INITIAL OBLIGATION FY 63 | ESTIMATED FINAL OBLIGATION FY Continuing* | ESTIMATED COMPLETION DATE OF PROJECT FY Continuing* |
| GRANT <input checked="" type="checkbox"/> | LOAN <input type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | FY 80 Latin America Programs, p. 298 | | |

Purpose: To respond quickly to development initiatives of rural and urban poor groups engaging in self-help projects.

Background and Progress to Date: Since 1963, 611 small projects have been supported in such areas as education, agriculture, health, small industries, cooperatives, and skills training. During FY 1979, 14 new projects were undertaken at an average cost of \$3,600. To respond to the economic crisis now affecting the health and nutrition status of the Peruvian population, projects in these areas are given special consideration. Women continued to be direct beneficiaries of the fund, especially in the area of cottage industries. Examples of this project's impact on Peru's poorest majorities are: (a) a tuberculosis eradication campaign in a small northern city where 1,000 families are receiving diagnosis, treatment and follow-up medical services; (b) a private organization's campaign to introduce the use of fertilizer among subsistence farmers in the Andean highlands -- 30 training sessions on 24 demonstration plots are expected to reach more than 700 families; (c) two sewing enterprises to supplement the income of 80 unemployed women in urban slums; and (d) a community-owned bakery run by 50 families in a Lima inner city slum.

Host Country and Other Donors: The Government of Peru contributes by providing technical assistance, as needed, for the majority of projects funded under this activity.

Beneficiaries: Beneficiaries of this project are the rural and urban poor. The average cost to A.I.D. per family is \$15 -- an average of between 3,000-3,500 families per year benefit from the program.

FY 81 Program: An estimated 15 new projects will be approved. Impact on nutrition, food production, health status and women will again be stressed.

| | |
|--------------------------------------|----------------------|
| | (\$ thousands) |
| <u>Major Outputs:</u> | <u>Through FY 81</u> |
| Subprojects | 641 |
| <u>A.I.D. Financed Inputs:</u> | <u>FY 81</u> |
| Equipment, materials and local costs | <u>50</u> |
| Total | 50 |

* It is expected that activities under this project will continue as long as A.I.D. maintains an assistance program in Peru.

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | 1,069 | 1,039 | 30 | None. |
| Estimated Fiscal Year 1980 | 50 | 60 | | |
| Estimated through September 30, 1980 | 1,119 | 1,099 | 20 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 50 | Continuing* | Continuing* | |

PROGRAM: PERU

ACTIVITY DATA SHEET

CP 81-05 (8-79)

| | | | | | | |
|---|-------------------------------|---|-----------------------------|--|---|--------------------------|
| TITLE Land Use Inventory - Environmental Planning | | FUNDS Selected Development Activities | | PROPOSED OBLIGATION (In thousands of dollars) FY 81 450 | | LIFE OF PROJECT 2,000 |
| NUMBER 527-0202 | NEW <input type="checkbox"/> | PRIOR REFERENCE FY 80 Latin America Programs, p. 299 | INITIAL OBLIGATION FY 80 | ESTIMATED FINAL OBLIGATION FY 82 | ESTIMATED COMPLETION DATE OF PROJECT FY 83 | |
| GRANT <input checked="" type="checkbox"/> | LOAN <input type="checkbox"/> | CONTINUING <input checked="" type="checkbox"/> | | | | |

Purpose: To assist the Government of Peru (GOP) to develop an institutional capacity to identify land resources for agricultural uses and to adopt adequate measures for the management and preservation of the country's soils, forests and other renewable resources.

Background and Progress to Date: The GOP is increasingly focusing development efforts on the high jungle and Andean highland regions of the country, areas containing considerable potential for agriculture and related industries. However, these regions include watershed areas that need to be preserved in order to avoid severe erosion problems. At the present time, the GOP institutions lack the technical and organizational capacity to deal with the present and potential problems of developing these areas while preserving the environment. Development of both the sierra and the high jungle are crucial to the alleviation of poverty in Peru. The Office for Evaluation of Natural Resources (ONERN) is the GOP organization responsible for the planning and coordination of all environmental activities in Peru. ONERN has been active in the coastal region of the country for the past ten years, and has developed technical and professional expertise in conducting resource inventories and potential land use studies using ground survey methods combined with manual interpretation of aerial photography. However, ground survey methods have limited application in the high jungle and sierra regions because they are slow and expensive. Therefore, ONERN is attempting to update its technology to meet present and future needs of the country. The proposed project will assist ONERN to increase its capacity to undertake resource and land use potential studies as well as to conduct environmental assessments by introducing advanced technologies such as remote sensing techniques, analytical interpretation, and digital processing of data.

Host Country and Other Donors: The total ONERN counterpart contribution is estimated at \$667,000; \$472,000 of this amount will

be provided by ONERN in connection with natural resource inventories and \$195,000 for environmental impact assessments. The Canadian government is providing assistance in the field of remote sensing and the Organization of American States in the field of environmental planning.

Beneficiaries: Benefits from the identification, management and preservation of resources for agricultural development will accrue to the entire Peruvian society, especially the rural poor who will directly benefit from settlement on new agricultural lands, from employment in new forest and agricultural industries and from environmental protection plans. The nature of this project precludes determining A.I.D. cost per family benefited.

FY 81 Program: Training programs underway; technicians for ONERN on board; procurement of equipment and materials completed; studies and assessments initiated.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) All Years | |
|--|-----------------------------|-------|
| | Unit | Cost |
| ONERN professional level personnel trained | 20 | (25) |
| ONERN technical level personnel trained | 15 | (30) |
| Resource potential studies completed | 2 | (150) |
| Environmental impact assessments completed | 2 | (150) |

| A.I.D. Financed Inputs: | FY 81 |
|----------------------------|------------|
| Technical assistance | 100 |
| Equipment and materials | 75 |
| Training | 45 |
| Support costs | 130 |
| Reconnaissance cartography | 100 |
| TOTAL | 450 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | To be selected. |
| Estimated Fiscal Year 1980 | 500 | 400 | | |
| Estimated through September 30, 1980 | 500 | 400 | 100 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 450 | 1,050 | 2,000 | |

| | | | | | |
|---|---|--|---|----------------------------|---------------------------|
| TITLE Credit for Low-Income Neighborhoods | | FUNDS Selected Development Activities | PROPOSED OBLIGATION (In thousands of dollars) | | |
| | | | FY 81 | 187 | LIFE OF PROJECT 575 |
| NUMBER 527-0218 | NEW <input checked="" type="checkbox"/> | PRIOR REFERENCE | INITIAL OBLIGATION | ESTIMATED FINAL OBLIGATION | ESTIMATED COMPLETION DATE |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | CONTINUING <input type="checkbox"/> | None. | FY 81 | FY 83 | FY 84 |

Purpose: To stimulate the growth of new credit channels to be used to improve the housing conditions in low-income neighborhoods.

Background: The Peruvian Government is attempting to alleviate the chronic shortage of adequate housing and public services in poor urban neighborhoods resulting from the explosive growth of urban centers in recent years. Previously, A.I.D. has assisted this effort through Housing Investment Guarantee (HIG) projects which are providing basic services (water, sewerage, and electricity) to low-income urban neighborhoods. Although housing in these neighborhoods is substandard, financing is not readily available for families to buy materials to upgrade their own housing. One promising channel for providing home improvement financing in poor neighborhoods is the private housing cooperative and credit union system. These institutions have considerable experience in home improvement lending to poor families but lack the resources to reach a significant number of families. To help overcome this problem, this A.I.D. grant will finance a pilot project to link the resources of the Peruvian Housing Bank with those institutions which have not traditionally had access to Housing Bank funds. The project will identify legal and other impediments limiting access of non-traditional borrowers to Housing Bank financing, will establish and train a permanent unit in the Housing Bank to carry out the project, and will develop a cost-effective system for processing small loans for self-help home improvements. In addition, it is expected that up to \$1 million will be available under the on-going HIG program to finance pilot lending activities.

Host Country and Other Donors: The Housing Bank will contribute a minimum of \$144,000 in local costs. Currently, A.I.D. is the only major donor involved in shelter assistance to low-income urban families.

Beneficiaries: This project will have a direct impact on approximately 4,000 urban poor families. The grant cost per family would be \$131. If the pilot project is successful, a substantially greater number of poor families will benefit from increased credit for shelter improvements.

FY 81 Program: The Housing Bank will establish a new organizational unit, and a study to identify legal and procedural impediments to the credit program will be completed.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---|----------------|------|
| | Unit | Cost |
| Home improvement unit established and staffed | 1 | 300 |
| Studies completed | 1 | 100 |
| Lending system established | 1 | 120 |
| <u>A.I.D. Financed Inputs:</u> | | |
| Technical assistance | | 132 |
| Training | | 30 |
| Support Costs | | 25 |
| Total | | 187 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|-------------------------|----------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | --- | --- | --- | To be selected. |
| Estimated Fiscal Year 1980 | --- | --- | --- | |
| Estimated through September 30, 1980 | --- | --- | --- | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 187 | 388 | 575 | |

| | | | | | |
|---|--|--|---|-------------------------------------|--|
| TITLE Regional Development Coordination | | FUNDS Selected Development Activities | PROPOSED OBLIGATION (In thousands of dollars) | | |
| NUMBER 527-0222 | | PRIOR REFERENCE None. | FY 81 186 | LIFE OF PROJECT 500 | |
| GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/> | NEW <input type="checkbox"/> CONTINUING <input checked="" type="checkbox"/> | | INITIAL OBLIGATION FY 80 | ESTIMATED FINAL OBLIGATION FY 82 | ESTIMATED COMPLETION DATE OF PROJECT FY 83 |

Purpose: To strengthen the administrative and analytical capacity of the National Planning Institute (INP) so that this key agency can better support Peru's new framework for regional development.

Background and Progress to Date: Peru's historic pattern of development exhibits an excessive concentration of resources and decision-making power in Lima. As a result, rural areas -- particularly the impoverished Andean highlands and the underdeveloped but promising high jungle region -- have been starved for investment capital and have been hampered in their development by lack of authority to plan and execute public sector investments. Over the past year, the Government of Peru has sought to remedy the historic neglect of certain regions by creating local development committees at the departmental and regional levels. These committees are empowered to draw up regional development plans and, subsequently, to control budget allocations from the central government for their respective regions. Each committee must create a professional staff to carry out the planning function. The National Planning Institute, through its regional offices, provides the nucleus of these staff units by supplying most of their professional personnel and offering training and advisory services. The INP must expand its institutional capability to perform the crucial role assigned to it in making Peru's new decentralized system work. Its small staff lacks up-to-date training in public planning -- at the regional, market-town, and special sector (for example, health) levels. As a result of Peru's current economic crisis, INP also lacks operating funds for its staff to travel for project evaluations and to play an active role in the new regional development committees. Therefore, this A.I.D. project is strengthening the INP's capacity to better carry out its development mandate.

Host Country and Other Donors: The UN Development Program has supplied limited assistance to INP for training. The host country will contribute \$125,000 to this project.

Beneficiaries: The direct beneficiaries of this project are the staff of the INP. The ultimate target group, however, is the poor rural and urban population who will benefit greatly through the more effective capability of the INP to plan for and administer assistance programs. The institution-building nature of this project precludes estimating family beneficiary costs.

FY 81 Program: The INP will provide technical assistance and back-up support to the staffs of at least eight regional development committees. INP will play a leading role in evaluating foreign assistance projects of the United States and other donors in Peru. The institutional-building nature of this project precludes determining A.I.D. unit costs.

| Major Outputs (and A.I.D. Unit Cost): | (\$ thousands) | |
|---|----------------|-----------|
| | Unit | Cost |
| Administrative management improvement | X | -- |
| Increased travel for INP staff | X | -- |
| Increased number of project evaluations completed | X | -- |
| Training courses for regional committee staff | X | -- |
| Short-studies of decentralization | X | -- |
| A.I.D. Financed Inputs: | | |
| Technical assistance | | <u>50</u> |
| Training | | 50 |
| Operating support | | <u>86</u> |
| Total | | 186 |

| U.S. FINANCING (In thousands of dollars) | | | | PRINCIPAL CONTRACTORS OR AGENCIES |
|--|-------------|--------------------------------|-----------------------------|-----------------------------------|
| | Obligations | Expenditures | Unliquidated | |
| Through September 30, 1979 | - | - | - | To be selected. |
| Estimated Fiscal Year 1980 | 150 | 80 | | |
| Estimated through September 30, 1980 | 150 | 80 | 70 | |
| | | Future Year Obligations | Estimated Total Cost | |
| Proposed Fiscal Year 1981 | 186 | 164 | 500 | |

Terminating
Programs

SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(In thousands of dollars)

PROGRAM Terminating Programs

CP 81-02(10-79)

| PROJECT TITLE | * | L/G | PROJECT NUMBER | FY OF INITIAL OBLIGATION | THROUGH FY 1979 | | ESTIMATED FY 1980 | | PROPOSED FY 1981 | | FUTURE YEAR OBLIGATIONS |
|---|---|-----|----------------|--------------------------|-----------------|--------------|-------------------|--------------|------------------|--------------|-------------------------|
| | | | | | OBLIGATIONS | EXPENDITURES | OBLIGATIONS | EXPENDITURES | OBLIGATIONS | EXPENDITURES | |
| BRAZIL | | | | | | | | | | | |
| <u>Selected Development Activities</u> | | | | | | | | | | | |
| Science and Technology Development | | L | 512-0319 | 73 | 14,914 | 14,482 | --- | 432 | --- | --- | --- |
| Sub-Total | | | | | 14,914 | 14,482 | --- | 432 | --- | --- | --- |
| CHILE | | | | | | | | | | | |
| <u>Agriculture, Rural Development and Nutrition</u> | | | | | | | | | | | |
| Agricultural Cooperative Development | | L | 513-0277 | 75 | 15,000 | 14,620 | --- | 380 | --- | --- | --- |
| Nutrition Development | | L | 513-0281 | 75 | 5,000 | 2,354 | --- | 1,200 | --- | 1,446 | --- |
| Agricultural Production Credit | | L | 513-0294 | 76 | 14,000 | 12,686 | --- | 1,314 | --- | --- | --- |
| Sub-Total | | | | | 34,000 | 29,660 | --- | 2,894 | --- | 1,446 | --- |
| COLOMBIA | | | | | | | | | | | |
| <u>Agriculture, Rural Development and Nutrition</u> | | | | | | | | | | | |
| Fisheries Research | | L | 514-0191 | 75 | 2,200 | 1,900 | --- | 300 | --- | --- | --- |
| Small Farmer Training | | L | 514-0192 | 76 | 4,000 | 3,620 | --- | 380 | --- | --- | --- |
| Rural Cooperatives Development | | L | 514-0193 | 75 | 5,000 | 4,222 | --- | 778 | --- | --- | --- |
| Small Farmer Market Access | | L | 514-0194 | 75 | 5,000 | 4,152 | --- | 848 | --- | --- | --- |
| Nutrition | | L | 514-0197 | 76 | 6,000 | 4,578 | --- | 1,422 | --- | --- | --- |
| Small Farmer Development | | L | 514-0203 | 76 | 3,400 | 2,200 | --- | 1,200 | --- | --- | --- |
| Sub-Total | | | | | 25,600 | 20,672 | --- | 4,928 | --- | --- | --- |
| URUGUAY | | | | | | | | | | | |
| <u>Agriculture, Rural Development and Nutrition</u> | | | | | | | | | | | |
| Agricultural Research and Technical Assistance | | L | 528-0101 | 75 | 4,850 | 1,423 | --- | 3,427 | --- | --- | --- |
| Agricultural Cooperative Development | | L | 528-0102 | 75 | 2,000 | 1,948 | --- | 52 | --- | --- | --- |
| Sub-Total | | | | | 6,850 | 3,371 | --- | 3,479 | --- | --- | --- |
| TOTAL | | | | | 81,364 | 68,185 | --- | 11,733 | --- | 1,446 | --- |

*Detailed project narrative - see Activity Data Sheet
A. This is a continuing project - see Activity Data Sheet

ADDITIONAL PROGRAM REQUIREMENTS*

CP 81-03 (8-79)

| TITLE | ESTIMATED LENGTH OF PROJECT | ESTIMATED 1ST YEAR COST (in thousands) | PURPOSE |
|--|-----------------------------|--|--|
| <u>LATIN AMERICA AND THE CARIBBEAN REGIONAL</u> | | | |
| Arid Farming Systems | FY 81 - FY 82 | 200 Grant | To provide recommendations on improved arid-land farming systems based upon known technology and adaptive research programs. |
| Education Research Networks | FY 79 - FY 82 | 200 Grant | To improve the quantity and quality of research information on educational efficiency, equity and relevance which is made available to decision-makers. |
| <u>CENTRAL AMERICAN REGIONAL PROGRAM (ROCAP)</u> | | | |
| Regional Horticultural Crop Development | FY 80 - FY 84 | 439 Grant | To increase the Central American capacity to conduct research and train senior horticultural expert in the production of tropical fruits and vegetables for production in small farms. (Cooperating Regional Agency: CATIE.) |
| Export Trade Promotion | FY 81 - FY 85 | 20,000 Loan | To seek, under a revised Common Market tariff, expansion of markets for small manufacture and agricultural products within and outside of the Central American Region. |
| <u>BOLIVIA</u> | | | |
| Agricultural Development in the Coca Zones | FY 80 - FY 83 | 19,500 Loan 500 Grant | To implement agricultural marketing, production and agro-industry activities which will allow farmers in coca growing zones to maintain or improve present income levels when coca production is reduced to legal in-country consumption levels. |
| Rural Credit Mechanisms | FY 81 - FY 85 | 10,000 Loan 200 Grant | To create a viable rural credit system capable of providing a full range of financial services to rural areas of Bolivia. |
| Rural Energy | FY 81 - FY 84 | 12,000 Loan | To strengthen and establish institutions, including small-scale electrical enterprises and cooperatives, which provide low-cost energy to low-income Bolivians inhabiting rural areas and market towns. |
| <u>ECUADOR</u> | | | |
| Credit Union & Cooperative Development | FY 81 - FY 84 | 5,000 Loan 300 Grant | To expand the access of small farmers and other low-income rural families to the services provided by credit unions and cooperatives. |
| Appropriate Technology for Small Industries and Agroindustries | FY 81 - FY 84 | 5,000 Loan 300 Grant | To: (a) identify and adopt technologies suitable for small industry in Ecuador; and (b) to provide credit for the purchase of low-cost technology by small-scale enterprises. |
| Local Private Voluntary Agency Development Fund | FY 81 - FY 84 | 2,500 Loan 300 Grant | To strengthen the capability of indigenous PVOs to identify and implement projects which will benefit low-income rural and urban families. |
| Rural Market Town Development | FY 81 - FY 84 | 3,000 Loan 200 Grant | To enhance the capability of selected secondary and tertiary towns to assess their development needs and finance projects which will benefit low-income families. |

*Projects identified for implementation if additional funds become available. ("Shelf Projects")

ADDITIONAL PROGRAM REQUIREMENTS*

CP 81-03 (8-79)

| TITLE | ESTIMATED LENGTH OF PROJECT | ESTIMATED 1ST YEAR COST (in thousands) | PURPOSE |
|---|-----------------------------|--|--|
| <u>GUATEMALA</u> | | | |
| Natural Resources and Infrastructure | FY 81 - FY 85 | 15,000 Loan 400 Grant | To increase small farmer incomes by improving the productivity, conservation and effective utilization of available natural resources and by providing critical infrastructure at the community level. The two elements form part of a regional development effort concentrated in the Western Highlands of Guatemala. |
| <u>GUYANA</u> | | | |
| Labor Intensive - Small Enterprise | FY 81 - FY 84 | 1,200 Loan | To improve the delivery of credit and technical assistance to small enterprises which generate jobs. |
| Agricultural Credit | FY 80 - FY 83 | 5,600 Loan 200 Grant | To provide assistance to small farmers through an expanded program of supervised agricultural credit. |
| <u>HAITI</u> | | | |
| Labor Intensive Rural Public Works | FY 80 - FY 85 | 1,000 Grant | To assist subsistence farmers and landless laborers to improve their quality of life through employment-generating public works projects such as road construction and maintenance, water and irrigation systems and markets. |
| Development Finance Corporation | FY 81 - FY 84 | 3,000 Loan | To assist the development of agro-industry and other labor-intensive industries as a means of increasing productivity, income and employment opportunities for low-income Haitians. |
| <u>JAMAICA</u> | | | |
| Health and Nutrition Sector Development | FY 81 - FY 85 | 4,000 | To strengthen the capacity of the Jamaican Ministry of Health to plan, implement and evaluate health care delivery and nutrition action programs in order to improve access to health services for the rural poor. |
| <u>PARAGUAY</u> | | | |
| Market Town Development | FY 80 - FY 83 | 5,000 Loan | To expand the services provided by market towns to the rural poor. |
| Rural Land Registration | FY 81 - FY 84 | 3,000 Loan | To create a system of registration of small farm properties. |
| <u>PERU</u> | | | |
| Agribusiness Development II | FY 80 - FY 82 | 15,000 Loan | To expand the coverage of the successfully-completed Agribusiness I loan fund to encourage investments in the sierra and high jungle areas of Peru. |
| Rural Potable Water | FY 81 - FY 84 | 10,000 Loan | To install cost-effective potable water supply systems in selected small rural communities and establish the institutional capability to expand the program nation-wide. |
| | <u>TOTAL</u> | Loans - 148,800 Grants - 4,238 | |

*Projects identified for implementation if additional funds become available. ("Shelf Projects")