AGENCY FOR INTERNATIONAL DEVELOPMENT

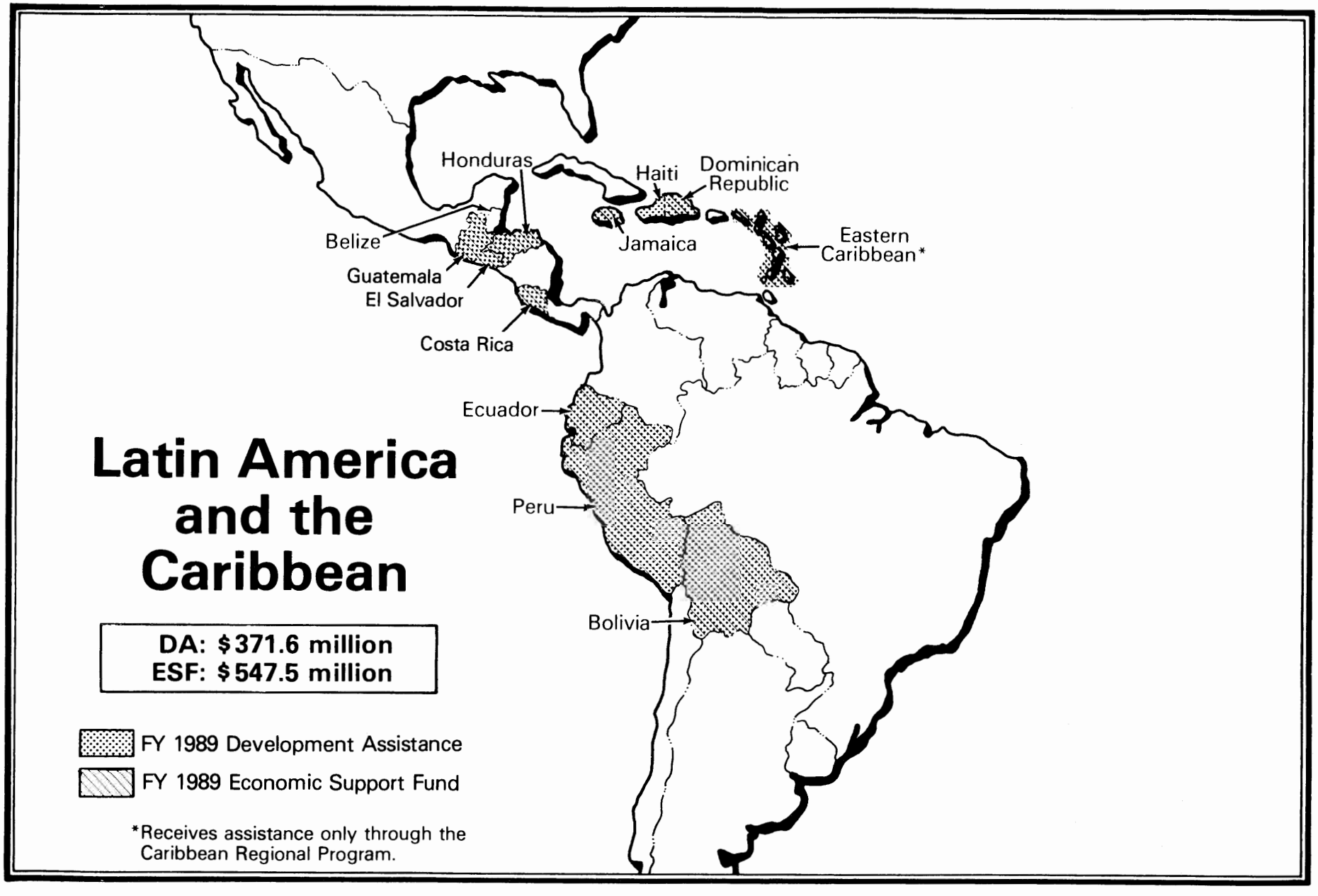
Congressional Presentation
Fiscal Year 1989
ANNEX III

Latin America and the Caribbean

LATIN AMERICA AND THE CARIBBEAN

Responsible Officer

DWIGHT A. INK
Assistant Administrator
Bureau for Latin America and the Caribbean


Honduras
Haiti
Dominican Republic
Belize
Jamaica
Eastern Caribbean*
Guatemala
El Salvador
Costa Rica
Ecuador
Peru
Bolivia
Latin America and the Caribbean
DA: $371.6 million
ESF: $547.5 million
FY 1989 Development Assistance
FY 1989 Economic Support Fund
*Receives assistance only through the Caribbean Regional Program.

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 1989.

The Presentation begins with a region-wide summary table which provides a breakout by country and appropriation account of the funding requirements for the Latin American and Caribbean countries from FY 1986 to FY 1989. Programs are grouped by subregion (Central America, the Caribbean, and South America), and subtotals are shown for each subregion. There is also a table of economic and social data for countries that receive A.I.D. assistance.

The Overview of Latin America and Caribbean which follows provides a regional summary of the Agency's programs in Latin America and the Caribbean. This is followed by sections on Central America, the Caribbean, and South America which contain overviews and tables for each subregion, and country narratives describing the total A.I.D. program, including FY 1989. There is a separate section which describes the Latin America and Caribbean Regional program. Each narrative is followed by planned project summary sheets which present in detail the proposed new projects for FY 1989. Note that the regional projects presented in this annex are different from the centrally-funded programs described in Annex V.

Section 709 of the International Security and Development Act of 1985 requires that comprehensive reports be provided on A.I.D. assistance to Latin America. Supplemental information on A.I.D. assistance provided in FY 1987 is included in each of the country narratives.

Annex III concludes with tables on terminating programs.

LATIN AMERICA AND THE CARIBBEAN

TABLE OF CONTENTS

Summary of Program by Country and Appropriation..... 1

Economic and Social Data (Regional Summary)..... 7

Overview of Latin America and the Caribbean..... 15

CENTRAL AMERICA..... 31

Overview of Central America..... 33

Belize..... 47
Costa Rica..... 61
El Salvador..... 81
Guatemala..... 109
Honduras..... 135
Regional Office for Central America (ROCAP)..... 161
Central American Regional..... 175

THE CARIBBEAN..... 191

Overview of the Caribbean..... 193

Dominican Republic..... 197
Haiti..... 219
Jamaica..... 239
Caribbean Regional..... 257

SOUTH AMERICA..... 279

Overview of South America..... 281

Bolivia..... 285
Ecuador..... 303
Peru..... 323

Latin America and Caribbean Regional..... 343

Terminating Programs..... 359

Guyana..... 361
Panama..... 365
Suriname..... 371
Uruguay..... 375

ACRONYMS

AIFLD	- American Institute for Free Labor Development
ARDN	- Agriculture, Rural Development and Nutrition
BLADEX	- Latin American Export Bank
CABEI	- Central American Bank for Economic Integration
CACM	- Central American Common Market
CACMF	- Central American Common Market Fund
CADO	- Central American Development Organization
CAI	- Central American Initiative
CAPS	- Central American Peace Scholarships program
CARDI	- Caribbean Agricultural Research and Development Institute
CARE	- Cooperative for American Relief Everywhere
CARICOM	- Caribbean Community and Common Market
CATIE	- Center for Research and Training in Tropical Agriculture
CBI	- Caribbean Basin Initiative
CCC	- Commodity Credit Corporation
CDB	- Caribbean Development Bank
CET	- Common External Tariff
CLASP	- Caribbean and Latin American Scholarship Program
CRS	- Catholic Relief Services
CURLA	- Honduran University Agricultural School
DA	- Development Assistance
EEC	- European Economic Community
EHR	- Education and Human Resources
ESF	- Economic Support Fund
GDP	- Gross Domestic Product
GNP	- Gross National Product
GOB	- Government of Belize
	- Government of Bolivia
GOCR	- Government of Costa Rica
GODR	- Government of Dominican Republic
GOE	- Government of Ecuador
GOES	- Government of El Salvador
GOG	- Government of Grenada
	- Government of Guatemala
GOH	- Government of Haiti
	- Government of Honduras
GOJ	- Government of Jamaica

GOP	- Government of Panama - Government of Peru
GOU	- Government of Uruguay
HG	- Housing Guaranty
IBRD	- International Bank for Reconstruction and Development (World Bank)
ICAITI	- Central American Industrial Research Institute
IDB	- Inter-American Development Bank
IICA	- Inter-American Institute for Cooperation on Agriculture
ILANUD	- Latin American Institute on the Prevention of Crime and Treatment of Offenders
IMF	- International Monetary Fund
INCAE	- Central American Business School
INCAP	- Nutrition Institute for Central American and Panama
LAAD	- Latin American Agribusiness Development Corporation
LAC	- Latin America and the Caribbean
LDC	- Less Developed Country
MOA	- Ministry of Agriculture
MOH	- Ministry of Health
NBCCA	- National Bipartisan Commission on Central America
NGO	- Nongovernmental Organization
OPG	- Operational Program Grant
ORT	- Oral Rehydration Therapy
PADF	- Pan American Development Foundation
PVO	- Private and Voluntary Organization
RENARE	- Panama Directorate of Renewable Resources
RTC	- Regional Training Center
SDA	- Selected Development Activities
TCIP	- Trade Credit Insurance Program
UNFPA	- United Nations Fund for Population Activities
USIA	- United States Information Agency
WID	- Women in Development

Summary of Programs
by Country and
Appropriation

SUMMARY OF LAC PROGRAMS BY SUBREGIONAL COUNTRY AND APPROPRIATION
(IN THOUSANDS OF DOLLARS)

CP-89

REGION: BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY	TOTAL	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	CHILD SURVIVAL	AIDS	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	TOTAL FDAP	ECONOMIC SUPPORT FUND	INTERNAT. DISASTER ASSIST.
CENTRAL AMERICA											
BELIZE											
1986	8,764	2,150	50	2,250	---	---	650	1,750	6,850	1,914	---
1987	12,690	1,963	64	1,373	725	---	1,870	1,300	7,295	5,395	---
1988	7,400	3,400	20	1,000	530	100	850	1,500	7,400	---	---
1989	9,400	3,075	20	890	530	100	1,617	1,168	7,400	2,000	---
COSTA RICA											
1986	131,531	2,850	25	100	---	---	580	7,394	10,949	120,582	---
1987	159,570	8,922	230	306	---	---	2,032	5,614	17,104	142,466	---
1988	101,614	7,914	3,500	---	---	---	---	200	11,614	90,000	---
1989	82,000	9,693	850	---	---	---	980	477	12,000	70,000	---
EL SALVADOR											
1986	260,925	29,470	6,673	19,250	---	---	16,455	12,032	83,880	177,045	---
1987	413,927	40,345	1,286	12,166	3,932	---	13,452	11,249	82,430	281,497	50,000
1988	280,796	29,866	1,016	17,359	1,625	---	7,025	8,905	65,796	215,000	---
1989	252,700	27,719	1,200	17,370	1,100	---	7,360	12,951	67,700	185,000	---
GUATEMALA											
1986	84,746	19,165	2,867	5,098	1,600	---	6,704	1,447	36,881	47,850	15
1987	149,889	11,876	3,758	298	4,144	---	7,994	6,799	34,869	115,020	---
1988	108,072	14,750	5,135	300	2,810	---	587	4,490	28,072	80,000	---
1989	114,000	14,540	4,010	305	2,000	---	5,739	7,406	34,000	80,000	---
HONDURAS											
1986	105,556	26,678	5,236	5,847	---	---	4,529	2,018	44,308	61,248	---
1987	173,457	21,637	2,907	1,109	1,450	---	7,068	7,500	41,671	131,786	---
1988	125,000	22,450	3,040	1,951	4,000	---	4,541	4,018	40,000	85,000	---
1989	127,000	16,453	3,275	1,677	4,700	---	6,026	7,869	40,000	87,000	---
PANAMA											
1986	24,540	7,950	100	---	---	---	946	9,802	18,798	5,742	---
1987	8,385	2,481	219	438	---	---	4,486	761	8,385	---	---
1988	2,212	---	---	---	---	---	2,000	212	2,212	---	---
1989	---	---	---	---	---	---	---	---	---	---	---

COUNTRY	TOTAL	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	CHILD SURVIVAL	AIDS	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	TOTAL FDAP	ECONOMIC SUPPORT FUND	INTERNAT. DISASTER ASSIST.
ROCAP											
1986	25,039	15,215	---	2,425	---	---	2,400	3,799	23,839	1,200	---
1987	36,527	12,951	---	1,112	50	---	3,048	14,106	31,267	5,260	---
1988	28,656	15,893	---	538	400	---	825	11,000	28,656	---	---
1989	24,500	15,120	---	102	---	---	2,009	7,269	24,500	---	---
CENTRAL AMERICAN REGIONAL											
1986	71,678	1,794	1,439	7,197	2,500	---	13,766	2,751	29,447	42,231	---
1987	19,949	1,277	1,035	2,028	693	---	11,816	582	17,431	2,518	---
1988	31,349	3,550	1,620	2,520	450	---	17,000	4,200	29,340	2,009	---
1989	33,600	2,044	2,500	559	350	---	16,148	1,999	23,600	10,000	---
SUBTOTAL CENTRAL AMERICA											
1986	712,779	105,272	16,390	42,167	4,100	---	46,030	40,993	254,952	457,812	15
1987	974,394	101,452	9,499	18,830	10,994	---	51,766	47,911	240,452	683,942	50,000
1988	685,099	97,823	14,331	23,668	9,815	100	32,828	34,525	213,090	472,009	---
1989	643,200	38,644	11,855	20,903	8,680	100	39,879	39,139	209,200	434,000	---
CARIBBEAN											
DOMINICAN REPUBLIC											
1986	66,501	9,097	2,449	1,249	---	---	6,531	7,175	26,501	40,000	---
1987	19,637	10,093	1,825	4,355	---	---	2,400	799	19,472	165	---
1988	32,526	7,470	1,496	1,907	500	300	2,525	4,493	18,691	13,835	---
1989	45,318	5,850	700	4,355	1,452	500	1,990	3,971	20,318	25,000	---
HAITI											
1986	46,059	10,226	3,454	4,142	2,400	---	2,250	2,100	24,572	21,321	166
1987	74,504	16,079	3,541	5,510	3,000	---	4,640	5,774	38,544	35,960	---
1988	19,800	9,260	---	1,420	1,000	200	5,900	2,020	19,800	---	---
1989	25,150	11,000	1,500	3,273	1,400	150	4,974	2,353	25,150	---	---
JAMAICA											
1986	83,550	7,720	1,030	2,109	---	---	3,691	10,950	25,500	58,000	50
1987	42,280	6,935	1,700	250	---	---	3,900	4,570	17,355	24,925	---
1988	17,389	3,000	950	410	---	250	3,633	4,146	17,389	---	---
1989	42,589	7,650	490	518	---	250	3,683	4,998	17,589	25,000	---
CARIBBEAN REGIONAL											
1986	49,275	8,900	1,700	1,400	---	---	2,700	9,000	23,700	25,575	---
1987	51,520	3,201	700	1,200	---	---	7,028	12,616	29,745	21,775	---
1988	22,346	8,154	1,050	890	---	300	6,588	5,364	22,346	---	---
1989	35,230	7,645	1,500	1,220	---	800	5,828	3,237	20,230	15,000	---
SUBTOTAL CARIBBEAN											
1986	245,385	35,943	8,633	8,900	2,400	---	15,172	29,225	100,273	144,896	216
1987	187,941	41,308	7,766	11,315	3,000	---	17,968	23,759	105,116	82,825	---
1988	92,061	32,884	3,496	4,627	1,500	1,050	18,646	16,023	78,226	13,835	---
1989	148,287	33,145	4,190	9,866	2,852	1,700	16,475	15,059	83,287	65,000	---

COUNTRY	TOTAL	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	CHILD SURVIVAL	AIDS	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	TOTAL FDAP	ECONOMIC SUPPORT FUND	INTERNAT. DISASTER ASSIST.
SOUTH AMERICA											
BOLIVIA											
1986	32,284	13,714	30	2,348	500	---	4,520	3,850	24,962	7,177	145
1987	27,999	12,150	60	600	3,000	---	1,470	3,219	20,499	7,500	---
1988	28,207	8,440	77	390	4,740	100	1,835	5,305	20,897	7,320	---
1989	47,270	9,150	100	202	4,250	200	2,280	6,088	22,270	25,000	---
ECUADOR											
1986	47,321	10,890	987	5,334	---	---	4,750	5,144	27,105	20,216	---
1987	36,524	7,357	2,281	1,038	1,000	---	2,795	2,719	17,190	19,334	---
1988	15,678	6,000	1,300	867	1,950	---	3,100	2,461	15,678	---	---
1989	25,720	6,244	1,156	1,323	1,650	---	3,348	2,999	16,720	9,000	---
PERU											
1986	24,780	7,125	1,800	3,289	---	---	2,500	2,873	17,587	7,000	193
1987	19,638	5,256	2,000	1,299	2,500	---	1,150	2,045	14,250	5,333	55
1988	13,262	3,600	1,600	433	3,427	100	2,600	1,502	13,262	---	---
1989	17,270	4,700	2,290	507	3,175	100	3,090	1,408	15,270	2,000	---
URUGUAY											
1986	14,355	---	---	---	---	---	---	---	---	14,355	---
1987	12,152	---	---	---	---	---	---	---	---	12,152	---
1988	---	---	---	---	---	---	---	---	---	---	---
1989	---	---	---	---	---	---	---	---	---	---	---
SUBTOTAL SOUTH AMERICA											
1986	118,740	31,729	2,817	10,971	500	---	11,770	11,867	69,654	48,748	338
1987	96,313	24,763	4,341	2,937	6,500	---	5,415	7,983	51,939	44,319	55
1988	57,147	18,040	2,977	1,690	10,117	200	7,535	9,268	49,827	7,320	---
1989	90,260	20,094	3,546	2,032	9,075	300	8,718	10,495	54,260	36,000	---
LAC REGIONAL											
1986	47,591	5,122	2,401	2,594	500	---	20,118	5,892	36,627	8,215	2,749
1987	38,128	4,508	3,032	2,558	3,500	---	13,259	3,897	30,754	7,374	---
1988	44,525	2,500	1,290	1,960	4,000	650	14,225	4,900	29,525	15,000	---
1989	37,353	2,575	1,353	3,483	4,487	900	8,250	3,805	24,353	12,500	---
GRAND TOTAL											
1986	1,124,495	178,066	30,241	64,632	7,500	---	93,090	87,977	461,506	659,671	3,318
1987	1,296,776	172,031	24,638	35,540	23,994	---	88,408	83,550	428,261 2/	818,460 3/	50,055
1988	878,832	151,247	22,094	31,945	25,432	2,000	73,234	64,716	370,668	508,164 4/	---
1989	919,100	144,458	20,944	36,284	25,094	3,000	73,322	68,498	371,600	547,500	---

1/ Above total includes $26,385,853 of prior-year deobligated funds reobligated in FY 1987.

2/ The above total for Development Assistance does not include $8,486,267 in local cost support.

3/ The above total for ESF includes $5,079,987 in local cost support.

4/ Includes $45,844,000 appropriated in FY 1987.

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Economic and Social
Data (Regional Summary

REGION: LATIN AMERICA
PRESENTATION COUNTRIES

SELECTED SOCIAL INDICATORS
REGIONAL SUMMARY, FY89
(DATA FOR MOST RECENT YEAR AND COMPARISION YEAR)

		POPULATION			HEALTH			EDUCATION			--POPULATION DENSITY-- (PERSONS PER SQUARE KM)	
		TOTAL POPULATION (THOUSANDS)	ANNUAL GROWTH RATE	LIFE EXPECT-ANCY (YEARS)	PEOPLE PER DOCTOR	% POP. WITH ACCESS TO SAFE WATER	INFANT DEATHS PER 1000 BIRTHS	LITERACY RATE	MALE LABOR FORCE PARTICI-PATION	POP/AGRICUL-TURAL LAND	POP/TOTAL LAND
BELIZE		171 (87)	2.0% (87)	66 (86)	. .	68% (84)	37 (87)	. .	. .	158 (83)	7 (84)
		141 (77)	1.8% (77)	63 (77)	2,978 (77)	. .	48 (76)	. .	. .	159 (77)	6 (77)
BOLIVIA		6,310 (87)	2.2% (87)	52 (86)	1,952 (80)	37% (80)	127 (87)	. .	51% (80)	20 (83)	6 (84)
		5,042 (77)	2.3% (77)	48 (77)	. .	. .	148 (76)	. .	. .	17 (77)	5 (77)
COSTA RICA		2,812 (87)	2.8% (87)	74 (86)	1,438 (79)	84% (80)	17 (87)	. .	52% (80)	88 (83)	50 (84)
		2,112 (77)	2.9% (77)	71 (77)	1,393 (77)	. .	38 (76)	. .	. .	91 (77)	41 (77)
DOMINICAN REPUBLIC		6,961 (87)	2.5% (87)	64 (86)	1,386 (83)	59% (80)	70 (87)	72% (81)	45% (79)	168 (83)	126 (84)
		5,372 (77)	2.9% (77)	60 (77)	. .	. .	93 (76)	. .	. .	192 (77)	107 (77)
ECUADOR		9,955 (87)	2.8% (87)	64 (86)	. .	52% (82)	66 (87)	86% (82)	47% (80)	125 (83)	32 (84)
		7,455 (77)	2.9% (77)	60 (77)	1,510 (77)	42% (77)	86 (76)	. .	. .	123 (77)	25 (77)
EL SALVADOR		5,260 (87)	2.4% (87)	65 (86)	3,217 (80)	51% (87)	88 (87)	. .	48% (79)	392 (83)	257 (84)
		4,359 (77)	2.7% (77)	61 (77)	3,799 (77)	. .	95 (76)	. .	. .	336 (77)	209 (77)
GUATEMALA		8,400 (87)	2.5% (87)	61 (86)	8,607 (79)	52% (81)	67 (87)	. .	54% (80)	239 (83)	72 (84)
		6,467 (77)	3.1% (77)	58 (77)	. .	. .	83 (76)	. .	. .	248 (77)	61 (77)
GUYANA		766 (87)	0.0% (87)	70 (86)	9,271 (79)	72% (80)	44 (87)	. .	. .	45 (83)	4 (84)
		758 (77)	0.7% (77)	66 (77)	7,349 (77)	. .	60 (76)	. .	. .	51 (77)	4 (77)
HAITI		6,187 (87)	1.8% (87)	55 (86)	8,202 (79)	12% (80)	95 (87)	. .	58% (80)	376 (83)	193 (84)
		5,207 (77)	1.7% (77)	52 (77)	5,936 (77)	. .	117 (76)	. .	. .	342 (77)	171 (77)
HONDURAS		4,815 (87)	3.3% (87)	61 (86)	3,123 (79)	50% (84)	69 (87)	. .	49% (80)	79 (83)	38 (84)
		3,395 (77)	3.4% (77)	57 (77)	3,297 (77)	. .	98 (76)	. .	50% (77)	65 (77)	30 (77)
JAMAICA		2,431 (87)	1.1% (87)	73 (86)	2,832 (79)	92% (80)	18 (87)	73% (81)	42% (80)	484 (83)	200 (84)
		2,157 (77)	1.1% (77)	69 (77)	. .	. .	37 (76)	. .	48% (77)	441 (77)	191 (77)
PANAMA		2,275 (87)	2.1% (87)	72 (86)	1,013 (81)	82% (80)	24 (87)	87% (80)	45% (80)	120 (83)	28 (84)
		1,840 (77)	2.8% (77)	69 (77)	1,223 (77)	. .	47 (76)	. .	. .	99 (77)	22 (77)
PERU		20,739 (87)	2.5% (87)	60 (86)	1,391 (79)	63% (84)	90 (87)	79% (81)	45% (81)	58 (83)	14 (84)
		15,990 (77)	2.6% (77)	57 (77)	1,476 (77)	. .	108 (76)	. .	. .	51 (77)	12 (77)
SURINAME		389 (87)	1.6% (87)	66 (86)	1,716 (78)	89% (80)	42 (87)	65% (78)	46% (80)	462 (83)	2 (84)
		361 (77)	2.2% (77)	64 (77)	. .	. .	44 (76)	. .	. .	575 (77)	2 (77)
URUGUAY		2,964 (87)	0.4% (87)	74 (86)	514 (82)	80% (80)	36 (87)	. .	. .	19 (80)	17 (84)
		2,861 (77)	0.3% (77)	70 (77)	691 (77)	. .	46 (76)	. .	. .	18 (77)	16 (77)
SUMMARY	(MRY)	80,434 *	2.4% #	62 #	3,248 #	56% #	75 #	79% #	49% #	189 ●	70 ●
	(1977)	63,516 *	2.5% #	59 #	2,418 #	42% #	94 #	#	49% #	187 ●	60 ●

* = SUM, ● = ARITHMETIC MEAN, # = WEIGHTED MEAN (BY POPULATION), . = MISSING DATA
REFER TO "EXPLANATION OF ECONOMIC AND SOCIAL DATA" FOR INDICATOR AND SUMMARY DEFINITIONS

REGION: LATIN AMERICA
SELECTED OTHER COUNTRIES

SELECTED SOCIAL INDICATORS
REGIONAL SUMMARY, FY89
(DATA FOR MOST RECENT YEAR AND COMPARISION YEAR)

		POPULATION			HEALTH			EDUCATION			DENSITY (PERSONS PER SQUARE KM)	
		TOTAL POPULATION (THOUSANDS)	ANNUAL GROWTH RATE	LIFE EXPECT-ANCY (YEARS)	PEOPLE PER DOCTOR	% POP. WITH ACCESS TO SAFE WATER	INFANT DEATHS PER 1000 BIRTHS	LITERACY RATE	MALE LABOR FORCE PARTICI-PATION	POP/AGRICUL-TURAL LAND	POP/TOTAL LAND
ARGENTINA		31,145 (87)	1.3% (87)	70 (86)	. .	57% (80)	34 (87)	. .	55% (80)	17 (83)	11 (84)
		26,895 (77)	1.6% (77)	69 (77)	. .	. .	. .	. .	56% (77)	15 (77)	10 (77)
BARBADOS		324 (87)	3.0% (87)	72 (86)	1,236 (79)	. .	19 (87)	. .	52% (80)	680 (83)	633 (84)
		247 (77)	0.3% (77)	70 (77)	1,454 (77)	. .	29 (76)	. .	. .	668 (77)	575 (77)
BRAZIL		147,095 (87)	2.4% (87)	65 (86)	1,195 (80)	71% (80)	62 (87)	76% (78)	53% (80)	54 (83)	16 (84)
		114,125 (77)	2.4% (77)	62 (77)	1,406 (77)	. .	82 (76)	. .	. .	51 (77)	13 (77)
CHILE		12,448 (87)	1.5% (87)	71 (86)	951 (80)	84% (80)	19 (87)	. .	. .	67 (83)	16 (84)
		10,600 (77)	1.6% (77)	66 (77)	1,619 (77)	. .	59 (76)	. .	. .	61 (77)	14 (77)
COLOMBIA		30,661 (87)	2.1% (87)	65 (86)	. .	92% (80)	56 (87)	85% (81)	. .	77 (83)	25 (84)
		25,090 (77)	1.9% (77)	62 (77)	1,921 (77)	. .	72 (76)	. .	. .	69 (77)	21 (77)
GRENADA		85 (87)	-0.5% (87)	71 (86)	4,341 (78)	. .	48 (87)	. .	. .	615 (83)	313 (84)
		94 (77)	-1.3% (77)	. .	. .	. .	28 (76)	. .	. .	636 (77)	318 (77)
MEXICO		81,859 (87)	2.0% (87)	67 (86)	1,137 (83)	58% (81)	45 (87)	83% (80)	42% (79)	76 (83)	39 (84)
		64,907 (77)	2.7% (77)	64 (77)	. .	. .	. .	. .	. .	63 (77)	31 (77)
NICARAGUA		3,319 (87)	2.5% (87)	60 (86)	2,286 (80)	53% (80)	69 (87)	13% (79)	51% (80)	48 (83)	24 (84)
		2,550 (77)	3.1% (77)	56 (77)	. .	. .	102 (76)	. .	44% (77)	40 (77)	18 (77)
PARAGUAY		4,252 (87)	3.2% (87)	66 (86)	1,309 (82)	21% (80)	51 (87)	. .	55% (80)	18 (83)	8 (84)
		3,053 (77)	3.3% (77)	64 (77)	. .	. .	58 (76)	. .	. .	16 (77)	7 (77)
VENEZUELA		18,291 (87)	2.7% (87)	69 (86)	925 (80)	81% (80)	39 (87)	. .	46% (79)	78 (83)	18 (84)
		13,590 (77)	3.5% (77)	66 (77)	966 (77)	. .	. .	. .	46% (77)	68 (77)	15 (77)
SUMMARY	(MRY)	329,477 *	2.2% #	66 #	1,164 #	69% #	52 #	78% #	50% #	173 @	110 @
	(1977)	261,153 *	2.4% #	63 #	1,462 #	. #	79 #	. #	52% #	169 @	102 @
REGION SUMMARY	(MRY)	409,911 *	2.2% #	66 #	1,597 #	66% #	56 #	79% #	50% #	183 @	86 @
	(1977)	324,669 *	2.4% #	62 #	1,665 #	42% #	83 #	. #	52% #	180 @	77 @

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REFER TO "EXPLANATION OF ECONOMIC AND SOCIAL DATA" FOR INDICATOR AND SUMMARY DEFINITIONS

REGION: LATIN AMERICA
PRESENTATION COUNTRIES

SELECTED ECONOMIC INDICATORS, PART 1
REGIONAL SUMMARY, FY89
(DATA FOR MOST RECENT YEAR AND COMPARISION YEAR)

			DEBT			FOREIGN ASSISTANCE			
			GOVERNMENT DEBT OUTSTANDING			TOTAL US OBLIGATIONS		NET ECON. DISBURSEMENTS-ODA AS A % OF GNP	
		GNP PER CAPITA $US	AS % OF GNP	AS % OF EXPORTS	DEBT SERVICE RATIO	US AID $ MILLION	US AID AS % GNP	TOTAL US	ALL SOURCES
BELIZE		1,190 (85)	. .	. .	4.9% (84)	12.6 (86)	. .	. .	. .
		. .	. .	. .	0.6% (77)	0.5 (77)	. .	. .	. .
BOLIVIA		470 (85)	. .	. .	17.6% (85)	76.2 (86)	2.17% (86)	2.43% (85)	6.2% (85)
		974 (77)	. .	. .	. .	48.7 (77)	. .	. .	. .
COSTA RICA		1,300 (85)	. .	. .	38.6% (85)	165.3 (86)	4.44% (86)	6.00% (85)	8.0% (85)
		812 (77)	. .	. .	9.1% (77)	16.6 (77)	. .	. .	. .
DOMINICAN REPUBLIC		790 (85)	. .	. .	51.7% (85)	106.3 (86)	2.27% (86)	3.23% (85)	5.2% (85)
		882 (77)	. .	. .	7.5% (77)	15.5 (77)	. .	. .	. .
ECUADOR		1,160 (85)	. .	. .	21.4% (85)	64.8 (86)	0.58% (86)	0.38% (85)	1.2% (85)
		970 (77)	. .	. .	7.0% (77)	19.2 (77)	. .	. .	. .
EL SALVADOR		820 (85)	. .	. .	13.1% (86)	444.4 (86)	11.06% (86)	7.74% (85)	9.4% (85)
		684 (77)	. .	. .	6.3% (77)	7.3 (77)	. .	. .	. .
GUATEMALA		1,250 (85)	10.8% (79)	58.8% (79)	12.3% (85)	122.0 (86)	1.60% (86)	0.46% (85)	0.8% (85)
		810 (77)	12.2% (77)	56.2% (77)	1.3% (77)	21.3 (77)	. .	. .	. .
GUYANA		500 (85)	258.0% (80)	370.4% (80)	10.2% (85)	3.2 (86)	0.02% (85)	0.23% (85)	. .
		. .	133.7% (77)	213.9% (77)	11.5% (77)	6.3 (77)	. .	. .	. .
HAITI		310 (85)	17.1% (85)	537.5% (85)	4.2% (85)	79.7 (86)	4.02% (86)	2.81% (85)	8.0% (85)
		197 (77)	. .	. .	7.5% (77)	41.3 (77)	. .	. .	. .
HONDURAS		720 (85)	. .	. .	30.4% (86)	197.8 (86)	5.94% (86)	5.05% (85)	8.7% (85)
		464 (77)	. .	. .	7.3% (77)	15.3 (77)	. .	. .	. .
JAMAICA		940 (85)	104.4% (82)	445.6% (82)	33.8% (85)	134.6 (86)	6.80% (86)	5.85% (85)	10.0% (85)
		1,006 (77)	. .	. .	15.0% (77)	32.2 (77)	. .	. .	. .
PANAMA		2,100 (85)	57.6% (79)	513.2% (79)	24.8% (85)	41.5 (86)	0.87% (86)	0.87% (85)	1.5% (85)
		1,135 (77)	. .	. .	17.5% (77)	19.4 (77)	. .	. .	. .
PERU		1,010 (85)	. .	. .	8.1% (85)	59.0 (86)	0.27% (86)	1.14% (85)	2.0% (85)
		792 (77)	. .	. .	30.9% (77)	33.7 (77)	. .	. .	. .
SURINAME		2,580 (85)	4.1% (77)	132.0% (84)	. .	0.0 (86)	. .	. .	. .
		1,980 (77)	. .	9.2% (77)	. .	. .	. .	. .	. .
URUGUAY		1,650 (85)	40.4% (85)	. .	23.6% (86)	14.5 (86)	0.28% (86)	-0.06% (85)	0.1% (85)
		1,821 (77)	18.6% (77)	. .	30.4% (77)	0.6 (77)	. .	. .	. .
SUMMARY	(MRY)	974 #	48.6% &	294.6% &	22.2% &	1522.0 *	2.67% &	2.45% &	4.1% &
	(1977)	835 #	16.6% &	22.9% &	15.2% &	277.8 *	. % &	. % &	. % &

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REFER TO "EXPLANATION OF ECONOMIC AND SOCIAL DATA" FOR INDICATOR AND SUMMARY DEFINITIONS

REGION: LATIN AMERICA
SELECTED OTHER COUNTRIES

SELECTED ECONOMIC INDICATORS, PART 1
REGIONAL SUMMARY, FY89
(DATA FOR MOST RECENT YEAR AND COMPARISION YEAR)

			DEBT			FOREIGN ASSISTANCE			
			GOVERNMENT DEBT OUTSTANDING			TOTAL US OBLIGATIONS		NET ECON. DISBURSEMENTS-ODA AS A % OF GNP	
		GNP PER CAPITA $US	AS % OF GNP	AS % OF EXPORTS	DEBT SERVICE RATIO	US AID $ MILLION	US AID AS % GNP	TOTAL US	ALL SOURCES
ARGENTINA		2,130 (85)	. .	. .	25.7% (83)	0.0 (86)	0.00% (86)	. .	0.1% (85)
		2,239 (77)	. .	. .	15.2% (77)	0.8 (77)	. .	. .	. .
BARBADOS		3,113 (84)	33.5% (84)	96.9% (84)	5.4% (85)	0.1 (85)	0.01% (85)	. .	. .
		2,100 (77)	34.5% (77)	176.2% (77)	3.6% (77)	0.7 (77)	. .	. .	. .
BRAZIL		1,640 (85)	13.4% (81)	161.1% (81)	28.5% (85)	0.7 (86)	0.00% (86)	-0.03% (85)	0.1% (85)
		1,444 (77)	. .	. .	22.3% (77)	4.3 (77)	. .	. .	. .
CHILE		1,430 (85)	127.7% (82)	. .	26.4% (85)	1.1 (86)	0.01% (86)	0.06% (85)	0.3% (85)
		1,324 (77)	. .	. .	32.4% (77)	33.2 (77)	. .	. .	. .
COLOMBIA		1,320 (85)	. .	. .	29.0% (85)	15.8 (86)	0.04% (86)	-0.06% (85)	0.2% (85)
		865 (77)	. .	. .	9.6% (77)	9.7 (77)	. .	. .	. .
GRENADA		970 (85)	. .	. .	4.2% (82)	0.0 (86)	. .	. .	. .
		. .	. .	. .	1.7% (77)	. .	. .	. .	. .
MEXICO		2,080 (85)	24.4% (79)	355.5% (79)	37.3% (84)	12.1 (86)	0.01% (86)	0.03% (85)	0.1% (85)
		1,272 (77)	27.8% (77)	491.3% (77)	42.0% (77)	15.9 (77)	. .	. .	. .
NICARAGUA		770 (85)	31.6% (78)	95.2% (78)	18.4% (83)	0.1 (84)	. .	. .	4.0% (85)
		. .	25.5% (77)	80.6% (77)	13.7% (77)	6.3 (77)	. .	. .	. .
PARAGUAY		860 (85)	. .	. .	16.3% (85)	3.4 (86)	0.10% (86)	0.04% (85)	1.8% (85)
		880 (77)	. .	. .	6.6% (77)	4.0 (77)	. .	. .	. .
VENEZUELA		3,080 (85)	27.1% (84)	94.6% (84)	15.9% (85)	0.2 (86)	0.00% (86)	. .	. .
		2,720 (77)	13.8% (77)	52.1% (77)	8.2% (77)	0.2 (77)	. .	. .	. .
SUMMARY	(MRY)	1,820 #	38.6% &	156.3% &	20.3% &	33.5 *	0.01% &	0.01% &	0.6% &
	(1977)	1,483 #	23.8% &	186.6% &	16.1% &	75.1 *	. % &	. % &	. % &
REGION SUMMARY	(MRY)	1,654 #	42.9% &	214.2% &	21.2% &	1555.6 *	1.22% &	1.64% &	2.5% &
	(1977)	1,357 #	21.6% &	135.1% &	15.7% &	353.0 *	. % &	. % &	. % &

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SELECTED ECONOMIC INDICATORS, PART 2
REGIONAL SUMMARY, FY89
(DATA FOR MOST RECENT YEAR AND COMPARISION YEAR)

REGION: LATIN AMERICA
PRESENTATION COUNTRIES

	AVERAGE ANNUAL GROWTH GNP PER CAP % 1965-19( )	AVERAGE ANNUAL GROWTH IN GDP 1980-19( )	AVERAGE ANNUAL RATE OF INFLATION 1980-19( )	GOVERNMENT EXPENDI-TURES AS % GNP	TRADE BALANCE CONST. 1980 $US MILLION	GOVT. DEBT FINANCING AS % GOVT EXPENSES	GOVERNMENT DEFENSE SPENDING AS % GDP	CURRENT ACCOUNT BALANCE $US MILLION
BELIZE	2.7% (85)	. .	1.2% (85)	33.0% (85)	-14 (84)	. .	. .	21 (86)
	. .	. .	. .	. .	. .	. .	. .	. .
BOLIVIA	-0.2% (85)	-4.5% (85)	569.1% (85)	35.0% (85)	. .	88.5% (84)	5.4% (84)	-282 (85)
	. .	. .	. .	18.3% (77)	. .	7.3% (77)	14.7% (77)	-119 (77)
COSTA RICA	1.4% (85)	0.5% (85)	36.4% (85)	. .	7 (86)	8.4% (83)	0.7% (83)	-185 (86)
	. .	. .	. .	. .	-225 (77)	. .	0.8% (77)	-226 (77)
DOMINICAN REPUBLIC	2.9% (85)	2.2% (85)	14.6% (85)	14.2% (86)	-41 (85)	8.2% (84)	1.1% (84)	-119 (86)
	. .	. .	. .	. .	-252 (77)	0.0% (77)	1.6% (77)	-129 (77)
ECUADOR	3.5% (85)	1.5% (85)	29.7% (85)	. .	8 (86)	. .	. .	-613 (86)
	. .	. .	. .	. .	-278 (77)	. .	. .	-313 (77)
EL SALVADOR	-0.2% (85)	-1.8% (85)	11.6% (85)	15.9% (86)	-95 (86)	. .	. .	-29 (85)
	. .	. .	. .	15.2% (77)	30 (77)	. .	. .	31 (77)
GUATEMALA	1.7% (85)	-1.4% (85)	7.4% (85)	. .	66 (86)	26.7% (83)	1.2% (79)	-240 (85)
	. .	. .	. .	. .	-132 (77)	8.0% (77)	1.4% (77)	-32 (77)
GUYANA	-0.2% (85)	. .	9.4% (85)	81.5% (83)	-26 (84)	40.9% (83)	7.3% (85)	-97 (85)
	. .	. .	. .	48.5% (77)	-106 (77)	26.0% (77)	5.5% (77)	-97 (77)
HAITI	0.7% (85)	-0.8% (85)	7.0% (85)	21.9% (85)	-114 (86)	. .	1.5% (85)	-65 (86)
	. .	. .	. .	20.1% (77)	-115 (77)	. .	. .	-38 (77)
HONDURAS	0.4% (85)	0.6% (85)	5.4% (85)	24.4% (87)	-64 (86)	. .	2.2% (79)	-155 (86)
	. .	. .	. .	14.1% (77)	-113 (77)	. .	1.9% (77)	-129 (77)
JAMAICA	-0.7% (85)	0.5% (85)	18.3% (85)	46.8% (85)	-92 (85)	30.1% (81)	1.0% (77)	-304 (85)
	. .	. .	. .	38.6% (77)	-106 (77)	40.3% (77)	. .	-42 (77)
PANAMA	2.5% (85)	2.4% (85)	3.7% (85)	20.9% (85)	36 (85)	28.6% (82)	. .	442 (86)
	. .	. .	. .	21.6% (77)	-97 (77)	17.9% (77)	. .	-155 (77)
PERU	0.2% (85)	-1.6% (85)	98.6% (85)	19.7% (83)	29 (85)	. .	. .	-1,017 (86)
	. .	. .	. .	. .	-1,868 (77)	. .	. .	-922 (77)
SURINAME	3.4% (85)	. .	4.2% (85)	31.7% (80)	-136 (82)	41.5% (85)	. .	-24 (85)
	. .	. .	. .	43.0% (77)	-70 (77)	. .	. .	-4 (77)
URUGUAY	1.4% (85)	-3.9% (85)	44.6% (85)	. .	30 (86)	21.6% (84)	2.5% (85)	91 (86)
	. .	. .	. .	. .	-490 (77)	5.5% (77)	2.3% (77)	-167 (77)
SUMMARY (MRY)	1.3% ●	-0.5% ●	57.4% ●	29.3% &	-25 &	29.7% &	2.1% &	-116 &
(1977)	. % ●	. % ●	. % ●	29.1% &	-308 &	12.8% &	3.9% &	-163 &

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REGION: LATIN AMERICA
SELECTED OTHER COUNTRIES

SELECTED ECONOMIC INDICATORS, PART 2
REGIONAL SUMMARY, FY89
(DATA FOR MOST RECENT YEAR AND COMPARISION YEAR)

		AVERAGE ANNUAL GROWTH GNP PER CAP % 1965-19( )	AVERAGE ANNUAL GROWTH IN GDP 1980-19( )	AVERAGE ANNUAL RATE OF INFLATION 1980-19( )	GOVERNMENT EXPENDI-TURES AS % GNP	TRADE BALANCE CONST. 1980 $US MILLION	GOVT. DEBT FINANCING AS % GOVT EXPENSES	GOVERNMENT DEFENSE SPENDING AS % GDP	CURRENT ACCOUNT BALANCE $US MILLION
ARGENTINA		0.2% (85)	-1.4% (85)	342.8% (85)	. .	131 (83)	45.0% (83)	2.0% (83)	-963 (85)
		. .	. .	. .	. .	23,214 (77)	16.4% (77)	1.8% (77)	1,131 (77)
BARBADOS		. .	. .	. .	. .	39 (85)	12.0% (84)	1.0% (84)	40 (85)
		. .	. .	. .	. .	-81 (77)	. .	0.2% (77)	-51 (77)
BRAZIL		4.3% (85)	1.3% (85)	147.7% (85)	9.2% (84)	120 (85)	14.8% (84)	0.8% (84)	-338 (85)
		. .	. .	. .	9.9% (77)	-4,707 (77)	. .	0.9% (77)	-5,106 (77)
CHILE		-0.2% (85)	-1.1% (85)	19.3% (85)	. .	205 (86)	7.5% (85)	3.6% (85)	-1,091 (86)
		. .	. .	. .	. .	-608 (77)	3.4% (77)	3.9% (77)	-551 (77)
COLOMBIA		2.9% (85)	1.9% (85)	22.5% (85)	. .	679 (86)	-5.9% (78)	1.1% (83)	424 (86)
		. .	. .	. .	. .	1,327 (77)	-5.7% (77)	. .	376 (77)
GRENADA		-0.1% (85)	. .	6.6% (85)	. .	-34 (82)	. .	. .	-10 (86)
		. .	. .	. .	. .	-8 (77)	. .	. .	1 (77)
MEXICO		2.7% (85)	0.8% (85)	62.2% (85)	. .	2,042 (84)	30.5% (84)	0.6% (84)	-1,294 (86)
		. .	. .	. .	. .	140 (77)	20.2% (77)	0.5% (77)	-1,849 (77)
NICARAGUA		-2.1% (85)	0.2% (85)	33.8% (85)	49.4% (82)	-185 (83)	43.1% (83)	3.2% (80)	-443 (83)
		. .	. .	. .	20.8% (77)	-249 (77)	32.5% (77)	2.5% (77)	-182 (77)
PARAGUAY		3.9% (85)	1.4% (85)	15.8% (85)	. .	-78 (86)	15.2% (84)	1.0% (85)	-226 (85)
		. .	. .	. .	. .	-109 (77)	-5.5% (77)	1.4% (77)	-59 (77)
VENEZUELA		0.5% (85)	-1.6% (85)	9.2% (85)	. .	-251 (86)	-11.9% (84)	1.5% (84)	-1,628 (86)
		. .	. .	. .	. .	-4,094 (77)	13.6% (77)	1.6% (77)	-3,179 (77)
SUMMARY	(MRY)	1.3% @	0.2% @	73.3% @	22.1% &	288 &	14.2% &	1.5% &	-675 &
	(1977)	. % @	. % @	. % @	9.9% &	2,670 &	10.1% &	1.4% &	-1,277 &
REGION SUMMARY	(MRY)	1.3% @	-0.2% @	63.4% @	28.0% &	137 &	20.6% &	1.7% &	-400 &
	(1977)	. % @	. % @	. % @	25.6% &	1,260 &	11.2% &	2.2% &	-727 &

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OVERVIEW OF LATIN AMERICA AND THE CARIBBEAN AND REGIONAL ACTIVITIES

LATIN AMERICA AND THE CARIBBEAN

PROGRAM SUMMARY ($000)			
Category	FY 1987 (Actual)	FY 1988 (Estimated)	FY 1989 (Request)
Development Assistance	428,261	370,668	371,600
Loan	42,300	28,318	0
Grant	385,961	342,350	371,600
Economic Support Fund	818,460 1/	508,164 4/	547,500
Loan	16,496	0	0
Grant	801,964	508,164	547,500
Other*	50,055 2/	0	0
TOTALS	1,296,776 3/	878,832	919,100
P.L. 480	243,509	211,903	218,127
Title I	197,700 5/	164,000 5/	172,000 5/
Title II	45,809	47,903	46,127
TOTALS	1,540,285	1,090,735	1,137,227

Footnotes:
1/ The above total for ESF includes $5,079,987 in local cost support.
2/ International Disaster Assistance.
3/ Above total includes $26,385,853 of prior-year deobligated funds reobligated in FY 1987.

4/ Includes $45,844,000 appropriated in FY 1987.
5/ Includes Title III level of $30 million in FY 1987, $20 million in FY 1988, and $17 million in FY 1988.

LATIN AMERICA AND THE CARIBBEAN

Regional Profile

The Latin American and Caribbean (LAC) region continued to make encouraging progress during 1987 in the areas of democratization, economic policy reform, and broader participation of the poor in the benefits of economic growth. Democratic institutions and processes were strengthened in most countries, although Haiti's failure to hold free elections was a major disappointment. Reductions in fiscal and external deficits have enabled a number of countries to place less emphasis on economic stabilization and turn their attention more to long-term economic growth and to a wider participation in the creation of new economic resources -- and thus in the benefits of economic growth. The region as a whole experienced its fourth consecutive year of positive per capita economic growth.

Economic Recovery

This encouraging progress occurred in an economic environment that remains weakened by the severe depression of the early 1980s. Between 1980 and 1983, the region's per capita gross domestic product (GDP) fell by 10%; export earnings leveled off; capital flight was a major problem in some countries; external debt servicing requirements increased sharply as world interest rates rose to unexpectedly high levels; and the region's major source of external capital, new loans from private commercial banks, began to dry up.

A strong recovery in the world economy, combined with policy improvements in many LAC countries, began to reverse these trends in 1984. The regional GDP grew that year by 3.7%, or 1.4% per capita. Further progress has been made since then, as continued economic policy reforms have helped the regional GDP increase by 3.4% in 1985, 3.7% in 1986, and 2.6% in 1987 (1.1%, 1.4%, and 0.5%, respectively, in per capita terms).

The present pace of economic growth, however, remains well below that of the 1960s (6.1%) and 1970s (5.8%), and pre-crisis per capita income levels will not be regained until the 1990s. Economic recovery has been constrained by a slowdown in the growth of world production and trade since 1984, continued low prices for major commodity exports, external debt problems which have not been fully resolved, and the continuing armed conflicts in Central America.

Current projections of commodity prices and of economic growth in the industrial countries for the balance of this decade, as well as likely levels of external capital flows, suggest that significant improvements in the LAC countries' GDP growth rates will be difficult to achieve in the medium term and will depend largely on continued improvements in economic policies. At the same time, increasing constraints on ESF availability are seriously limiting A.I.D.'s capacity to support economic reforms and sustainable stabilization programs in the A.I.D. recipient countries,

especially in the Caribbean and Andean nations where ESF funds are virtually eliminated in FY 1988. These budgetary factors are discussed in greater detail later in this overview.

Social and Political Concerns

The intensity and duration of the economic crisis have resulted in slower-than-anticipated improvements in the quality of life, particularly among the rural and urban poor. High rates of infant mortality, childhood disease, and malnutrition, while generally falling throughout the region, continue to reflect the very poor living conditions endured by much of the region's population. Indeed, the ability of governments in the region to produce demonstrable achievements in health care, basic education, housing, and access to land and credit is linked inextricably to the success or failure of reforms in the political and economic spheres.

The depth and duration of the regional economic crisis have also caused serious social and political strains throughout the region. These tensions continue to threaten the encouraging progress that has been made this decade in the process of democratization. Although free elections have become the norm for the region, and no democratically elected government has been overthrown for a number of years, Panama suffered a further erosion of political freedoms, and hopes for movement toward democracy in Haiti were dashed when violence resulted in a cancellation of the November elections and the substitution of seriously tainted elections in January 1988. These developments led to a termination of our assistance to the Governments of Panama and Haiti, with continuing assistance channeled only through nongovernmental organizations.

Backsliding from progress in democratization has occurred before in recent Latin American and Caribbean history, and it will take a major commitment on the part of the countries themselves and sustained support from the United States to minimize the chances of this happening again, particularly in countries where democratic traditions and processes are fragile. In addition to the challenges to democracy resulting from sluggish economic performance, several countries -- including El Salvador and the Andean countries -- still face serious threats to democratic processes and institutions from the operation of guerrilla forces and/or narcotics traffickers.

U.S. Interests

The United States has major economic interests in the LAC region, whose geographic proximity also makes it of key importance to our security. Latin America and the Caribbean constitute a major market for our exports. In 1981, at the onset of the region's economic crisis, the countries of the region spent $42 billion to acquire U.S. products, accounting for 18% of our total exports. But as the crisis deepened and foreign exchange availabilities declined, LAC purchases of U.S. goods fell sharply to $26 billion in 1983. This cost the United States an estimated 400,000 jobs in export industries. Although U.S. exports to the region recovered to $31 billion in both 1985 and 1986, and an estimated $33 billion in 1987, these figures are still well below the 1981 peak, particularly after adjusting for inflation. The loss of export opportunities in the region has been an important factor in the persistence of high trade deficits in the United States.

The United States also has significant investments in Latin America and the Caribbean, amounting in 1986 to $29.5 billion, or 54% of all U.S. direct investment in developing countries. The economic crisis in the region has lowered returns on this investment. In addition, it has threatened the financial position of many U.S. banks with loans to LAC countries which have been unable to keep current on debt servicing. Some of these banks have already begun to write down their loans to the more debt-plagued LAC countries. Other major impacts of the economic difficulties in the region have been an increase in illegal migration to the United States and a greater temptation for many persons to turn to narcotics production and trafficking.

Our primary strategic objective in the region is to support an environment of stable, friendly, democratic governments, providing political and economic freedoms of opportunity for citizens regardless of current status, in which our major security interests as well as theirs can be protected. These interests include access to petroleum, to other industrial raw materials, and to the unimpeded use of sea lanes adjacent to North America and the Panama Canal. Thus we have strong reasons for seeking to prevent the seizure of power by anti-democratic forces anywhere in the region. The LAC region is also important to our efforts to limit the spread of nuclear weapons, the flow of illegal drugs into the United States, and the operations of international terrorist groups. A.I.D. is actively involved in cooperating with the LAC countries in the narcotics control effort through such programs as drug awareness education and area development programs.

The LAC region is a major focus of our worldwide concern for improving respect for human rights and strengthening democratic institutions. The United States has played an active role in supporting civilian, democratically elected governments, which are now found in most LAC countries. A.I.D.'s democratic initiatives program, discussed below, is providing assistance to LAC countries to strengthen democratic processes in many dimensions. The prolonged economic crisis in the region, as noted above, is a serious threat to the expansion and consolidation of democratic processes. Our interests and theirs will be secure only if they grow economically and people see prospects for broad participation in that growth. A.I.D.'s economic assistance program seeks to help preserve and strengthen democratic gains by stimulating a private sector-led economic recovery whose benefits will extend to the entire population. This weakens the appeal of radical, undemocratic elements, including the guerrilla groups now seeking to destabilize the governments of a number of LAC countries.

A.I.D.'s Strategy and Goals

A.I.D.'s strategy for addressing the LAC region's development problems focuses on achievement of four broad goals: (1) short-term economic stabilization, (2) basic economic policy reforms leading to rapid, sustained economic growth, (3) a wider sharing of the benefits of growth, and (4) the strengthening of democratic institutions and respect for human rights. This strategy for broad-based economic growth emphasizes productive employment opportunities for all as well as greater access to health care, education, and social services. The strategy stresses the

role of the private sector as the main engine of development, but it also seeks, through policy dialogue, to improve the role of the public sector by encouraging reforms which increase economic and political freedoms, as well as management improvements which reduce the costs of public services. A.I.D. stresses the importance of institution building and training in the development process, and strives to apply advances in science and technology to all its programs.

A.I.D. uses a broad array of assistance instruments, including ESF, DA, food assistance, and housing guaranties, all closely linked through a Management-by-Objectives system in support of A.I.D.'s goals and objectives. Host government-owned local currencies associated with our ESF assistance and food aid also contribute significantly to progress under our country development strategies.

Implementing the A.I.D. Strategy

1. Stabilization. Economic stabilization has been a necessary part of the LAC countries' adjustment to the economic crisis of the 1980s. Reducing fiscal and balance-of-payments deficits and bringing inflation under control are prerequisites to the establishment of an economic environment conducive to long-run, private sector-led growth. Stabilization policies may be unpopular in the short run, but inaction will only lead to even greater economic hardships over the long run, with particularly severe effects on the poor.

A.I.D. has encouraged LAC countries to adopt stabilization programs when they are needed. The Economic Support Fund (ESF) resources we have provided in support of such programs have helped cushion declines in economic activity and have facilitated the adoption of policy reforms which stimulate economic activity. Since the international economic environment has not been supportive of strong economic recovery in the LAC region, the need for stabilization programs has persisted longer than we expected.

One of the first LAC countries to implement a successful stabilization program was Costa Rica. From 1981 to 1983 Costa Rica's fiscal deficit was reduced from 13.7% of GDP to 3.6%, and the deficit in the current account of the balance of payments was cut from $420 million to $300 million (excluding official transfers). Consumer prices, which increased by 90% in 1982, rose by only 12% in 1984. Costa Rica continues to make progress in these areas: averages for 1985-87 were less than 2% for the fiscal deficit, $275 million for the current account deficit, and 14% for the inflation rate. A recent evaluation of A.I.D.'s balance-of-payments assistance program in Costa Rica concluded that A.I.D. assistance played an important role in the success of the stabilization effort.

During 1987 good progress toward stabilization was made in a number of other countries. Guatemala's inflation rate fell from 37% in 1986 to 9% in 1987. Ecuador, which suffered a large fiscal deficit in 1987 because of lost revenues from petroleum exports (which were suspended for six months due to earthquake damage to the pipeline), has undertaken fiscal measures which should result in only a modest deficit in 1988. In Bolivia, the inflation rate has been reduced from nearly 12,000% in 1985 to just over 10% in 1987, and the fiscal deficit over this same period has fallen from

12.4% of GDP to approximately 3%, very impressive accomplishments in both cases. Haiti continued to make significant progress in policy reform in 1987, but recent political disturbances have adversely affected economic performance.

Support for sound economic stabilization programs will continue to be a critical element of A.I.D.'s development assistance strategy in LAC countries. However, overall FY 1988 reductions in ESF and maintenance of traditional earmarks, particularly for non-LAC countries, virtually eliminated ESF assistance to most Caribbean and South American countries. The abrupt cutbacks have greatly diminished A.I.D.'s capacity to continue influencing macroeconomic policy reforms and contributing to multidonor stabilization programs in these two subregions. Further, these countries are doubly handicapped by the reduced availability of local currency resources associated with our ESF balance-of-payments assistance, which over the past few years have played a vital role in financing high-priority development activities.

If these ESF constraints continue through FY 1989, many of the Caribbean and South America countries will not be able to sustain economic reform efforts which have made good progress but are not yet completed. They have relied on A.I.D.'s ESF support to help meet financial stability criteria of the IMF and World Bank, cushion their population against the short-term effects of austerity programs, and sustain productive activity which relies on imports. In Bolivia, the reduction of U.S. assistance may mean that the government will simply not have the financial capacity to proceed forcefully with its narcotics control program.

ESF constraints also affect how we approach the issue of resuming economic assistance to Haiti and Panama, should substantial progress toward democracy be made in those countries and the conditions giving rise to Congressional prohibitions be removed. At this point we are not requesting FY 1989 ESF funds for Haiti and Panama. Should they become eligible for such assistance, however, we would want to be in a position to adjust our FY 1989 ESF budget, in consultation with the Congress, to permit us to support major progress toward democracy in these countries.

2. Achieving Long-Term Economic Growth. Rapid and sustained economic growth over the long run will depend not only on a healthier world economy but also on economic policy reforms and efforts to improve institutional effectiveness and develop human resources. Policy reforms will reduce price distortions in the economy, strengthen the role of the private sector, and encourage export expansion and diversification. Market-oriented reforms are central to sustainable productive employment generation which enables broader participation in the benefits of growth. In contrast, the absence of sound monetary and fiscal policies contributes to inflation with negative impact on the poor and middle class. However, improvements in institutional and human resources are also needed to create the foundation needed for sustainable development.

A number of countries in the region have taken major steps to reorient their economic policies in these directions. Bolivia, Haiti, and Dominica signed three-year Structural Adjustment Facility (SAF) agreements with the International Monetary Fund (IMF). Costa Rica has been negotiating with

the World Bank for a second Structural Adjustment Loan (SAL). Jamaica, Haiti, Belize, Costa Rica, Honduras, and Bolivia have all divested government enterprises. For example, Jamaica is privatizing the National Commercial Bank and a major cement company, and most of the government-owned hotels, now under private contract, are soon to be fully divested. A.I.D. has encouraged and supported many of these reforms with ESF programs and the conditionality associated with them. It has played the leading role among the international donors in encouraging and supporting divestiture and other privatization actions.

Progress in export diversification continues to be encouraging. U.S. imports of manufactured goods from the Caribbean Basin countries have increased at an average annual rate of 15% over the last four years, reflecting in part the opportunities made available to them under President Reagan's Caribbean Basin Initiative (CBI). Growth of nontraditional exports has been particularly rapid in Costa Rica, the Dominican Republic, Jamaica, Guatemala, and Belize, countries in which significant policy reforms have been undertaken. In the past, A.I.D. has played a major role in facilitating this growth through both ESF and Development Assistance (DA) programs which support policy reforms, provide technical and financial assistance to private sector organizations, and encourage small and micro business development. The elimination in FY 1988 of ESF for the Caribbean island countries and the sharp reduction in DA resources available to support private enterprise development will greatly diminish A.I.D.'s ability to continue such efforts.

Each of the 12 LAC country missions has assisted in the creation of private investment and export promotion centers or units. These centers encourage local and foreign investors and exporters by providing a range of business services, e.g., feasibility studies, marketing studies, financial analysis, and joint venture brokering. In Costa Rica, Honduras, and El Salvador these organization have been instrumental in the passage of legislation to stimulate investment and exports, the establishment of export processing zones, and the adoption of other measures aimed at the development of a favorable business climate. They provide private sector leadership under the CBI that is reflected in the positive trend in the growth of nontraditional manufactured exports from A.I.D.-assisted countries to the United States (an estimated 104% increase between 1983 and 1987).

A.I.D. has also supported microenterprise development in the region. With A.I.D. assistance the Institute for Liberty and Democracy has shed light on the formidable constraints faced by the informal sector. This information has important implications for microenterprise development not only in Peru but also in the other countries of the region. A.I.D. also is continuing its support for microenterprise development projects through dollars or local currency in countries such as Guatemala, Belize, the Dominican Republic, El Salvador, and Honduras.

These efforts are beginning to have an impact on economic growth performance. The Central American countries of Costa Rica, El Salvador, Guatemala and Honduras, for example, had a combined GDP growth rate of 2.6% in 1987, up from 1.8% in 1986. Jamaica's GDP, which fell 4.0% in Jamaica fiscal year 1985/86, increased by 3.5% in 1986/87, and a growth rate of 5.0% is projected for 1987/88.

The likelihood that policy reforms will have a positive impact over the long term will be greatly enhanced by the development of the institutional and human bases for continued growth. The expanded availability and efficiency of basic education is equipping the rural poor with the essential skills they need to participate in national development. Training activities for managers of small and medium-size businesses are creating a cadre of entrepreneurs who will lead a reinvigorated private sector into the 1990s. Meanwhile, A.I.D. is helping to strengthen indigenous institutions which can develop and adapt technologies to be responsive to the specific needs of the region. Examples include a private agricultural research foundation in Honduras, the Regional Agricultural College of the Humid Tropics (EARTH) in Costa Rica, and several PVOs carrying out natural resource management and conservation activities throughout the region. In addition, A.I.D. is supporting sound environmental and natural resource practices through responsible management of land and water resources, protection of ecological systems, and preservation of biological diversity.

3. Spreading the Benefits of Growth. Throughout the LAC region, inadequate development of institutional and human resources represents a prime constraint not only to sustained economic growth but also to the quality of life. Widespread hunger and malnutrition, illiteracy, poor educational and training opportunities, poor health conditions, and inadequate housing threaten to erode the foundations of the region's fragile democratic institutions.

An export-oriented growth strategy can help promote more equitable participation and broad-based income growth through job creation, encouragement of small businesses, and the generation of revenues needed to extend the coverage of health, education, and other social services. Services can also be extended through greater efficiency and the use of cost-recovery measures, both of which are particularly important in countries where real budgetary resources have fallen because of the economic crisis. Nevertheless, targeted programs to improve the conditions of the poor will still be needed to ensure that the benefits of growth will be widespread and to develop the institutional and human resources needed to sustain economic and political development. Opportunities for small farmers and other poor rural families can be increased through greater access to land, credit, and other productive resources; technical assistance; and the elimination of price controls and other disincentives to production.

A.I.D. will continue to promote more equitable patterns of development in the LAC region by supporting programs that:

-- increase access to primary education in countries such as Haiti, El Salvador, and Guatemala, where fewer than 90% of school-age children, male and female, have access to schooling, and improve the quality and efficiency of primary education services delivered;

-- expand access to family planning, particularly through private and commercial institutions, so that 80% of couples of fertile age have the information and services to make informed, voluntary decisions concerning family size;

-- improve health status through oral rehydration therapy, immunization, improved nutrition, water supply and sanitation, and other programs responsive to A.I.D.'s new Child Survival Strategy;

-- improve the access of poor rural families to land and other resources through support for settlement programs, legal reforms to provide secure land titles, and financing for land purchases;

-- increase the availability of credit and technical assistance to microenterprises and small business operators;

-- provide better housing for low- and moderate-income families through technical assistance, ongoing Housing Guaranty loans and other activities; and

-- assist displaced persons through provision of health services, educational opportunities, and productive employment.

A number of countries have been making substantial progress in spreading the benefits of growth despite the lingering effects of the economic crisis. In Honduras, for example, the infant mortality rate fell from 88/1,000 in 1980 to 70/1,000 in 1985, and well over 80% of all children under five have been immunized against major childhood diseases; primary school enrollments rose by 29% over this five-year period and continue to expand rapidly; and contraceptive prevalence is up from 34% in 1984 to an estimated 40% in 1987. In the Dominican Republic, second and third-degree malnutrition was reduced by 43% between 1983 and 1986 in communities covered by the Applied Nutrition Education project. In Peru, five communities of Amuesha Indians are receiving training to enable them to increase their productivity and income from ownership of a sawmill and active management of 5,000 hectares of fragile tropical lowlands. In Guatemala, approximately 500,000 additional persons were provided with water supply and sanitation coverage during the period 1980-86.

4. Democratic Institutions and Human Rights. Economic growth will best benefit the citizens of the LAC region and support U.S. interests if it occurs in an environment in which governments permit their people to participate freely in local and national political processes; to form labor unions, cooperatives, and other voluntary organizations; and to have recourse to a judicial system that will administer justice fairly and speedily. Therefore, a key element in U.S. economic assistance decisions in each LAC country is the degree of commitment of that country to free, periodic elections, independence of the judiciary, and respect for individual rights, and the degree of progress each country is making toward these objectives.

A.I.D. is providing direct support and assistance to countries in these and other aspects of the process of democratization. Specific activities include those which strengthen the administration of justice through technical assistance, training, and material support for court systems, criminal investigative agencies, public prosecutors and defenders, justice ministries, law schools, and bar associations. These programs are beginning to produce significant results, particularly in El Salvador, where the A.I.D.-financed Special Investigative Unit has played an important role in

obtaining evidence on several major human rights crimes. Support for the enhancement of legislative capabilities is being provided in Honduras and Guatemala. Technical assistance to improve the administration of elections is another key area. In addition, A.I.D. activities with a large number of private and voluntary organizations (PVOs) will support the development of democratic institutions and processes by providing assistance to labor unions, voluntary cooperatives, women's organizations, and other participatory groups.

A.I.D. will give increased emphasis to supporting democratic initiatives in FY 1988 and FY 1989 by integrating its Administration of Justice Program with new activities under its Democracy Strengthening Program. The two programs, up to now implemented independently, will be brought together in a five-year assistance strategy, which is now being formulated, for democratic development in the LAC region. Improvements in the administration of justice will focus increasingly on bilateral projects to complement well-established regional projects in Central America and the Caribbean. New projects were begun in Guatemala and Honduras, with additional projects planned for FY 1988 in Costa Rica, Bolivia, and the Dominican Republic. Several of these new projects integrate administration of justice activities with electoral assistance and legislative enhancement programs. A.I.D. will also support professionalization of the news media and leadership training. A major $12 million project for Central American journalists has recently been approved, and a major leadership training project is under development. We will continue to expand the democratic initiatives program beyond its original Central American focus in order to provide greater assistance to the Andean countries and the Caribbean Basin. Management of the International Criminal Investigative Training Assistance Program (ICITAP) is being transferred to the State Department in FY 1988.

The process of democratization in the LAC region is being further supported by a major training initiative which will provide scholarships for study in the United States and in the region itself for disadvantaged individuals who previously have lacked access to such training. Despite overall reductions in ESF availability in FY 1988 and constraints on EHRD funding, the two principal sources of financing for Peace Scholarships, A.I.D. will continue to give the highest priority to sustaining the momentum of these important training programs. Under the Central American Peace Scholarships project (CAPS), an estimated 8,500 Peace Scholars will be trained between FY 1985 and FY 1989 in response to a recommendation of the National Bipartisan Commission on Central America (NBCCA). Implementation of CAPS is ahead of schedule, with more than 6,200 Peace Scholars having begun their training programs through FY 1987.

The Presidential Training Initiative for the Island Caribbean, implemented in late FY 1986, will support a projected total of 1,500 students, more than 700 of whom had begun their training through the end of FY 1987. Under the Andean Peace Scholarship program, initiated in FY 1987, 40 of a projected total of 1,740 students began their training in the project's first year.

A.I.D. Support of Narcotics Awareness and Control Efforts

A.I.D. activities to help control narcotics production and trafficking also support U.S. efforts to promote the rule of law and reduce the corrupting

influence that narcotics traffickers exercise. Throughout the Andes drug traffickers threaten the integrity of government authority and hinder balanced economic growth and the development of legitimate private enterprise. A.I.D. is reinforcing the commitment of governments to take more aggressive narcotics enforcement and control measures and to carry out drug awareness and education activities. Projects in Peru and Bolivia have documented the harmful consequences of drug production and trafficking on their own societies and have led to greater public support for coca eradication programs. The Government of Bolivia has taken courageous action against narcotics production and the trafficking. During the past year, the GOB began a voluntary program of coca eradication in August 1987, the largest program in the Western Hemisphere. A.I.D. activities include the development of alternative income and employment opportunities so that coca farmers will have a safety net of services and alternatives after destruction of their drug crops.

FY 1989 Highlights

A program level of $1.137 billion in Economic Support Funds, Development Assistance, and P.L. 480 resources is proposed for FY 1989 in support of our strategy for achieving economic, social, and political progress in the LAC region. Of this total, $736.2 million (65%) is for programs in Central America, $217.3 million (19%) for the Caribbean, $146.4 million (13%) for South America, and $37.4 million (3%) for LAC Regional programs. The distribution of these resources among functional categories of assistance, and examples of new initiatives for FY 1989, are presented below.

To support our goals of economic stabilization and policy reforms to stimulate faster economic growth, ESF resources of $547.5 million are proposed, primarily as balance-of-payments assistance to help LAC countries maintain the import levels they need to accelerate their economic recovery. These resources encourage governments to undertake necessary but politically difficult stabilization measures and provide them the means to mitigate the adverse effects of some of these policy changes. Now that substantial progress is being made toward stabilization, a growing proportion of ESF resources is being used to support policy reforms and other actions that directly promote economic growth.

The countries of the LAC region still require significant ESF balance-of-payments assistance because the prices for their primary exports remain low and public and private capital flows from other sources remain at disappointingly low levels. The ESF assistance level we are proposing is essential for achieving minimum acceptable progress toward the target rates of economic growth that now seem unlikely to be achieved until the 1990s. Local currency associated with ESF programs plays a vital role in our balanced strategy. It will continue to support the productive credit requirements of private enterprises, finance key public services and infrastructure projects, help governments spread the benefits of growth, and support efforts of PVOs and other groups to meet basic needs.

ESF will also finance the expanded democratic development initiatives discussed above, and it will provide a significant share of the funding for the Peace Scholarship programs in Central America, the Caribbean and South America. In addition, projectized ESF will support infrastructure restoration and development and private sector programs.

In the Development Assistance (DA) category, for which a total of $371.6 million is proposed, agriculture, rural development, and nutrition programs account for $144.5 million, or 39% of the total. Our strategy in this sector seeks primarily to increase the income needed by poor rural families to meet their basic requirements for food and other needs. A.I.D. will also support agribusiness and agricultural export development programs. New activities in FY 1989 include an agribusiness training project in the Dominican Republic, an export promotion initiative in Bolivia, and a project to improve traditional export crops in Guatemala.

The population planning portfolio ($20.9 million, or 6% of the DA program) emphasizes the use of private sector mechanisms through a new private sector population program in Honduras and through ongoing projects in other countries.

A.I.D.'s health programs ($64.4 million, or 17% of the DA program, including $25.1 million for child survival programs and $3.0 million for programs to combat AIDS) emphasize improved efficiency of delivery systems for public health services and the development of private-sector delivery mechanisms. New activities include an LAC Regional project to provide health technical services support to the LAC Missions and a health care financing program in Belize.

Our activities in education and human resource development ($73.3 million, or 20% of the DA program) include support for training under the CAPS program for Central America, the Presidential Training Initiative for the Island Caribbean, and an Andean Peace Scholarship program as well as management, labor and vocational training programs. While the lack of basic education services is not as widespread as in other regions of the world, basic education programs have priority in countries where literacy rates remain low. The FY 1989 program includes significant support for the scholarship programs mentioned above as well as new projects to improve the education sector in Guatemala and to carry out employment-related training in the Dominican Republic.

The selected development activities portfolio ($68.5 million, or 18% of the DA program) is particularly important in the LAC region. It emphasizes a variety of private-sector initiatives and supports other important development activities. Tight funding restrictions for this account are not commensurate with its strategic importance in supporting programs in private sector development, assistance to small and medium-size enterprises, privatization, improvements in public administration, and efficient use and development of energy resources. New projects will support export promotion in Bolivia and Honduras, small business assistance and privatization in El Salvador, assistance to private enterprises by the International Executive Service Corps in Guatemala, and improved production technologies in the Dominican Republic.

Additional U.S. resources which provide critical support for our objectives in the LAC region will be made available under the P.L. 480 program, which will provide much-needed foreign exchange to help the balance of payments. Local currency generations from the sale of P.L. 480-financed foodstuffs are integrated with our overall DA activities and are used as tools in our policy dialogue on macroeconomic and sector policies. Donated food

addresses important nutritional needs by targeting the poorest and most vulnerable segments of the population. The FY 1989 request for P.L. 480 resources is $218.1 million, of which $172.0 million is for Title I/III and $46.1 million is for Title II.

Management Improvements

1. Management by Objectives (MBO). The MBO system established two years ago by the LAC Bureau has achieved several important management results. Most A.I.D. Missions have concluded that the MBO system, centered around the annual Action Plan, has helped to focus program decisions on Bureau goals and objectives, fostered better Mission-wide communications and consensus on program directions, and provided a useful basis for Mission-A.I.D./W discussion and decision-making on country programs. The Bureau plans further improvements in the MBO system in FYs 1988-1989: additional emphasis on past performance in judging the feasibility of future plans; use of performance indicators which facilitate realistic measurement of the development impact of A.I.D.-financed programs; more effective integration of food aid with DA and ESF resources to achieve program objectives; and closer linkage between workforce planning and decisions on program size and scope.

2. Delegation of Authority to the Field. The LAC Bureau continues its emphasis on delegating authority to field missions in order to improve program implementation and encourage initiative and accountability on the part of field managers. Within the approved country strategy and program, approval authority was delegated to the field in FY 1987 for 33 of 49 projects (66%). At the same time, to assure that country programs adhere to the highest management standards, during FYs 1987-1988 the LAC Bureau issued supplementary guidance on salary supplements, conflict of interest regulations, and use of PD&S funds, and A.I.D. issued worldwide guidance on local currency programming and management.

3. Portfolio Management. A.I.D.'s performance in implementing ongoing projects in the LAC region continued to improve in FY 1987. For the first time since FY 1982, project expenditures exceeded prior-year project obligations. The project portfolio liquidation rate of 41.4% also exceeded the 1980s norm of 31% to 39%, although it dropped from the FY 1986 high of 46.8%. The end-of-year pipeline in FY 1987 increased by $263 million from FY 1986, but this was due primarily to appropriation of the Central America Supplemental very late in FY 1987.

4. Financial Management. To strengthen financial management in our country programs, the LAC Bureau has reinforced the importance of financial audits and, in FY 1988, will initiate a financial management improvement project. The Bureau sent a directive to all field Missions requiring them to assure audit coverage of all projects. Given staff limitations, the LAC Bureau, working with the IG, authorized Missions to use CPA firms to perform audits, with funding for such audits to be incorporated in project budgets. In addition, the Bureau is designing a regional project -- the initial phase of which is now under way -- to assist Missions to strengthen host country financial management and audit capability.

5. Management Information System (LAC/MIS). Work on the Bureau's management information system is nearing completion. Automation procedures and computer programs supporting two of the system's major components are completed and are now being tested prior to coming on-line during the first half of FY 1988. One of these components tracks the production, clearance, and delivery of key project documents. The other supports the financial data contained in the LAC Missions' annual Action Plans and tracks progress against these plans during the operating year. A third major component, which will provide Bureau managers selected economic and social data, is in the advanced stages of development and is expected to be in operation by the end of the fiscal year.

6. Reducing Project Costs. A.I.D. has implemented several measures to contain or reduce the costs of development assistance programs. A new Training Cost Analysis (TCA) system is helping to assess and contain the costs of LAC training programs by providing closer and more systematic comparisons of the costs and services proposed by potential contractors. In addition, A.I.D. continues to promote cost-sharing arrangements with U.S. universities and has distributed to missions and contractors a directory of universities, including historically black colleges and universities (HBCUs), which are known for their cost effectiveness in training and their willingness to negotiate costs with A.I.D.

In the health area, A.I.D. is developing a standard methodology for cost analysis of technical assistance. This effort will identify areas where cost reductions or containment may be achieved without negatively affecting the quality of the technical services being provided. The increased utilization of micro-computers in population programs has reduced the administrative costs of logistics and record-keeping systems.

Special Concerns

1. Women in Development (WID). A.I.D.'s assistance programming strives to ensure that women are more fully integrated into all activities, that they more efficiently benefit from projects, and that they more completely participate in development programs at all levels. To further strengthen this commitment, A.I.D. has initiated a series of mission-specific WID workshops. Two workshops, in Bolivia and Guatemala, were held in October/November 1987, and a third is being planned for the Dominican Republic. This follow-up to the 1986 manual, Gender Issues in Latin America and the Caribbean, will support LAC staff in carrying out A.I.D.'s WID responsibilities more effectively.

2. Evaluation. Evaluation is a critical element in A.I.D.'s effort to ensure that project objectives are being met and to determine the impact of the overall program. In FY 1987 A.I.D. field missions in the LAC region completed 39 evaluations. In addition, three regional evaluations were prepared. Missions have planned 111 evaluations for FY 1988 and 89 for FY 1989.

A major thrust of A.I.D.'s evaluation program during FYs 1988 and 1989 will be the design and implementation of a series of comparative, cross-cutting evaluations to measure the impact of similar programs in two or more countries, as well as to identify lessons learned for future program

development. One of these is an evaluation, now under way, of the effectiveness of A.I.D.'s ESF cash transfer programs in Costa Rica, the Dominican Republic, Honduras, and Jamaica. In addition, field missions have planned a significant number of "program" evaluations to assess progress towards specific objectives set out in annual Action Plans.

Training will continue to be an important element in A.I.D.'s efforts to improve its evaluation work. Two regional evaluation workshops have been held by the LAC Bureau, one in Costa Rica in June 1986 and a second in Ecuador in October 1987. A third is planned for the spring of 1988. These workshops are designed to demonstrate the importance of evaluation in effective decision making and the use of evaluation as a management tool. They help to sharpen skills and assist in creating a mutually supportive network of A.I.D. and host country officers in the region involved in evaluation.

3. Private and Voluntary Organizations (PVOs). PVOs represent an essential resource in the implementation of A.I.D.'s development strategy throughout the LAC region. Their unique capabilities for mobilizing private resources and strengthening community participation in the furtherance of grassroots and microeconomic development serve to complement A.I.D. bilateral assistance. A.I.D. continues to give priority to PVO activities in child survival, small-scale enterprises, vocational training, innovative credit programs, agricultural production, human rights, and extension of health and education services in both urban and rural locations. During the past few years, DA and ESF resources devoted to PVO activities have averaged between $70 million and $80 million annually.

A.I.D. will continue to assist individual LAC missions to improve and expand their working relationships with PVOs. During this past year, the Guatemala Mission held a one-day workshop to permit an information exchange between the Mission and interested PVOs. The Mission and the PVOs agreed that it contributed to improved working relations and provided an excellent arena in which to share information about current and future activities. Given the success of this first workshop, A.I.D. intends to hold similar workshops in other LAC missions.

Because of growing staffing constraints, A.I.D. will explore the extent to which PVO umbrella organizations can serve as an efficient and effective mechanism for implementation, management, and evaluation of PVO activities. During FY 1988 A.I.D. intends to conduct an evaluation of PVO umbrella groups operating in the LAC region to extend this experience and lessons learned to other missions interested in funding umbrella organizations and strengthening those already established.

CENTRAL AMERICA

PROGRAM SUMMARY ($000)			
Category	FY 1987 (Actual)	FY 1988 (Estimated)	FY 1989 (Request)
Development Assistance	240,452	213,090	209,200
Loan	36,530	23,738	0
Grant	203,922	189,352	209,200
Economic Support Fund	683,942 1/	472,009 4/	434,000
Loan	13,996	0	0
Grant	669,946	472,009	434,000
Other*	50,000 2/	0	0
TOTALS	974,394 3/	685,099	643,200
P.L. 480	85,403	96,647	92,968
Title I	76,200	80,000	80,000
Title II	9,203	16,647	12,968
TOTALS	1,059,797	781,746	736,168

Footnotes:

1/ The above total for ESF includes $2,554,987 in local cost support.

2/ International Disaster Assistance.

3/ Above total includes $8,164,606 of prior-year deobligated funds reobligated in FY 1987.

4/ Includes $32,009,000 appropriated in FY 1987.

CENTRAL AMERICA

The Central American Initiative

The framework for U.S. economic assistance to Central America is provided by the Central American Democracy, Peace and Development Initiative (CAI), which grew out of the recommendations of the National Bipartisan Commission on Central America (NBCCA). The Commission, headed by former Secretary of State Henry Kissinger and composed of distinguished Americans of both political parties, found that the Central American crisis had its roots in long-standing problems of poverty, injustice and closed political systems. The NBCCA called for a short-term program to stabilize the economies of the region and long-term efforts to restructure them for sustained growth, to broaden participation in and sharing of the benefits of growth, and to strengthen the institutions and practices of democracy.

The Commissioners concluded that though "there is an urgent need for action, no quick solutions can be expected. The United States must make a long-term commitment and stick to a coherent and bipartisan policy." They also noted that while U.S. aid can make a difference, "solutions will depend upon the efforts of Central Americans themselves." The NBCCA called for a $24 billion effort, half to be in the form of U.S. Government aid and guarantees, over a seven-year period. The CAI proposed beginning with a $8.4 million U.S. aid effort over the five-year period 1985-1989 ($6.4 billion in economic aid and $2 billion in guarantees).

The Overall Strategy

True to the NBCCA recommendations, the CAI has focused on arresting the disastrous economic decline of the early 1980s, putting in place the policies and institutions requisite to renewed and sustainable growth, ensuring that growth will be both a product of and contributor to broader participation in the economic and social gains, and strengthening democratic institutions and human rights. Initial funding for the CAI began in late 1984. In October 1986, the Congress asked for a report of the status of the program and the Administration's plan for fully funding the NBCCA's recommendations. The Full Funding Report (FFR), submitted to the Congress on March 3, 1987, showed that CAI implementation was making significant progress, but was behind the NBCCA schedule. Progress was slower than expected, and some of the positive assumptions on which the Commission's time and funding estimates were based have been eroded. In particular, the last few years have been characterized by:

-- sluggish world economic growth which has limited demand for Central America's products;

-- continued low world prices;

-- the continued violence and general unstable military/security climate;

-- delays by the region's governments in implementing economic reforms;

-- slow recovery of private domestic and foreign investment; and

-- little increase in international and bilateral aid.

On the positive side the FFR noted:

-- democratic governments well in place in the "core four" countries;

-- economic decline arrested everywhere except Nicaragua;

-- broad acceptance that a strong private sector was essential to renewed growth;

-- significant progress in organizing for export-led growth; and

-- significant gains in child survival, health, family planning and education.

The FFR concluded that, given the slower-than-expected progress and U.S. Government budgetary constraints, the time frame of the CAI should be extended three years to 1992 and total appropriated funding levels raised to $6.9 billion over the 1985-1992 period. It recommended that annual funding levels from 1988 onward be reduced substantially from the initial $1.2 billion level of the CAI, declining from $829 million in FY 1988 to $479 million in FY 1992.

Economic Stabilization

The NBCCA hoped to see economic stabilization accomplished by the end of 1986. Specifically, it was hoped that violence would have been greatly reduced, appropriate exchange rates adopted, balance-of-payments current account deficits lowered, government spending brought under control, and external arrears paid or rescheduled.

Stabilization has not been fully achieved. El Salvador's economy continues to face serious problems of internal and external balance. Panama's economy has become destabilized as a result of that country's political crisis. The disastrous policies of the Sandinistas have severely damaged the economy of Nicaragua and greatly diminished its role in the regional economy of Central America. However, stability was maintained or strengthened elsewhere in the region.

Fast-disbursing U.S. Economic Support Funds (ESF) and P.L. 480 assistance have played a major role in the region's success in reversing the decline in the gross domestic product (GDP) which characterized the early 1980s. Following declines of 4.3% in 1982 and 0.5% in 1983, regional (excluding Nicaragua and Panama) GDP grew by an average annual rate of 1.5% over the next three years. The estimated 1987 growth rate of 2.7%, an encouraging improvement, matches the region's population growth rate.

The strongest economic performers in 1987 were Belize (4.8%), Honduras (4.0%, aided by unusually favorable growing conditions in the agricultural sector), and Costa Rica (3.7%, where nontraditional exports continue to

grow rapidly). In Guatemala, where GDP declined by 0.2% annually during 1984-86, the economy grew by an encouraging 2.3% in 1987, with sound government policies and stronger private sector confidence both playing important roles. El Salvador's economy, still plagued by civil war, the aftermath of a severe earthquake, and serious government-business differences on economic policy grew by an estimated 1.5% in 1987, only marginally better than in 1986. In Panama, GDP fell by an estimated 2.0%. Nicaragua, in sharp contrast to the "core four" Central American countries and Belize, has been experiencing declining production, skyrocketing inflation, food shortages in urban areas, and large-scale emigration of skilled human resources.

Despite overall improvements in the region, GDP growth performance remains significantly below what the NBCCA hoped it would be by this time. The major reasons are the following:

-- The political and military situation remains unsettled. The NBCCA had projected that insurgency in El Salvador and the destabilization caused by the Sandinista government in Managua would largely be resolved by 1986. This has not happened. Though the Peace Accords may eventually lessen political tensions, they are likely to have only a modest effect on the economic and investment climate in the near term. Another factor--which the Commission could not have foreseen--was the reversal for democracy in Panama and its economic consequences.

-- Capital flows into the region, official and private, are lagging. The NBCCA estimated that total inflows of aid and investment of $24 billion would be required to achieve a 3% per capita growth rate by 1990. As noted earlier, U.S. aid has been slowed by our deficit problem. World Bank financing has been significantly lower than anticipated. Lack of viable rescheduling agreements between Honduras and Costa Rica and their foreign bank creditors has hampered flows from these sources, though debt swap mechanisms appear to hold promise for removing a small portion of the overhanging debt. El Salvador, however, is now receiving fairly substantial aid for its $1 billion-plus earthquake reconstruction effort. Repatriation of capital sent abroad earlier has been only a trickle. Inputs of new foreign investment have lagged considerably, while domestic investment is recovering somewhat.

-- World demand remains depressed. Though 1986 saw a brief recovery for coffee, international prices for the region's chief export fell in 1987 to the low levels of 1982-84. U.S. sugar quota cuts have forced continued declines in plantings for this historically major export earner and provider of employment. Cotton showed some resurgence during 1987, but the medium-term outlook is uncertain. While the growth of nontraditional exports has been impressive and holds real hope for the future, these products will not fill the income or employment gaps until they grow to represent a much larger portion of total exports, a process which will take a number of years of further progress.

-- Economic reforms have been slower than anticipated. Coherent economic programs are in place in Guatemala, Belize and Costa Rica. Honduras' internal program has improved significantly in the past year, but the

foreign exchange regime, while becoming more flexible, still limits export competitiveness, and the fiscal deficit remains large. El Salvador's economic decline was reversed in 1983, but economic recovery remains slow as the war continues and as President Duarte and the private sector remain at odds on economic policy. Panama is experiencing renewed fiscal problems, and policy reform has come to a halt during its political crisis.

Nevertheless, significant strides have been taken in several key areas:

-- Exchange rates have been effectively adjusted in Guatemala and Costa Rica, while a parallel rate partially compensates for an overvalued currency in Honduras. El Salvador's major adjustment of 1986 has been seriously eroded by the lack of subsequent adjustments. Panama, whose currency is the U.S. dollar, and Belize do not present problems.

-- Government deficits have been significantly cut in most of the region, and further steps are under way. In Belize the deficit (after grants) has been reduced from 6.0% of GDP in 1980-84 to 2.0% in 1985-87. Costa Rica has cut its deficit from close to 14% of GDP in 1981 to an average of just over 1% in 1986-87. In Honduras the fiscal deficit fell from nearly 12% of GDP in 1982-84 to about 7% in 1986-87. Guatemala is trying both to curb its fiscal deficit and to raise the added revenues needed for the Cerezo government's growth-with-equity program. War-torn El Salvador, attempting to hold down deficits, has adopted a series of rate hikes for government utilities and has pledged expenditure cuts and improved tax collections in 1988.

-- Foreign payment arrears. The debt problems of Costa Rica and Panama, both of which have external debts close to $4 billion, have continued to mount. Costa Rica, despite two reschedulings and resumption of partial interest payments on private debt, continues to fall further behind. Panama had been making significant progress with its debt, largely with the international banks, until 1987 when negative political events resulted in heavy capital outflows. In June, it ceased payments to its official creditors. Honduras, also with an arrearages problem, recently negotiated an agreement with its private bank creditors, but it now has significant arrearages in its obligations to several international financial institutions.

On the whole, however, progress is being made towards achieving our stabilization objective. Therefore, A.I.D. intends to shift the focus of economic assistance toward sectoral and institutional impediments to sustained growth and to a wider sharing of the benefits of growth. Similarly, the focus of A.I.D.'s policy dialogue with Central American governments will shift toward those issues and impediments whose resolution should have a substantial impact on agricultural production, the quality of educational systems, the efficiency and outreach of basic health care services, and other dimensions of growth and equity. We expect these shifts to occur first in those countries where progress in stabilization is most advanced, i.e., Costa Rica and Guatemala.

Policy Reforms to Bring About Sustained Growth

The CAI, as originally designed, foresaw Central America achieving sustainable per capita economic growth by the end of the 1980s. It was assumed that correct government policies, increased domestic and foreign private investment, substantially higher inflows of public and private capital, and accelerating nontraditional exports would generate an annual GDP growth rate of 6% beginning in the 1990s. Achievement of this target is doubtful. The FFR now projects that a more modest 5% growth rate is attainable by 1992. This rate of growth, however, would be well ahead of the population growth rate of 2.7%.

Private Investment: Private investment as a percent of regional GDP stood at 13.0% in 1980, fell to 7.6% in 1982 and 1983, and recovered to an estimated 10.6% in 1987. Costa Rica's private investment rate was 17% in 1980 and has held steady at about that rate throughout the 1980s. In El Salvador, the private investment rate has risen from 6%-7% during 1980-83 to 10% in 1986 and 1987. In Guatemala it rose from 7% in 1983 to 9% during 1984-86 and an estimated 10% in 1987. The private investment rate in Honduras, which had fallen to barely over 4% in 1982-83, recovered to nearly 9% in 1987. Panama's investment rate, which had begun to rise from its low of 10% in 1984, suffered a setback of a still undetermined amount in 1987.

Non-traditional exports: Progress is very encouraging. For years, lulled by strong world markets for their few traditional exports and protected at home by high tariffs against foreign competition for Central American markets, the entrepreneurs and investors of the region had little interest or need to compete in world markets. These attitudes have been changing during the 1980s. Confronted by depressed world prices and a devastated Central American Common Market, and encouraged by the provisions of the Caribbean Basin Initiative and higher levels of U.S. aid, the private sector has begun a transition. There is a growing consensus that Central America must and can compete in the world marketplace.

Increasingly, A.I.D.'s policy dialogue and program is shifting from the problems of stabilization to those which impede the export thrust. A.I.D. is working with governments and private sector leaders at both the country and regional level to streamline investment rules and regulations and to put in place new credit mechanisms for large, medium-size and small producers alike. Progress is being made. Costa Rica leads the way with nontraditional exports growing at 19% per year, from $142 million in 1982 to an estimated $350 million in 1987. In the region, nontraditionals as a portion of overall exports have grown from 21.6% in 1983 to 34.6% in 1987. We project that they will reach 40% of total exports by 1992 if current market trends continue and regional political and security conditions improve.

Privatization: Another aspect of improving the investment climate (and reducing government deficits) has been the divestment of costly government business enterprises to the private sector. Divestiture programs are well under way in Costa Rica and Honduras, where over 60 parastatal companies will be sold or liquidated. Panama and Belize have also begun to dispose

of several corporations, and El Salvador is planning to follow suit. Fortunately, the parastatal issue is not of major importance in Guatemala. An example of the impact privatization can have is Costa Rica, where losses of the parastatals, which accounted for 30% of the public sector deficit a few years ago ($64 million in 1984 alone) have been eliminated.

Spreading The Benefits of Growth

Rapid economic growth is the most important vehicle for achieving adequate standards of living for the people of Central America. The region has seen rapid growth in the past, most recently in the 1960s and 1970s, when social infrastructure was greatly expanded and indices of well-being significantly improved. Income gains, however, were not broadly distributed in some countries. The CAI attempts both to raise income by increasing the number of individuals involved in the growth process and to ensure that the benefits of this growth are widely shared.

Small Business

The NBCCA called small business the "backbone" of the Central American economies, with a key role to play in putting people to work and giving them a greater stake in their countries' economies. All A.I.D. Missions in Central America have undertaken projects to pursue this objective. The projects include a variety of activities to invigorate and expand small businesses by providing training, technical assistance, and special lines of credit and loan guarantees which are opening the doors of the private banking system to these small borrowers. In Honduras, for example, the National Development Foundation is providing technical assistance and loans and proving very successful. In a period of a year and a half, 430 loans were made, resulting in the creation of 623 new jobs while maintaining 1,319 jobs which might otherwise have disappeared. The beneficiaries in Honduras as well as in other countries are experiencing increases in production, sales and income.

Education

The NBCCA education goals include: scholarship training in the United States for 10,000 students, partially offsetting the large number of young men and women being trained in the Soviet Union and other Eastern Bloc countries; achieving universal access at the primary level by 1990; improving quality and efficiency of primary education services by improving teacher skills, providing adequate texts and didactic materials, and upgrading physical facilities at the primary level; improving and expanding vocational skills training; strengthening major universities; and initiating a Spanish-language textbook program at the university level.

Significant progress is being made in implementing these recommendations:

-- Over 6,200 Peace Scholars (22% long-term) have been trained or are in training under the Central American Peace Scholarships (CAPS) project. In addition to technical and professional training, they also have an opportunity to view firsthand the democratic institutions and processes functioning in a well established democracy, the United States.

-- A.I.D. Missions in El Salvador, Guatemala, Honduras and Costa Rica have initiated projects and activities responsive to NBCCA primary education objectives; four (Honduras, El Salvador, Costa Rica, and Belize) have initiated projects in vocational skills and management training; two (Guatemala and Honduras) are implementing adult education and literacy programs; and three (Guatemala, ROCAP, and CA Regional) have activities in higher education.

-- Since 1985, access to primary education in the region has increased from 90% to 92%; primary completion rates have risen from 56% to 61%; and the number of years to produce a sixth-grade graduate has declined from 10.5 to 9.5.

-- The availability and quality of primary education has improved; 43,000 teachers have been trained; over 5.3 million textbooks have been produced and distributed; and over 2,500 classrooms have been built or renovated.

-- Vocational skills and management training are being expanded; 3,500 individuals have been trained in vocational trades in Belize, Costa Rica, El Salvador, Guatemala, and Honduras; and 8,800 have received training in management in Belize, Costa Rica, El Salvador, and Honduras.

-- In the area of adult and nonformal education, four editions of a quarterly newspaper and 100,000 copies of a literacy primer were produced and distributed in rural Guatemala; in Honduras, sales of a weekly newspaper oriented toward the poor farmer and his family, who do not normally have access to farm information, have increased to 25,000.

-- In higher education, the first 36,000 textbooks were sold to university students in Costa Rica, Guatemala, and Honduras under the new Regional Technical Aids Center (RTAC) II project. In Guatemala 150 highlands Indian students received scholarships to study at a Guatemalan University. The ROCAP-managed Regional Export Management Training project has trained 50 university professors in the development of export promotion curricula. ROCAP and the A.I.D. Mission in Costa Rica are working together to establish a new regional undergraduate Agricultural College for the Humid Tropics (EARTH). Curriculum development is under way, construction will begin in 1988, and EARTH should open on schedule in 1989.

Health and Nutrition

The NBCCA called for the development of a sustainable capacity in each country to provide vulnerable populations with oral rehydration therapy, immunizations, and other important child survival interventions in nutrition and birth spacing. Malaria control, potable water and sanitation systems were also part of this comprehensive strategy.

A.I.D.'s major health and nutrition objective is the reduction of the infant mortality rate (IMR) from an estimated 65 per thousand live births in 1984 to 55 in 1990. Recent statistics demonstrate that the regional IMR trend is strongly downward; although care must be taken when attributing

these declining rates to improved health services, it is clear that real progress is being made.

Control of Diarrheal Disease

-- The Nutrition Institute for Central America and Panama (INCAP), with ROCAP funding, continues a major region-wide and country-specific initiative to increase the use of oral rehydration therapy (ORT), growth monitoring, and improved feeding practices. In Guatemala, Honduras, and El Salvador major programs are strengthening the capacities of Ministries of Health to provide information on the causes and effects of diarrhea as well as to promote the use of oral rehydration salts.

-- In Honduras, increased access to improved water and sanitation and the introduction of ORT appear to have been instrumental in reducing diarrhea mortality by 40% to an estimated 950 deaths annually.

-- In El Salvador, the Ministry of Health has launched a series of mass media campaigns to promote ORT use, prevention and treatment of respiratory infections, immunization programs and breastfeeding.

-- Guatemala will begin local production of ORT solutions, training of personnel, and establishment of ORT treatment and follow-up systems.

Immunizations

-- Through a $20.6 million regional agreement with the Pan American Health Organization (PAHO), A.I.D. is participating with the Inter-American Development Bank (IDB), United Nations International Children's Fund (UNICEF), and Rotary International in a five-year program of expanded immunization for critical diseases affecting children. One objective is to eradicate polio in the Americas by 1990.

-- In Honduras over 80% of children under five years of age have received the complete series of vaccinations.

-- El Salvador continues to consolidate and integrate multi-donor immunization programs. In 1987, of the 186,459 vaccinations of children under five years of age, 85% were provided through well-baby and immunization clinics and 15% through vaccination campaigns.

Nutrition

-- One of the largest A.I.D. nutrition programs is P.L.480 Title II, which in FY 1987 provided approximately $28.8 million in food assistance for maternal and child health, school feeding, Food-for-Work, emergency feeding and help to displaced persons through PVOs such as CARE and CRS.

-- INCAP, with ROCAP assistance, is working to maximize the beneficial impact of more than $90 million of food assistance received annually by Central America through bilateral and international programs, public and private.

-- Both regional and bilateral A.I.D. nutrition activities also focus on development of growth monitoring systems which complement ORT, immunization and supplementary feeding activities in each country.

Malaria

-- A Central America Regional project assists Central American countries to design and implement malaria control programs, conduct training and carry out operations research for cost-effective program interventions with technical expertise from PAHO.

-- The malaria prevalence rates and registered number of malaria cases continue to drop in El Salvador, in part due to A.I.D. technical assistance and supplies for malaria control. In Honduras malaria cases have been halved over the past five years.

Water Supply and Sanitation

-- An analysis of water supply and sanitation funding needs in Central America was completed in 1987. The assessment indicates that while considerable progress has been achieved in this sector since the CAI began, the percentage of the population with access to potable water will increase only from 57.5% to 60.8% by 1992. Sanitation coverage will increase from 52.5% to 56.1%. A.I.D. Missions in countries with low coverage are being encouraged to expand their efforts in this sector.

Family Planning: As Latin America's most densely settled region, Central America has recognized the need for reduced population growth. All Central American governments now provide access to voluntary family planning information and services. This right is formally recognized under national population policies and, in Guatemala, under the constitution. There is also recognition that longer intervals between births result in lower infant mortality.

-- Today, 43% of couples of reproductive age in Central America are practicing family planning. The number of family planning users will have increased from 1.3 million couples in 1984 to an estimated 1.7 million in 1988. By 1990 this figure should rise to two million.

-- Demand will grow even more rapidly over the next decade, with an estimated 5.2 million couples seeking access to family planning by 2000. Ensuring that at least 80% of those couples have easy access to a wide range of family planning services is now a common goal of Central American health and family planning agencies.

-- Most of A.I.D.'s population funding goes to private family planning agencies and includes contraceptive commercial sales programs in every country. These programs increase accessibility and affordability of contraceptives, provide greater choice to the consumer, allow for cost recovery, and reduce the burden on governments by having the commercial sector distribute contraceptives.

Agriculture, Rural Development, and Natural Resources

The NBCCA recommended a broad rural development effort aimed at raising rural income, employment, and production. Specifically, the NBCCA called for improved credit flows to small and medium-size producers, research and extension, measures to ensure equitable land distribution, rural infrastructure and support for the cooperative movement. The program in Central America touches all of these aspects of the Commission's report:

-- Increased agricultural productivity through technology continues to be a major objective of A.I.D. In Honduras, the Agricultural Research Foundation, an indigenous PVO, generates technology to support an agricultural export program. A ROCAP-managed project supports CATIE in the areas of natural resources and coffee tissue culture and pest control research. Innovative private extension systems, mainly through cooperatives, are being developed and implemented throughout the region, particularly to sustain small-farm production of coffee and cacao for export.

-- Agribusiness (Private Sector): Expansion of agribusiness and nontraditional exports is a common objective among the Central American countries. Each A.I.D. Mission has projects supporting research, transfer of technology, production, industrialization and marketing. ROCAP supports this bilateral effort by providing technical assistance and training in the areas of production, post-harvest handling, transportation, marketing and marketing information to the agricultural export associations in each of the Central American countries.

-- Human resource development and management training: Modernization of the rural sector in Central America and Panama has been hampered by a serious lack of professional and technical manpower. A joint ROCAP-USAID/Costa Rica Regional Agricultural Higher Education project will create a Regional Agricultural College for the Humid Tropics (EARTH) in Costa Rica while continuing to strengthen CATIE's graduate agricultural training program.

-- Access to land and infrastructure: A.I.D.'s objective of increased rural incomes and productivity depends heavily on facilitating small-farmer access to land and adequate infrastructure. Guatemala is pioneering in seeking alternatives to redistributive government programs by using the commercial land market. A.I.D. is providing funds to an indigenous PVO which purchases large farms on the commercial market and then resells them to smallholders or landless farmers in family-size plots.

-- Experience has shown that farmers who have a secure claim to their land are willing to invest in permanent crops or long-term improvements which increase productivity. In Honduras and Costa Rica, land titling activities are assisting many small farmers to secure fee simple titles to lands which in many cases they have been farming for many years.

-- Since 1980, A.I.D. has assisted the Government of El Salvador (GOES) to consolidate its agrarian reform by restructuring and improving the

efficiency of the land titling process, providing agricultural production and investment credit to cooperatives and individual small farmers, and providing technical assistance and extension services to the agrarian reform beneficiaries. In six years, over 87,500 Salvadoran peasants and their families (20% of the rural poor) have received and are farming approximately 22% of El Salvador's scarce agricultural land.

-- Expansion of secondary and farm-to-market roads continues to be an active program objective throughout the region. Belize, Guatemala, Honduras and Costa Rica, with A.I.D. financing, have built or refurbished 380 kilometers of these roads in the past three years.

Environment and Natural Resources

Environmental protection and wise management of the natural resource base is a necessary precondition for sustained development in Central America. A.I.D. has long recognized this precept, and environment and natural resource management activities are either ongoing or being planned throughout the region.

Examples of ongoing programs are the new $20 million forest management project in Honduras, to be implemented with the assistance of the U.S. Forest Service, and the ROCAP Regional Watershed Management and Integrated Pest Management projects, both being implemented by CATIE in Costa Rica. The latter projects provide assistance to and conduct research and trials in conjunction with national agencies concerned with agricultural development and the national management of key watersheds.

Our largest undertaking, the 10-year, $35.7 million Panama Natural Resources Management project, was not started in FY 1988 as originally planned due to the political situation in that country.

Democratic Initiatives

The U.S. goal in this area is to help the countries in their establishment and strengthening of participatory democracies throughout the region. Popularly elected civilian governments remain in place in Guatemala, El Salvador and Honduras -- countries long ruled by military regimes. Though facing multiple economic and social problems, these societies are moving steadily forward to strengthen the institutional and attitudinal underpinnings of their nascent democracies. The longstanding democracies of Belize and Costa Rica remain firm. Only in Panama has democracy been set back by continued strong-handed intervention of the military. As a result, we have terminated aid to the Government of Panama, though a small program with the private sector continues.

A.I.D. is currently developing a comprehensive, five-year democratic initiatives strategy for Latin America. The strategy, being developed in consultation with leading experts from Latin America and the United States, is intended to analyze the principal constraints to democratic development in the region, identify project areas for A.I.D. assistance to address these constraints where feasible, and establish specific objectives for

achievement by 1992. Primary responsibility for the program will be shifted progressively from A.I.D./W to embassies and A.I.D. missions in the field.

-- Most A.I.D. funding for democratization in Central America to date has been for projects aimed at strengthening the administration of justice. Since 1985, A.I.D. has obligated more than $36 million for these activities. These funds have provided over 60,000 student-days of training and 4,300 law books to Central American law libraries. Judicial sector assessments have been performed in all countries of the region. A special program, the International Criminal Investigative Training Assistance Program (ICITAP) is providing training in criminal investigation to judges, public defenders, and police acting under judicial or prosecutorial control. The program for police assistance is currently being administered by the U.S. Department of Justice under the policy guidance of the State Department. The overall Administration of Justice program is also concentrating on building a career judiciary based on merit pay.

-- Bilateral projects to strengthen legislatures, courts and election tribunals have been initiated in El Salvador, Guatemala and Honduras. A bilateral administration of justice project is now being designed in Costa Rica, while Belize (as a predominantly English-speaking country) participates in the Caribbean regional administration of justice project.

-- We are now moving to devote greater resources to strengthening the institutions of democracy and representative government, such as legislatures, election tribunals and the free press. In 1988, A.I.D. will begin a $12.28 million, seven-year project with Florida International University to upgrade and professionalize journalism in Central America.

-- We will continue to rely heavily upon Central American regional organizations (as opposed to U.S. institutions) for project implementation. The principal regional organizations involved in A.I.D. democratic initiatives projects have been the U.N. Latin American Institute for the Prevention of Crime and the Treatment of Offenders (ILANUD), the Inter-American Institute for Human Rights (IIHR), and the Inter-American Center for Election Assistance and Promotion (CAPEL), all based in Costa Rica. U.S. assistance is directed at strengthening the institutional base of these organizations while also financing specific program activities.

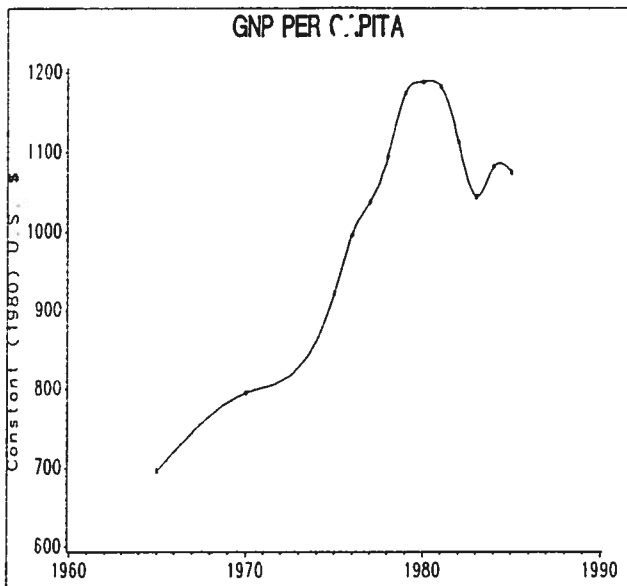
-- Although regional institutions are A.I.D.'s primary implementing agencies, U.S. and European institutions have been enlisted as well. Under A.I.D. auspices, Central American legislators have consulted with members of the U.S. Congress and the Massachusetts, Minnesota and Vermont legislatures and have participated in a conference conducted by the European Community (EC). The EC has also provided seed financing to the Central Americans as they move ahead with their plans to establish a Central American Parliament.

FY 1989 PROGRAM

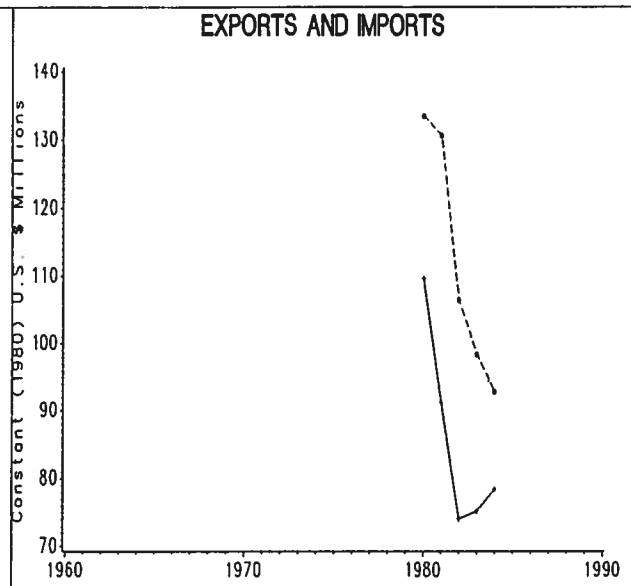
The U.S. Government is requesting $736.2 million in economic assistance for Central America in FY 1989, including $434 million in ESF, $209.2 million in DA and $93 million in P.L.480 resources. The ESF program and attendant conditionality are concentrated on encouraging long-term growth and spreading the benefits of that growth, and on supporting democratic initiatives, including the administration of justice. The DA program includes sectoral programs in export development and agriculture. P.L.480 funding (along with local currency generations) will be focused on growth-with-equity issues and democratization, as described in the following country narratives.

BELIZE -- Economic Indicators

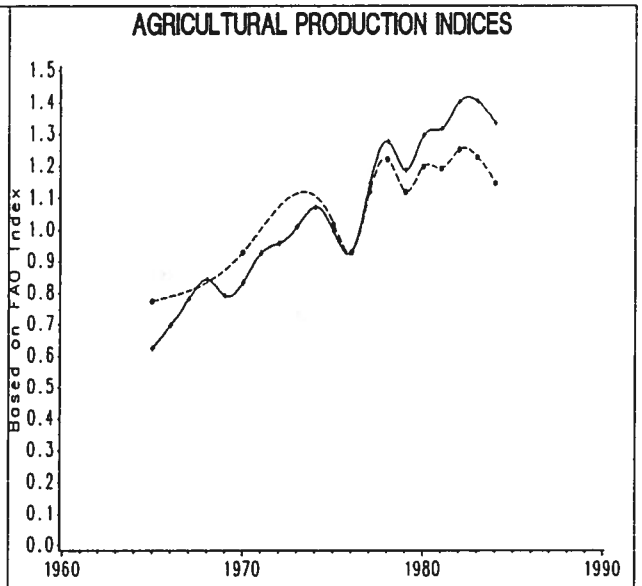
Total U.S. Aid $ 73 Million (1956-86)
Ratio of U.S. Aid To Total ODA 45.2% (1982-85)
Yearly U.S. Aid Per Capita $ 77.51 (1982-85)



NOTE: Major changes may be related to the use of official exchange rates.



Solid: Exports
Dashes: Imports



Solid: World Bank Index
Dashes: Divided by Population Index

NATIONAL INCOME AND EXPENDITURES

Per Capita GNP .....(1985) 1,190

Average Annual Real Per Capita GNP Growth Rate.(1965-85) 2.7%

Government Budgetary Expenditures as a % of GNP...(1985) 33.0%

Total Expenditures and Net Lending ($ Millions, US):
(1982) 62 (1985) 59 (1984) 61

Budgetary Deficit or Surplus ($ Millions, US):
(1982) -16 (1983) -14 (1984) -12

INTERNATIONAL RESERVES AND EXTERNAL DEBT

Official International Reserves Equivalent to
2.1 Months of Imports (1986)

External Public Debt as % of GNP...(1985) 53.7%

Service Payments on External Public Debt,
($ Millions, US)..... (1985) 15
As % of Total Export Earnings..... (1984) 4.9%

EXTERNAL TRADE (IN 1980 CONSTANT $US)

Trade Balance($ Millions, US) (1982) -32(83) -23(84) -14

Total Imports($ Millions, US) (1982) 106(83) 98(84) 93
Of Which % From U.S. .....(1985) 48%

Major Imports(1985)FOOD;MACHINERY;FUEL

Total Exports($ Millions, US) (1982) 74(83) 75(84) 78
Of Which % to U.S. .....(1985) 60%

Major Exports(1985)SUGAR;GARMENTS;CITRUS

Trading Partners: UNITED STATES; UNITED KINGDOM; MEXICO

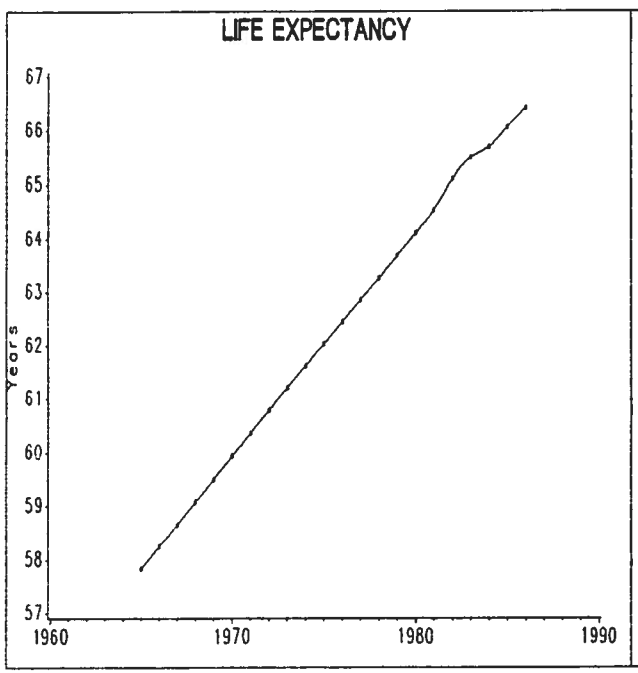
AGRICULTURE

Agricultural Production as % of GDP...(1984) 25%

Major Crop(s)	As % of Arable Land	
Subsistence: RICE, PADDY; CORN; PULSES	30%	(1986)
Cash: SUGARCANE; CITRUS FRUIT; RICE	60%	(1986)

Ag. Exports:(1985)RAW SUGAR; CITRUS PRODUCTS; FISH PRODUCTS
Ag. Imports:(1985) DAIRY PRODUCTS; MEAT PRODUCTS; WHEAT

BELIZE -- Social Indicators



INFANT MORTALITY

No Data for This Indicator

PRIMARY SCHOOL ENROLLMENT

No Data for This Indicator

POPULATION

Total Population...(Thousands, Mid 1987) 171

Population Growth Rate...(1970) 2.4% (1978) 1.7% (1987) 2.0%

Population (1987) By Age Group:
(0-14yrs) 47.2% (15-64yrs) 48.9% (65+ yrs) 4.0%

Married Women Aged 15-49 yrs. Using Contraception...(1985) 43.0%

Total Fertility Rate...(1970) 6.6 (1987) 4.5

HOUSEHOLD INCOME AND EMPLOYMENT

National Income Received by Low 20% of Population..(.) . %

% of Population Living Below Absolute Poverty Level
(.) Total . % Urban . % Rural . %

Labor Force Participation as % of Working Age Population
(1980) 32%

Proportion of Labor Force in Agriculture...(1984) 32%

NUTRITION AND HEALTH

Per Capita Calorie Supply as a % of Requirements...(1983) 117%

Life Expectancy at Birth, in Years
(1986) Total 66.4 Male 64.5 Female 68.4
(1970) Total 59.9 Male 58.2 Female 61.8

Infant Deaths in First Yr of Life per 1000 Live Births (1987) 37

% Of Children 12-23 Months Old Fully Immunized Against
Tuberculosos(BCG3) 81% (1985) Measles 49% (1985)
Diphtheria(DPT) 59% (1985) Polio(3) 60% (1985)

Population with Reasonable Access to Safe Water Supply
(1984) 68%

EDUCATION AND LITERACY

Total School Enrollment as Ratio of Population in Age Group:

Primary	(1982)	Total 125.9	Male 127.9	Female 123.8
Secondary	(1982)	Total 27.2	Male .	Female .
Post Secondary	(1982)	Total 3.6	Male .	Female .

Adult Literacy Rate (.) Total .% Male .% Female .%

BELIZE

PROGRAM SUMMARY ($000)			
Category	FY 1987 (Actual)	FY 1988 (Estimated)	FY 1989 (Request)
Development Assistance	7,295	7,400	7,400
Loan	0,	0	0
Grant	7,295	7,400	7,400
Economic Support Fund	5,395 1/ 2/	0	2,000
Loan	2,641	0	0
Grant	2,754	0	2,000
Other*			
TOTALS	12,690	7,400	9,400
P.L. 480	0	0	0
Title I	0	0	0
Title II	0	0	0
TOTALS	12,690	7,400	9,400

Footnotes:
1/ The above total for ESF includes $85,000 in local cost support.
2/ Above total includes $2,140,526 of prior-year deobligated funds reobligated in FY 1987.

PERSONNEL DATA – MISSION DIRECT HIRE[a]			
Category	FY 1987 (Actual)	FY 1988 (Estimated)	FY 1989 (Request)
U.S. National	6.75	6	6
Foreign National	4.0	5	5
TOTALS	10.75	11	11

[a]*Total full time equivalent workyears of employment. Include HIG, excess property, and IG personnel. Excludes TDP. One workyear = 2,087 hours.*

PARTICIPANT TRAINING DATA[a]									
Category	FY 1987 (Actual)			FY 1988 (Estimated)			FY 1989 (Request)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
U.S. Participants									
Bilateral[d]	8	64	72	20	143	163	20	115	135
Regional[e]	105	63	168	110	33	143	45	20	65
Third Country Participants									
Bilateral[d]									
Regional[e]									
TOTALS	113	127	240	130	176	306	65	135	200

[a]*In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*
[b]*Academic: degree seeking.*
[c]*Technical: non-degree seeking.*
[d]*Participants funded under bilateral programs.*
[e]*Participants funded under regional programs (e.g., CLASP, AMDP).*

AID 370-2 (8-86)

BELIZE

Introduction

Belize is a small but importantly located democratic country in Central America which gained its independence from the British in 1981. It has the lowest population density in Central America, owing to the vast tract of swampy and barren land near the coast and the limestone mountains covered with tropical forest in the interior which discourage intensive settlement. The size of its population (170,000), combined with its natural resource base, provides the country an excellent chance of attaining middle-income status within a decade or two. However, fiscal instability arising from chronic trade and budgetary deficits, a narrow productive base due to an underdeveloped agricultural sector, and a lack of productive infrastructure to develop domestic industry and attract foreign investment are formidable constraints to long-term growth.

Belize's economy is very open, and its small size makes it vulnerable to external market forces beyond its control. The country is largely dependent on a few primary commodity exports such as sugar and citrus. Conversely, Belize relies heavily on imports to satisfy a sizeable part of domestic consumption and practically all capital requirements. Due to declining terms of trade, in 1986 the country had one of the highest trade deficit to gross domestic product (GDP) ratios (16%) in the region.

Like other Central American countries, Belize's economic growth has slowed since the late 1970s. As a result, per capita income ($1,130 in 1985) has remained basically unchanged since 1980. While the country's literacy level is high (91%), Belize's human resources are not yet sufficiently developed to assure sustained growth. Large-scale emigration of adult Belizeans, especially to the United States, further reduces the pool of skilled manpower in the workplace. Environmental sanitation is a countrywide problem, and nearly half the rural population and one-third the urban population lack access to potable water. This contributes to the high incidence of malaria and other water-borne parasitic and infectious diseases, especially in rural areas.

The Government of Belize (GOB) is taking steps to deal with the country's development problems. The GOB successfully implemented an International Monetary Fund (IMF) standby program from December 1984 to May 1986 and, with U.S. Economic Support Fund (ESF) assistance, achieved improvements in the external and fiscal accounts. Given Belize's economic vulnerability, the long-term objective of the GOB's Five-year (1985-1989) Macro-economic Plan is to expand and diversify exports through greater emphasis on the development of non-traditional export crops, light industry and tourism. The GOB has embarked on a number of important physical and social infrastructure investments with assistance from international donors, including A.I.D. Policy reforms involving improvements in the operations of two major parastatals, liberalization of trade regulations and domestic price controls, rationalization of import duties, and improved public sector investment programming are being implemented to improve the economic structure and foster private sector development. These efforts represent

the initial phases of a long and complex process necessary to strengthen the economy and lay the groundwork for achieving long-term growth and development.

With its limited resources, Belize relies heavily on bilateral and multilateral economic assistance to finance its development program. The country has increasingly looked to the United States for economic and political support. The United States is Belize's leading trading partner and major donor of official development assistance. The Government of Belize supports U.S. policies in Central America and the Caribbean.

A.I.D.'s Development Strategy and Accomplishments to Date

To maintain friendly relations with Belize and to assure a democratic, independent, economically viable country, U.S. strategy is to assist the Government of Belize in addressing the constraints to growth by focusing on economic stabilization, agricultural diversification, export promotion, infrastructure development, and selected human resources development. This strategy is based upon the recommendations of the National Bipartisan Commission on Central America. A.I.D.'s economic assistance targets fiscal stabilization and productive infrastructure improvements over the near term. Economic growth and diversification will enhance the equitable distribution of economic resources over the longer term and help nurture a democratic, independent, economically stable Belize.

A.I.D.'s strategy recognizes that the private sector is the main engine of growth in Belize. Activities of major projects are private sector-oriented, and the policy dialogue efforts under the ESF program are aimed towards creating an economic environment conducive to private sector development. Support for institutional development and the transfer of appropriate technology are being achieved through efforts to assist the Government and the Belizean private sector in diversifying and expanding the productive base of the economy.

Economic Recovery Program. A.I.D.'s ESF program has focused on assisting the GOB to achieve economic stability and implement its economic policy reform measures. An ESF loan of $15 million for balance-of-payments support provided in FY 1985, FY 1986 and FY 1987 through the Counterpart Fund II project (505-0012) complemented the IMF's $7 million standby credit by providing support to help the GOB liquidate its external debt arrears in 1985 and build up international reserves. The GOB has continued to improve external accounts, enabling the country to achieve a healthy level of international reserves by the end of 1986. By July 1987, the country's reserves, minus gold, totalled $41.19 million. By maintaining austerity measures and improved operations of parastatals, the GOB has been able to continue to reduce the overall budget deficit from over 7% of GDP in FY 1983/1984 to only 3.4% of GDP in FY 1986/1987. GOB local currencies were used to support foreign-assisted capital investment of the public sector and selected development activities of the private sector, including provision of credit to micro-enterprises and support of indigenous private and voluntary organization (PVO) programs. ESF grants, provided in FY 1985-1987, support technical assistance to enable the GOB to improve the operations of two parastatals, improve planning and programming of public investment, and implement major policy changes which promote economic efficiency and encourage productive private investment.

Agriculture, Rural Development and Nutrition. A.I.D.'s objective in the agriculture sector is to assist the GOB and Belizean private sector to reduce the country's dependence on sugar as the major foreign exchange earner by diversifying the agricultural base and increasing production and promoting exports.

The Livestock Development project (505-0006) is increasing agricultural production by expanding livestock production for both domestic consumption and exports. Through technology improvements and privatization, this project has improved small and medium-sized livestock production and upgraded meat processing in Belize, making it possible for several private companies to resume the exportation of meat to neighboring countries. This project also established the Ministry of Agriculture's Agricultural Policy and Analysis Unit, which has published the first Food and Agriculture Policy Statement for the GOB. In FY 1988, Phase II of this project will focus on improving livestock husbandry and pasture and feed management systems, including a screwworm control program, to enhance productivity and lower production costs.

The Commercialization of Alternative Crops project (505-0008) is A.I.D.'s principal agricultural activity supporting the GOB's efforts to develop viable alternative crops for export and import substitution. Technical assistance in the production and marketing of winter vegetables and tropical fruits is being provided to farmer organizations in the northern, sugar-producing districts of Belize. As a result of successful production trials of 13 crops in FY 1987, marketing trials are planned for FY 1988 of at least two vegetables for the U.S. winter market. The Belizean economy is expected to experience benefits from this activity in 1990. The Toledo Agricultural Marketing project (505-0016) is also promoting exports by assisting the milpa (slash and burn) farmers in the impoverished Toledo district. This project is developing non-traditional export-oriented crops with established marketing channels (focusing on cocoa), as well as introducing improved post-harvest practices and a viable marketing system for rice and corn, thereby broadening Toledo's small farmers' cash crop base.

The Rural Access Roads and Bridges project (505-0007) expands and improves Belize's infrastructure through the rehabilitation and maintenance of important all-weather and rural access roads and bridges. As of September 1987, over 320 of a targetted 800 kilometers of rural roads have been rehabilitated, contributing to opening new farms, several of which are cultivating non-traditional crops, and increasing rice production as a result of easier access to commodities, new technology and markets. In FY 1988, Phase II of this project will further improve the Ministry of Work's capability to rebuild, maintain and protect Belize's rural access roads and bridges.

Health, Child Survival, and AIDS. A.I.D.'s health portfolio is focused on improving health and health services to promote social well-being and increase the productivity of Belizeans. The Increased Productivity through Better Health project (505-0018) is assisting the GOB to control the growing incidence of malaria and dengue fever and expand coverage of potable water supply and sanitation programs in rural communities in three districts. The project provides much-needed technical assistance, support for applied research in malaria control, and training and commodities to the Ministries

of Health and Natural Resources. A complementary Village and Health Sanitation project (505-0024) with the Cooperative for American Relief Everywhere (CARE) provides rural water and sanitation improvements in two other districts in Belize. A notable achievement of both projects is the establishment of water and sanitation coordinating committees at both the village and national levels. While confirmed malaria cases have decreased from 25 per 1,000 in 1984 to 16 per 1,000 in 1986, indiscriminate cultivation of forested areas has led to a slight increase in reported malaria cases in recent months.

To reduce infant and child mortality, A.I.D. is supporting several small PVO-administered projects to train professionals in the key areas of maternal and child health survival, oral rehydration therapy, primary health care delivery, and in encouraging breast-feeding and family planning. In FY 1988, these activities will be consolidated under one project, the $2 million Child Survival Support Program (505-0037), which will build on the accomplishments of these small PVO activities. A new activity to increase public awareness of AIDS and means to prevent its spread will begin in FY 1988 under the Child Survival/AIDS Prevention project (505-0037).

Education and Human Resources Development. A major objective of A.I.D.'s program is to improve educational opportunities in order to increase the availability of skilled manpower in Belize. The Training for Employment and Productivity project (505-0020) provides the training required to promote private enterprise development, especially of export and tourism-oriented enterprises. It assists the Belize Institute of Management in offering essential management courses and skills training to both private and public sector employees. Some 350 senior and mid-level private and government managers, supervisors, and customer service employees have undergone management and other skills training since July 1986. The project also supports the GOB's vocational education program through technical assistance, training, equipment and school building construction. Approximately 2,000 individuals have undergone vocational training in 1987. A.I.D. is also improving educational opportunities by supporting the GOB and private organizations' efforts to address the growing drug addiction problem in Belize. The $1 million Drug Awareness OPG (505-0033), being implemented by the Parents' Resource Institute for Drug Education (PRIDE), is promoting greater drug awareness among the youth of Belize, primarily by providing technical information and material support to Belizean church, civic and youth organizations actively engaged in drug education programs.

Selected Development Activities. The objectives of this program are to strengthen the Belize private sector and to increase exports. In strengthening the private sector, a grant to the National Development Foundation (505-0011) has been very successful, providing 518 loans totalling $900,000 to small businesses and creating or protecting 873 jobs. The ongoing Export and Investment Promotion project (505-0027) is developing the capacity of the private Belize Export and Investment Promotion Unit (BEIPU) to carry out a full range of tourism and export and investment promotion activities to expand the export-oriented production base in Belize. BEIPU is serving as a "one-stop shop" for prospective investors, encouraging joint ventures between foreign and local investors and promoting Belizean products abroad.

Section 709 of the International Security and Development Act of 1985 requires that comprehensive reports be provided on A.I.D. assistance to Latin America and the Caribbean. The following supplemental information on assistance to Belize in FY 1987 is provided as partial fulfillment of that requirement:

A. Training. In FY 1987, A.I.D. provided academic and technical training to 240 participants from Belize in the following fields of study: education (41); health (38); agriculture (27); public and business administration (20); engineering (18); business, accounting and statistics (16); food and nutrition (15); computer science (13); humanities and social sciences (11); sciences (10); youth leadership (9); hotel management (6); labor, trade and industry (5); and other areas (11).

B. The types of goods associated during FY 1987 with ESF cash transfers by A.I.D. to Belize are as follows:

Type of Goods	Value
Fertilizers/Chemical Products	$ 0.91 million
Agricultural machinery	0.42 million
Steel and Other Manufactured Goods	0.17 million
TOTAL	$ 1.50 million

C. Local Currency associated with A.I.D. assistance to Belize was allocated by A.I.D. and the Government of Belize for the following uses in FY 1987. (There was $3.00 million in local currency available for allocation at the beginning of FY 1987 and an equivalent of $1.5 million was added during FY 1987.)

	$(millions)
Rural Roads and Bridges	1.66
Agriculture	1.34
Health and Education	0.91
Private Sector Dev. Activities	0.28
Training	0.23
Trust Fund	0.08
TOTAL	$ 4.50

D. Reprogramming of funds for Belize during FY 1987 resulted in the following functional account changes. Estimated FY 1987 obligations are those which were shown in the FY 1988 Congressional Presentation Document:

- ($000)	TOTAL	ARDN	PP	HE	CS	EHRD	SDA	ESF
- Estimated FY 1987 Obligations	9,550	1,863	64	1,373	725	1,871	1,400	2,254
- Actual FY 1987 Obligations	2,690	1,963	64	1,373	725	1,870	1,300	5,395*

* Includes $1 million supplemental and $2.14 million deobligated from the Credit Rediscount Fund project (505-0005) and reobligated to the Rural Access Roads and Bridges loan project (505-0007).

E. Funds and Programs provided to Belize in FY 1987 through nongovernmental as contrasted to governmental channels:

	Nongovernmental	Government of Belize
	($million)	
DA	4.096 (56%)	3.200 (44%)
ESF	1.089 (20%)	4.306 (80%)
TOTAL	5.185 (41%)	7.506 (59%)

FY 1989 Program

A.I.D. proposes $2 million in ESF and $7.4 million in Development Assistance for Belize in FY 1989. Of the ESF, $1.4 million will support sector assistance in fisheries and forestry policy and planning development. The remaining $600,000 of ESF will be for the Central American Peace Scholarships Program (505-0039).

Agriculture, Rural Development and Nutrition. A.I.D. requests $3.1 million to incrementally fund the Livestock Development (505-0006), Rural Access Roads and Bridges (505-0007), Commercialization of Alternative Crops (505-0008), and Toledo Agricultural Marketing (505-0016) projects. These funds will enable continuation of efforts to increase and diversify Belize's agricultural production and exports. This request also includes $50,000 for Program Development and Support (505-0000) for project development, evaluations and studies.

Health, Child Survival, Population Planning, and AIDS. A total of $1.5 million is requested to incrementally fund the Increased Productivity through Better Health (505-0018), Child Survival Support (505-0037), and the Village Health Sanitation (505-0024) projects. This amount includes the new activity Health Technical Support project (505-0041) which will provide technical assistance and studies in cost containment and alternative sources of health care financing for both public and private sectors. Information, education, and communication activities to increase public awareness of the AIDS disease will continue.

Education and Human Resources Development. A total of $1.6 million is requested to fund Training for Employment and Productivity (505-0020), Drug Awareness Program (505-0033), Pilot Guidance, Counselling and Placement (505-0026) projects, and Program Development and Support (505-0000) to provide for project development, evaluations, policy studies, and related support.

Selected Development Activities. A.I.D. requests $1.2 million to incrementally fund the Export and Investment Promotion (505-0027) and the Private Sector Investment (505-0040) projects, and to provide Program Development and Support (505-0000) for project development, evaluations and special studies.

A.I.D. Representative: Neboysha R. Brashich.

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: BELIZE

CP 89

PROJECT NO. / PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHO	PLANNED	-THROUGH FY 86- OBLIGA-TIONS	EXPEN-DITURES	-ACTUAL FY 87- OBLIGA-TIONS	EXPEN-DITURES	-ESTIMATED FY 88- OBLIGA-TIONS	EXPEN-DITURES	-PROPOSED FY 89- OBLIGA-TIONS	EXPEN-DITURES
505-0000 PROGRAM DEVELOPMENT AND SUPPORT													
	EH G	83	C	---	---	100	85	60	72	70	73	47	47
	FN G	83	C	---	---	479	472	40	41	100	106	50	50
	HE G	83	C	---	---	127	105	50	41	80	111	20	20
	PN G	83	C	---	---	20	7	20	13	20	30	---	10
	SD G	83	C	---	---	688	594	145	131	100	208	100	100
PROJECT TOTAL:				---	---	1,414	1,263	315	298	370	528	217	227
505-0006 LIVESTOCK PRODUCTION (PC)													
	FN G	83	92	1,450	4,350	1,350	841	100	335	700	775	1,000	1,199
	FN L	83	92	1,900	1,900	1,900	1,469	---	351	---	80	---	---
PROJECT TOTAL:				3,350	6,250	3,250	2,310	100	686	700	855	1,000	1,199
505-0007 RURAL ACCESS ROADS AND BRIDGES (PC)													
	ES L	87	92	2,141	2,141	---	---	2,141	---	---	950	---	500
	FN G	83	92	7,850	9,850	6,150	5,538	---	341	1,300	550	775	770
PROJECT TOTAL:				9,991	12,001	6,150	5,538	2,141	341	1,300	1,500	775	1,270
505-0008 COMMERCIALIZATION OF ALTERNATIVE CROPS													
	ES G	85	90	---	---	---	---	---	---	---	---	1,400	1,100
	FN G	85	90	6,800	6,800	3,825	437	975	1,655	---	1,500	950	1,500
PROJECT TOTAL:				6,800	6,800	3,825	437	975	1,655	---	1,500	2,350	2,600
505-0010 SPECIAL DEVELOPMENT ACTIVITIES FUND													
	SD G	84	C	---	---	75	55	55	20	---	55	---	---
PROJECT TOTAL:				---	---	75	55	55	20	---	55	---	---
505-0011 NATIONAL DEVELOPMENT FOUNDATION OPG													
	SD G	83	88	342	972	172	142	100	90	600	300	---	40
PROJECT TOTAL:				342	972	172	142	100	90	600	300	---	40
505-0012 COUNTERPART FUND II													
	ES G	85	87	2,579	2,579	1,414	296	1,165	348	---	2,000	---	1,135
	ES L	85	87	15,000	15,000	14,500	13,000	500	1,500	---	500	---	1,000
PROJECT TOTAL:				17,579	17,579	15,914	13,296	1,665	1,848	---	2,500	---	2,135
505-0016 TOLEDO AGRICULTURAL MARKETING													
	FN G	87	90	600	2,500	---	---	600	---	1,300	300	300	1,000

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1987 are based on the authorized date. For all projects with an initial obligation date after December 31, 1987 the FY of final obligation is based on a planned date.

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: BELIZE

CP 89

PROJECT NO. / PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	PLANNED	-THROUGH FY 86- OBLIGATIONS	EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	EXPENDITURES
PROJECT TOTAL:				600	2,500	---	---	600	---	1,300	300	300	1,000
505-0017 CHILD SURVIVAL TECH SUPPORT OPG													
	HE G	86	86	500	500	500	89	---	161	---	250	---	---
PROJECT TOTAL:				500	500	500	89	---	161	---	250	---	---
505-0018 INCREASED PRODUCTIVITY THROUGH BETTER HE													
	CS G	85	90	725	725	---	---	725	2	---	188	---	---
	ES G	85	90	---	---	---	---	500	---	---	---	---	---
	HE G	85	90	5,775	5,775	2,750	1,642	1,275	639	720	2,464	695	383
PROJECT TOTAL:				6,500	6,500	2,750	1,642	2,500	641	720	2,652	695	383
505-0020 TRAINING FOR EMPLOYMENT													
	EH G	85	89	5,000	5,200	2,500	185	1,000	861	450	1,305	1,250	1,300
PROJECT TOTAL:				5,000	5,200	2,500	185	1,000	861	450	1,305	1,250	1,300
505-0023 ACCELERATED COCOA PRODUCTION (PC) OPG													
	FN G	84	85	615	615	615	282	---	215	---	118	---	---
PROJECT TOTAL:				615	615	615	282	---	215	---	118	---	---
505-0024 VILLAGE HEALTH SANITATION OPG													
	HE G	84	90	700	1,200	700	129	---	333	200	300	175	300
PROJECT TOTAL:				700	1,200	700	129	---	333	200	300	175	300
505-0026 PILOT GUIDANCE, COUNSELING, & PLCMT - OP													
	EH G	84	89	---	100	---	---	---	---	30	30	70	40
	SD G	84	89	30	80	80	39	---	23	---	18	---	---
PROJECT TOTAL:				30	180	80	39	---	23	30	48	70	40
505-0027 EXPORT & INVESTMENT PROMOTION													
	ES G	86	89	500	500	---	---	500	---	---	168	---	180
	SD G	86	89	2,500	3,668	1,500	---	1,000	380	300	700	868	800
PROJECT TOTAL:				3,000	4,168	1,500	---	1,500	380	300	368	868	980
505-0029 BREAST IS BEST LEAGUE - OPG													
	HE G	85	86	---	---	62	25	---	21	---	16	---	---

*Refers to the planned project summary sheet

[C]Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1987 are based on the authorized date. For all projects with an initial obligation date after December 31, 1987 the FY of final obligation is based on a planned date.

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: BELIZE

CP 89

PROJECT NO. / PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	PLANNED	-THROUGH FY 86- OBLIGATIONS	EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	EXPENDITURES
PROJECT TOTAL:				---	---	62	25	---	21	---	16	---	---
505-0030 BEST - CASA PROGRAM (OPG)													
	FN G	86	87	385	385	200	115	185	81	---	120	---	69
PROJECT TOTAL:				385	385	200	115	185	81	---	120	---	69
505-0031 FAMILY LIFE EDUCATION - OPG													
	PN G	86	88	98	98	78	20	20	24	---	54	---	---
PROJECT TOTAL:				98	98	78	20	20	24	---	54	---	---
505-0032 MATERNAL AND CHILD HEALTH OPG													
	HE G	86	86	250	250	250	101	---	2	---	147	---	---
PROJECT TOTAL:				250	250	250	101	---	2	---	147	---	---
505-0033 DRUG AWARENESS OPG													
	EH G	86	89	1,000	1,000	351	209	399	196	---	220	250	212
PROJECT TOTAL:				1,000	1,000	351	209	399	196	---	220	250	212
505-0036 MACAL COOPERATIVE DAIRY DEVELOPMENT													
	FN G	86	86	300	300	300	---	---	3	---	100	---	100
PROJECT TOTAL:				300	300	300	---	---	3	---	100	---	100
505-0037 CHILD SURVIVAL SUPPORT													
	CS G	88	92	---	2,000	---	---	---	---	530	350	530	700
	DG G	88	92	---	500	---	---	---	---	100	---	100	150
	PN G	88	92	---	50	---	---	---	---	---	---	20	10
PROJECT TOTAL:				---	2,550	---	---	---	---	630	350	650	860
505-0039 BELIZE PEACE SCHOLARSHIPS													
	EH G	87	90	411	711	---	---	411	---	300	398	---	301
	ES G	87	90	254	854	---	---	254	52	---	100	600	300
	FN G	87	90	63	63	---	---	63	---	---	63	---	---
	HE G	87	90	48	48	---	---	48	---	---	48	---	---
	PN G	87	90	24	24	---	---	24	---	---	24	---	---
	SD G	87	90	---	300	---	---	---	---	300	150	---	150
PROJECT TOTAL:				800	2,000	---	---	800	52	600	783	600	751
505-0040 PRIVATE SECTOR INVESTMENT (IESC) - OPG													

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1987 are based on the authorized date. For all projects with an initial obligation date after December 31, 1987 the FY of final obligation is based on a planned date.

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: BELIZE

CP 89

PROJECT NO. / PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	-LIFE OF PROJECT- PLANNED	-THROUGH FY 86- OBLIGATIONS	-THROUGH FY 86- EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	-ACTUAL FY 87- EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	-ESTIMATED FY 88- EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	-PROPOSED FY 89- EXPENDITURES
	ES G	87	90	250	250	---	---	250	10	---	240	---	---
	SD G	87	89	---	400	---	---	---	---	200	100	200	100
PROJECT TOTAL:				250	650	---	---	250	10	200	340	200	100
505-0999 LOCAL COST SUPPORT													
	ES G	87	87	85	85	---	---	85	47	---	38	---	---
PROJECT TOTAL:				85	85	---	---	35	47	---	38	---	---
COUNTRY TOTALS:				58,225	71,783	40,686	25,877	12,690	7,988	7,400	15,247	9,400	13,566
GRANTS:				39,184	52,742	24,286	11,408	10,049	6,137	7,400	13,717	9,400	12,066
LOANS:				19,041	19,041	16,400	14,469	2,641	1,851	---	1,530	---	1,500
---- APPROPRIATION SUMMARY ----													
AGR., RURAL DEV. & NUTRITION:				19,963	26,773	14,819	9,154	1,963	3,022	3,400	3,712	3,075	4,688
POPULATION PLANNING:				122	172	98	27	64	37	20	108	20	20
HEALTH:				7,273	7,773	4,389	2,091	1,373	1,197	1,000	3,336	890	703
CHILD SURVIVAL FUND:				725	2,725	---	---	725	2	530	538	530	700
AIDS:				---	500	---	---	---	---	100	---	100	150
EDUCATION & HUMAN RESOURCES:				6,411	7,011	2,951	479	1,870	1,129	850	2,026	1,617	1,900
SELECTED DEVELOP. ACTIVITIES:				2,922	5,420	2,515	830	1,300	644	1,500	1,531	1,168	1,190
ECONOMIC SUPPORT FUND:				20,809	21,409	15,914	13,296	5,395	1,957	---	3,996	2,300	4,215

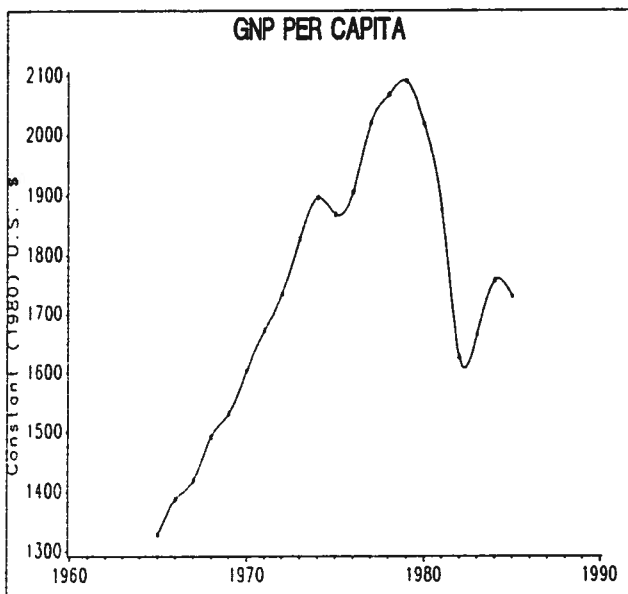
*Refers to the planned project summary sheet

CLevel of effort activity

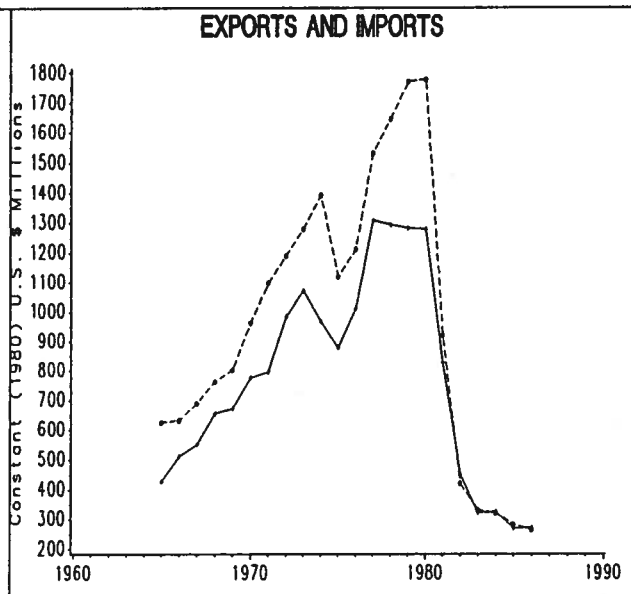
FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1987 are based on the authorized data. For all projects with an initial obligation date after December 31, 1987 the FY of final obligation is based on a planned date.

COSTA RICA -- Economic Indicators

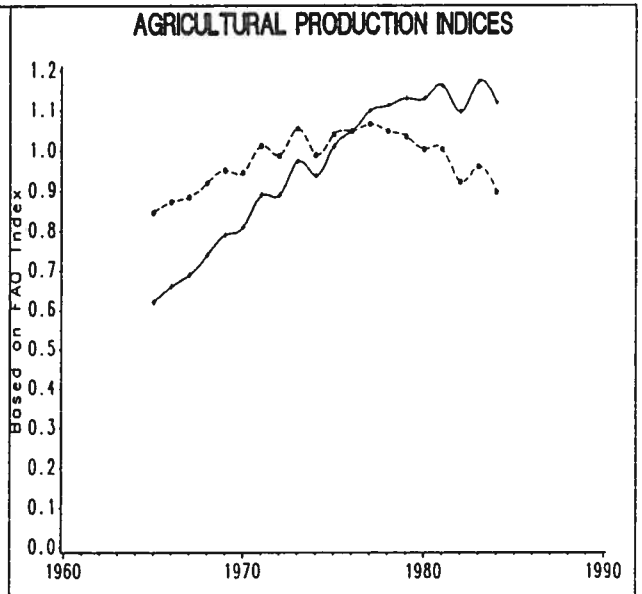
Total U.S. Aid $ 1,107 Million (1946-86)
Ratio of U.S. Aid To Total ODA 62.8% (1982-85)
Yearly U.S. Aid Per Capita $ 64.42 (1982-85)



NOTE: Major changes may be related to the use of official exchange rates.



Solid: Exports
Dashes: Imports



Solid: World Bank Index
Dashes: Divided by Population Index

NATIONAL INCOME AND EXPENDITURES

Per Capita GNP .....(1985) 1,300

Average Annual Real Per Capita GNP Growth Rate.(1965-85) 1.4%

Government Budgetary Expenditures as a % of GNP...(.) . %

Total Expenditures and Net Lending ($ Millions, US):
(1983) 747 (1984) 844 (1985) 862

Budgetary Deficit or Surplus ($ Millions, US):
(1983) -63 (1984) -27 (1985) -49

INTERNATIONAL RESERVES AND EXTERNAL DEBT

Official International Reserves Equivalent to
4.4 Months of Imports (1986)

External Public Debt as % of GNP...(1985) 110%

Service Payments on External Public Debt,
($ Millions, US)..... (1985) 464
As % of Total Export Earnings..... (1985) 38.6%

EXTERNAL TRADE (IN 1980 CONSTANT $US)

Trade Balance($ Millions, US) (1984) 4(85) -13(86) 7

Total Imports($ Millions, US) (1984) 321(85) 283(86) 265
Of Which % From U.S. .....(1986) 59%

Major Imports(1985)MFRD. GOODS;MACHINERY;TRANSPORT EQUIP

Total Exports($ Millions, US) (1984) 325(85) 270(86) 272
Of Which % to U.S. .....(1986) 67%

Major Exports(1985)COFFEE;BANANAS;BEEF

Trading Partners: UNITED STATES; GERMANY, FEDER; JAPAN

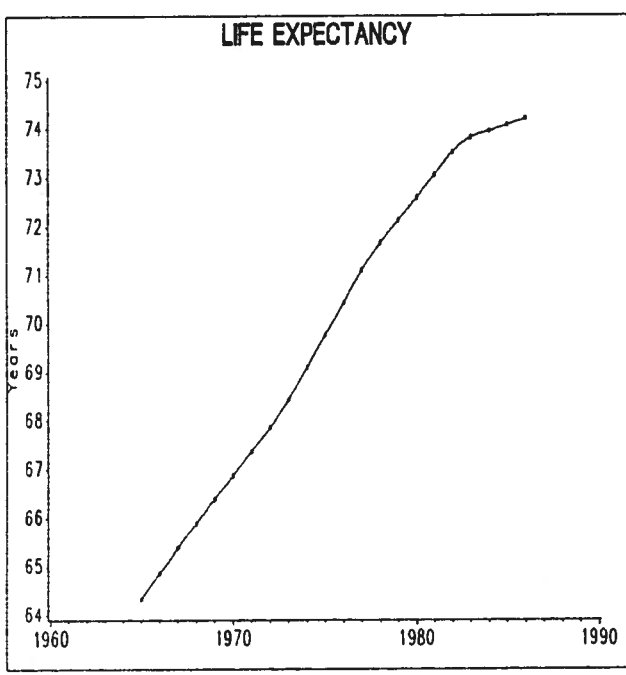
AGRICULTURE

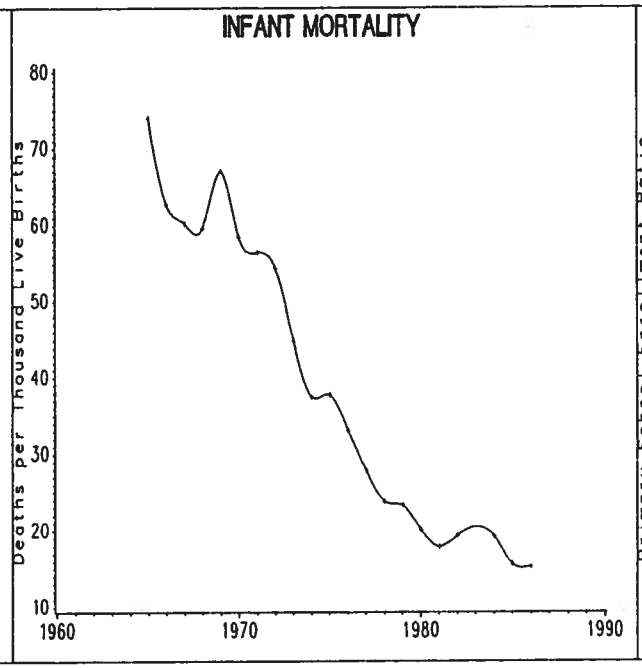
Agricultural Production as % of GDP...(1984) 21%

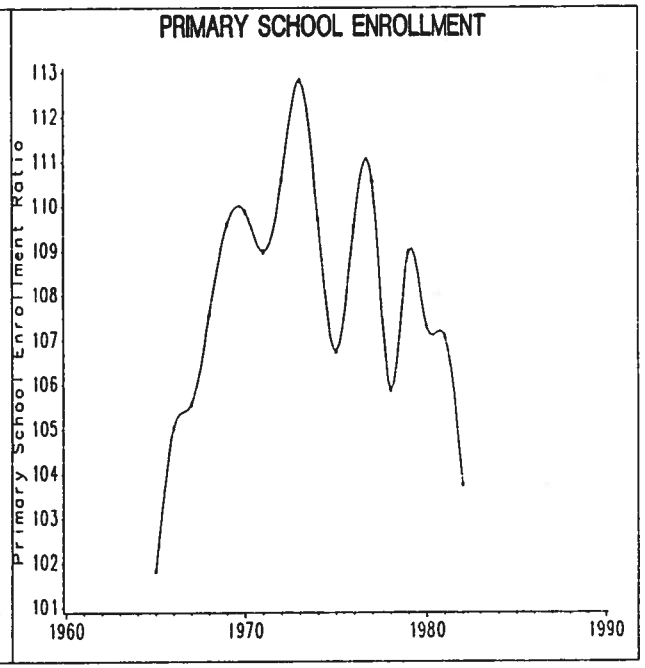
Major Crop(s)	As % of Arable Land	
Subsistence: RICE; BEANS-DRY; CORN	45%	(1986)
Cash: COFFEE; BANANAS; BEEF AND VEAL	50%	(1986)

Ag. Exports:(1986)COFFEE; BANANAS; BEEF AND VEAL
Ag. Imports:(1986) WHEAT; OILSEEDS; .

COSTA RICA -- Social Indicators







POPULATION
Total Population...(Thousands, Mid 1987) 2,812

Population Growth Rate...(1970) 2.8% (1978) 3.9% (1987) 2.8%

Population (1987) By Age Group:
(0-14yrs) 36.3% (15-64yrs) 59.7% (65+ yrs) 4.0%

Married Women Aged 15-49 yrs. Using Contraception...(1986) 68.5%

Total Fertility Rate...(1970) 4.9 (1987) 3.3

HOUSEHOLD INCOME AND EMPLOYMENT
National Income Received by Low 20% of Population..(.) . %

% of Population Living Below Absolute Poverty Level
(.) Total . % Urban . % Rural . %

Labor Force Participation as % of Working Age Population
(1980) 35%

Proportion of Labor Force in Agriculture...(1980) 27%

NUTRITION AND HEALTH
Per Capita Calorie Supply as a % of Requirements...(1983) 114%

Life Expectancy at Birth, in Years
(1986) Total 74.2 Male 72.4 Female 76.1
(1970) Total 66.9 Male 65.0 Female 68.8

Infant Deaths in First Yr of Life per 1000 Live Births (1987) 17

% Of Children 12-23 Months Old Fully Immunized Against
Tuberculosos(BCG3) 85% (1985) Measles 81% (1985)
Diphtheria(DPT) 75% (1985) Polio(3) 75% (1985)

Population with Reasonable Access to Safe Water Supply
(1980) 84%

EDUCATION AND LITERACY
Total School Enrollment as Ratio of Population in Age Group:

Primary	(1982)	Total 103.8	Male 104.9	Female 102.5
Secondary	(1982)	Total 39.8	Male 46.6	Female 34.1
Post Secondary	(1980)	Total 20.2	Male .	Female .

Adult Literacy Rate ( ) Total .% Male .% Female .%

COSTA RICA

PROGRAM SUMMARY ($000)			
Category	FY 1987 (Actual)	FY 1988 (Estimated)	FY 1989 (Request)
Development Assistance	17,104 1/	11,614	12,000
Loan	8,794	0	0
Grant	8,310	11,614	12,000
Economic Support Fund	142,466 2/	90,000	70,000
Loan	5,855	0	0
Grant	136,611	90,000	70,000
Other*			
TOTALS	159,570	101,614	82,000
P.L. 480	15,200	15,000	15,000
Title I	15,200	15,000	15,000
Title II	0	0	0
TOTALS	174,770	116,614	97,000

Footnotes:
1/ The above total includes $2,468,119 of prior-year deobligated funds reobligated in FY 1987.
2/ The above total for ESF includes $155,000 in local cost support

PERSONNEL DATA – MISSION DIRECT HIRE[a]			
Category	FY 1987 (Actual)	FY 1988 (Estimated)	FY 1989 (Request)
U.S. National	23.75	24.75	24.75
Foreign National	20.0	18.0	18.0
TOTALS	43.75	42.75	42.75

[a]*Total full time equivalent workyears of employment. Include HIG, excess property, and IG personnel. Excludes TDP. One workyear = 2,087 hours.*

PARTICIPANT TRAINING DATA[a]									
Category	FY 1987 (Actual)			FY 1988 (Estimated)			FY 1989 (Request)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
U.S. Participants									
Bilateral[d]	111	430	541	221	580	801	275	575	850
Regional[e]	70	102	172	109	50	159	100	50	150
Third Country Participants									
Bilateral[d]	-	-	-	-	10	10	-	10	10
Regional[e]	-	-	-	-	-	-	-	-	-
TOTALS	181	532	713	330	640	970	375	635	1,010

[a]*In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*
[b]*Academic: degree seeking.*
[c]*Technical: non-degree seeking.*
[d]*Participants funded under bilateral programs.*
[e]*Participants funded under regional programs (e.g., CLASP, AMDP).*

AID 370-2 (8-86)

COSTA RICA

Introduction

In the late 1970s, the terms of trade started to turn against Costa Rica. Coffee prices fell sharply and petroleum prices doubled. Costa Rica, which in the mid-1970s had appeared to be a model developing country, attempted to maintain its growth-with-equity performance for a brief period through heavy internal and external borrowings. A policy of strong monetary expansion maintained existing levels of public and private consumption but caused inflation, exchange rate depreciation, and reduction of net foreign exchange reserves to negative levels. In July 1981, the Government of Costa Rica (GOCR) suspended principal and interest payments on the external debt whose servicing requirements it could no longer meet. That year the fiscal deficit reached 14% of gross domestic product (GDP). Cut off from external financing, Costa Rica faced a rapidly deteriorating economy. GDP fell by 9.4% between 1980 and 1982. Open unemployment reached 9.5% in 1982, and inflation exploded to over 100%.

Since 1982, the GOCR has made steady progress in stabilizing the economy. The GOCR's economic recovery effort has been supported by International Monetary Fund (IMF) stand-by agreements, A.I.D. balance-of-payments financing and an $80 million World Bank Structural Adjustment Loan. Significant levels of debt refinancing from private commercial banks and from Paris Club members also took place under debt rescheduling agreements.

The GOCR has achieved, and A.I.D., in conjunction with the other donors, has supported, major macroeconomic reforms essential to achieving sustainable long-term growth. Among these are a major reduction in the number of agencies and programs which receive subsidized credit, a unified exchange rate, the maintenance of positive real interest rates on both time deposits and on credit extended, and passage of a monetary reform law which improves the competitive ability of private banks in a state-bank-dominated system. The effect of the GOCR measures supported by A.I.D. and other donor assistance has been encouraging. In 1986, GDP grew by 4.2%, unemployment declined to 6.1% and inflation was held to 15%. Nontraditional exports to countries outside Central America rose by 43% to $260 million.

Although Costa Rica's economic performance since 1982 has improved, the stabilization effort is not yet complete. While Costa Rica has returned to positive economic growth rates, the estimated per capita GDP in 1986 was only about the same as the 1975 level. Further, with current account balance-of-payments deficits in 1987 approximating $280 million and scheduled public sector debt servicing of about $680 million per annum, the annual financial requirement from external sources approximates $700 million.

With its strong tradition of democracy and social justice, Costa Rica is important to the U.S. goal of helping to establish free, stable, democratic nations throughout Latin America. The country's dedication to democracy has not faltered in the face of reduced living standards and the growing

threat of neighboring Nicaragua. Costa Rica will continue to require significant economic assistance over the next few years to avoid deterioration of living standards, but the requirement for balance-of-payments assistance will decline as the Costa Rican economy progresses toward sustainable growth. The social and political risks of such a decline are contrary to U.S. interests in the region. The major goals of U.S. economic assistance are to help Costa Rica continue the process of economic stabilization, to thus restore sustained economic growth without an unmanageable increase in external debt, and to help preserve Costa Rica as a model of democratic, broad-based development in the region.

A.I.D. Development Strategy and Accomplishments to Date

A.I.D.'s strategy is based on the four main thrusts of the recommendations of the National Bipartisan Commission on Central America (NBCCA): economic stabilization, laying the basis for long-term growth, spreading the benefits of growth, and strengthening democracy. Central to this strategy is maximizing the involvement of the private sector in the development process, especially to take the lead in fostering export-led growth, and achieving structural economic change through policy dialogue. While considerable progress has been made in the area of economic stabilization, much work remains to be done in order to achieve sustained export-led growth.

A. Economic Stabilization

Through Economic Support Funds, P.L. 480, and Trade Credit Insurance Programs, A.I.D. is participating in the GOCR's economic stabilization and recovery program by providing balance-of-payments assistance essential to permit the importation of (1) raw materials and intermediate goods needed to keep producers functioning, and (2) essential foodstuffs not produced in sufficient quantities domestically.

This sizeable balance-of-payments assistance has allowed A.I.D. to enter a policy dialogue with both government and private sector leaders on reforms aimed at eliminating structural and policy problems which contributed to the 1981-82 crisis. Policy reform achievements include a unified foreign exchange rate system maintaining the value of Costa Rica's currency at levels competitive with other currencies; a reduction in the deficit of the nonfinancial public sector from 14% of GDP in 1981 to 1.5% in 1986; and liberalized credit allocation involving maintenance of real positive interest rates, a sharp reduction of subsidized credit (to only 14% of all available credit as of September 1986), and dismantling of the non-price credit allocation system. Another success has been passage of a new Monetary Law and amendment of the Central Bank Law which facilitate private banks' access to local currency and foreign exchange credit lines. A.I.D. is also supporting a GOCR effort, now under way, to divest itself of parastatal enterprises which, in the past, have accounted for 30% of the public sector deficit. GOCR losses due to the operation of these parastatals, which stood at $65 million in 1984, have since been eliminated.

Local currencies made available under ESF and P.L. 480 programs serve as a principal source of funding for a wide range of development activities.

B. Laying the Basis for Sustained, Long-term Growth

In order for the Costa Rican economy to achieve sustained long-term growth, the shift from its import-substitution orientation to one of export-led growth must be accelerated. Within this context, A.I.D. is helping to address constraints to private sector investment by carrying out a dialogue on policy and structural changes, supporting projects which strengthen the private sector directly and indirectly, and identifying export opportunities provided by the Caribbean Basin Initiative. A.I.D. programs emphasize credit and services to promote private investment in production for export to markets outside the Central American Common Market. A.I.D.-supported credit programs and policy reform have responded to the nationalized banking system's inability to provide timely and appropriate types of credit required by productive enterprises.

One A.I.D.-funded project has helped establish the Private Investment Corporation, which provides medium- and long-term financing, equity investment, and other merchant banking services not traditionally available to private sector enterprises in Costa Rica. A.I.D. has also recently begun a new Agricultural and Industrial Reactivation project (515-0223), which will provide medium- and long-term credit to existing industrial and agroindustrial companies for plant modernization and improvement. In addition, local currencies associated with the ESF program have financed a special credit line through the Central Bank. Over 80% of the line has been channelled through and helped strengthen private banks, the number of which has increased from ten to nineteen in the last four years. A further major gain toward strengthening the private banks was achieved in 1987, when the GOCR agreed, as part of our ESF agreement, to reduce the minimum maturities on certificates of deposit offered by the private banks from 180 to 90 days. The effect of the action will be to increase the private banks' ability to compete with state banks for deposits, thereby expanding private banks' capital base and lending capacity.

The A.I.D. program also stresses investment and export promotion. The local currency-financed Investment and Export Promotion program being implemented by the Costa Rica Coalition for Development Initiatives (CINDE) is focused on attracting foreign investment and is yielding impressive results. Since initiating operations in late 1985, the project has attracted 40 new manufacturing firms to Costa Rica. These companies have invested an estimated $52 million which is projected to generate approximately 10,700 new jobs and more than $32 million in foreign exchange once the plants associated with the investment are operating at full capacity. We estimate that an additional 21,000 jobs will have been created in support industries that service the new companies and their workers. Although CINDE has had some management problems, this particular program has been very successful. A.I.D. programs also include activities aimed at increasing production of agricultural exports. An ongoing program complementing a Central American regional effort is fighting coffee rust through technical assistance provided under an operational program grant (OPG) with Agricultural Cooperative Development International (ACDI) (515-0227) and through a local currency-financed credit program being implemented by the Federation of Coffee Growers Cooperatives (FEDECOOP). A.I.D. has also recently started a Non-traditional Exports Technical

Support project (515-0237) which will support diversification of Costa Rican agriculture into intensively produced export crops with potential for high economic and foreign-exchange return.

C. Spreading the Benefits of Growth

A.I.D. is attempting to help spread the benefits of growth by supporting Costa Rica's longstanding commitment to equity. Our focus is on (1) increasing the involvement of the private sector in areas where it can provide services more efficiently, and (2) assisting the GOCR to improve the quality and efficiency of service delivery. The private sector also has the major role to play in generating employment. A.I.D.'s recent and current projects with intermediate credit institutions are contributing to increased employment by enhancing job-producing investments and credit for investment.

A.I.D.-supported housing programs directly generated over 1,000 full-time jobs and indirectly an estimated 3,500 jobs (of an average length of almost one year) during the last year. A.I.D. is assisting the Costa Rican shelter sector through Housing Guaranties, ESF and P.L. 480 local currency programs, and a dollar-funded technical assistance grant. As of the end of FY 1987, over 20,000 units were either sold, in the process of being sold, or under construction under these programs. Complementing these shelter programs, A.I.D.'s policy dialogue with the GOCR has achieved major breakthroughs,including the introduction of a modified turnkey approach to contract with the private sector for delivery of units, and reduction in the traditional unit size from a finished house to a smaller "starter" housing solution under which additions are built as family needs change. A.I.D. has also supported the creation of a new Housing Mortgage Bank which will channel increased housing finance resources to the private sector. An FY 1987 evaluation undertaken in this sector reconfirmed continuing need on the part of savings and loan associations for concessional financing in order to provide affordable housing for low-income families.

A.I.D.'s major rural development project is the Northern Zone Infrastructure Development project (515-0191) in which a previously isolated region of Costa Rica near the Nicaraguan border is being opened up through infrastructure, land settlement and community development activities. Although this project is ending in 1988, a follow-on project, Northern Zone Consolidation (515-0235), is currently in the planning stages. It will be mostly local currency-funded and will emphasize development of a local road maintenance capability, the provision of potable water and production credit for nontraditional agricultural products. This project will build upon the findings of a recent evaluation of its predecessor which verified that project's success in meeting its objectives.

A.I.D.'s other new project for FY 1988 will be the Forest Management project (515-0243). This $4.5 million effort will implement appropriate forestry and agroforestry practices in buffer areas around selected natural parks and forestry reserves. Specifically, it will stabilize the agricultural uses of such lands, protecting the existing forest cover and preventing further degradation by erosion and overly extensive land use.

Private landowners will be encouraged to manage and utilize their forestry resources, benefiting from longer-term use of forest products as well as an improved mix of agricultural and forest land uses.

Health and education indicators for Costa Rica are among the best in Latin America and are comparable to those of more industrialized nations. A.I.D. therefore is limiting itself to small, targeted activities where resources can have a high impact. For example, A.I.D. has entered into a cooperative agreement with Project HOPE for the implementation of the Emergency Medical Services Manpower Development project (515-0238). The project will help improve Costa Rica's ability to respond to medical emergencies and help establish a health sector response system for disaster situations. Also, under an ESF local currency-financed program, approximately two million textbooks have been printed and distributed to all regions of the country. A.I.D. has also begun a refurbishment program for one-room rural schools and is completing an activity involving development of teaching materials, manuals and training for 1,100 rural primary school teachers.

A.I.D. will triple the size of its Family Planning Self-Reliance project (515-0168) with a $6.0 million amendment in 1988. The purpose of this increase in funding will be to expand activities undertaken under the original project. It will support the two principal public sector health institutions in the distribution of contraceptives through the public health system, as well as private sector contraceptive sales through a social marketing firm.

D. Strengthening Democracy

The United States views Costa Rica both as a valuable ally and a critical regional resource for promoting democratic development in Central America. A.I.D. strengthens institutions which have served and continue to serve as models of success for other Central American countries. In 1988 A.I.D. plans to initiate a bilateral Administration of Justice project focused on problems facing the court system and its handling of criminal matters. This activity will address planning, judicial training and information on legislation in effect.

Under the Central American Peace Scholarship project (597-0001 and later 515-0242), A.I.D. finances U.S. training for Costa Rican high school and university students, as well as short-term training for leaders in a broad range of areas including municipal government, journalism and the arts. More than 1,000 Costa Rican CAPS participants have been sent to the United States so far. Most were selected on the basis of their leadership ability or potential, rural or low-income backgrounds academic records and financial situation. Youths, particularly disadvantaged youths, are especially targeted under the program. A.I.D. is also promoting democratic institutions through private and voluntary organizations. An Operation program grant with the American Institute for Free Labor Development (515-0226) is developing an institutional capacity within the National Confederation of Workers to administer and operate an agrarian services department responsible to its federation and farm union constituency.

A.I.D.'s Selected Development Activities program and ESF-associated local currency support community and organizational self-help efforts, which very often involve the construction of a school building or other facility which can be used as a community meeting center.

Section 709 of the International Security and Development Act of 1985 requires that comprehensive reports be provided on A.I.D. assistance to Latin America and the Caribbean. The following supplemental information on assistance to Costa Rica in FY 1987 is provided as partial fulfillment of that requirement:

A. Training. A.I.D. provided training in FY 1987 to a total of 713 participants from Costa Rica in the fields of agriculture (228), industry (198) labor (8), health and family planning (4), education (75), public administration (56), housing and community development (2), and other fields (142).

B. The types of goods associated in FY 1987 with ESF cash transfers by A.I.D. to Costa Rica are estimated as follows:

Types of Goods	Value
U.S. Raw Materials	
Agriculture	$ 10.8 million
Manufacturing and Mining	71.8 million
U.S. Capital Goods	
Agriculture	15.6 million
Manufacturing & Mining	12.0 million
Construction	6.0 million
Transport	3.6 million
Total	$119.8 million

C. Local Currency: Local currency associated with A.I.D. assistance to Costa Rica was allocated by A.I.D. and the Government of Costa Rica for the following uses in FY 1987: (the amount of $133.7 million from prior year funds was available at the beginning of FY 1987 for allocation or was allocated in FY 1987).

Increased Private Sector Involvement	$20.4 million
Host Government Economic Policy	34.1 million
Support to Export Promotion Efforts	2.1 million
Housing and Infrastructure	15.1 million
Accelerated Agricultural Development	8.0 million
Training and Education	33.6 million
Other Activities	9.9 million
Operating Expenses	10.5 million
TOTAL	$133.7 million

D. Reprogramming of funds for Costa Rica during FY 1987 resulted in the following account changes. Estimated FY 1987 obligations are those which were shown in the FY 1988 Congressional Presentation Document.

($000)	TOTAL	ARDN	PN	HE	EHR	SDA	ESF
- Estimated FY 1987 Obligations	140,490	6,577	230	410	1,982	3,575	127,716
- Actual FY 1987 Obligations	159,570	8,922	230	306	2,032	5,614	142,466

E. Funds and programs provided to Costa Rica in FY 1987 through nongovernmental as contrasted to governmental channels were as follows:

	Nongovernmental		Government of Costa Rica	
	($ million)			
DA	9.4	(55%)	7.7	(45%)
ESF	15.7	(11%)	126.8	(89%)
P.L. 480 Title I	-	-	15.2	(100%)
TOTAL	25.1	(10%)	149.7	(90%)*

- The primary beneficiary of ESF resources channeled through the Central Bank is the private sector, which uses the dollars provided by the ESF to purchase U.S. raw materials and goods needed by Costa Rican industry and other businesses. P.L. 480 Title I wheat is processed and sold by private millers and bakers. A majority of the local currency being generated by the ESF and P.L. 480 programs is being applied to private sector programs as indicated above.

FY 1989 Program

A.I.D. requests $70 million in ESF, $12 million in DA, and $15 million in P.L. 480 Title I.

A. Economic Stabilization ($15 million P.L. 480 Title I)

The P.L. 480 Title I program will continue to provide balance-of-payments assistance through import of essential food commodities. The local currencies generated under the program will support rural development activities.

B. Economic Growth

Economic Support Fund ($66.8 million): The proposed ESF-funded Economic Stabilization and Recovery VIII project (515-0240) will finance imports of U.S. raw materials and intermediate goods needed to promote economic expansion while the effects of stabilization and policy reform take effect. The funding will support policy dialogue and conditionality to achieve further structural change. Local currency from the project will be used for a range of development activities supporting this and the other

basic goals of the program strategy. Activities include regional development, expanded housing, road maintenance and repair, export promotion programs, and natural resources, health, education and training.

Agriculture, Rural Development and Nutrition ($9.693 million): A.I.D. requests $393,000 for Program Development and Support (515-000), $5.0 million for funding for the new Watershed Management project (515-0246), and $4.3 million in funding for the Roads and Rehabilitation project (515-0249).

Selected Development Activities ($.477 million): A.I.D. proposes to allocate $.477 million for Program Development and Support.

C. Broadening the Benefits of Growth

Population, Health, Education and Human Resources ($.850 million): A.I.D. proposes $.850 million for the amended Family Planning Self Reliance project (515-0163).

D. Strengthening Democracy ($3.2 million in ESF funds and $.980 million in Education and Human Resource funds) A.I.D. proposes $2.680 million for the Central America Peace Scholarship project (515-0242) and $1.5 million for the Administration of Justice project (515-0244).

Acting Mission Director: Richard K. Archi

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: COSTA RICA

CP 89

PROJECT NO. / PROJECT TITLE	*	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	PLANNED	-THROUGH FY 86- OBLIGATIONS	EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	EXPENDITURES
515-0000			PROGRAM DEVELOPMENT AND SUPPORT											
		EH G	52	C	---	---	606	540	---	66	---	---	---	25
		FN G	52	C	---	---	7,054	6,409	500	806	214	500	393	420
		HE G	52	C	---	---	227	193	56	27	---	45	---	18
		PN G	52	C	---	---	190	167	47	31	---	35	---	4
		SD G	52	C	---	---	2,843	2,089	400	529	200	700	477	300
			PROJECT TOTAL:		---	---	10,920	9,398	1,003	1,459	414	1,280	870	767
515-0140			AGRARIAN SETTLEMENT AND PRODUCTIVITY											
		FN G	80	81	---	---	500	481	---	14	---	5	---	---
		FN L	80	81	500	500	9,500	7,722	---	1,778	---	---	---	---
			PROJECT TOTAL:		500	500	10,000	8,203	---	1,792	---	5	---	---
515-0168			FAMILY PLANNING SELF-RELIANCE											
		PN G	83	92	2,500	8,500	2,498	1,404	---	508	3,500	800	850	1,000
			PROJECT TOTAL:		2,500	8,500	2,498	1,404	---	508	3,500	800	850	1,000
515-0178			COOP BANKING SERVICES AND CREDIT											
		ES G	83	83	---	---	500	451	---	17	---	32	---	---
			PROJECT TOTAL:		---	---	500	451	---	17	---	32	---	---
515-0187			PRIVATE SECTOR EXPORT CREDIT											
		FN L	82	83	2,000	2,000	2,000	1,772	---	228	---	---	---	---
		SD L	82	83	8,000	8,000	8,000	6,921	---	1,079	---	---	---	---
			PROJECT TOTAL:		10,000	10,000	10,000	8,693	---	1,307	---	---	---	---
515-0188			PRIVATE SECTOR LOW-COST SHELTER											
		SD G	83	83	300	300	300	143	---	54	---	103	---	---
			PROJECT TOTAL:		300	300	300	143	---	54	---	103	---	---
515-0190			POLICY PLANNING AND ADMIN IMPROVE.											
		EH G	83	88	1,000	1,000	1,000	858	---	140	---	2	---	---
		ES G	83	83	925	925	---	---	925	---	---	300	---	300
		SD G	83	88	6,975	6,975	5,499	2,923	1,476	1,080	---	1,200	---	1,700
			PROJECT TOTAL:		8,900	8,900	6,499	3,781	2,401	1,220	---	1,502	---	2,000
515-0191			NORTHERN ZONE INFRASTRUCTURE DEVELOPMENT											
		FN G	83	83	500	500	500	311	---	36	---	103	---	---
		FN L	83	83	14,200	14,200	14,200	8,419	---	4,637	---	1,094	---	---

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1987 are based on the authorized date.
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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: COSTA RICA

PROJECT NO. PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	PLANNED	-THROUGH FY 86- OBLIGA-TIONS	EXPEN-DITURES	-ACTUAL FY 87- OBLIGA-TIONS	EXPEN-DITURES	-ESTIMATED FY 88- OBLIGA-TIONS	EXPEN-DITURES	-PROPOSED FY 89- OBLIGA-TIONS	EXPEN-DITURES
PROJECT TOTAL:				14,700	14,700	14,700	8,730	---	4,773	---	1,197	---	---
515-0203 HEALTH SERVICES SUPPORT													
	HE G	83	86	300	300	300	130	---	66	---	104	---	---
	HE L	83	86	10,000	10,000	10,000	2,675	---	4,792	---	2,533	---	---
PROJECT TOTAL:				10,300	10,300	10,300	2,805	---	4,858	---	2,637	---	---
515-0204 PRIVATE INVESTMENT CORPORATION													
	FN L	84	86	5,000	5,000	5,000	3,804	---	196	---	1,000	---	---
	SD G	84	86	1,000	1,000	1,000	124	---	353	---	523	---	---
	SD L	84	86	15,000	15,000	15,000	---	---	2,969	---	6,000	---	6,000
PROJECT TOTAL:				21,000	21,000	21,000	3,928	---	3,518	---	7,523	---	6,000
515-0212 TRG FOR PRIVATE SECTOR DEVELOPMENT													
	EH G	84	87	5,000	5,000	4,500	298	500	228	---	1,400	---	1,600
PROJECT TOTAL:				5,000	5,000	4,500	298	500	228	---	1,400	---	1,600
515-0222 ECONOMIC STABILIZATION AND RECOVERY V													
	ES G	86	86	120,582	120,582	120,582	80,582	---	40,000	---	---	---	---
PROJECT TOTAL:				120,582	120,582	120,582	80,582	---	40,000	---	---	---	---
515-0223 INDUSTRIAL REACTIVATION													
	ES G	86	87	100	100	---	---	100	---	---	30	---	40
	ES L	86	87	5,855	5,855	---	---	5,855	---	---	2,800	---	3,055
	FN L	86	87	6,206	6,206	---	---	6,206	---	---	3,000	---	3,206
	SD G	86	87	250	250	100	---	150	---	---	60	---	95
	SD L	86	87	7,589	7,589	5,001	---	2,588	---	---	3,000	---	4,500
PROJECT TOTAL:				20,000	20,000	5,101	---	14,399	---	---	3,890	---	10,896
515-0226 AGRIC. SERVICES AND UNION DEV. (PVO-U-R)													
	FN G	85	86	1,000	2,000	1,000	470	---	308	1,000	400	---	480
PROJECT TOTAL:				1,000	2,000	1,000	470	---	308	1,000	400	---	480
515-0227 AGRIC. DEV. COOP INTERNAT'L (PVO-U-R)													
	FN G	85	86	800	800	800	182	---	252	---	280	---	86
PROJECT TOTAL:				800	800	800	182	---	252	---	280	---	86
515-0231 ECON STABILIZ AND RECOVERY VI													

*Refers to the planned project summary sheet

CLevel of effort activity

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: COSTA RICA

CP 89

PROJECT NO. / PROJECT TITLE	L / * G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHO	PLANNED	-THROUGH FY 86- OBLIGATIONS	EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	EXPENDITURES
	ES G	87	87	119,750	119,750	---	---	119,750	40,000	---	79,750	---	---
	PROJECT TOTAL:			119,750	119,750	---	---	119,750	40,000	---	79,750	---	---
515-0232	PRIVATE AGENCIES COLLABORATING TOGETHER												
	ES G	86	89	2,600	2,600	---	---	2,600	---	---	650	---	700
	SD G	86	89	2,300	2,300	1,300	40	1,000	405	---	400	---	400
	PROJECT TOTAL:			4,900	4,900	1,300	40	3,600	405	---	1,050	---	1,100
515-0235	NORTHERN ZONES CONSOLIDATION												
	FN G	88	88	---	1,000	---	---	---	---	1,000	50	---	200
	PROJECT TOTAL:			---	1,000	---	---	---	---	1,000	50	---	200
515-0236	ECONOMIC STABILIZ & RECOVERY VII												
	ES G	88	88	85,100	85,100	---	---	---	---	85,100	85,100	---	---
	PROJECT TOTAL:			85,100	85,100	---	---	---	---	85,100	85,100	---	---
515-0237	NON-TRADITIONAL EXPORTS-TECH SUPPORT												
	ES G	87	88	585	585	---	---	585	---	---	50	---	150
	FN G	87	88	2,915	2,915	---	---	1,415	---	1,500	400	---	750
	PROJECT TOTAL:			3,500	3,500	---	---	2,000	---	1,500	450	---	900
515-0238	*PROJECT HOPE EMERGENCY SERVICES												
	ES G	87	88	250	250	---	---	250	---	---	60	---	80
	HE G	87	88	250	250	---	---	250	---	---	100	---	120
	PROJECT TOTAL:			500	500	---	---	500	---	---	160	---	200
515-0240	*ECONOMIC STABILIZATION & RECOVERY VIII												
	ES G	89	89	66,800	66,800	---	---	---	---	---	---	66,800	30,000
	PROJECT TOTAL:			66,800	66,800	---	---	---	---	---	---	66,800	30,000
515-0242	COSTA RICA PEACE SCHOLARSHIPS												
	EH G	87	90	1,532	1,532	---	---	1,532	---	---	350	980	500
	ES G	87	90	12,246	18,561	---	---	12,246	---	3,500	3,500	1,700	4,500
	FN G	87	90	801	801	---	---	801	---	---	100	---	200
	PN G	87	90	183	183	---	---	183	---	---	60	---	70
	PROJECT TOTAL:			14,762	21,077	---	---	14,762	---	3,500	4,010	2,680	5,270
515-0243	FOREST MANAGEMENT												

*Refers to the planned project summary sheet

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: COSTA RICA

CP 89

PROJECT NO. / PROJECT TITLE	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHO	-LIFE OF PROJECT- PLANNED	-THROUGH FY 86- OBLIGATIONS	-THROUGH FY 86- EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	-ACTUAL FY 87- EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	-ESTIMATED FY 88- EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	-PROPOSED FY 89- EXPENDITURES
	FN G	83	88	---	4,500	---	---	---	---	4,200	100	---	600
PROJECT TOTAL:				---	4,500	---	---	---	---	4,200	100	---	600
515-0244 ADMINISTRATION OF JUSTICE	ES G	83	89	1,900	3,000	---	---	---	---	1,400	250	1,500	400
PROJECT TOTAL:				1,900	3,000	---	---	---	---	1,400	250	1,500	400
515-0246 *WATERSHED MANAGEMENT	FN G	89	90	---	5,000	---	---	---	---	---	---	5,000	150
PROJECT TOTAL:				---	5,000	---	---	---	---	---	---	5,000	150
515-0250 *ROAD REHABILITATION AND MAINTENANCE	FN G	89	90	---	15,000	---	---	---	---	---	---	4,300	100
PROJECT TOTAL:				---	15,000	---	---	---	---	---	---	4,300	100
515-0999 LOCAL COST SUPPORT	ES G	87	87	155	155	---	---	155	7	---	148	---	---
PROJECT TOTAL:				155	155	---	---	155	7	---	148	---	---
COUNTRY TOTALS:				512,949	552,364	220,000	129,108	159,570	100,706	101,614	197,117	82,000	61,749
GRANTS:				438,599	478,514	151,299	97,795	144,921	84,977	101,614	177,690	82,000	44,988
LOANS:				74,350	74,350	68,701	31,313	14,649	15,729	---	19,427	---	16,761

---- APPROPRIATION SUMMARY ----

AGR., RURAL DEV. & NUTRITION:	33,922	60,422	40,554	29,570	8,922	8,355	7,914	7,032	9,693	6,192
POPULATION PLANNING:	2,683	8,683	2,688	1,571	230	539	3,500	895	850	1,074
HEALTH:	10,550	10,550	10,527	2,998	306	4,835	---	2,782	---	138
CHILD SURVIVAL FUND:	---	---	---	---	---	---	---	---	---	---
AIDS:	---	---	---	---	---	---	---	---	---	---
EDUCATION & HUMAN RESOURCES:	7,532	7,532	6,106	1,696	2,032	434	---	1,752	980	2,125
SELECTED DEVELOP. ACTIVITIES:	41,414	41,414	39,043	12,240	5,614	6,469	200	11,986	477	12,995
ECONOMIC SUPPORT FUND:	416,848	424,263	121,082	81,033	142,466	80,024	90,000	172,670	70,000	39,225

*Refers to the planned project summary sheet

CLevel of effort activity

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PROGRAM: Costa Rica

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Economic Stabilization and Recovery VIII	ESF 66,800(G)			FY 89 66,800	Life of Project Funding 66,800

Number 515-0240	[X] NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
[X] GRANT [ ] LOAN	[ ] CONTINUING				FY 89	FY 89	FY 90

Purpose: To assist the Government of Costa Rica (GOCR) to reduce its balance of payments deficit, improve external debt management, stabilize the economy, and reactivate production.

Project Description: In response to the economic crisis of the early 1980's, the GOCR implemented programs beginning in 1983 intended to stabilize the economy and set the basis for long-term export oriented growth. These programs have been supported by large amounts of external financial assistance from the International Monetary Fund (IMF), the World Bank and external creditors. A.I.D. has played a major support role through the Economic Stabilization and Recovery Program.

As a result of these programs and external assistance, the GOCR has largely stabilized the economy and reversed the negative growth trend of the early 1980's. Gross Domestic Product grew approximately 3% during 1982-1986 after dropping sharply in 1981-82; inflation declined from over 100% in 1982 to 10-20% annually in 1984-1986; and unemployment decreased from 9.4% in 1982 to 6.1% in 1986. Despite these encouraging trends the economy remains weak and vigorous export-led growth is at an early stage of development.

The essential task confronting the recovery program is the expansion of exports into new markets while maintaining the existing level of real incomes and economic stability. Given Costa Rica's high external debt, several more years of external assistance are anticipated. This ESF program will allow the GOCR to make dollar resources available to the private sector to finance the importation from the U.S. of essential raw materials, intermediate goods, spare parts and other inputs to maintain agricultural and industrial production and investment. Local currencies made available by the project will be channeled to (a) help meet local capital requirements of private sector entities engaged in employment-generating activities, especially those which are export oriented, and (b) finance a variety of development related initiatives.

Relationship of Project to A.I.D. Country Strategy: The project resources and the policy leverage they provide will contribute to A.I.D.'s top program priorities: consolidating stabilization of the economy and establishing the basis for growth. ESF assistance will be conditioned on economic policy reforms to stimulate private sector export growth and minimize government intervention in production.

Host Country and Other Donors: Other donor assistance to Costa Rica during 1983-1986 included two IMF Stand-by programs, a World Bank Structural Adjustment Loan and two sets of commercial bank and Paris Club reschedulings of external debt. The GOCR is currently negotiating for continued financial support from those entities.

Beneficiaries: The project will generate increased production, and contribute to overall economic recovery. Greater employment, higher real wages, and continued growth with equity which has been the hallmark of growth in Costa Rica will result.

Outputs:	All Years
Economic stabilization and growth policies: targets for balance of payments, fiscal deficits, external debt arrearages and money supply.	X
Local currency development projects: investment promotion; housing bank and credit lines.	X

A.I.D.-Financed Inputs:	Life-of-project ($000)
Balance of payments support	66,800
Total	66,800

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1987			
Estimated Fiscal Year 1988			
Estimated Through September 30, 1988			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1989	66,800		66,800

Principal Contractors or Agencies

Central Bank of Costa Rica

AID 370-7 (11-85)

PROGRAM: Costa Rica

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Watershed Management	DA	5,000		FY 89 5,000	Life of Project Funding 5,000

Number 515-0246	[X] NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
[X] GRANT [ ] LOAN	[ ] CONTINUING				FY 89	FY 89	FY 92

Purpose: To ensure continued water supply for selected municipalities and for hydroelectric power projects and irrigation schemes.

Project Description: Increasingly, lack of clean water is limiting the economic progress of the towns of Costa Rica. Parasite epidemics attributed to contaminated water cause suffering and economic setbacks due to decreased productivity. Improper land use, which often causes deforestation and erosion of the watersheds, contibutes to water scarcity during the dry season.

The watersheds of 13 out of the 47 municipalities which manage their own water supplies have recently been evaluated by the GOCR which has made recommendations for their management. The project will support the municipalities in carrying out the required management actions. Priority actions are, first, those that can be implemented by the municipalities directly or contracted by them, such as: the preparation of management plans for the watersheds; the construction of water control structures; land purchase; fencing for critical areas; construction of infrastructure for guards; fire control; and monitoring of water quality and quantity. Second are a group of land management activities to reduce water run-off which farmers should be encouraged to use more widely such as: management and expansion of forests, tree crops and agroforestry; and soil conservation and better cropping practices.

Unfortunately, public entities have concentrated on hydropower and irrigation structures and their operation, but not on the need to conserve and manage the watersheds which supply these facilities. The project will support the preparation of detailed management plans for selected watersheds. Management activities will emphasize land use in accordance with the capacity of the land. Watershed management plans will include training for farmers and others in agricultural and agroforestry practices that conserve land and water.

Relationship of the Project to A.I.D. Country Strategy: The project supports the sustainable use of land, forest and water resources, which is a principal element of the Mission's strategy for long-term growth and spreading the benefits of growth. For the expansion of forestry as an appropriate land use in parts of the watersheds, the project will draw on the proposed Forest Management project.

Host Country and Other Donors: The GOCR will provide ESF local currency counterpart funding for the project estimated at 50% or more of total project costs. The project complements a recently approved IDB forestry loan.

Beneficiaries: The project will benefit approximately 16,000 persons who live in the watersheds. Indirect beneficiaries will include approximately 80,000 urban and rural users of water from the watersheds and nearly all of the 2.3 million Costa Ricans who depend on hydro electricity.

Major Outputs:	All years
Improved watershed land use	4,000 ha
Watershed reforestation	1,000 ha

A.I.D.-Financed Inputs:	Life-of-Project ($000)
Technical Assistance	1,500
Training	1,000
Construction/Maintenance	1,000
Equipment/Materials	800
Contingency	700
	$5,000

U.S. FINANCING (In thousands of dollars)

	Obligations	Expenditures	Unliquidated
Through September 30, 1987			
Estimated Fiscal Year 1988			
Estimated Through September 30, 1988			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1989	5,000		5,000

Principal Contractors or Agencies

Ministry of Natural Resources, Energy and Mines

AID 370-7 (11-85)

PROGRAM: Costa Rica

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Road Rehabilitation and Maintenance	DA	4,300		FY 89 4,300	Life of Project Funding 15,000

Number 515-0250	☒ NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
☒ GRANT ☐ LOAN	☐ CONTINUING				FY 89	FY 90	FY 92

Purpose: To assist the Government of Costa Rica in attaining an efficient and functioning national road rehabilitation and maintenance system.

Project Description: Though Costa Rica has a reasonably well-developed highway system, it is suffering serious deterioration due to a lack of adequate maintenance. Maintenance is constrained by budget shortages and inefficiencies in the Ministry of Public Works and Transport (MOPT) which is responsible for maintenance of the Costa Rican road network. An A.I.D. pilot project begun in late 1984 demonstrated the feasibility of a model for effectively privatizing the maintenance and rehabilitation of roads.

The planned project, in conjunction with new loans expected from the World Bank and the IDB and with ESF generated local currency, will finance a four-year road rehabilitation and maintenance program. Based on experience under the pilot project, MOPT will plan and contract for rehabilitation and maintenance work with private Costa Rican contractors. The project calls for a reduction in MOPT staff as road work is done increasingly on a contractual basis. Project funds will be released incrementally based on progress in reducing MOPT staff. Provision will be made in the contracts for absorption of some surplus MOPT personnel and equipment by the contracted companies.

Relationship of Project to A.I.D. Country Strategy: This project supports the Mission's strategy to spread the benefits of growth by promoting economic efficiency through increased reliance on the private sector and better public sector performance. Improvements in the road system will allow increased efficiencies in agricultural and industrial productivity, exports and foreign exchange savings.

Host-Country and Other Donors: The IDB and IBRD have financed major road projects in Costa Rica. Both are planning new initiatives. Each has indicated an interest in the experience of the Mission's successful pilot project. The GOCR will complement external sources by programming ESF local currencies to support the project.

Beneficiaries: Virtually all users of the national and rural road networks will ultimately benefit from the project. Most directly affected will be rural people moving goods and services by road who will benefit from reduced transport costs and wider markets.

Major Outputs (All Years):

1. National highways rehabilitated: 200 kms
2. National highways maintained: 170 kms
3. Rural roads maintained: 430 kms
4. Rural roads rehabilitated: 500 kms

A.I.D.-Financed Inputs:	Life of Project ($000)
Construction/rehabilitation/maintenance	$12,500
Technical assistance/training	$ 1,000
Contingency	$ 1,500
Total	$15,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1987			
Estimated Fiscal Year 1988			
Estimated Through September 30, 1988			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1989	4,300	10,700	15,000

Principal Contractors or Agencies

Ministry of Public Works and Transportation (MOPT)

AID 370-7 (11-85)

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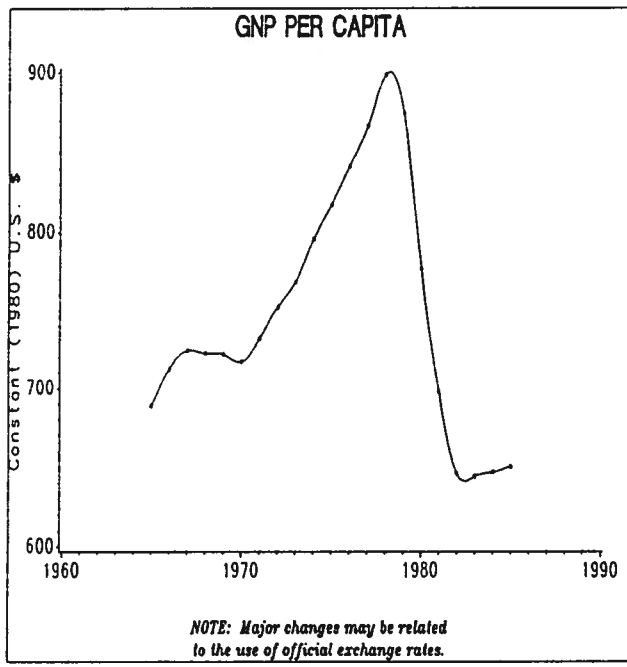
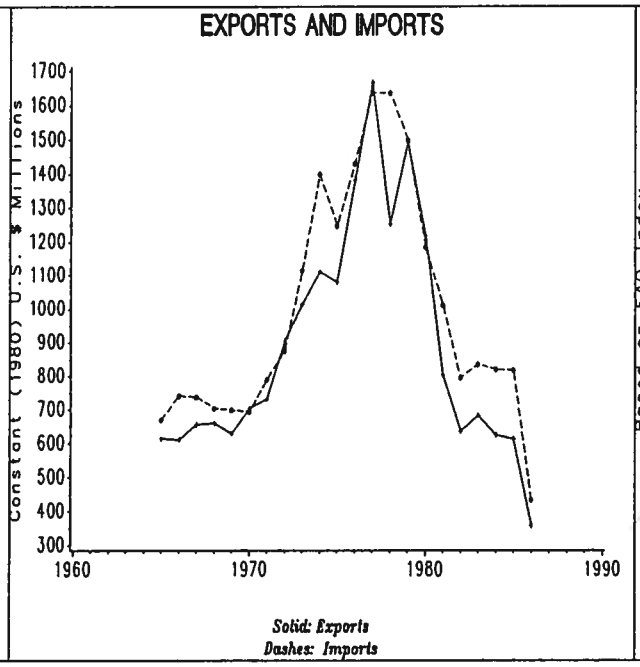
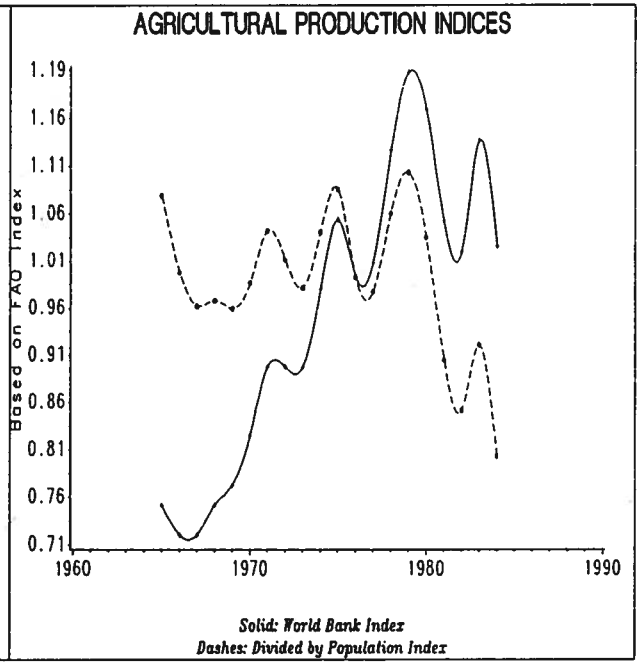
EL SALVADOR -- Economic Indicators

Total U.S. Aid $ 1,771 Million (1946-86)
Ratio of U.S. Aid To Total ODA 99.0% (1982-85)
Yearly U.S. Aid Per Capita $ 55.58 (1982-85)







NATIONAL INCOME AND EXPENDITURES

Per Capita GNP .....(1985) 820

Average Annual Real Per Capita GNP Growth Rate.(1965-85) -0.2%

Government Budgetary Expenditures as a % of GNP...(1986) 15.9%

Total Expenditures and Net Lending ($ Millions, US):
(1984) 445 (1985) 491 (1986) 688

Budgetary Deficit or Surplus ($ Millions, US):
(1984) -60 (1985) -77 (1986) -56

INTERNATIONAL RESERVES AND EXTERNAL DEBT

Official International Reserves Equivalent to
3.1 Months of Imports (1986)

External Public Debt as % of GNP...(1986) 31.5%

Service Payments on External Public Debt,
($ Millions, US)..... (1986) 94
As % of Total Export Earnings..... (1986) 13.1%

EXTERNAL TRADE (IN 1980 CONSTANT $US)

Trade Balance($ Millions, US) (1984) -195(85) -204(86) -95

Total Imports($ Millions, US) (1984) 821(85) 818(86) 449
Of Which % From U.S. .....(1985) 38%

Major Imports(1986)INTER. GOODS;PETROLEUM PRODS;MACHINERY

Total Exports($ Millions, US) (1984) 626(85) 614(86) 354
Of Which % to U.S. .....(1985) 50%

Major Exports(1986)COFFEE;SUGAR;SHRIMP

Trading Partners: UNITED STATES; GUATEMALA; GERMANY, FEDER

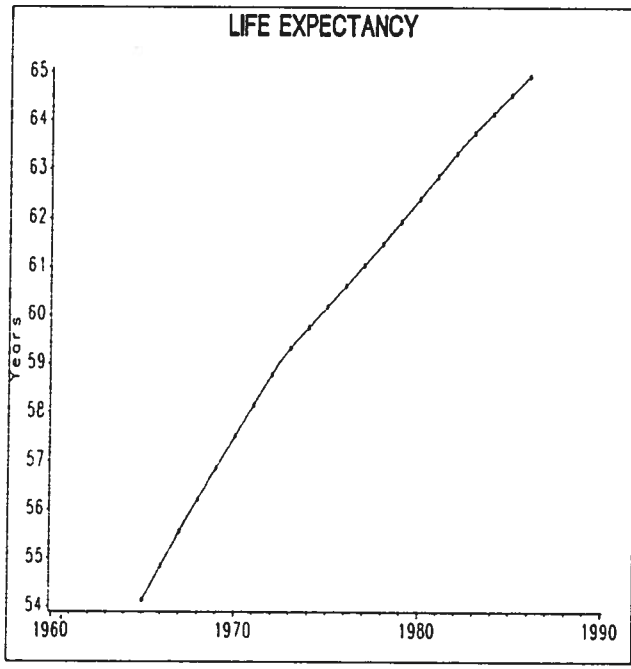
AGRICULTURE

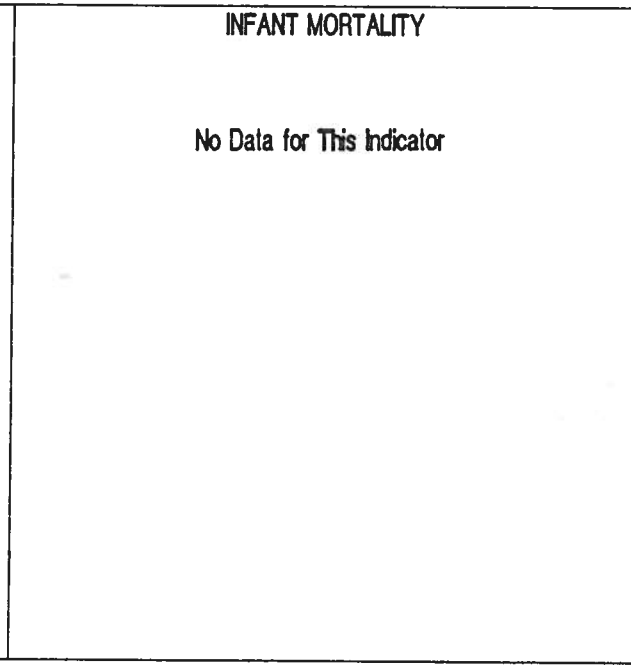
Agricultural Production as % of GDP...(1986) 20%

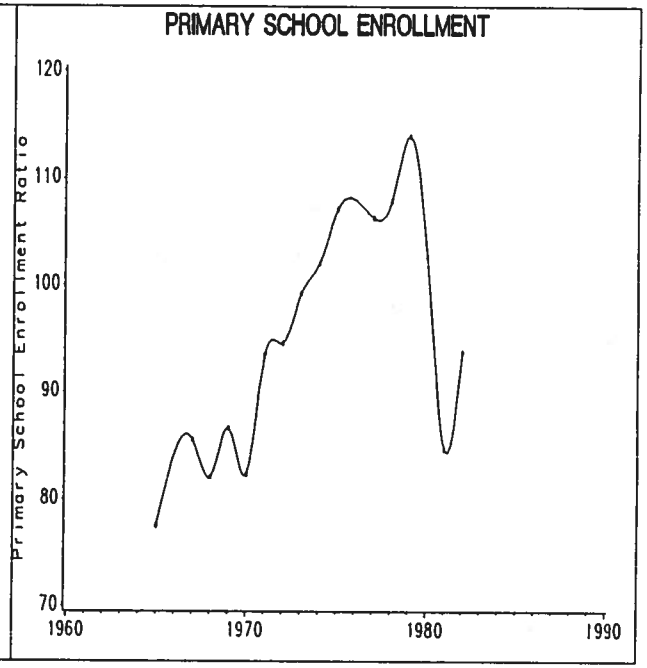
Major Crop(s)	As % of Arable Land	
Subsistence: CORN; BEANS-DRY; RICE	38%	(1986)
Cash: COFFEE; COTTON; RAW SUGAR	18%	(1986)

Ag. Exports:(1986)COFFEE; COTTON; RAW SUGAR
Ag. Imports:(1986) WHEAT; OILSEEDS; CORN

EL SALVADOR -- Social Indicators







POPULATION

Total Population...(Thousands, Mid 1987) 5,260

Population Growth Rate...(1970) 3.8% (1978) 2.7% (1987) 2.4%

Population (1987) By Age Group:
(0-14yrs) 44.9% (15-64yrs) 52.5% (65+ yrs) 2.6%

Married Women Aged 15-49 yrs. Using Contraception...(1985) 47.3%

Total Fertility Rate...(1970) 6.5 (1987) 4.9

HOUSEHOLD INCOME AND EMPLOYMENT

National Income Received by Low 20% of Population..(1977) 5.8%

% of Population Living Below Absolute Poverty Level
(1978) Total . % Urban 20.0% Rural 32.0%

Labor Force Participation as % of Working Age Population
(1979) 35%

Proportion of Labor Force in Agriculture...(1979) 44%

NUTRITION AND HEALTH

Per Capita Calorie Supply as a % of Requirements...(1982) 83%

Life Expectancy at Birth, in Years
(1986) Total 64.9 Male 63.0 Female 66.9
(1970) Total 57.5 Male 55.6 Female 59.5

Infant Deaths in First Yr of Life per 1000 Live Births (1987) 88

% Of Children 12-23 Months Old Fully Immunized Against
Tuberculosos(BCG3) 50% (1984) Measles 71% (1984)
Diphtheria(DPT) 54% (1984) Polio(3) 54% (1984)

Population with Reasonable Access to Safe Water Supply
(1987) 51%

EDUCATION AND LITERACY

Total School Enrollment as Ratio of Population in Age Group:

Primary	(1982)	Total	93.8	Male	84.0	Female	85.3
Secondary	(1982)	Total	10.5	Male	11.2	Female	10.5
Post Secondary	(1980)	Total	3.0	Male	4.1	Female	1.9

Adult Literacy Rate (.) Total .% Male .% Female .%

PROGRAM SUMMARY ($000)			
Category	FY 1987 (Actual)	FY 1988 (Estimated)	FY 1989 (Request)
Development Assistance	82,430	65,796	67,700
Loan	0	0	0
Grant	82,430	65,796	67,700
Economic Support Fund	281,497 1/	215,000 3/	185,000
Loan	0	0	0
Grant	281,497	215,000	185,000
Other*	50,000 2/		
TOTALS	413,927	280,796	252,700
P.L. 480	32,316	43,909	39,771
Title I	30,100	35,000	35,000
Title II	2,216	8,909	4,771
TOTALS	446,243	324,705	292,471

Footnotes:
1/ The above total for ESF includes $1,184,987 in local cost support.
2/ International Disaster Assistance.
3/ Includes $30 million appropriated in FY 1987.

PERSONNEL DATA – MISSION DIRECT HIRE[a]			
Category	FY 1987 (Actual)	FY 1988 (Estimated)	FY 1989 (Request)
U.S. National	35.25	38.50	38.50
Foreign National	43.0	43.0	43.0
TOTALS	78.25	81.50	81.50

[a]*Total full time equivalent workyears of employment. Include HIG, excess property, and IG personnel. Excludes TDP. One workyear = 2,087 hours.*

PARTICIPANT TRAINING DATA[a]									
Category	FY 1987 (Actual)			FY 1988 (Estimated)			FY 1989 (Request)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
U.S. Participants	98	175	273	216	364	580	296	395	691
Bilateral[d]	140	96	236	130	-	130	90	-	90
Regional[e]	-	58	59	1	70	71	-	70	70
Third Country Participants									
Bilateral[d]									
Regional[e]									
TOTALS	239	239	568	347	434	781	386	465	851

[a]*In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*
[b]*Academic: degree seeking.*
[c]*Technical: non-degree seeking.*
[d]*Participants funded under bilateral programs.*
[e]*Participants funded under regional programs (e.g., CLASP, AMDP).*

AID 370-2 (8-86)

EL SALVADOR

Introduction

El Salvador's population is about 5.0 million, of whom 320,000 are still displaced within the country because of the prolonged Marxist insurgency. An estimated 500,000 Salvadorans or more have fled the country to avoid the war or seek better economic opportunity. At 250 persons per square kilometer, El Salvador is saddled with the highest population density in the continental Americas, putting pressure on land for agriculture, industry and housing. Illiteracy is high at 38%. The Government of El Salvador (GOES), with the assistance of the United States, is attempting to establish a productive democracy which respects human rights, establishes a fair judicial system and provides equitable access to education, health care, housing and employment opportunity.

Over the past decade, civil war, economic depression, and, most recently, a massive earthquake have battered the economic and social fabric of El Salvador. A global recession in 1980 sharply reduced international prices of primary agricultural products and dampened demand for Salvadoran manufactured exports. These adverse factors combined to produce a fall in gross domestic product (GDP) of 22% between 1978 and 1982 and an overall decline in exports of 38% between 1979 and 1982. Employment and underemployment rose to an estimated 40% nationwide.

The cost of the prolonged war and the repair of vital infrastructure damaged by guerrilla sabotage continues to drain the GOES budget. The share of the national budget available for basic human needs for the maintenance of social services has dwindled.

Recently, the economy has begun to stabilize. Real GDP has risen between one and two percent annually since 1983. In 1987, inflation declined to an estimated 26%, down from 32% the previous year; the open unemployment rate has declined to an estimated 10%-15%. But the short-term economic forecast is still not bright. In 1987, real per capita GDP was only 70% of the 1978 level. Export earnings fell 23% from 1986, largely because of a decline in coffee revenues, which account for 60% of exports. Underemployment is high, while real wages are half their 1979 level. Finally, the October 1986 earthquake caused damages estimated at more than $1 billion, dealing a serious blow to an already battered economy.

Without realistic economic policies to enhance production, investment, and employment, substantial economic and social progress will not be possible in El Salvador. A.I.D. continues to press the GOES to enact policies that promote a productive economy, based on better dialogue between the public and private sectors. Compliance with a comprehensive and practical economic program is critical if El Salvador's economic deterioration is to be reversed. To stimulate the economy, the GOES must move quickly to implement the earthquake reconstruction program, increase production of traditional exports, develop new exports, and improve overall agricultural productivity.

Without peace and more coherent economic policies, El Salvador will continue to be heavily reliant on U.S. economic assistance. If a peace settlement is reached, El Salvador would be unable to finance post-war reconstruction. For the foreseeable future, the United States must therefore continue to provide significant levels of economic assistance to El Salvador. For its part, the GOES must adopt sensible economic policies and seek assistance from other donors. The GOES must also reach out to all political parties in the search for an equitable judicial system. The Salvadoran military must continue to respect the constitutionally elected government and renew its pledge to protect basic human rights.

A.I.D. Development Strategy and Accomplishments to Date

A.I.D.'s program in El Salvador seeks to: (1) stabilize a deteriorating economy and fragile social and political situation; (2) facilitate structural adjustments for economic recovery and growth; (3) broaden the sharing in the benefits of growth; and (4) strengthen those institutions which underpin the democratic process.

This strategy assumes that the current decline in civil strife will continue, and that with hostilities under control, the situation will permit a shift in A.I.D.'s program from short-term measures to support a fragile democracy under siege, to activities that promote social reconstruction and sustainable economic growth.

1. Economic and Social Stabilization

This goal is the focal point of A.I.D.'s short-term strategy. With various Economic Support Fund (ESF) projects, cash transfers, policy dialogue, and local currency program activities, A.I.D. is trying to prevent economic deterioration and establish the conditions necessary for long-term growth.

Balance of Payments. In 1986, El Salvador registered a trade deficit of $222 million, and in 1987 an estimated trade deficit of $261 million, due mainly to a fall in the price of coffee, El Salvador's principal export. Since 1985, A.I.D. has provided balance-of-payments assistance totaling $494 million to shore up the deteriorating economic situation.

A policy dialogue with the Government of El Salvador (GOES) is an integral part of the ESF cash transfer program. The dialogue agenda is constructed to bring about structural adjustments in the economy and to lay the groundwork for growth. The policy agenda for the FY 1986 program included a unified exchange rate, reduction of the fiscal deficit, control of liquidity, and an income tax policy that more equitably distributes the burden of adjustment. The FY 1987 policy agenda emphasized a monetary program to control inflation, a more flexible exchange rate regime, trade liberalization, containment and reduction of public spending, and an increase in utility rates.

Policy dialogue, supported by balance-of-payments assistance, will play an important role in FY 1988 and FY 1989. As the war hopefully winds down and conditions improve, A.I.D. will try in policy negotiations to encourage the GOES to put in place those structural adjustments most important for long-term growth.

Restoration of Public Services. ESF resources assist the GOES to keep vital infrastructure and services operating in the wake of repeated guerrilla attacks. Beginning in FY 1982, the Public Services Restoration project (519-0279) has assisted a variety of GOES agencies. It has helped the Ministry of Public Works repair 95 bridges, build 35 temporary bridges, and enabled the National Electricity Authority (CEL) to carry out 2,402 repair missions. Helicopter services and in-country stocks of key spare parts and components financed under the project have reduced repair time dramatically.

In FY 1988, A.I.D. will add $22.8 million to continue restoration efforts. In FY 1989, A.I.D. plans to initiate a new Public Services Restoration and Rehabilitation project to finance repairs and some replacement of permanent infrastructure necessary for longer-term economic growth.

Displaced Persons. Since the beginning of hostilities in 1980, A.I.D. has provided food, temporary employment, basic health services and shelter to the displaced population. The Health and Jobs for Displaced Families project (519-0281) and P.L. 480 resources have financed about 14,000 temporary jobs per month and have provided daily food rations for approximately 200,000 persons. This program, though continuing through FY 1988, will shift away from long-term assistance and toward emphasizing the reintegration of the displaced into society. A local-currency funded project will follow in FY 1989 to help integrate gradually the remaining displaced individuals into the existing social service system.

Evaluations indicate that while some displaced persons have developed a "dole" mentality and do not want to return home, the majority of displaced interviewed vow they will return when security permits. Some 10,000 families have already returned and, A.I.D. is assisting these "returnees" make the transition and reactivate their livelihood with agricultural starter kits, temporary employment opportunities and local currency-funded small public works projects. After seven years, some displaced persons, especially the elderly, handicapped and orphans, may never be able to return to their home areas. A.I.D. is attempting to devolve appropriate responsibility to the GOES for the care of the displaced population. As this transition takes place, A.I.D. will take the necessary steps to ensure that there is a "safety net" of health, nutrition and employment services for the truly indigent.

National Plan. By 1983, it became clear that military efforts alone would not win the war. The GOES developed a National Plan to restore and strengthen civil authority in guerrilla-affected areas, calling for military action to remove insurgents, followed by GOES civilian initiatives to restore essential services and carry out small public works reactivation projects. Using ESF-generated local currency, A.I.D. continues to assist GOES efforts to re-establish civilian government services, implement projects and train local officials in basic planning techniques.

In 1986, the National Plan authorities adopted the theme "United to Reconstruct" (UPR) in an effort to direct resources to fourteen former conflict zones where security had improved and people were returning home. This direct infusion of funds into former conflict zone communities has stimulated an upsurge in development and employment activity. The

"Municipalities in Action" program is a key element. Under this National Plan program, municipal leaders are responsible for the design and implementation of local projects. In FY 1987, the bulk of $10.2 million in local currency funding was for quick-impact emergency and restoration projects in these National Plan/UPR zones. Evaluations attest to the impact of this program, and ongoing audits confirm that there is strict accountability of local currency resources. In 1988, "Municipalities in Action" will account for almost all National Plan projects, and local currency funding will expand to $18 million. A.I.D. anticipates programming a similar amount in FY 1989.

Earthquake Recovery. On October 10, 1986, an earthquake devastated the capital of San Salvador, leaving an estimated 1,000 persons dead, 300,000 homeless and more than $1 billion in damage. The ESF-financed $50 million Earthquake Recovery project (519-0331), initiated shortly after the quake in early FY 1987, has provided loans through the Salvadoran banking system to more than 6,500 families to rebuild their homes, and to 2,500 small businessmen to re-establish their firms. This project has furnished 34,000 families with building materials to erect temporary quarters and has assisted 1,000 families to relocate. At the outset, 115,000 cubic meters of rubble were removed from the city, a process which generated approximately 900,000 person-days of work and allowed San Salvador to "re-open" in relatively short order. The project constructed 700 school classrooms, temporary hospital facilities, operating rooms, clinics, markets and warehouses. The project also completed more than 50 temporary office buildings for GOES government agencies and funded more than 100 small public works restoration projects in and around San Salvador. The GOES and A.I.D. are now beginning a longer-term reconstruction program, to which A.I.D. has pledged $75 million from FY 1987 supplemental resources and intends to add $25 million from the FY 1988 budget. A funding gap to complete essential reconstruction remains.

A.I.D. is helping the GOES attract other donors to participate in the earthquake reconstruction effort. Other donors have committed approximately $250 million to date.

2. Economic Growth and Recovery

A.I.D. pursues its second goal of accelerating economic growth and diversifying production through policy dialogue combined with an ESF balance-of-payments program, projects funded by Development Assistance (DA), and local currency. These resources finance key activities such as private sector development, industrial recovery, and increased agricultural diversification and productivity.

Policy Dialogue. A.I.D. uses policy dialogue in close association with the ESF cash transfer program to bring about adjustments in the Salvadoran economy. A.I.D. supports a short-term monetary program designed to reduce inflation by 5-7 percentage points while fostering annual GDP growth of at least 1% to 2%. In the short term, the policy dialogue focuses on economic stabilization. To achieve these targets, A.I.D. is urging the GOES to reduce public spending, increase credit to the private sector, and carry out structural adjustments needed to sustain economic growth. For example, A.I.D. believes that the Government should pass an investment law, expand

the existing mini-parallel foreign exchange market, complete the implementing regulations for the Export Law, and reduce price subsidies for agricultural commodities such as coffee.

As the focus of the A.I.D. program in El Salvador shifts from stabilization to reconstruction and long-term growth, the policy dialogue will undergo a similar transition. The monetary program will continue. But at the macro-economic level, A.I.D. will encourage the GOES to continue reducing the public sector deficit, undertake a review of the interest rate regime, and channel more credit to the productive sectors. At the sectoral level, A.I.D. will pursue policy changes such as eliminating commodity subsidies and privatizing state-owned enterprises.

Private Sector Support and Industrial Recovery. In assisting the private sector, A.I.D. stresses investment in nontraditional exports in agriculture and industry to countries outside the Central American Common Market (CACM). Since 1984, A.I.D. has supported the growth of nontraditional agricultural exports through technical and credit assistance to producers, associations of producers, and institutions promoting exports. Local currencies that accrued from the FY 1986 balance-of-payments program (519-0328) fund a $45 million Eastern Zone reactivation program, which emphasizes private sector productive investment. The FY 1986 (519-0328) and FY 1987 (519-0348) balance-of-payments (BOP) programs provided the equivalent of $43 million to initiate credit lines to the private sector. The Industrialization and Recovery project (519-0287) has generated more than $14.9 million in foreign exchange earnings and has created nearly 5,000 jobs.

In FY 1987, substantial assistance was also provided to micro-enterprises. A total of $15 million in production credit was disbursed, and management training and technical assistance was provided to 11,000 entrepreneurs.

The FY 1988 Industrial Parks and Infrastructure project (519-0323) will promote international trade and is expected to create a significant number of jobs. The Privatization project (519-0350), scheduled for FY 1989 initiation, will assist the GOES in divesting selected state holdings which can be managed more efficiently through the private sector. Two new projects are planned to expand A.I.D.'s efforts to stimulate economic growth through the private sector.

In late 1987, A.I.D. completed a management audit of the Salvadoran Foundation for Economic and Social Development (FUSADES), which is responsible for implementation of several A.I.D.-funded private sector activities. The audit confirms that sound management systems and financial controls are in place within FUSADES. A broader evaluation of FUSADES' activities will be conducted in 1988. Apart from FUSADES, and private sector associations assisted through it, A.I.D. also provides support to Junior Achievement of El Salvador, a program giving high school students direct exposure to the free enterprise system.

Agricultural Recovery. In addition to helping the Salvadoran government complete its agrarian reform, including titling, compensation, definition of beneficiary rights and improved management of reform cooperatives, A.I.D. is giving increasing emphasis to crop diversification and

nontraditional exports, calling for substantial agribusiness development and upgrading of agriculture technology. Long-term objectives are an annual growth rate of 4% in the real value of agricultural products, and 15% in annual growth in the production of nontraditional exports.

In FY 1986 A.I.D. initiated the Water Management project (519-0303), which funds on-farm infrastructure to produce high-value, nontraditional export crops such as fruits, vegetables, and shrimp. A new project, Agribusiness Development (519-0327), obligated late in FY 1987, provides funding for producers and businessmen to engage in processing and export marketing of nontraditional commodities. A third initiative, Agriculture Technology Transfer (519-0335), scheduled for start-up in FY 1988, will match producers and buyers and will provide proven agricultural technology, inputs and credit to growers, including Phase I agrarian reform cooperatives.

3. Broadening the Benefits of Growth

In line with the recommendations of the National Bipartisan Commission for Central America, A.I.D. supports such basic human needs in El Salvador as the agrarian reform, low-income housing, health and family planning services, potable water, primary and vocational education.

Agrarian reform has been the centerpiece of the agricultural program since the early 1980s, and many objectives have been achieved. Through the Agrarian Reform Sector Support project (519-0265), the Salvadoran Institute for Agrarian Transformation (ISTA) has compensated nearly all former Phase I landowners. ISTA has awarded land titles to approximately 300 cooperative groups. Under the Phase III "land-to-the-tiller" program, the National Office for Agricultural Finance (FINATA) is concluding the complicated task of transferring some 51,000 land titles to former renters and sharecroppers. As a complement to these titling and compensation activities, the Agrarian Reform Credit projects (519-0263 and 519-0307) have channeled almost $100 million in production loans to land reform beneficiaries and other small farmers. Production yields on Phase III farms now exceed pre-reform levels.

With the completion of the Agrarian Reform Sector Support and Agrarian Reform Credit projects in FY 1988, A.I.D.'s focus will shift to land distribution through a local currency-financed, private "land bank" activity and through policy dialogue. A.I.D. will emphasize diversification, increased productivity, and participation by agrarian reform beneficiaries in a new agricultural growth strategy, which places more emphasis on commercial activity with private sector investors. A.I.D. also urges the GOES to adopt legislation granting individual ownership by reform cooperative members.

Community and Housing Development. A.I.D.'s primary concern in the housing sector is post-earthquake shelter, and it has channeled $30 million from the Earthquake Recovery project (519-0331) into credit lines for temporary shelter, housing repair, relocation and reconstruction. This has benefited 225,000 people. The Earthquake Reconstruction project (519-0333) will provide an additional $37 million to finance permanent repairs and new

housing for 60,000 earthquake victims. A.I.D. is also funding a modest local currency effort to provide shelter to the poor and is encouraging the participation of other donors in similar activities.

Health. A.I.D. has assisted the GOES to maintain primary and secondary health services in the face of a prolonged economic slump and guerrilla destruction. Since 1983, the Health Systems Revitalization project (519-0291) has assisted the Ministry of Health by supplying pharmaceuticals and essential medical equipment and supplies. The Health and Jobs for the Displaced Persons project (519-0281) has furnished basic health care for displaced individuals. A.I.D. is also providing medical care and artificial limbs to civilian amputee victims of the war and is strengthening local institutional capacity to provide rehabilitative services.

The curative clinic-based emphasis of A.I.D.'s health program will continue through FY 1989, but A.I.D. has begun to lay the basis for more primary health care programs, particularly through assistance to the national immunization program and other child survival interventions such as health education and promotion of breast feeding.

Family Planning. A.I.D.'s objective in family planning is to increase access to voluntary family planning services. To achieve this objective, A.I.D. supports private and public institutions in a complementary fashion in both the rural and urban areas. Since 1983, this approach has enjoyed considerable success. According to A.I.D. evaluations, the Salvadoran Demographic Association project (519-0275) has achieved over 90,000 couple years of protection. In the public sector, A.I.D. assistance under the Population Dynamics project (519-0210) increased the number of participating couples from 320,000 in 1985 to 355,000 in 1987.

According to the results of a 1985 survey, an estimated 47% of Salvadoran married couples of reproductive age were using contraception -- an increase of 13 percentage points since 1978. There is a strong demand in El Salvador for voluntary female surgical contraception: survey results showed that 32% of the married women of reproductive age have chosen this method. Other popular contraceptive methods are oral contraceptives and interuterine devices. Survey results also show a reduction in the total fertility rate, an important fertility measure, to 4.40, a decline of about two children per woman during the last 15 years.

Scholarships. The Central American Peace Scholarships (CAPS) program (519-0337) exposes potential Salvadoran leaders to U.S. institutions and democratic values, thus increasing educational opportunities for disadvantaged groups while countering the Soviet bloc's investment in scholarships in the region. Between 1985 and 1989, 2,400 Salvadorans will receive training in the United States under CAPS. In FY 1987, more than 200 students began their training. A.I.D. has budgeted $5.5 million and $7 million, respectively, in FY 1988 and FY 1989 for CAPS. In addition, A.I.D. funds project-related participant training in the United States and third countries. In FY 1987, 200 participants benefitted.

Education. A.I.D. seeks to restore and improve access to primary education in El Salvador. Under the Education Systems Revitalization project (519-0295), the Ministry of Education has constructed and rehabilitated

over 600 rural classrooms benefitting 48,000 primary school students. The project also funds desks, bookcases and other essential furniture, preventive maintenance training for 900 school communities, and provision of school maintenance equipment to eight Ministry of Education regional offices. In addition to expanding access, A.I.D. is now beginning to emphasize the quality of education, especially vocational instruction related to the country's exports promotion program. This was first addressed in 1987 with the Training for Productivity and Competitiveness project (519-0315), which funds training for workers and managers of private firms engaged in export. In the longer term, A.I.D. will expand technical and vocational training at both the secondary and post-secondary levels.

4. Strengthening Democratic Institutions

A.I.D. is strengthening El Salvador's democratic institutions in two ways. First it is improving the capability and effectiveness of public bodies at the core of the system --the electoral commission, courts, legislative assembly and local government; second, A.I.D. is encouraging the involvement of the populace in elections, the democratic labor movement, and in local government and community development.

Judicial Reform. Under the Judicial Reform project (519-0296), A.I.D. assists the GOES improve the administrative, technical, and legal performance of its criminal justice system. The Revisory Commission for Salvadoran Legislation is a major component. Since its inception in 1985, the Commission has completed studies of the Salvadoran penal and civil codes and submitted draft legislation to the National Assembly proposing major changes in the rules of evidence and criminal investigation, court administration and amnesty, a National Council on the Judiciary and career status for judges. A.I.D.'s project also established a Special Investigative Unit and a Forensic Unit. In FY 1988, A.I.D. will increase funding to expand these activities.

An October 1987 assessment of the Salvadoran courts system by the Center for Administration of Justice at Florida International University, will be a useful guide for A.I.D. in FY 1988 and FY 1989 in this vital area.

Election Support. A.I.D. contributed to the success of the 1984 and 1985 elections by developing an electoral registry system and arranging for international observers to monitor the election process. The GOES has refined and updated the registry and has distributed laminated voter cards for the 1988 legislative and 1989 presidential elections. The GOES has incorporated financing for the Central Elections Commission into the national budget. However, A.I.D. may fund short-term assistance, if required, including an election observers program.

Democratic Labor Organizations. The American Institute for Free Labor Development (AIFLD) project (519-0321) has helped develop farm worker organizations and support their role in agrarian reform. Under a new cooperative agreement with A.I.D., AIFLD also provides support to

democratic urban trade unions. AIFLD assistance to the labor movement will continue throughout the Central American Initiative stretch-out period, i.e., through 1992.

Local Government Strengthening. Through the National Plan and the CAPS programs, mayors and other municipal leaders have received training to better manage their municipalities. This training will be expanded. A.I.D. and the GOES will also increase local currency allocations to the municipalities through the National Plan's "Municipalities in Action" program for small productive infrastructure projects. A.I.D. will fund the training of new staff of the Municipal Development Institute and will continue its support to similar groups. After the 1989 elections, if the GOES commits itself to strong decentralized local government administration, A.I.D. will seriously consider participation in a long-term municipal development project.

Section 709 of the International Security and Development Cooperation Act of 1985 requires that A.I.D. submit to the Congress special comprehensive reports on assistance provided to Latin America and the Caribbean. The following information on FY 1987 assistance to El Salvador partially fulfills that requirement.

A. Training. A.I.D. provided training in 1987 for 568 participants from El Salvador in: agriculture (135); education (10); health (27); public sector restoration (9); judicial reform (53); private sector development (11); economic development (92); management and administration (123); industrial arts and trades (74); and communications and social sciences (34).

B. The types of goods associated in FY 1987 to the ESF cash transfers by A.I.D. to El Salvador are estimated as follows:

Type of goods	($ million)
Raw materials	$10.5
Intermediate goods	11.3
Capital goods	3.7
Spare parts	3.5
Agricultural inputs	1.5
Petroleum	46.5
On hand in separate account (as of 9/30/87)	70.0
Total	$147.0

Note: FY 1987 cash transfer disbursements totalled $147 million, of which $47 million constituted prior-year obligations. A total of $90 million in funds obligated in FY 1987 was disbursed in early FY 1988. The on-hand amount was not disbursed until September 1987 and was available in separate accounts at the close of FY 1987.

C. Local Currency. In FY 1987, A.I.D. and the Salvadoran Government allocated local currency associated with A.I.D. assistance as shown below: ($18.2 million - $10.6 million from ESF and $7.6 million from P.L. 480 Title I was available for allocation at the beginning of FY 1987, and $196.1 million was added during FY 1987).

	($ million)
Agricultural recovery	6.6
Agrarian reform	25.0
Education, health and family planning	15.8
Displaced persons	2.2
Housing	3.6
Democratic initiatives	1.6
Private sector credit lines and industrial recovery	61.6
Public services restoration	14.1
National Plan (restoration and combined civic action projects)	10.2
Other donors' counterpart	15.8
Ordinary budget support	21.1
Other (advance working capital/reserve funds)	31.7
Trust Fund: GOES-A.I.D.	5.0
TOTAL	$214.3

D. Reprogramming during FY 1987 resulted in these functional account changes: (Estimated FY 1987 obligations are those shown in the FY 1988 Congressional Presentation document)

($000)	TOTAL	ARDN	PN	HE	CS	ERH	SDA	IDA**	ESF
-Estimated FY 1987 Obligations	327,646	33,371	1,286	12,166	3,932	13,452	11,250	15,442	236,747
-Actual FY 87 Obligations	415,709	40,345	1,286	12,166	3,932	13,452	11,250	52,978	281,497*

* A supplemental appropriation increased ESF by $129.75 million.
** IDA (International Disaster Assistance)

E. Funds and programs provided to El Salvador in FY 1987 through nongovernmental as contrasted to governmental channels were as follows:

	Nongovernmental	Government of El Salvador*
	($ million)	
DA	30.7 (37.3%)	51.7 (62.7%)
ESF	30.9 (9.9%)	279.4 (90.1%)
PL 480 Title I	-0-	38.0 (100%)
PL 480 Title II	4.8 (44.5%)	6.0 (55.2%)
Section 416	-0-	4.1 (100%)
IDA	37.8 (71.3%)	15.2 (28.7%)
TOTAL	104.2 (20.9%)	394.4 (79.1%)

*Total includes $110,088,400 for private sector credit; $1,500,000 for assistance channeled through PVOs; approximately $4,375,000 in Program

Development and Support funds; and $300,000 for housing supplies procured from the private sector. Also includes $53,000,000 in earthquake International Disaster Assistance funds and $187,000,000 in balance-of-payments support for import by the private sector of raw materials, intermediate goods, capital goods, spare parts and agricultural inputs. (Of this amount, $30,000,000 was not disbursed as of September 30, 1987. See note to paragraph D above.) Thus, while ESF, P.L. 480 Title I and Section 416 are provided mainly through government channels, the private sector is the major beneficiary.

FY 1989 Program

For the FY 1989 program in El Salvador, A.I.D. requests $185 million in Economic Support Funds (ESF), $67.7 million in Development Assistance (DA), and $39.771 million in P.L. 480 resources.

Economic Stabilization

In FY 1989, $146 million is requested for the Balance-of-Payments Support project (519-0348) to fill an external financing gap and to allow the Salvadoran Government to finance private sector import of essential commodities, spare parts and petroleum products necessary to maintain agricultural and industrial production, and in turn national employment and income levels. ESF cash transfers will be kept in a separate dollar account by the Central Reserve Bank and will finance only eligible imports. This assistance, and the requisite policy dialogue agenda, will buttress adjustments to the Salvadoran Economic Program introduced in 1986 which emphasizes a realistic exchange rate, increases in utility rates and balanced fiscal accounts in the public sector.

Local currencies generated under the balance-of-payments and P.L. 480 Title I programs will support a wide range of GOES social sector, agriculture, private sector and restoration activities consistent with the intent of the Congress. A portion of these local currencies will also be used to defray A.I.D. administrative costs in El Salvador and augment other donor assistance.

Economic Recovery and Growth

Economic Support Funds ESF assistance of $10 million will fund the new Public Services Restoration and Rehabilitation project (519-0320) which will allow the GOES to continue repairs to vital economic infrastructure damaged by the guerrillas and to begin to replace some infrastructure (roads and bridges) no longer repairable. To expand Salvadoran industrial export capacity, an additional $14.0 million will be added to the Industrial Parks and Infrastructure project (519-0323). The Technical Support and Policy Analysis project (519-0349) will be funded with $ 5 million to assist the GOES devise workable approaches to economic recovery and growth.

Agriculture, Rural Development and Nutrition - $2.25 million will be added to the ongoing Agribusiness Development project (519-0327).

Health - To fund an expanded potable water and environmental sanitation program, A.I.D. intends to obligate $10 million under the Public Services and Restoration project (519-0320).

Selected Development Activities - $1.5 million is requested for the new Privatization project (519-0350) to fund studies and technical assistance leading to divestiture by the GOES of selected state holdings, and $14 million for the ongoing Industrial Parks and Infrastructure project (519-0323).

Wider Sharing of the Benefits of Growth

Economic Support Funds - $ 7 million will be used to support El Salvador's participation in the Central America Peace Scholarship program.

Agriculture, Rural Development and Nutrition - The ongoing Agrarian Reform Financing (519-0307) project will require $7.7 million to continue funding of production credit for reform beneficiaries, and $5 million is requested for the upcoming FY 1988 Agricultural Technology Transfer project (519-0335) which will match overseas buyers of agricultural products, with proven technology, and Salvadoran producers. A.I.D. also requests $4.2 million to fund PVO activities in the agriculture sector.

Health and Child Survival - $5.352 million is requested for the ongoing Health Systems Support project (519-0308) which allows the Ministry of Health to stock critical drugs and supplies nationwide and expand primary health care services. A.I.D. also expects to utilize $1.1 million for child survival activities administered by PVO's.

Education and Human Resources - $.501 million is requested to complete funding of the Education Systems Revitalization project (519-0295) and $6.359 million for the Training for Productivity and Competitiveness project (519-0315) to expand vocational and technical training in the skills needed in export industry.

Selected Development Activities - $3.35 million is requested for the Private Sector Initiatives project (519-0336), $1.0 million for PVO activities and $3 million to initiate the Small Business Assistance project (519-0318) which will provide technical assistance, training and production credit to small entrepreneurs through a Salvadoran private foundation, PROPEMI.

Strengthening Democratic Institutions and Human Rights

Economic Support Funds - $2 million is requested to fund ongoing activities under the Judicial Reform project (519-0296), including the Revisory Commission, the Commission on Investigations and improvements in the management of the Salvadoran courts system. A.I.D. also requests $1 million to strengthen the electoral process under project 519-0999. A.I.D. regional programs and local currency will finance other ongoing legislative and judicial reform activities in El Salvador.

A total of $3.048 million is requested in DA program development and support funds to finance various project evaluations, the design of four new projects, sector analyses and other studies required to identify and define constraints to development in El Salvador.

Mission Director: Henry Bassford

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: EL SALVADOR

CP 89

PROJECT NO. / PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHO	PLANNED	-THROUGH FY 86- OBLIGATIONS	EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	EXPENDITURES
519-0000 PROGRAM DEVELOPMENT AND SUPPORT													
	EH G	74	C	---	---	1,909	1,115	1,150	476	100	1,500	500	500
	ES G	74	C	---	---	---	---	1,000	558	---	400	---	42
	FN G	74	C	---	---	2,150	1,944	550	297	750	1,200	579	500
	HE G	74	C	---	---	2,252	1,460	374	608	300	800	518	500
	PN G	74	C	---	---	474	416	200	75	200	256	500	600
	SD G	74	C	---	---	6,236	3,760	2,047	1,827	500	2,000	951	2,000
PROJECT TOTAL:				---	---	13,021	8,695	5,321	3,841	1,850	6,156	3,048	4,142
519-0094 SPECIAL DEVELOPMENT ACTIVITIES													
	SD G	70	C	---	---	1,752	1,422	349	321	350	500	350	500
PROJECT TOTAL:				---	---	1,752	1,422	349	321	350	500	350	500
519-0184 SMALL FARM IRRIGATION SYSTEMS													
	FN L	78	78	2,300	2,300	2,300	1,808	---	68	---	168	---	256
PROJECT TOTAL:				2,300	2,300	2,300	1,808	---	68	---	168	---	256
519-0210 POPULATION DYNAMICS													
	PN G	86	88	10,000	10,000	8,098	25	1,036	1,932	816	3,000	---	3,000
PROJECT TOTAL:				10,000	10,000	8,098	25	1,036	1,932	816	3,000	---	3,000
519-0229 SMALL PRODUCER DEVELOPMENT													
	ES G	80	85	9,000	9,000	9,000	5,078	---	---	---	1,144	---	2,778
	FN G	80	85	750	750	750	582	---	---	---	---	---	168
	FN L	80	85	7,000	7,000	7,000	5,446	---	---	---	1,474	---	80
PROJECT TOTAL:				16,750	16,750	16,750	11,106	---	---	---	2,618	---	3,026
519-0260 REFORM AND POLICY PLANNING													
	SD G	80	87	7,755	7,755	6,852	2,512	903	1,640	---	3,493	---	---
PROJECT TOTAL:				7,755	7,755	6,852	2,512	903	1,640	---	3,493	---	---
519-0262 AGRARIAN REFORM ORGANIZATION													
	FN L	80	83	11,750	11,384	11,384	10,754	---	---	---	630	---	---
PROJECT TOTAL:				11,750	11,384	11,384	10,754	---	---	---	630	---	---
519-0263 AGRARIAN REFORM CREDIT													
	FN G	80	85	4,325	4,325	4,325	2,688	---	1,278	---	359	---	---
	FN L	80	85	31,500	81,500	81,500	73,096	---	8,071	---	333	---	---

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1987 are based on the authorized date.
For all projects with an initial obligation date after December 31, 1987 the FY of final obligation is based on a planned date.

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: EL SALVADOR

CP 89

PROJECT NO. / PROJECT TITLE	*	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHO	PLANNED	-THROUGH FY 86- OBLIGATIONS	EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	EXPENDITURES
PROJECT TOTAL:					85,825	85,825	85,825	75,784	---	9,349	---	692	---	---
519-0265 AGRARIAN REFORM SECTOR SUPPORT														
	FN	G	83	87	16,011	16,011	10,200	4,720	5,811	3,551	---	1,189	---	---
	FN	L	83	87	30,000	30,000	30,000	19,304	---	9,668	---	1,028	---	---
PROJECT TOTAL:					46,011	46,011	40,200	24,024	5,811	13,219	---	2,217	---	---
519-0275 SALVADORAN DEMOGRAPHIC ASSOCIATION -OPG														
	PN	G	83	86	8,073	8,073	8,073	3,660	---	1,118	---	2,000	---	1,000
PROJECT TOTAL:					8,073	8,073	8,073	3,660	---	1,118	---	2,000	---	1,000
519-0279 PUBLIC SERVICE RESTORATION														
	ES	G	82	88	75,600	86,600	64,600	31,372	11,000	22,292	11,000	23,800	---	9,136
	ES	L	82	88	13,400	13,400	13,400	13,110	---	---	---	290	---	---
	HE	G	82	88	4,000	4,000	---	---	---	---	4,000	400	---	1,000
PROJECT TOTAL:					93,000	104,000	78,000	44,482	11,000	22,292	15,000	24,490	---	10,136
519-0281 HEALTH/JOBS FOR DISPLACED FAMILIES														
	ES	G	83	88	26,045	26,045	23,545	8,960	2,500	3,473	---	13,414	---	198
	FN	G	83	88	895	895	---	---	---	---	895	895	---	---
	HE	G	83	88	4,025	4,025	4,025	828	---	255	---	410	---	2,532
	SD	G	83	88	30,105	26,310	24,085	9,348	2,225	3,332	---	6,400	---	540
PROJECT TOTAL:					61,070	57,275	51,655	19,136	4,725	7,060	895	21,119	---	3,270
519-0286 RURAL SMALL ENTERPRISE DEVELOPMENT-OPG														
	FN	G	82	85	3,250	3,250	3,250	2,350	---	163	---	737	---	---
PROJECT TOTAL:					3,250	3,250	3,250	2,350	---	163	---	737	---	---
519-0287 IND STABILIZATION/RECOVERY														
	ES	G	84	87	29,460	29,460	16,460	5,156	13,000	2,804	---	9,500	---	10,000
PROJECT TOTAL:					29,460	29,460	16,460	5,156	13,000	2,804	---	9,500	---	10,000
519-0291 HEALTH SYSTEMS VITALIZATION														
	HE	G	83	85	12,225	12,225	12,225	3,960	---	4,854	---	3,411	---	---
	HE	L	83	85	23,400	23,380	23,380	16,041	---	3,196	---	4,143	---	---
PROJECT TOTAL:					35,625	35,605	35,605	20,001	---	8,050	---	7,554	---	---
519-0295 EDUCATIONAL SYSTEMS REVITALIZATION														

*Refers to the planned project summary sheet

[C]Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1987 are based on the authorized date.
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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: EL SALVADOR

CP 89

PROJECT NO. / PROJECT TITLE	L / *	G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHO	-LIFE OF PROJECT- PLANNED	-THROUGH FY 86- OBLIGATIONS	-THROUGH FY 86- EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	-ACTUAL FY 87- EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	-ESTIMATED FY 88- EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	-PROPOSED FY 89- EXPENDITURES
	EH	G	85	89	35,040	35,040	23,925	2,008	3,689	4,627	6,925	5,000	501	15,000
	ES	G	85	89	2,560	2,560	---	---	2,560	---	---	2,560	---	---
	PROJECT TOTAL:				37,600	37,600	23,925	2,008	6,249	4,627	6,925	7,560	501	15,000
519-0296	JUDICIAL REFORM													
	ES	G	84	85	12,234	12,234	9,234	1,171	---	1,730	1,000	4,000	2,000	5,000
	PROJECT TOTAL:				12,234	12,234	9,234	1,171	---	1,730	1,000	4,000	2,000	5,000
519-0300	SAVE THE CHILDREN - OPG													
	CS	G	85	83	932	1,812	---	---	932	---	880	400	---	757
	FN	G	85	89	1,900	1,900	1,900	331	---	516	---	234	---	819
	HE	G	85	88	593	368	---	---	368	13	---	355	---	---
	PROJECT TOTAL:				3,425	4,020	1,900	331	1,300	529	880	989	---	1,576
519-0302	INT. EX. SERVICE CORP., OPG													
	SD	G	85	85	500	500	500	180	---	168	---	152	---	---
	PROJECT TOTAL:				500	500	500	180	---	168	---	152	---	---
519-0303	WATER MANAGEMENT													
	ES	G	85	83	2,724	2,724	---	---	2,724	---	---	2,724	---	---
	FN	G	85	83	16,020	16,020	11,720	226	4,300	1,010	---	13,000	---	1,784
	PROJECT TOTAL:				18,744	18,744	11,720	226	7,024	1,010	---	15,724	---	1,784
519-0304	URBAN SMALL BUSINESS , OPG													
	SD	G	85	86	3,000	3,000	2,000	227	1,000	588	---	2,098	---	87
	PROJECT TOTAL:				3,000	3,000	2,000	227	1,000	588	---	2,098	---	87
519-0307	AGRARIAN REFORM SECTOR FINANCING													
	FN	G	86	89	50,000	50,000	6,500	---	23,684	4,282	10,080	25,000	7,700	9,682
	PROJECT TOTAL:				50,000	50,000	6,500	---	23,684	4,282	10,080	25,000	7,700	9,682
519-0308	HEALTH SYSTEMS SUPPORT													
	CS	G	86	90	3,000	3,000	---	---	3,000	---	---	2,000	---	1,000
	ES	G	86	90	1,500	1,500	---	---	1,500	---	---	1,500	---	---
	HE	G	86	90	48,000	48,000	14,900	---	9,424	105	11,824	9,814	5,352	10,000
	PROJECT TOTAL:				52,500	52,500	14,900	---	13,924	105	11,824	13,314	5,352	11,000
519-0311	YOUTH ENTREPRENEUR DEVELOP OPG													

*Refers to the planned project summary sheet

CLevel of effort activity

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: EL SALVADOR

CP 89

PROJECT NO. / PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHO	-LIFE OF PROJECT- PLANNED	-THROUGH FY 86- OBLIGATIONS	-THROUGH FY 86- EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	-ACTUAL FY 87- EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	-ESTIMATED FY 88- EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	-PROPOSED FY 89- EXPENDITURES
	EH G	85	87	3,000	3,000	---	---	3,000	371	---	1,479	---	1,150
	SD G	85	87	650	650	650	108	---	285	---	257	---	---
	PROJECT TOTAL:			3,650	3,650	650	108	3,000	656	---	1,736	---	1,150
519-0312	NEW TECHNOSERVE OPG												
	EN G	86	88	3,870	3,870	1,050	---	1,500	1,469	1,320	2,049	---	352
	PROJECT TOTAL:			3,870	3,870	1,050	---	1,500	1,469	1,320	2,049	---	352
519-0315	TRG FOR PRODUCTIVENESS AND COMPETITIVENE												
	EH G	87	89	10,000	10,000	---	---	2,000	---	---	1,500	6,359	5,000
	ES G	87	89	4,000	4,000	---	---	4,000	---	---	1,500	---	1,500
	PROJECT TOTAL:			14,000	14,000	---	---	6,000	---	---	3,000	6,359	6,500
519-0316	FUSADES ASSOC. STRENGTHENING												
	EH G	85	87	415	415	415	---	---	415	---	---	---	---
	SD G	85	87	1,490	1,490	390	95	1,100	159	---	1,236	---	---
	PROJECT TOTAL:			1,905	1,905	805	95	1,100	574	---	1,236	---	---
519-0318	*SMALL BUSINESS ASSISTANCE												
	SD G	89	91	---	10,000	---	---	---	---	---	---	3,000	3,000
	PROJECT TOTAL:			---	10,000	---	---	---	---	---	---	3,000	3,000
519-0320	*PUBLIC SERVICES RESTORATION/REHABILITATI												
	ES G	89	90	---	47,000	---	---	---	---	---	---	10,000	10,000
	EN G	89	90	---	8,000	---	---	---	---	---	---	8,000	7,000
	HE G	89	90	---	10,000	---	---	---	---	---	---	10,000	500
	PROJECT TOTAL:			---	65,000	---	---	---	---	---	---	28,000	17,500
519-0321	AIFLD - OPG												
	EN G	86	90	5,850	5,850	---	---	1,350	---	2,900	3,729	---	550
	SD G	86	90	2,500	6,800	2,500	---	650	193	---	1,500	---	1,457
	PROJECT TOTAL:			8,350	12,650	2,500	---	2,500	193	2,900	5,229	---	2,007
519-0322	SMALL ENTERPRISE DEVELOPMENT OPG												
	SD G	86	87	500	1,000	500	---	500	280	---	689	---	31
	PROJECT TOTAL:			500	1,000	500	---	500	280	---	689	---	31
519-0323	INDUSTRIAL PARKS/INFRASTRUCTURE												

*Refers to the planned project summary sheet

[C]Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1987 are based on the authorized date.
For all projects with an initial obligation date after December 31, 1987 the FY of final obligation is based on a planned date.

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: EL SALVADOR

CP 89

PROJECT NO. / PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	-LIFE OF PROJECT- PLANNED	-THROUGH FY 86- OBLIGATIONS	-THROUGH FY 86- EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	-ACTUAL FY 87- EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	-ESTIMATED FY 88- EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	-PROPOSED FY 89- EXPENDITURES
	ES G	88	91	---	15,000	---	---	---	---	---	---	14,000	9,500
	SD G	88	91	---	8,455	---	---	---	---	5,655	1,300	2,800	2,500
	PROJECT TOTAL:			---	23,455	---	---	---	---	5,655	1,300	16,800	12,000
519-0327	AGRIBUSINESS DEVELOPMENT												
	ES G	87	89	7,466	7,466	---	---	7,466	---	---	7,466	---	---
	FN G	87	89	10,533	10,533	---	---	2,650	---	5,643	2,600	2,240	7,933
	PROJECT TOTAL:			17,999	17,999	---	---	10,116	---	5,643	10,066	2,240	7,933
519-0328	1986 ESF BALANCE OF PAYMENTS PROGRAM												
	ES G	86	89	274,000	274,000	117,000	70,000	127,000	114,000	30,000	90,000	---	---
	PROJECT TOTAL:			274,000	274,000	117,000	70,000	127,000	114,000	30,000	90,000	---	---
519-0329	MATERNAL & CHILD HEALTH PROM.												
	HE G	86	86	220	220	220	---	---	47	---	123	---	50
	PROJECT TOTAL:			220	220	220	---	---	47	---	123	---	50
519-0330	STRENGTHENING REHAB SERVICES OPG												
	HE G	86	86	280	280	280	---	---	---	---	130	---	150
	PROJECT TOTAL:			280	280	280	---	---	---	---	130	---	150
519-0333	EARTHQUAKE RECONSTRUCTION												
	ES G	87	87	75,000	100,000	---	---	75,000	---	25,000	27,700	---	39,300
	PROJECT TOTAL:			75,000	100,000	---	---	75,000	---	25,000	27,700	---	39,300
519-0334	CENITEC OPG												
	EH G	87	87	375	375	---	---	375	---	---	275	---	100
	SD G	87	87	225	225	---	---	225	---	---	100	---	125
	PROJECT TOTAL:			600	600	---	---	600	---	---	375	---	225
519-0335	AGRICULTURAL TECHNOLOGY TRANSFER												
	FN G	88	90	7,495	15,000	---	---	---	---	2,495	1,500	5,000	5,995
	PROJECT TOTAL:			7,495	15,000	---	---	---	---	2,495	1,500	5,000	5,995
519-0336	PRIVATE SECTOR INITIATIVES												
	SD G	87	89	8,000	8,000	---	---	2,250	---	2,400	1,500	3,350	4,000

*Refers to the planned project summary sheet

G Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1987 are based on the authorized date.
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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: EL SALVADOR

CP 89

PROJECT NO. / PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	-LIFE OF PROJECT- PLANNED	-THROUGH FY 86- OBLIGATIONS	-THROUGH FY 86- EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	-ACTUAL FY 87- EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	-ESTIMATED FY 88- EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	-PROPOSED FY 89- EXPENDITURES
PROJECT TOTAL:				8,000	8,000	---	---	2,250	---	2,400	1,500	3,350	4,000
519-0337 EL SALVADOR PEACE SCHOLARSHIPS													
	EH G	87	90	2,138	2,138	---	---	2,138	143	---	1,990	---	---
	ES G	87	90	15,062	15,062	---	---	2,562	177	2,500	1,500	7,000	3,000
	FN G	87	90	3,000	3,000	---	---	---	---	3,000	1,000	---	2,000
PROJECT TOTAL:				20,200	20,200	---	---	4,700	325	5,500	4,490	7,000	5,000
519-0342 SHORT TERM ASSIST TO CIVILIAN AMPUTEES													
	HE G	87	87	720	720	---	---	500	---	220	500	---	220
PROJECT TOTAL:				720	720	---	---	500	---	220	500	---	220
519-0343 U.S. MEDICAL REFERRALS (HOPE) OPG													
	HE G	87	87	65	65	---	---	65	---	---	65	---	---
PROJECT TOTAL:				65	65	---	---	65	---	---	65	---	---
519-0344 INSTITUTO RICALDONE RECONSTRUCTION OPG													
	EH G	87	87	1,100	1,100	---	---	1,100	---	---	1,100	---	---
PROJECT TOTAL:				1,100	1,100	---	---	1,100	---	---	1,100	---	---
519-0345 BALANCE OF PAYMENTS PROGRAM													
	ES G	87	87	30,000	30,000	---	---	30,000	30,000	---	---	---	---
PROJECT TOTAL:				30,000	30,000	---	---	30,000	30,000	---	---	---	---
519-0346 STRENGTHEN OF REHAB SERVICES OPG													
	HE G	87	88	2,450	2,450	---	---	1,435	---	1,015	800	---	1,650
PROJECT TOTAL:				2,450	2,450	---	---	1,435	---	1,015	800	---	1,650
519-0348 ESF BALANCE OF PAYMENTS SUPPORT													
	ES G	88	89	---	289,500	---	---	---	---	143,500	143,500	146,000	125,000
PROJECT TOTAL:				---	289,500	---	---	---	---	143,500	143,500	146,000	125,000
519-0349 TECH SUPPORT, POLICY ANALYSIS AND TRAINI													
	ES G	88	93	7,000	15,000	---	---	---	---	2,000	500	5,000	2,000
PROJECT TOTAL:				7,000	15,000	---	---	---	---	2,000	500	5,000	2,000
519-0350 *PRIVATIZATION													

*Refers to the planned project summary sheet

CLevel of effort activity

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: EL SALVADOR

CP 89

PROJECT NO. / PROJECT TITLE	*	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHO	-LIFE OF PROJECT- PLANNED	-THROUGH FY 86- OBLIGA-TIONS	-THROUGH FY 86- EXPEN-DITURES	-ACTUAL FY 87- OBLIGA-TIONS	-ACTUAL FY 87- EXPEN-DITURES	-ESTIMATED FY 88- OBLIGA-TIONS	-ESTIMATED FY 88- EXPEN-DITURES	-PROPOSED FY 89- OBLIGA-TIONS	-PROPOSED FY 89- EXPEN-DITURES
		SD G	89	91	---	15,000	---	---	---	---	---	---	1,500	1,000
		PROJECT TOTAL:			---	15,000	---	---	---	---	---	---	1,500	1,000
517-0999		LOCAL COST SUPPORT												
		ES G	87	87	1,185	1,185	---	---	1,185	945	---	240	---	---
		PROJECT TOTAL:			1,185	1,185	---	---	1,185	945	---	240	---	---
519-9999		*PRIVATE AND VOL. ORGANIZATIONS, OPG												
		CS G	79	C	---	---	---	---	---	---	745	---	1,100	1,000
		ES G	79	C	---	---	---	---	---	---	---	---	1,000	1,000
		FN G	79	C	---	---	---	---	---	---	2,783	---	4,200	800
		HE G	79	C	---	---	---	---	---	---	---	---	1,500	---
		PN G	79	C	---	---	---	---	---	---	---	---	700	---
		SD G	79	C	---	---	---	---	---	---	---	---	1,000	600
		PROJECT TOTAL:			---	---	---	---	---	---	3,528	---	9,500	3,400
		COUNTRY TOTALS:			1,067,461	1,523,195	572,909	305,261	363,927	233,385	280,796	451,539	252,700	317,922
		GRANTS:			898,111	1,354,231	403,945	165,702	363,927	212,382	280,796	443,473	252,700	317,586
		LOANS:			169,350	168,964	168,964	139,559	---	21,003	---	8,066	---	336
---- APPROPRIATION SUMMARY ----														
AGR., RURAL DEV. & NUTRITION:					256,449	271,588	174,029	123,249	40,345	30,373	29,866	57,125	27,719	37,919
POPULATION PLANNING:					18,073	18,073	16,645	4,101	1,286	3,125	1,016	5,256	1,200	4,600
HEALTH:					95,978	105,733	57,282	22,289	12,166	9,078	17,359	20,951	17,370	16,602
CHILD SURVIVAL FUND:					3,932	4,812	---	---	3,932	---	1,625	2,400	1,100	2,757
AIDS:					---	---	---	---	---	---	---	---	---	---
EDUCATION & HUMAN RESOURCES:					52,068	52,068	26,249	3,123	13,452	6,037	7,025	12,844	7,360	21,750
SELECTED DEVELOP. ACTIVITIES:					54,725	39,155	45,465	17,652	11,249	8,793	8,905	21,225	12,951	15,840
ECONOMIC SUPPORT FUND:					586,236	981,736	253,239	134,347	281,497	175,979	215,000	331,738	185,000	218,454

*Refers to the planned project summary sheet

CLevel of effort activity

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PROGRAM: EL SALVADOR

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Small Business Assistance	DA			FY 89 3,000 (G)	Life of Project Funding 10,000

Number 519-0318	☒ NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
☒ GRANT ☐ LOAN	☐ CONTINUING			3,000	FY 89	FY 91	FY 93

Project Purpose: To increase employment and income opportunities for lower and middle income Salvadorans by promoting and assisting small-scale private enterprise (SSE).

Project description: In FY 1985, the Mission obligated the four year Urban Small Business Project (519-0304) at $3 million in grant funds. This project attempts to generate employment and foster economic growth by increasing the number and profitability of small and micro-enterprises in the San Salvador area. The Salvadoran Foundation for Economic and Social Development (FUSADES) implements the project through its small business directorate, PROPEMI. Since its inception, it has processed almost 350 loans totalling about $500,000 and generated more than 550 jobs. More than 1,000 small and micro-entrepreneurs received technical assistance.

The Mission intends to develop a follow on project, for obligation in FY 1989, which builds upon this previous initiative. PROPEMI will implement this project directly, without the continued support of FUSADES, and the project will have a nation-wide focus. The project will support three activities: technical assistance, training and credit. The project, thru PROPEMI will help small-scale entrepreneurs to prepare loan applications, manage their operations, select appropriate production processes and equipment, and apply sound financial and marketing management practices. In addition, it will help PROPEMI expand its capability to service the micro-entrepreneur by refocusing staff target groups and increasing the availability of loan funds for micro-entrepreneurs. The project will provide training for institution building to both PROPEMI and small-scale entrepreneurs. Finally, it will provide credit funds for lending to small enterprises. The credits will be used for both operating capital and investment purposes.

Relationship of project to A.I.D. country strategy: This project contributes to the objective of promoting broad-based economic development and recovery in El Salvador by assisting the small business sector, composed largely of low and middle income people. The project furthers NBCCA recommendations on increasing employment, incomes and industrial production.

Host country and other donors: This project reinforces the GOES objective of increasing small entrepreneurs and setting aside 10% of its credit for small businesses. As international institutions, such as the IDB, express interest in this sector, the project will encourage and take advantage of these efforts.

Beneficiaries: The project will directly benefit Salvadoran small-scale entrepreneurs and about 15,000 lower and middle income workers filling newly-created jobs.

Major outputs:	All years
PROPEMI spinoff from FUSADES	x
Creation or expansion of small business	x
Increased profitability of small business	x
Improved legal and policy framework	x
Employment generation	x
Trained entrepreneurs	x

A.I.D.-financed inputs	Life of Project ($000)
Technical assistance	3,000
Training	1,000
Credit	5,000
Institutional Development	1,000
TOTAL	10,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1987			
Estimated Fiscal Year 1988			
Estimated Through September 30, 1988			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1989	3,000	7,000	10,000

Principal Contractors or Agencies

PROPEMI, FUSADES

AID 370-7 (11-85)

PROGRAM: EL SALVADOR

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Public Services Restoration/ Rehabilitation	ESF 10,000	8,000	10,000	FY 89 28,000 (G)	Life of Project Funding 65,000

Number		Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
519-0320 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING				FY 89	FY 90	FY 92

Purpose: To assist El Salvador in restoring and rehabilitating essential public services and vital public infrastructure (i.e., roads, potable water, electrical power lines) which have deteriorated as a result of the economic recession and guerrilla conflicts.

Project Description: Since 1981, U.S.A.I.D. assistance in infrastructure has focused on: (1) emergency, stopgap measures needed to keep systems operational in the face of sabotage and (2) modest public works projects that could be carried out through labor-intensive employment generation efforts. The Public Services Restoration Project (519-0279) and local currency efforts have significantly contributed to meeting short-term, emergency infrastructure requirements. The number of incidents carried out by guerrillas against the nation's physical infrastructure has remained high. Although destruction has been widespread, it has been concentrated largely on the critical economic support facilities and essential services such as the electrical infrastructural system and the national road network. While the original objective of modest repairs to specific infrastructure and the restoration of specific services, will continue there is now an urgent and growing need to make major repairs and improvements to the public service infrastructure system, whose maintenance has been deferred and which has seriously deteriorated because of GOES commitment to the war. This proposed project will restore electrical power lines, wires, grade roads, and reconstruct telecommunication utilities. Due to overextended resources imposed by the war investment in reliable potable water supplies has been badly neglected thereby exposing rural Salvadorans to diarrheal and other intestinal diseases. As a corrective measure, a potable water component has been designed which will assist the GOES to put in place a safe water system in rural areas. Technical assistance, equipment and materials will be provided to install small water systems, drill wells and install hand pumps. The Ministry of Health will be responsible for implementing a health education program in communities in which water systems are installed.

Relationship of Project to A.I.D. Country Strategy: The project reinforces and supports A.I.D.'s strategy for El Salvador's economic stabilization and growth by directly responding to frequent emergency situations and to the deteriorating public infrastructure.

Host Country and Other Donors: To support this project the GOES will contribute, through the local currency program, a minimum of $33.0 million including $17.8 million for the potable water component. Proposed IDB funding will complement the project's highway rehabilitation efforts. The Governments of Japan and Italy have also provided donations of heavy construction equipment during 1987 for the Ministry of Public Works.

Beneficiaries: Beneficiaries will be the rural population and major sectors of the economy and general population.

Major Outputs:

	All Years
Road repair	x
Electrical system repairs and rehabilitation	x
Potable Water Systems and Hand Pumps	x

A.I.D.-financed Inputs:	Life of the Project ($000)
Technical assistance	7,000
Commodities	58,000
TOTAL	$65,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1987			
Estimated Fiscal Year 1988			
Estimated Through September 30, 1988			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1989	28,000	37,000	65,000

Principal Contractors or Agencies

Ministry of Public Works
Salvadoran Electric Authority (CEL)
Salvadoran Water Authority (ANDA)

AID 370-7 (11-85)

PROGRAM: EL SALVADOR

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Privatization	DA			FY 89 1,500 (G)	Life of Project Funding 15,000 (G)

Number 519-0350	☒ NEW	Population	ED. & HR	Sel. Act. 1,500	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
☒ GRANT ☐ LOAN	☐ CONTINUING				FY 89	FY 91	FY 94

Project Purpose: To assist the Government of El Salvador (GOES) in its efforts to improve, through privatization, its efficiency in allocating resources.

Project Description: This five-year project provides technical assistance, training and other support to the Ministry of Planning of the GOES to promote and undertake privatization efforts. The concept of privatization refers not only to divestiture of state ownership of public enterprises in favor of private investors, but also to the formulation and implementation of a series of measures which will bring about the improved efficiency of public enterprises and increase the private sector's participation in the economy.

The project will assist the GOES in privatizing public enterprises which represent a drain on the National Treasury. The project will entertain the full range of privatization options (e.g., debt-equity swaps, management contracts, lease with option to buy arrangements, divestiture) available and apply that which is most appropriate in a given situation. It will also assist the GOES in identifying weaknesses in public enterprises, and to initiate appropriate remedial measures. Careful analysis of privatization opportunities will be performed. Preliminary analysis indicates public textile, electrical distribution, and service enterprises as candidates for divestiture. In addition, the project may address the state's role in certain agricultural cooperatives and coffee exports. It is expected that a planned FY 1988 financial sector assessment will identify opportunities for privatization in that sector as well. Lastly, the Mission will support the GOES to improve the operating efficiency of state enterprises and broaden economic opportunities for the private sector through policy dialogue.

Relationship of project to A.I.D. country strategy: The project directly supports the Mission's objective of strengthening the private sector and promoting private sector led economic growth.

Host country and other donors: The GOES has increased priority to privatizing certain enterprises. No other donors are currently pursuing privatization efforts. However, A.I.D. intends to work to involve them in this process.

Beneficiaries: The immediate beneficiaries are those Salvadoran citizens directly employed and with greater incomes as a result of the privatization process. Ultimately, increased economic efficiency resulting from privatization will benefit the populace as a whole.

Major Outputs:	All Years
Analyses of privatization opportunities and options.	xx
Training activities to improve efficiency of public enterprises.	xx
Privatized public enterprises.	xx

A.I.D.-funded inputs:	Life of Project ($000)
Technical assistance	11,000
Training	1,000
Other support	3,000
TOTAL	15,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1987			
Estimated Fiscal Year 1988			
Estimated Through September 30, 1988			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1989	1,500	13,500	15,000

Principal Contractors or Agencies

Ministry of Planning (Min Plan)

AID 370-7 (11-85)

PROGRAM: EL SALVADOR

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Private Voluntary Organizations	DA and ESF 1,000	4,200	1,100 (CS) 1,500 (HE)	FY 89 9,500 (G)	Life of Project Funding Continuing

Number 519-9999	☐ NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
☒ GRANT ☐ LOAN	☒ CONTINUING	700		1,000	FY 79	FY Continuing	FY Continuing

Project purpose: To use the expertise and experience of U.S. and Salvadoran Private Voluntary Organizations (PVOs) in the design and implementation of innovative development activities.

Project Description: The support of PVOs continues to be an integral part of A.I.D.'s major objectives in areas such as agricultural production, private sector, small enterprise development and export production, population and family planning and humanitarian assistance. During FY 1989, A.I.D. will continue projects with Save The Children, which is implementing integrated rural development project in eastern El Salvador, expanding rural water systems and establishing a community banking system; with Junior Achievement of El Salvador, which sponsors programs to give high school students direct exposure to the free enterprise system; with Technoserve, Inc. which provides agrarian reform cooperatives with technical assistance and training in management, leadership and finance; CENITEC, which is conducting studies and seminars on economic, political, social, and legal topics affecting economic and social development; AIFLD, which promotes the strengthening and expansion of free and democratic trade union organizations in urban and rural sectors; TELETON, which is establishing a prosthetics manufacturing workshop and a patient support fund for Salvadoran handicapped and amputees. Through an umbrella project, A.I.D. also is encouraging new PVOs to carry out work in the health care field.

Relationship of project to AID country strategy: The activities described are consistent with A.I.D.'s objectives of assisting the Salvadoran government in reestablishing economic growth with equity, while maintaining support for economic, humanitarian, social and democratic institutions and programs. The participation of U.S. and local PVOs is expected to enhance the equitable distribution of the benefits of economic growth.

Host country and other donors: Participating PVOs generally contribute 25% of the resources devoted to their projects. The Salvadoran government contributes through the provision of technical assistance or in-kind contributions to several of these projects. TELETON is contributing 25% of the resources for the project, including 75% of the Patient Support Fund.

Beneficiaries: Beneficiaries of PVO-implemented projects are almost exclusively the urban and rural poor.

Major outputs	All Years
Trained promotors and volunteers	X
Strengthened local PVOs.	X

A.I.D.-financed inputs	Life of project
Institutional support	9,500 FY 1989 only

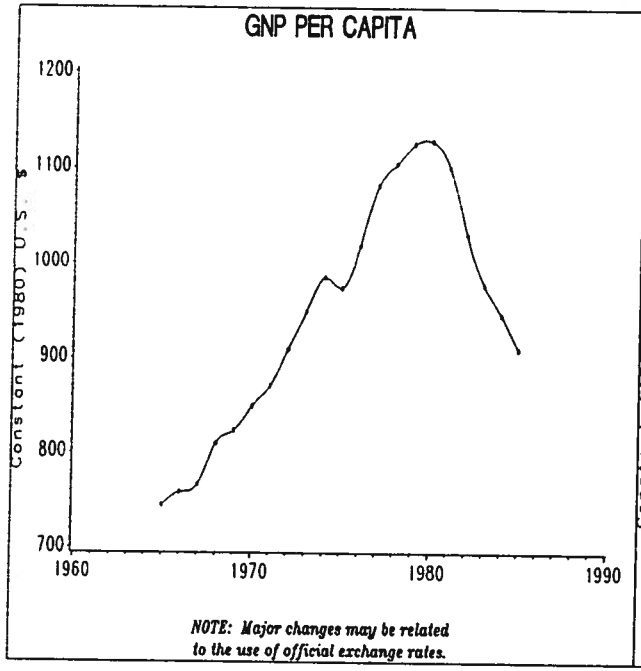
U. S. FINANCING (in thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30,			
Estimated Fiscal Year			
Estimated Through September 30,			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1989	9,500	Continuing	Continuing

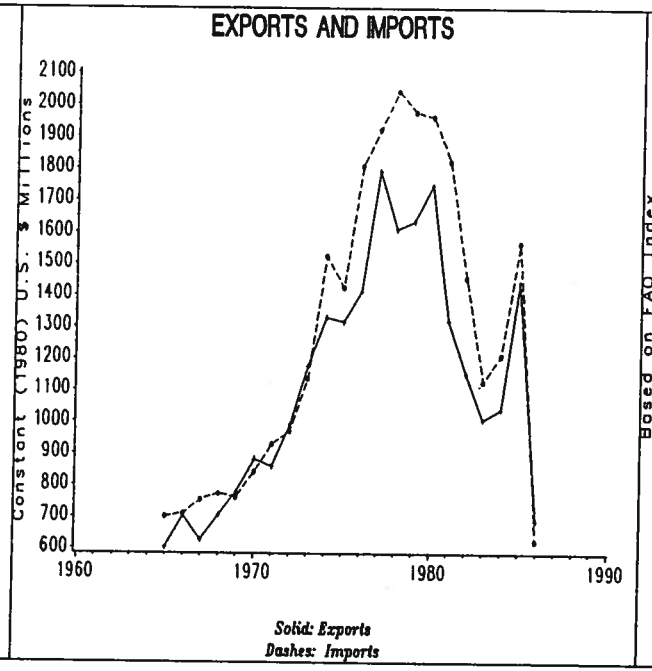
Principal Contractors or Agencies

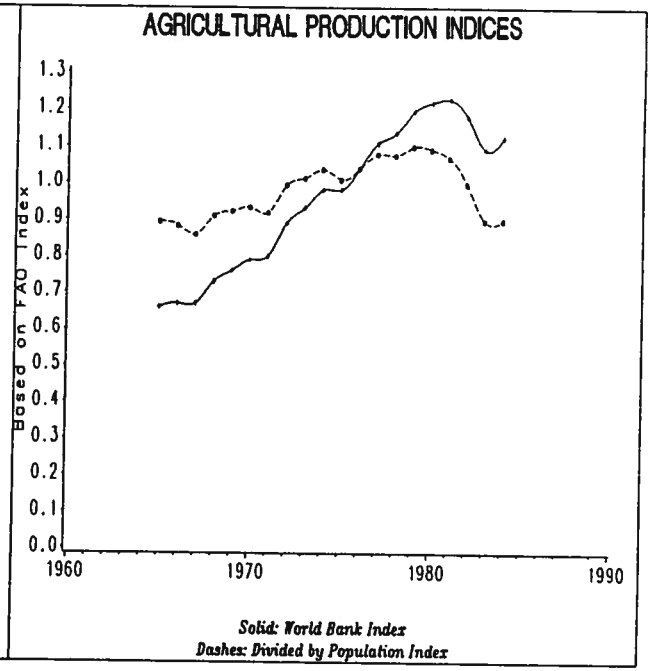
AID 370-7 (11-85)

GUATEMALA -- Economic Indicators

Total U.S. Aid $ 746 Million (1946-86)
Ratio of U.S. Aid To Total ODA 39.6% (1982-85)
Yearly U.S. Aid Per Capita $ 5.44 (1982-85)







NATIONAL INCOME AND EXPENDITURES

Per Capita GNP .....(1985) 1,250

Average Annual Real Per Capita GNP Growth Rate.(1965-85) 1.7%

Government Budgetary Expenditures as a % of GNP...(.) . %

Total Expenditures and Net Lending ($ Millions, US):
(1981) 1,434 (1982) 1,298 (1983) 1,192

Budgetary Deficit or Surplus ($ Millions, US):
(1981) -535 (1982) -417 (1983) -318

INTERNATIONAL RESERVES AND EXTERNAL DEBT

Official International Reserves Equivalent to
2.5 Months of Imports (1985)

External Public Debt as % of GNP...(1985) 19.8%

Service Payments on External Public Debt,
($ Millions, US)..... (1985) 255
As % of Total Export Earnings..... (1985) 12.3%

EXTERNAL TRADE (IN 1980 CONSTANT $US)

Trade Balance($ Millions, US) (1984) -172(85) -125(86) 66

Total Imports($ Millions, US) (1984) 1,212(85) 1,567(86) 625
Of Which % From U.S. .....(1985) 43%

Major Imports(1985)MFRD. GOODS;MACHINERY;TRANSPORT EQUIP

Total Exports($ Millions, US) (1984) 1,040(85) 1,442(86) 690
Of Which % to U.S. .....(1985) 39%

Major Exports(1985)COFFEE;COTTON;SUGAR

Trading Partners: UNITED STATES; EL SALVADOR; GERMANY, FEDER

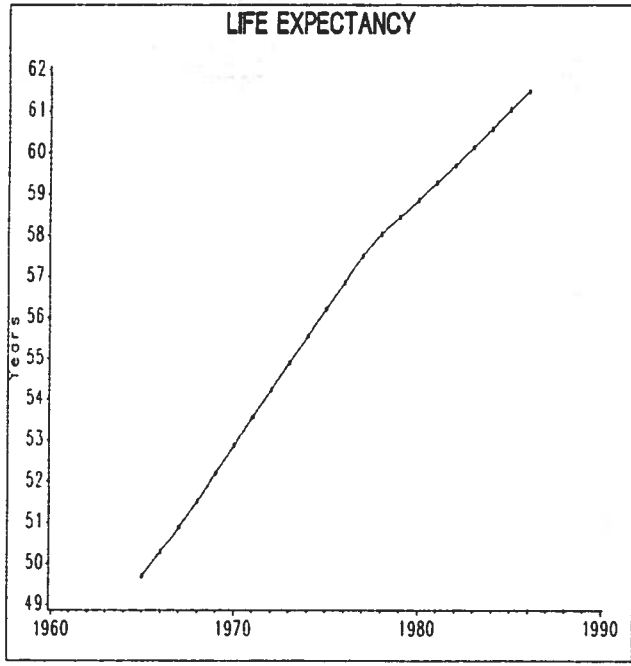
AGRICULTURE

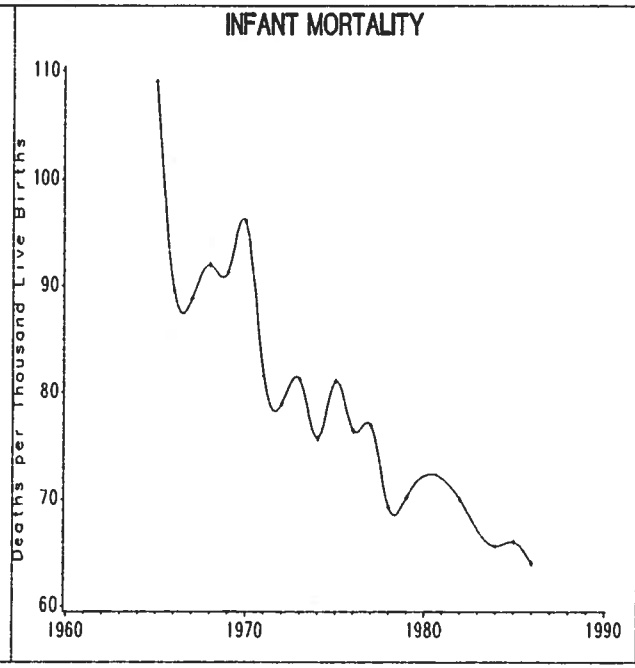
Agricultural Production as % of GDP...(1985) 26%

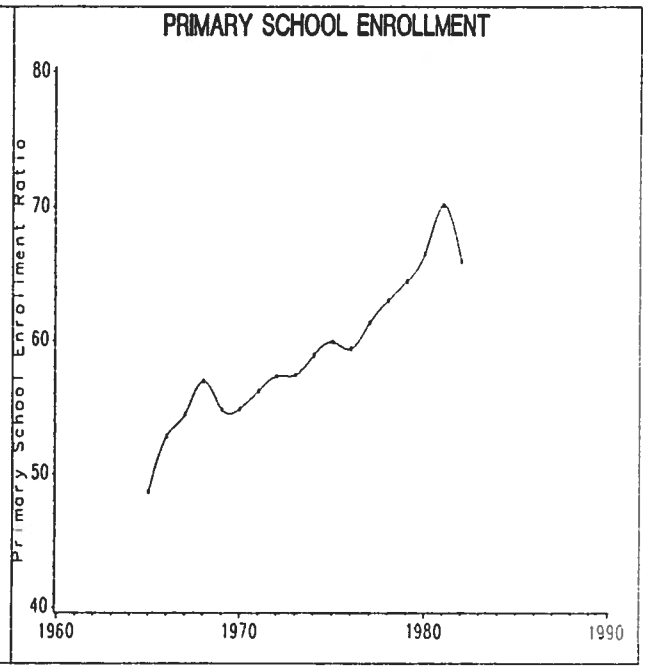
Major Crop(s)	As % of Arable Land	
Subsistence: CORN; RICE; PULSES	66%	(1986)
Cash: COFFEE; COTTON; RAW SUGAR	29%	(1986)

Ag. Exports:(1986)COFFEE; COTTON; BANANAS
Ag. Imports:(1986) WHEAT; CORN; OILSEEDS

GUATEMALA -- Social Indicators







POPULATION

Total Population...(Thousands, Mid 1987) 8,400

Population Growth Rate...(1970) 2.6% (1978) 3.3% (1987) 2.5%

Population (1987) By Age Group:
(0-14yrs) 44.5% (15-64yrs) 52.4% (65+ yrs) 3.2%

Married Women Aged 15-49 yrs. Using Contraception...(1983) 25.0%

Total Fertility Rate...(1970) 6.5 (1987) 5.1

HOUSEHOLD INCOME AND EMPLOYMENT

National Income Received by Low 20% of Population..(1980) 5.5%

% of Population Living Below Absolute Poverty Level
(1977) Total % Urban 66.0% Rural 74.0%

Labor Force Participation as % of Working Age Population
(1980) 32%

Proportion of Labor Force in Agriculture...(1979) 57%

NUTRITION AND HEALTH

Per Capita Calorie Supply as a % of Requirements...(1983) 95%

Life Expectancy at Birth, in Years
(1986) Total 61.5 Male 59.6 Female 63.4
(1970) Total 52.9 Male 52.0 Female 53.8

Infant Deaths in First Yr of Life per 1000 Live Births (1987) 67

% Of Children 12-23 Months Old Fully Immunized Against
Tuberculosos(BCG3) 30% (1985) Measles 23% (1985)
Diphtheria(DPT) 21% (1985) Polio(3) 21% (1985)

Population with Reasonable Access to Safe Water Supply
(1981) 52%

EDUCATION AND LITERACY

Total School Enrollment as Ratio of Population in Age Group:

Primary	(1982)	Total	65.9	Male	70.2	Female	61.4
Secondary	(1982)	Total	15.1	Male	16.7	Female	14.3
Post Secondary	(1979)	Total	5.8	Male	6.2	Female	2.4

Adult Literacy Rate ( ) Total .% Male .% Female .%

PROGRAM SUMMARY ($000)			
Category	FY 1987 (Actual)	FY 1988 (Estimated)	FY 1989 (Request)
Development Assistance	34,869 1/	28,072	34,000
Loan	1,720	8,500	0
Grant	33,149	19,572	34,000
Economic Support Fund	115,020 2/	80,000	80,000
Loan	5,500	0	0
Grant	109,520	80,000	80,000
Other*			
TOTALS	149,889	108,072	114,000
P.L. 480	22,785	22,774	23,075
Title I	18,900	18,000	18,000
Title II	3,885	4,774	5,075
TOTALS	172,674	130,846	137,075

Footnotes:
1/ Above total includes $1,200,000 of prior-year deobligated funds reobligated in FY 1987.
2/ The above total for ESF includes $225,000 in local cost support.

PERSONNEL DATA – MISSION DIRECT HIRE[a]			
Category	FY 1987 (Actual)	FY 1988 (Estimated)	FY 1989 (Request)
U.S. National	18.75	25	25
Foreign National	42	43	43
TOTALS	60.75	68	68

[a]*Total full time equivalent workyears of employment. Include HIG, excess property, and IG personnel. Excludes TDP. One workyear = 2,087 hours.*

PARTICIPANT TRAINING DATA[a]									
Category	FY 1987 (Actual)			FY 1988 (Estimated)			FY 1989 (Request)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
U.S. Participants									
Bilateral[d]	30	1,050	1,080	300	800	1,100	350	700	1,050
Regional[e]	56	-	56	57	-	57	-	-	-
Third Country Participants									
Bilateral[d]	-	48	48	20	28	48	10	48	58
Regional[e]									
TOTALS	86	1,098	1,184	377	828	1,205	360	748	1,108

[a]*In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*
[b]*Academic: degree seeking.*
[c]*Technical: non-degree seeking.*
[d]*Participants funded under bilateral programs.*
[e]*Participants funded under regional programs (e.g., CLASP, AMDP).*

AID 370-2 (8-86)

GUATEMALA

Introduction

When Guatemala re-entered the community of democratic nations two years ago, the new government was confronted immediately by the most serious economic crisis in its modern history. To halt further deterioration of the country's economy and to restore real growth, the Government of Guatemala courageously introduced a broad economic stabilization package in June 1986. The reforms included simplification of the exchange system to establish a realistic exchange rate, restrictive monetary policies to curb inflation, limited new revenue measures, and establishment of a more flexible interest rate policy to offer higher rates for savers and to reduce subsidized credit.

Two years later, Guatemalans can point to an impressive record of successful economic reforms and to a much improved business climate. There remain many serious challenges to both full economic recovery and the consolidation of democratic processes, but the political will for effective change is now established. Reforms to date have set Guatemala on a still tenuous but credible path back to sustainable, positive economic growth rates. Inflation has been brought down from more than 30% in late 1985 to under 13% in September 1987. Foreign debt repayments have been kept current. The Guatemalan Government is adhering to tight monetary policies. The exchange rate of Q.2.50 per U.S. dollar in the regulated market has remained sustainable for more than 15 months.

The most recent available data on some key economic performance indicators are also upbeat. From January to May 1987, construction increased by 20.8% over the same period a year ago, and tourism staged a significant recovery growing by 29.1%. From January to June 1987, foreign investment was up by $90 million over the same period in 1986. Foreign exchange inflows from exports of nontraditional products in the first seven months of the year increased by 36.2% between 1986 and 1987. As a result of these and other positive signs of economic recovery, the Bank of Guatemala predicts for 1987 a 2.3% growth rate -- the country's first positive real gross domestic product (GDP) growth rate in five years.

With a major portion of its stabilization program now showing results but faced with revenue generation rates which have traditionally been among the lowest in the developing world, the government began in 1987 to move decisively toward one of its greatest challenges: fiscal reform. The Guatemalan Congress in late September 1987 enacted an intensely debated package of tax reform measures. The government views revenue reform as indispensable to restoring fiscal balance and underwriting the public investment required for the government's growth and equity programs which are at the core of its contract with the electorate.

The need for the expanded growth and equity programs is evident. Guatemala's considerable economic potential, coupled with one of the highest per capita gross domestic product (GDP) levels in Central America, belies widespread poverty and a severely skewed distribution of income. The top fifth of the population receives an estimated 57% of total national income. Approximately one-third of the nation's 8.4 million citizens

reside on small, subsistence-level farm plots, principally in the densely populated Western Highlands. On the whole, they suffer from inadequate nutritional levels as well as from lack of effective access to education and health services, potable water and electricity. In recent years, Guatemala's investment in key social services has been substantially below Latin American averages. Between 1977 and 1983, for example, Guatemala invested 1.2% of GDP in education, compared with 4% for Latin American as a whole; 0.7% in health, compared with 1.5%.

Only about 46% of the adult population is literate -- the second lowest rate in Latin America. Infant mortality is 68 per 1,000 on the average but 150 in some rural communities. The national average life expectancy is 61 years, but the average life span is considerably lower for rural dwellers. Guatemala's population is growing at approximately 3% each year, further burdening already inadequate and under-financed social services and eclipsing the growth in GDP at 2% - 2.5%.

All of these factors are longstanding realities and difficult but not impossible to change. Indeed, they must be changed if democracy is to survive in Guatemala.

A.I.D. Development Strategy and Accomplishments to Date

A.I.D.'s development assistance strategy for Guatemala is consistent with the four principal goals set forth in the report of the National Bipartisan Commission on Central America (NBCCA): achieving economic stabilization, building a foundation for long-term economic growth, providing equity in the distribution of economic benefits, and fostering democratization. To address these goals, A.I.D.'s program in Guatemala focuses on: (1) achievement of balance-of-payments equilibrium ; (2) increased exports, incomes and productivity; (3) broader, more efficient delivery of basic social services; and greater access to voluntary family planning services; and (4) strengthened democratic institutions.

Policy dialogue on economic reforms remains central to A.I.D.'s strategy. The dialogue has focused on exchange-rate unification, import parity pricing, positive market rates of interest, fiscal and budget reform, and export and investment promotion. In the sectoral policy area, it focuses on bilingual education, family health programs and agricultural practices, and the strengthening of Guatemala's still young democratic institutions.

1. Economic Stabilization

Barring unanticipated setbacks, Guatemala is expected to continue its vigorous commitment to substantive policy reform. Already much has been achieved. In addition to the reduced rate of inflation, stabilized currency exchange rates and other gains already noted, reform measures have achieved a return to positive real interest rates and a reduction in the fiscal deficit to under 3%. In late 1987, the Government also moved decisively on the revenue front with enactment of reforms in each of the six principal tax laws.

Even as Guatemala moves to greater emphasis on growth prospects in 1988 and 1989, it will continue to face foreign exchange constraints through the early 1990s. Accordingly, A.I.D.'s primary objective is to assist the

Government of Guatemala (GOG) to reduce budget deficits and control inflation. A.I.D. provided $90.75 million of Economic Support Fund (ESF) and $18.9 million of P.L. 480 Title I assistance during FY 1987 to support the government's stabilization policies. Local currency from these programs was used by the government to support ongoing government development activities and private sector initiatives.

In FY 1988, A.I.D. will provide $74.5 million in ESF and $18 million in P.L. 480 Title I assistance in support of the continuing economic stabilization program. The International Monetary Fund (IMF) is expected to sign a new 1988 standby agreement. A.I.D. plans to provide development assistance under its selected development activities account to the Guatemalan Government to improve public sector management of revenues and expenditures under a new Fiscal Administration Improvement project (520-0371). As the stabilization measures have their intended effect, A.I.D. also intends to address economic growth and productivity opportunities in agriculture through sector programming initiatives. This is intended to help effect greater integration of all donor assistance and natural resources toward achieving more rapid and measurable increases in this sector, which is the most important in the country's economic equation and employs the greatest number (62%) of its citizens. A.I.D. anticipates higher funding levels for this and similar efforts from other major donors such as the World Bank and the Inter-American Development Bank.

2. Economic Growth

A.I.D.'s objective of increased rural incomes and productivity depends heavily on offering greater incentives for small-farmer production and access to low-cost appropriate technology, land, agricultural inputs, credit and markets. A.I.D. supports strengthening the role of competitive private enterprises in Guatemala and the closer collaboration between the government and the private sector required to realize that objective.

In agricultural and rural development A.I.D. assistance is provided to small farmers living in the Western Highlands. Under the Small Farmer Diversification Systems project (520-0255), a recent evaluation has indicated that technical assistance, training and other support to the sample group of 1,142 farm families resulted in increased incomes on the average of some 300% from crops and 130% from livestock. Through the Highlands Agricultural Development project (520-0274) and Farm-to-Market Access Roads project (520-0332), A.I.D. has financed construction of over 1,000 kilometers of access roads to date. More roads will be provided by additional funding to the Farm-to-Market Access Roads project.
An evaluation of the ongoing Pilot Commercial Land Markets II project (520-0343) found it to be very successful in facilitating voluntary agricultural land sales/purchases between sellers and smallholder or landless buyers. Over 1,100 families were participating as of the end of FY 1987. A.I.D. added $7.465 million to the project in FY 1987. Finally, late in FY 1987, A.I.D. approved a new $10 million Private Enterprise Development project (520-0341) which will provide urban and rural small and medium enterprises with needed technical and managerial knowledge, financial resources and other assistance to improve their competitiveness and to expand nontraditional exports.

In FY 1988, A.I.D. will redesign and expand its Small Farmer Diversification project (520-0255) to include increased emphasis on marketing and an integrated pest management component. A.I.D. will also finance a new Rural Electrification III project (520-0353) to extend services to rural areas in the Western Highlands for household, commercial or industrial use. A.I.D. will also provide some additional assistance under the Agriculture Production and Marketing Services project (520-0363) to help the American Institute for Free Labor Development (AIFLD) strengthen the capacity of farm unions to furnish needed services to their members. Finally, A.I.D. will continue funding the Private Enterprise Development (PED) project (520-0341), first obligated in late FY 1987. The PED project is assisting the Guatemalan Chamber of Entrepreneurs (CAEM) and other private sector groups, including the Guatemalan Management Association, the Non-Traditional Exporters Guild and the Finance Chamber, to strengthen competitive private enterprises, primarily small and medium ventures. The PED project will also help the Ministry of Economy to improve the investment environment, primarily through funding and technical assistance for the National Export Council (CONAPEX) and its Industrial Division.

3. Spreading the Benefits of Growth

A.I.D.'s objective of achieving broader participation in development depends heavily on the expansion of the human resource base through programs in improved education, health, training, and housing as well as increased employment opportunities.

In education and human resources, A.I.D. has assigned high priority to improving the delivery of primary education, particularly for indigenous children. Now in its third year, the bilingual education program encompasses 400 schools and serves more than 50,000 students. Recent evaluations of A.I.D. efforts in bilingual education have led to an expansion of activities under the Rural Primary Education Improvement project (520-0282) in curriculum development, teacher training and other areas.

Under the Altiplano Higher Education project (520-0304), about 140 students have completed their first year of advanced educational skills at the Bachelor or Associate Degree levels at Landivar University in the Highlands city of Quetzaltenango. Preparations are under way for selection and enrollment of the next class. In FY 1988, A.I.D., under the new PrivateSector Skills Training project (520-0324) will begin efforts to improve and expand vocational and managerial skills of semi-skilled individuals already active in the labor force and meet other priority training needs.

In family planning, A.I.D. seeks to expand the information and services base to support the Guatemalan government's voluntary family planning program. The private sector is the principal implementor of the family planning program, while the Guatemalan government provides complementary services and a generally favorable environment within which the private sector can function. In FY 1988, A.I.D. plans to extend the existing

Expansion of Family Planning Services project (520-0288) and to integrate family planning more closely with basic health and child survival activities through an overall sector approach.

Under health and child survival, A.I.D. has increased its support for child survival, along with the United Nations Children's Fund (UNICEF) and the Pan American Health Organization (PAHO), through the Immunization/Oral Rehydration Therapy (ORT) project (520-0339) that addresses both immunization and oral rehydration therapy needs of the most at-risk population, i.e., children five years of age and under and pregnant women. To date over 6,500 people have been trained to deliver child survival services. Based on lessons learned from recent evaluations of these programs, potable water and environmental sanitation systems being constructed by the Cooperative for American Relief Everywhere (CARE) and a local private and voluntary organization (PVO) are now including education components directed toward child survival needs. In FY 1988, A.I.D. is planning to devote additional effort and resources to child survival initiatives. A.I.D. is also planning to conduct an evaluation of its P.L. 480 Title II program and its impact on the health sector.

Under selected development activities, A.I.D. seeks to increase rural income and productivity through increased off- and on-farm employment opportunities and development of labor-intensive small and medium enterprises.

To date the Rural Electrification II project (520-0248) has extended power lines to approximately 300 rural towns. The Private Sector Development Coordination project (520-0337) has financed activities to strengthen the wool industry of Momostenango (the principal artisan craft of that area in the Western Highlands), directly improving the income and well-being of 375 families and indirectly those of several thousand more.

With regard to private voluntary organizations (PVOs), A.I.D. actively supports the development activities of U.S. and Guatemalan PVOs. The active portfolio includes better than $23 million in 23 separate activities ranging from small agricultural production and forestry activities to handicraft development, training and social infrastructure activities in areas such as water, sanitation and low-cost housing. In addition, PVOs implemented some $12 million in Food for Peace Title II assistance over the period FY 1986-87. A.I.D. also signed an agreement in FY 1986 with a U.S. PVO, Private Agencies Collaborating Together (PACT) to assist ASINDES, an indigenous umbrella PVO organization, to provide technical assistance and training to member groups and to finance small PVO projects in rural development and income generation. Contingent on a late 1987 evaluation A.I.D. plans to provide additional funding for this project in FY 1988.

In housing, A.I.D. has placed emphasis on the provision of affordable housing to low-income families through private sector construction and financial institutions. The Cooperative Housing Foundation (CHF) is in the third year of a $3.16 million grant. This grant will result in 625 new units (141 completed to date) and 794 house improvement loans (283 to date). The CHF is also providing valuable technical assistance to Guatemalan private sector cooperatives and credit unions. In November 1986, A.I.D. signed an implementation agreement with the Bank of Guatemala

for $10 million under the Housing Guaranty program (520-HG-004) to benefit approximately 3,800 low-income families. Recently, an interest-rate issue that had been holding up this program was satisfactorily resolved. A FY 1988 grant for technical assistance and training under the Shelter Sector Development project (520-0261) will support the implementation of the low-cost housing guaranty.

4. Democratic Institutions

In FY 1987, the Central American Peace Scholarships (CAPS) project (520-0362) provided 56 long-term and 1,050 short-term scholarships in the United States. Principally targeted on socially and economically disadvantaged indigenous men and women from rural areas, the project seeks to strengthen friendship and understanding between the United States and Guatemala and to promote democratic processes in Guatemala. In FY 1988, A.I.D. will finance another 300 long-term and more than 800 short-term scholarships. Additional funds have been added to increase the number of women trainees and long-term academic training, to extend the duration of short-term training and to introduce a major follow-on effort after the trainees have returned.

In addition to the CAPS project, A.I.D. approved a number of other programs in FY 1987 to strengthen legislative, judicial and electoral institutions and processes. These included the signing of a cooperative agreement (Guatemalan Judicial Development project - 520-0376) with Harvard University's Law School to strengthen the institutional capacity of Guatemala's judicial institutions over a three-year period; the signing of an agreement with Boston University's Center for Democracy to strengthen the institutional capacity of Guatemala's legislative institutions over a three-year period under the Regional Strengthening of Democracy project (597-0003); and the signing of an agreement with Guatemala's Supreme Electoral Tribunal under the Electoral System Improvement project (520-0378), to provide technical assistance, training and equipment for administration of future elections. In FY 1988, A.I.D. plans to fund two new projects: Administration of Justice Improvement project (520-0369) and Democracy Development (520-0386) to meet Guatemala's priority needs in these areas and to complement other assistance provided.

FY 1985 International Security and Development Cooperation Act, Section 709 Reporting

Section 709 of the International Security and Development Cooperation Act of FY 1985 requires that comprehensive reports be provided on A.I.D. assistance to Latin America and the Caribbean. The following information on assistance to Guatemala in FY 1987 is provided as partial fulfillment of that requirement:

A. Training. A.I.D. provided short-term training in the United States in FY 1987 to a total of 1,098 participants from Guatemala in the fields of: small enterprises (282), rural health promotion (124), cooperative administration (80), community development (277), agricultural development (27), public health (24), business administration (10), computer sciences

and electronics (15), education including training of trainers (165), strengthening of private voluntary organizations (77), women in development (2) and other areas (15). A.I.D. also provided U.S. long-term training in FY 1987 to a total of 56 participants from Guatemala.

B. Types of goods attributed to ESF cash transfers by A.I.D. to Guatemala in FY 1987 are as follows:

Types of Goods	Value
U.S. Raw materials	
Agriculture & Agroindustrial	$20.00 million
Manufacturing	44.70 million
Commercial	15.10 million
U.S. Capital Goods	
Agriculture & Agroindustrial	2.00 million
Manufacturing	8.95 million
Total	$90.75 million

C. Local currency associated with A.I.D. assistance to Guatemala was allocated by A.I.D. and the Government of Guatemala for the following uses in FY 1987 ($50 million was available for allocation at the beginning of FY 1987 and $125.3 million was added during FY 1987).

		$(millions)
1.	Support of Public Sector	
	Housing	0.8
	Agriculture	6.8
	Infrastructure/public works	4.0
	Roads	20.8
	Health	10.5
	Education	29.6
	Rural development activities	4.0
	Support to municipalities	21.5
	Rural credit	0.7
	U.S. Department of Agriculture Mediterranean fruit fly eradication, screwworm control and Africanized bee control programs	2.7
	Sub-total	101.4
2.	Support of Private Sector	15.1
3.	Administrative Support of USAID/Guatemala and USAID/ROCAP	5.7
	GRAND TOTAL	$122.2

D. Reprogramming of Funds. Reprogramming of funds for Guatemala during FY 1987 resulted in the following functional account changes. Estimated FY 1987 obligations are those which were shown in the FY 1988 Congressional Presentation document.

($000)	TOTAL	ARDN	PN	HE	EHR	SDA	CSF	ESF
- Estimated FY 1987 Obligations	132,088	10,739	3,733	652	7,527	6,500	4,150	98,787
- Actual FY 1987 Obligations	149,889	11,876	3,758	298	7,944	6,799	4,144	115,020

Actual obligations exceeded estimated levels in the agriculture, rural development and nutrition functional account as a result of deobligation of funds under the Small Farmer Marketing project (520-0238) and Rural Enterprise Development project (520-0245) with subsequent reobligation under the Farm-to-Market Access Roads project (520-0332). The increased obligation in the Economic Support Fund account reflects a higher than expected supplemental ($56 million instead of $40 million) as well as additional funds to support a bilateral administration of justice project.

E. Funds and programs provided to Guatemala in FY 1987 through non-governmental as contrasted to governmental channels:

	Nongovernmental		Government of Guatemala	
	($ million)			
DA	22.7	(65%)	12.2	(35%)
ESF*	1.2	(1%)	113.9	(99%)
P.L. 480 Title I	0	--	18.9	(100%)
P.L. 480 Title II	4.1	(100%)	--	--
TOTAL	29.2	(20%)	145.0	(80%)

Although ESF and P.L. 480 Title I resources were provided through government channels, the private sector was the major beneficiary of these funds and programs. ESF dollars provided foreign exchange which facilitated the import of U.S. raw materials and goods needed by Guatemalan businesses. P.L. 480 Title I included imports of wheat and vegetable oil which were sold through private commercial channels. Also, as indicated, local currency associated with ESF and P.L. 480 Title I resources support private sector activities as well.

FY 1989 Program

A.I.D. requests $80.0 million in ESF ($11 million of which will be used for projects), $34.0 million in Development Assistance (DA), $18 million in P.L. 480 Title I, and $5.075 million in P.L. 480 Title II.

Economic Growth

Economic Support Fund ($70 million) and P.L. 480 Title I ($18 million)

ESF and P.L. 480 Title I funds will continue to be used to support Guatemalan economic growth through financing of needed imports, and through support for policy dialogue on growth-oriented structural changes in economic policy. These changes will also assist in realization of Guatemala's development objectives through local currency programming in support of public investments and programs with the private sector which stimulate exports and investments.

Agriculture, Rural Development and Nutrition ($14,540,000). A.I.D. will continue to provide small farmers, especially in the Western Highlands, with financing to acquire greater access to production support, productive land, product and input markets, and employment in order to increase and diversify their production and income through ongoing projects and additional funds for the Farm-to-Market Roads (520-0332) and the Rural Electrification III (520-0353) projects. A.I.D. is also exploring ways to use sector assistance instruments to achieve more wide-spread production and income results and policy reform gains in the all-important agricultural sector. Funds are requested for the new Technification of Traditional Export Crops project (520-0381) to improve small-farmer coffee and cardamom yields, and to help stabilize production and maintain and expand exports where possible. ESF and P.L. 480 local currencies will be used to support these and other activities.

Education and Human Resource ($1,450,000). Funds are requested to continue the Development Planning Training and Support project (520-0374).

Selected Development Activities ($5,150,000). Funds are requested for continuing the Private Enterprise Promotion project (520-0341), for a Fiscal Administration Improvement project (520-0371) and a component of the Development Planning, Training, and Support project (520-0374).

Spreading the Benefits of Growth

In order to increase income and productivity, especially among the rural poor, and to permit broader participation in the development process, A.I.D. proposes to continue developing Guatemala's human resource base through the projects highlighted below.

Health ($305,000), Child Survival ($2,000,000) and Family Planning ($4,010,000). Due to the magnitude of the problem of population growth and the need to address major health problems affecting the mother/child group, A.I.D. requests $5,710,000 in additional funding for the Expansion of Family Planning Services project (520-0288).

Education and Human Resources ($4,289,000). Funds are requested to initiate the Education Sector Improvement project (520-0374), which will help the Government of Guatemala improve the delivery of services under its primary education system in close collaboration with other major donors (IBRD/IDB), and the Private Sector Skills Training project (520-0324)

Selected Development Activities ($2,256,000). Additional funding is requested to continue activities under the Private Enterprise Development project (520-0341) and for U.S. and indigenous PVOs to provide further support of micro, small and medium enterprise development to complement these efforts. Finally, additional funding is requested to assist the Government of Guatemala in improving the effectiveness of its revenue collection systems.

P.L. 480, Title II ($5,075,000). P.L. 480 Title II funds are needed to continue support to CARE and Catholic Relief Services, maternal and child health and related feeding programs which contribute to improved nutrition and complement other rural development and health and child survival activities.

D. Democratic Institutions

Economic Support Funds ($10 million). Additional funds are requested to continue support of activities under the Administration of Justice Improvement project (520-0369) and other democracy initiatives, including the CAPS program.

Mission Director: Anthony J. Cauterucci

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: GUATEMALA

CP 89

PROJECT NO. / PROJECT TITLE	*	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	PLANNED	-THROUGH FY 86- OBLIGATIONS	EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	EXPENDITURES
520-0000			PROGRAM DEVELOPMENT AND SUPPORT											
		CS G	69	C	---	---	---	---	174	70	50	125	100	125
		EH G	69	C	---	---	1,162	1,045	988	424	137	600	289	500
		ES G	69	C	---	---	500	---	---	113	---	550	---	437
		FN G	69	C	---	---	8,083	7,895	517	376	535	400	500	500
		HE G	69	C	---	---	871	686	50	212	300	250	305	300
		PN G	69	C	---	---	454	312	120	220	100	250	200	275
		SD G	69	C	---	---	947	826	441	434	560	400	606	450
		PROJECT TOTAL:			---	---	12,017	10,764	2,290	1,849	1,682	2,575	2,000	2,587
520-0145			SPECIAL DEVELOPMENT FUND											
		SD G	63	C	---	---	1,567	1,500	100	107	100	60	100	105
		PROJECT TOTAL:			---	---	1,567	1,500	100	107	100	60	100	105
520-0245			RURAL ENTERPRISES DEVELOPMENT											
		FN L	79	83	6,000	4,150	4,150	3,612	---	---	---	538	---	---
		PROJECT TOTAL:			6,000	4,150	4,150	3,612	---	---	---	538	---	---
520-0246			RURAL ELECTRIFICATION											
		FN L	79	83	10,600	10,600	10,600	7,096	---	1,191	---	2,238	---	74
		PROJECT TOTAL:			10,600	10,600	10,600	7,096	---	1,191	---	2,238	---	74
520-0251			COMMUNITY-BASED HEALTH AND NUTR SYSTEMS											
		HE G	80	85	1,300	1,268	1,268	637	---	52	---	167	---	240
		HE L	80	85	9,500	9,500	9,500	3,724	---	531	---	1,720	---	2,495
		PROJECT TOTAL:			10,800	10,768	10,768	4,361	---	583	---	1,887	---	2,735
520-0255			SMALL FARMER DIVERSIFICATION SYSTEMS											
		FN G	81	85	3,696	3,696	3,696	1,734	---	1,025	---	644	---	293
		FN L	81	85	5,500	5,500	5,500	2,145	---	776	---	697	---	715
		PROJECT TOTAL:			9,196	9,196	9,196	3,879	---	1,801	---	1,341	---	1,008
520-0261			SHELTER SECTOR DEVELOPMENT											
		SD G	88	89	---	600	---	---	---	---	300	115	300	200
		PROJECT TOTAL:			---	600	---	---	---	---	300	115	300	200
520-0274			HIGHLANDS AGRICULTURAL DEVELOPMENT											
		FN G	83	89	2,100	7,100	2,100	270	---	164	2,000	326	4,000	293
		FN L	83	89	13,500	15,500	13,500	1,120	---	1,374	2,000	2,865	---	1,090

*Refers to the planned project summary sheet

CLevel of effort activity

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: GUATEMALA

CP 89

PROJECT NO. / PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	PLANNED	-THROUGH FY 86- OBLIGA-TIONS	EXPEN-DITURES	-ACTUAL FY 87- OBLIGA-TIONS	EXPEN-DITURES	-ESTIMATED FY 88- OBLIGA-TIONS	EXPEN-DITURES	-PROPOSED FY 89- OBLIGA-TIONS	EXPEN-DITURES
PROJECT TOTAL:				15,600	22,600	15,600	1,390	---	1,538	4,000	3,191	4,000	1,383
520-0276 AGRI-BUSINESS DEVELOPMENT													
	ES G	85	88	3,000	3,000	3,000	224	---	881	---	1,000	---	500
	ES L	85	88	9,500	9,500	9,500	238	---	76	---	3,000	---	2,000
	FN G	85	88	---	1,000	---	---	---	---	1,000	200	---	500
PROJECT TOTAL:				12,500	13,500	12,500	462	---	957	1,000	4,200	---	3,000
520-0281 INTEGRATED NON-FORMAL EDUCATION													
	EH G	82	85	860	850	850	525	---	278	---	47	---	---
	EH L	82	85	3,500	2,000	2,000	1,077	---	503	---	420	---	---
PROJECT TOTAL:				4,360	2,850	2,850	1,602	---	781	---	467	---	---
520-0282 RURAL EDUCATION IMPROVEMENT													
	EH G	85	86	3,300	3,300	3,300	660	---	640	---	542	---	465
	EH L	85	86	10,204	10,204	10,204	368	---	1,296	---	2,682	---	1,236
PROJECT TOTAL:				13,504	13,504	13,504	1,028	---	1,936	---	3,224	---	1,701
520-0286 COOPERATIVE STRENGTHENING													
	FN G	86	86	11,000	11,000	11,000	---	---	434	---	957	---	1,500
PROJECT TOTAL:				11,000	11,000	11,000	---	---	434	---	957	---	1,500
520-0288 EXPANSION OF FAMILY PLANNING SERVICES													
	CS G	82	89	---	4,660	---	---	---	---	2,760	750	1,900	1,500
	PN G	82	89	12,116	20,961	8,686	3,949	3,430	1,998	5,035	3,809	3,810	3,353
PROJECT TOTAL:				12,116	25,621	8,686	3,949	3,430	1,998	7,795	4,559	5,710	4,853
520-0304 ALTIPLANO HIGHER EDUCATION													
	EH G	86	86	5,000	5,000	5,000	---	---	302	---	327	---	430
PROJECT TOTAL:				5,000	5,000	5,000	---	---	302	---	327	---	430
520-0320 PRIMARY EDUCATION MANAGEMENT IMPROVEMENT													
	EH G	87	87	500	500	---	---	500	---	---	198	---	145
PROJECT TOTAL:				500	500	---	---	500	---	---	198	---	145
520-0324 *PRIVATE SECTOR SKILLS TRAINING DEV													
	EH G	89	90	---	5,000	---	---	---	---	---	---	2,000	750

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CLevel of effort activity

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: GUATEMALA

CP 89

PROJECT NO. / PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	PLANNED	-THROUGH FY 86- OBLIGATIONS	EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	EXPENDITURES
PROJECT TOTAL:				---	5,000	---	---	---	---	---	---	2,000	750
520-0332 FARM-TO-MARKET ROADS													
	ES G	85	90	1,000	1,000	---	---	1,000	---	---	350	---	650
	ES L	85	90	5,500	5,500	---	---	5,500	---	---	1,000	---	2,500
	FN G	85	90	2,000	5,300	1,100	11	---	12	---	132	3,300	3,439
	FN L	85	90	21,500	21,500	10,366	823	1,720	2,308	3,500	2,464	---	4,674
PROJECT TOTAL:				30,000	33,300	11,466	834	8,220	2,320	3,500	3,946	3,300	11,263
520-0335 RURAL WATER AND SANITATION II - OPG													
	HE G	85	85	1,000	1,000	1,000	212	---	213	---	525	---	50
PROJECT TOTAL:				1,000	1,000	1,000	212	---	213	---	525	---	50
520-0336 WATER, WOMEN, AND HEALTH, OPG													
	HE G	85	85	500	500	500	---	---	103	---	370	---	27
	SD G	85	85	500	500	500	147	---	158	---	195	---	---
PROJECT TOTAL:				1,000	1,000	1,000	147	---	261	---	565	---	27
520-0337 PRIVATE SECTOR DEVEL COORDINATION, OPG													
	FN G	85	88	---	500	---	---	---	---	500	---	---	200
	SD G	85	88	1,500	1,500	1,500	328	---	707	---	426	---	39
PROJECT TOTAL:				1,500	2,000	1,500	328	---	707	500	426	---	239
520-0339 IMMUNIZATION/CHILD SURVIVAL													
	CS G	85	87	5,570	5,570	1,600	---	3,970	21	---	1,000	---	3,000
	ES G	85	87	2,500	2,500	---	---	2,500	---	---	500	---	1,000
	HE G	85	87	5,348	8,348	8,100	442	248	828	---	2,517	---	2,010
PROJECT TOTAL:				16,418	16,418	9,700	442	6,718	849	---	4,017	---	6,010
520-0341 PRIVATE ENTERPRISE DEVELOPMENT													
	FN G	87	89	1,550	2,050	---	---	1,550	---	500	1,550	---	---
	SD G	87	89	8,450	8,450	---	---	5,120	---	1,280	106	1,550	2,753
PROJECT TOTAL:				10,000	10,500	---	---	6,670	---	1,780	1,656	1,550	2,753
520-0343 PILOT COMMERCIAL LAND MARKETS II (OPG)													
	FN G	85	88	10,000	10,000	2,000	49	7,465	1,049	535	1,912	---	1,785
PROJECT TOTAL:				10,000	10,000	2,000	49	7,465	1,049	535	1,912	---	1,785

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CLevel of effort activity

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: GUATEMALA

CP 89

PROJECT NO. / PROJECT TITLE •	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	-LIFE OF PROJECT- PLANNED	-THROUGH FY 86- OBLIGATIONS	-THROUGH FY 86- EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	-ACTUAL FY 87- EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	-ESTIMATED FY 88- EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	-PROPOSED FY 89- EXPENDITURES
520-0344 ELECTRICAL POWER RESERVE													
	SD G	85	85	7,000	7,000	7,000	6,401	---	136	---	120	---	343
PROJECT TOTAL:				7,000	7,000	7,000	6,401	---	136	---	120	---	343
520-0348 SINDES PVO DEVELOPMENT PROGRAMS													
	SD G	86	88	1,050	2,050	1,050	---	---	367	500	583	500	300
PROJECT TOTAL:				1,050	2,050	1,050	---	---	367	500	583	500	300
520-0351 FAMILY FISH POND DEV II - OPG													
	FN G	86	86	500	500	500	---	---	208	---	165	---	90
PROJECT TOTAL:				500	500	500	---	---	208	---	165	---	90
520-0353 RURAL ELECTRIFICATION III													
	FN G	88	90	---	7,000	---	---	---	---	800	100	4,590	1,500
	FN L	88	90	---	3,000	---	---	---	---	3,000	200	---	1,950
PROJECT TOTAL:				---	10,000	---	---	---	---	3,800	300	4,590	3,450
520-0355 GUATEMALA DAIRY DEVELOPMENT													
	FN G	86	86	1,200	1,200	1,200	---	---	231	---	327	---	281
PROJECT TOTAL:				1,200	1,200	1,200	---	---	231	---	327	---	281
520-0359 ECONOMIC SUPPORT PROGRAM													
	ES G	87	87	90,750	90,750	---	---	90,750	56,000	---	34,750	---	---
PROJECT TOTAL:				90,750	90,750	---	---	90,750	56,000	---	34,750	---	---
520-0362 GUATEMALA PEACE SCHOLARSHIPS													
	EH G	87	90	5,006	5,006	---	---	5,006	---	---	3,006	---	2,000
	ES G	87	90	13,562	25,000	---	---	13,562	861	3,000	2,000	8,000	5,500
	FN G	87	90	424	424	---	---	424	173	---	251	---	---
	PN G	87	90	208	208	---	---	208	7	---	201	---	---
PROJECT TOTAL:				19,200	30,638	---	---	19,200	1,041	3,000	5,458	8,000	7,500
520-0363 AG PROD & MARKET SERVICES PVO - OPG													
	FN G	87	88	1,500	1,500	---	---	200	---	300	144	570	61
PROJECT TOTAL:				1,500	1,500	---	---	200	---	300	144	570 ▲	61
520-0364 PRIVATE SECTOR EDUCATION INITIATIVES													
	EH G	87	91	1,500	1,500	---	---	1,500	---	---	566	---	250

*Refers to the planned project summary sheet

G Level of effort activity

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: GUATEMALA

CP 89

PROJECT NO. / PROJECT TITLE	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	PLANNED	-THROUGH FY 86- OBLIGA-TIONS	EXPEN-DITURES	-ACTUAL FY 87- OBLIGA-TIONS	EXPEN-DITURES	-ESTIMATED FY 88- OBLIGA-TIONS	EXPEN-DITURES	-PROPOSED FY 89- OBLIGA-TIONS	EXPEN-DITURES
PROJECT TOTAL:				1,500	1,500	---	---	1,500	---	---	566	---	250
520-0369 ADMINISTRATION OF JUSTICE IMPROVEMENT	ES G	88	90	5,000	5,000	---	---	---	---	2,000	100	1,000	800
PROJECT TOTAL:				5,000	5,000	---	---	---	---	2,000	100	1,000	800
520-0371 FISCAL ADMINISTRATION IMPROVEMENT	SD G	88	89	---	3,450	---	---	---	---	950	75	2,500	100
PROJECT TOTAL:				---	3,450	---	---	---	---	950	75	2,500	100
520-0372 ECONOMIC STABILIZATION PROGRAM	ES G	88	88	74,500	74,500	---	---	---	---	74,500	74,500	---	---
PROJECT TOTAL:				74,500	74,500	---	---	---	---	74,500	74,500	---	---
520-0373 *ECONOMIC STABILIZATION PROGRAM	ES G	89	89	---	70,000	---	---	---	---	---	---	70,000	70,000
PROJECT TOTAL:				---	70,000	---	---	---	---	---	---	70,000	70,000
520-0374 *EDUCATION SECTOR IMPROVEMENT	EH G	89	90	---	10,000	---	---	---	---	---	---	2,000	300
PROJECT TOTAL:				---	10,000	---	---	---	---	---	---	2,000	300
520-0376 GUATEMALA JUDICIAL DEVELOPMENT	ES G	87	87	1,483	1,483	---	---	1,483	---	---	500	---	500
PROJECT TOTAL:				1,483	1,483	---	---	1,483	---	---	500	---	500
520-0377 MICRO BUSINESS PROMOTION (OPG)	SD G	87	87	500	500	---	---	200	---	300	150	---	150
PROJECT TOTAL:				500	500	---	---	200	---	300	150	---	150
520-0378 ELECTORAL SECTOR IMPROVEMENT	SD G	87	87	600	600	---	---	600	---	---	500	---	100
PROJECT TOTAL:				600	600	---	---	600	---	---	500	---	100
520-0379 VOLCANIC HAZARDS PREPAREDNESS	SD G	87	87	338	338	---	---	338	---	---	100	---	138

*Refers to the planned project summary sheet

C Level of effort activity

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: GUATEMALA

CP 89

PROJECT NO. / PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	PLANNED	-THROUGH FY 86- OBLIGATIONS	EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	EXPENDITURES
PROJECT TOTAL:				338	338	---	---	338	---	---	100	---	138
520-0381 *TECHNIFICATION OF TRADITIONAL EXPORT CRO													
	FN G	89	90	---	3,000	---	---	---	---	---	---	1,500	300
PROJECT TOTAL:				---	3,000	---	---	---	---	---	---	1,500	300
520-0383 SPECIAL PROJECT ASSISTANCE FUND (PC)													
	FN G	88	C	---	---	---	---	---	---	80	45	80	80
PROJECT TOTAL:				---	---	---	---	---	---	80	45	80	80
520-0384 DEVELOPMENT PLANNING TRAINING AND SUPPOR													
	EH G	88	89	---	1,900	---	---	---	---	450	250	1,450	600
	SD G	88	89	---	1,600	---	---	---	---	500	300	1,100	500
PROJECT TOTAL:				---	3,500	---	---	---	---	950	550	2,550	1,100
520-0386 GUATEMALA STRENGTHENING OF DEMOCRACY													
	ES G	88	89	---	1,500	---	---	---	---	500	---	1,000	100
PROJECT TOTAL:				---	1,500	---	---	---	---	500	---	1,000	100
520-0999 LOCAL COST SUPPORT													
	ES G	87	87	225	225	---	---	225	106	---	119	---	---
PROJECT TOTAL:				225	225	---	---	225	106	---	119	---	---
520-9999 *PRIVATE AND VOL ORGANIZATIONS - OPG'S													
	SD G	79	C	---	---	---	---	---	---	---	---	750	300
PROJECT TOTAL:				---	---	---	---	---	---	---	---	750	300
COUNTRY TOTALS:				386,440	528,341	153,854	48,056	149,839	76,965	108,072	157,976	114,000	128,841
GRANTS:				291,136	431,387	78,534	27,853	142,669	68,910	99,572	140,152	114,000	112,107
LOANS:				95,304	96,954	75,320	20,203	7,220	8,055	8,500	17,824	---	16,734

---- APPROPRIATION SUMMARY ----

AGR., RURAL DEV. & NUTRITION:	91,070	114,520	73,795	24,755	11,876	9,321	14,750	16,155	14,540	19,325
POPULATION PLANNING:	12,324	21,169	9,140	4,261	3,758	2,225	5,135	4,260	4,010	3,628
HEALTH:	20,648	20,616	21,239	5,701	298	1,939	300	5,549	305	5,122
CHILD SURVIVAL FUND:	5,570	10,230	1,600	---	4,144	91	2,810	1,875	2,000	4,625
AIDS:	---	---	---	---	---	---	---	---	---	---

*Refers to the planned project summary sheet

[C] Level of effort activity

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: GUATEMALA

CP 89

PROJECT NO. PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	PLANNED	-THROUGH FY 86- OBLIGA-TIONS	EXPEN-DITURES	-ACTUAL FY 87- OBLIGA-TIONS	EXPEN-DITURES	-ESTIMATED FY 88- OBLIGA-TIONS	EXPEN-DITURES	-PROPOSED FY 89- OBLIGA-TIONS	EXPEN-DITURES
EDUCATION & HUMAN RESOURCES:				29,870	45,260	22,516	3,675	7,994	3,443	587	8,638	5,739	6,676
SELECTED DEVELOP. ACTIVITIES:				19,938	26,588	12,564	9,202	6,799	1,909	4,490	3,130	7,406	5,478
ECONOMIC SUPPORT FUND:				237,020	289,958	13,000	462	115,020	58,037	80,000	118,369	80,000	83,987

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CLevel of effort activity

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PROGRAM: Guatemala

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Private Sector Skills Training Development	DA			FY 1989 2,000	Life of Project Funding 5,000

Number	[X] NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
520-0324 [X] GRANT [ ] LOAN	[ ] CONTINUING		2,000		FY 1989	FY 1990	FY 1984

Project Purpose: To improve the vocational managerial skills of the private sector labor force.

Project Description: Lack of training opportunities in rural areas limits the ability of individuals to engage in productive activities. Simultaneously, the growth of new economic activities is constrained by a lack of trained manpower. The primary source of vocational skills training is INTECAP, a semiautonomous institution financed with a 1 percent payroll tax levied on the private sector. INTECAP has seven training centers in Guatemala. Residents of secondary cities/towns have no access to centers due to poor transportation networks. Training opportunities available at smaller cities/towns are limited to informal, traditional cottage crafts. Furthermore, semi-skilled training in accounting, marketing and other business skills is only provided to a limited range of managers/supervisors through two local universities and the private Guatemalan Managers Association (AGG). The proposed project will finance managerial and vocational skills training through three components. INTECAP will receive funding for technical assistance, training materials and equipment in order to provide vocational training to workers in private business in its centers and will also provide outreach training to rural entrepreneurs, using six to eight mobile units. A third component will provide managerial skills training to mid-level managers of medium and small-size firms in areas such as production organization, product protection/marketing, and financial/credit management.

Relationship of Project to A.I.D. Country Strategy: This project is responsive to NBCCA recommendations which call for: a) promoting training related to employment and productivity; b) expansion of training institutions both in the public and private sectors.

Host-Country and Other Donors: The participating agency will contribute at lease 25 percent of total inputs. Other donors, particularly the World Bank have financed expansion of vocational schools in secondary cities. The Inter-American Development Bank supported the expansion of INTECAP outside Guatemala City. Other donors assisted INTECAP in the areas of instructor training, procurement and program management. Support for private sector vocational and skills education is limited, consisting mainly of scholarships offered by the United Nations and the Inter-American Development Bank.

Beneficiaries: Direct beneficiaries will be approximately 17,000 rural/urban workers, 3,000 managers/supervisors; and 1,500 to 2,000 out-of-school youth/adults, over the LOP. Furthermore, the necessary infrastructure/program delivery capacity will be established to serve approximately5,000 individuals annually beyond the LOP.

Major Outputs (LOP):	All Years
Semi-skilled instructional modules prepared by AGG	5
Vocational courses prepared and given	5
Trained vocational education instructors	20
Management teachers trained	10
Individuals trained in vocational education	17,000
Mid-level managers trained	3,000
Small/medium size firms assisted	3,000

A.I.D.-Financed Inputs: ($000's)	Life-of-Project
Commodities	1,650
Materials/supplies	850
Personnel	500
Training	550
Operating costs	550
Research and evaluation	400
Contingencies	500
Total	5,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1987			
Estimated Fiscal Year 1988			
Estimated Through September 30, 1988			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1989	2,000	3,000	5,000

Principal Contractors or Agencies

INTECAP and Guatemalan Managers Association

AID 370-7 (11-85)

PROGRAM: GUATEMALA

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Economic Stabilization and Recovery	ESF 70,000			FY 89 70,000	Life of Project Funding 70,000

Number		Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
520-0373 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING				FY 89	FY 89	FY 90

Project Purpose: To support Guatemalan balance of payments needs until foreign exchange earnings/savings have increased sufficiently to allow self-financing of imports of capital equipment and raw materials required to reach sustainable real GDP growth in excess of 3 percent per year, on average.

Project Description: In late 1985, Guatemala held free democratic elections for the first time in decades. The election of Vinicio Cerezo, whose campaign platform promised improvements in public social programs within the limits of sound pro-private sector macroeconomic policy, was accompanied by a resurgence of confidence in the national economy.

The new government's economic strategy was to focus first on restoring stability and confidence in the economy. As outlined in its economic stabilization program of reforms initiated in June 1986, this included a reduction of public sector deficits caused by excessive monetary expansion; gradual elimination of foreign exchange controls and unification of the exchange markets; and reduction of price inflation and foreign payments deficits. The second stage would be expansion of production with emphasis on exports. In support of this program the United States has provided foreign exchange to fill temporarily the gap between immediate needs for productive imports and foreign exchange earnings. Simultaneously, the local currency generated under the ESF balance of payments program, is directed to high priority social and economic development programs of the public and private sectors.

To date, the government has been successful in its efforts to restore the country's economy and achieving the objectives of its program. Inflation has been reduced to below 10 percent, tourism and non-traditional exports have increased, and there has been progress in other areas as well. Funds in FY 1989 will continue to support Guatemalan policy progress in achieving the objectives of the stabilization, economic growth and equity programs. The key policy reforms to be addressed include elimination of the temporary export tax, tax administration improvements, maintenance of market-oriented exchange rate levels, and the formulation and application of monetary policies which are consistent with inflation targets. Sectoral policy and structural reforms in key agricultural, education, health and population sectors will also be addressed to ensure sustained growth and greater equity for lower-income groups.

Relationship of Project to A.I.D. Country Strategy: The Mission strategy has focused on restoring a stable economic climate conducive to private investment and improvment of production and employment opportunities. The ESF program and the policy dialogue surrounding it have provided real resources to support this and have served to enhance policy reforms.

Host Country and Other Donors: This program supports the government's strategy to restore a strong economy through a comprehensive stabilization program and enhancement of private sector-led investment and production. The Mission has also closely coordinated U.S. efforts with the IMF and other donors.

Beneficiaries: Aside from the obvious benefits of real economic growth to the country's economy and political stability as a whole, the rural poor are particular beneficiaries of the local currency programming in support of social and economic development programs.

Major Outputs:	All Years
Economic stabilization and growth policies	X
Sectoral and local currency development projects	X

A.I.D.-Financed Inputs:	(Life-of-Project) ($000)
Cash Transfer	70,000

U. S. FINANCING (In thousands of dollars)

	Obligations	Expenditures	Unliquidated
Through September 30, 1987			
Estimated Fiscal Year 1988			
Estimated Through September 30, 1988			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1989	70,000	-0-	70,000

Principal Contractors or Agencies

Guatemala's Ministry of Finance

AID 370-7 (11-85)

PROGRAM: GUATEMALA

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Education Sector Improvement	DA			FY 89 2,000	Life of Project Funding 10,000

Number 520-0374	[X] NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
[X] GRANT [ ] LOAN	[ ] CONTINUING		2,000		FY 89	FY 90	FY 93

Project Purpose: To strenghten the capacity of the Ministry of Education (MOE) to increase the efficiency of Guatemala's public primary education system.

Project Description: The project addresses inefficiencies of the Guatemalan primary education, which invests 18 pupil-years in rural areas to produce a sixth-grade graduate. Because of low access to education (75% of school-age children are enrolled in schools), a large proportion of the population continues to be illiterate (adult illiteracy is 49%) and poorly educated or trained (84% of the labor force has less than six years of formal schooling).

To address these problems and permit Guatemala to have a human resource base capable of supporting needed economic development in the country in the future, this project will concentrate on improving the following components of the primary education system, with major focus on improving effective delivery of bilingual primary education: 1) pre and in-service teacher training; 2) student progress testing and evaluation, and 3) policy development and program management.

Pre-service and in-service teacher training will stress use of improved teaching techniques, classroom resources and community resources. Testing and evaluation improvements will include the establishment of minimum learning standards and the development of appropriate instruments to evaluate progress. Policy development and program management improvements will include the establishment of systems and procedures to carry out policy analysis, establish efficiency standards for schools, ensure supervision of teachers, and develop information bases.

Relationship of Project to A.I.D. Country Strategy: This project is responsive to NBCCA, LAC and Mission objectives which call for policy reforms and other interventions to improve the efficiency of the primary education system.

Host Country and Other Donors: The Government of Guatemala has made expansion and improvements in the efficiency of the education system a very high priority, with special emphasis on the primary education system. Because of the large indigenous population, bilingual education is recognized as a critical element in achieving success. The IBRD is planning to approve financing of up to $30 million during 1988 for a follow-on primary education project focusing on primary education. The IDB is currently providing assistance for school construction, teacher training and curriculum design. The Mission will closely collaborate with both so that major donor projects complement each other.

Beneficiaries: The ultimate beneficiaries of this project are Guatemala's school children, with direct benefits to the education system's managers and teachers who will acquire enhanced skills, equipment and support to carry out their educational responsibilities.

Major Outputs:	All Years
Primary teachers trained	10,000
Subject matter tests developed	5
Learning standards/instruments developed	X
Policy agenda/program management systems established	X

A.I.D.-Financed Inputs:	(Life-of-Project) ($000)
Technical Assistance	2,600
Training	3,000
Commodities	3,000
Other	1,400
Total	10,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1987			
Estimated Fiscal Year 1988			
Estimated Through September 30, 1988			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1989	2,000	8,000	10,000

Principal Contractors or Agencies: Guatemala's Ministry of Education

AID 370-7 (11-85)

PROGRAM: GUATEMALA

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Technification of Traditional Export Crops	DA	1,500		FY 89 1,500	Life of Project Funding 3,000

Number 520-0381	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
[X] GRANT [ ] LOAN [X] NEW [ ] CONTINUING				FY 89	FY 90	FY 93

Project Purpose: To increase small-farmer productivity and participation in production and export of coffee and cardamom.

Project Description: The principal emphasis of the first component of the project will be on increasing the productivity of some of the 45,000 small-scale coffee producers in Guatemala through the introduction of a technology package composed of improved plant varieties, increased plant populations, and more intensive management of shade, soil fertility, and pruning. Small-scale farmers currently constitute 94% of the coffee producers in Guatemala, yet produce only 20% of the national coffee production. Small producers are more vulnerable to coffee pests, such as coffee rust, because of their lack of access to means to eliminate it.

Under the project, 4,000 small coffee producers will receive financing and technical assistance to adopt a new technology package which should increase their average yields by as much as five times. As a result, unit production costs should be reduced and net income increased. Farmers will be able to devote less land to coffee and to diversify into other income-generating crops. The project will work through ANACAFE and FEDECOCAGUA, the coffee growers' cooperative federation, which together represent 60% of Guatemalan small coffee producers. To a lesser extent the project will help improve the Guatemala coffee marketing system, with particular emphasis on removing inefficiencies in the stock-holding system.

The second component of the project will emphasize efforts to increase the quality of cardamom exported as a means of retaining Guatemala's portion of the world market. There are approximately 50,000 small-scale cardamom producers in Guatemala who have experienced lower world prices and more competition as surrounding countries have expanded into cardamom production. The project will directly assist 5,000 of them to improve the quality and marketing of their products working through existing producer associations by providing them credits and technical assistance to acquire and use new technology packages.

The Mission anticipates that ESF and/or PL 480 local currency generations will be needed along with DA dollar resources for this project. The approximate need for local currencies is $10 million equivalent.

Relationship of Project to A.I.D. Country Strategy: This project is consistent with NBCCA and Mission goals and the specific objectives of increasing agricultural production, rural incomes, and higher foreign exchange earnings.

Host Country and Other Donors: This project is closely linked to the host government's objective of encouraging greater numbers of Guatemalans--particularly those groups near bare subsistence--to contribute to and benefit from economic growth. It will also be carried out in close collaboration with the efforts of other donors.

Beneficiaries: Primary beneficiaries will be approximately 4,000 small-scale coffee producers and 5,000 small-scale cardamom producers.

Major Outputs:	All Years
Small-Scale Coffee Producers Adopt Technology Package	4,000
Small-Scale Cardamom Producers Adopt Technology Package	5,000

A.I.D.-Financed Inputs:	(Life-of-Project) ($000)
Technical Assistance	2,000
Commodities	500
Training	500
Total	3,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1987			
Estimated Fiscal Year 1988			
Estimated Through September 30, 1988			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1989	1,500	1,500	3,000

Principal Contractors or Agencies

To be selected.

PROGRAM: GUATEMALA

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Private Voluntary Organizations (Operational Program Grants)	DA			FY 89 750	Life of Project Funding Continuing

Number		Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
520-9999 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING			750	FY 79	FY Continuing	FY Continuing

Project Purpose: To strengthen the capacity of U.S. and local PVOs to undertake innovative development programs.

Project Description: Both U.S. and Guatemalan PVOs are assisting the rural and urban poor of Guatemala. In addition to P.L. 480 Title I activities, CARE has separate Mission grants for rural family fish pond activities, construction of potable water and waste disposal systems, and a cardamom production program. They also conduct a food-for-work urban renewal program in some 55 slum areas of Guatemala City. The Penny Foundation has established a mechanism to permit small farmers to purchase arable land and is providing technical assistance and production credit to them as well. Because of successful results to date, A.I.D. plans to provide a substantial increase ($10 million) of assistance to them in FY 1987. Other U.S. and indigenous PVOs are playing a major role in providing voluntary family planning services.

A.I.D. is providing support through a U.S. PVO, Private Agencies Collaborating Together (PACT), to strengthen ASINDES, a Guatemalan PVO umbrella organization. The PACT/ASINDES grant is providing technical assistance, training and sub-grants to individual PVO organizations' projects directly related to rural development. A.I.D. is also providing assistance to the AFL-CIO's labor institute, AIFLD, to strenghten the capacity of the National Labor Union Confederation and its farm unions to provide needed agricultural production and marketing services to its members. Funds are being channeled through the local Chamber of Entrepreneurs (CAEM) and directly to PVOs to provide technical assistance, training and other support to micro, small and medium-size Guatemalan businesses to increase the private sector's participation in non-traditional development areas.

In FY 1989 priority consideration will be given to further support both U.S. and Guatemalan PVOs in their provision of additional technical assistance, training, commodities, credit, and other resources to micro, small and medium enterprises

Relationship of Project to A.I.D. Country Strategy: This project is consistent with NBCCA and Mission goals of encouraging U.S. and Guatemalan PVOs to meet the needs of the rural poor for increased incomes and productivity as well as improved social services through private sector channels.

Host Country and Other Donors: The project is consistent with the Government of Guatemala's priority development needs and is closely linked with efforts of other donors to provide support to PVOs. The beneficiaries contribute as well by providing labor and locally available materials.

Beneficiaries: Beneficiaries include both rural and urban poor families living throughout Guatemala with emphasis placed on the indigenous poor living in the Western Highlands.

Major Outputs:	All Years
Micro/Small/Medium-size enterprises strengthened	X
Trained personnel in various areas	X
Agricultural Production Increased	X
Potable Water/Waste Disposal Systems constructed	X

A.I.D.-Financed Inputs:	($000)
Technical Assistance	X
Training	X
Commodities	X
Other (credit, sub-grants to PVOs, etc.)	X
Total	750*

*FY89 only

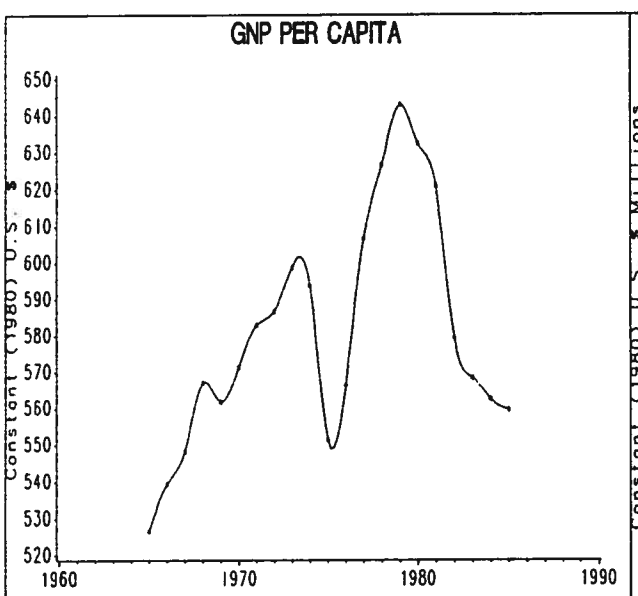
U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1987			
Estimated Fiscal Year 1988			
Estimated Through September 30, 1988			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1989	750	Continuing	Continuing

Principal Contractors or Agencies: Various PVOs

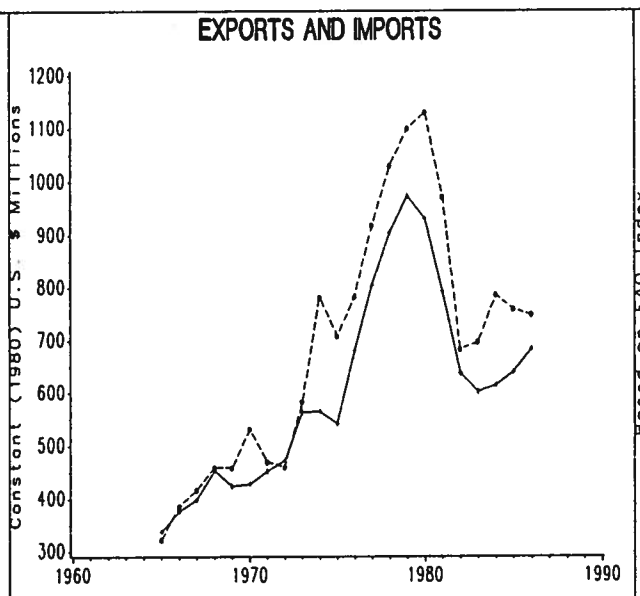
AID 370-7 (11-85)

HONDURAS -- Economic Indicators

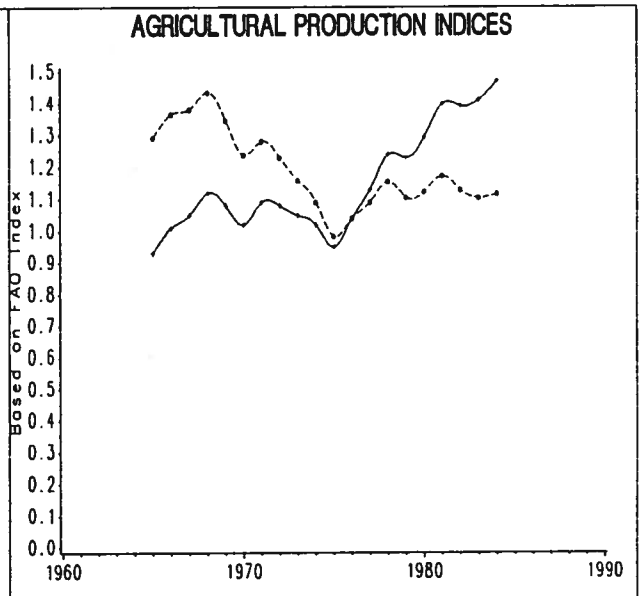
Total U.S. Aid $ 1,023 Million (1946-86)
Ratio of U.S. Aid To Total ODA 50.6% (1982-85)
Yearly U.S. Aid Per Capita $ 29.81 (1982-85)



NOTE: Major changes may be related to the use of official exchange rates.



Solid: Exports
Dashes: Imports



Solid: World Bank Index
Dashes: Divided by Population Index

NATIONAL INCOME AND EXPENDITURES

Per Capita GNP .....(1985) 720

Average Annual Real Per Capita GNP Growth Rate.(1965-85) 0.4%

Government Budgetary Expenditures as a % of GNP...(1987) 24.4%

Total Expenditures and Net Lending ($ Millions, US):
(1985) 884 (1986) 902 (1987) 930

Budgetary Deficit or Surplus ($ Millions, US):
(1985) -326 (1986) -297 (1987) -284

INTERNATIONAL RESERVES AND EXTERNAL DEBT

Official International Reserves Equivalent to
1.0 Months of Imports (1986)

External Public Debt as % of GNP...(1985) 71.1%

Service Payments on External Public Debt,
($ Millions, US)..... (1986) 314
As % of Total Export Earnings..... (1986) 30.4%

EXTERNAL TRADE (IN 1980 CONSTANT $US)

Trade Balance($ Millions, US) (1984) -171(85) -119(86) -64

Total Imports($ Millions, US) (1984) 786(85) 759(86) 749
Of Which % From U.S. .....(1986) 46%

Major Imports(1985)MFRD. GOODS;MACHINERY;TRANSPORT EQUIP

Total Exports($ Millions, US) (1984) 615(85) 640(86) 684
Of Which % to U.S. .....(1986) 48%

Major Exports(1985)BANANAS;COFFEE;LUMBER

Trading Partners: UNITED STATES; JAPAN; GERMANY, FEDER

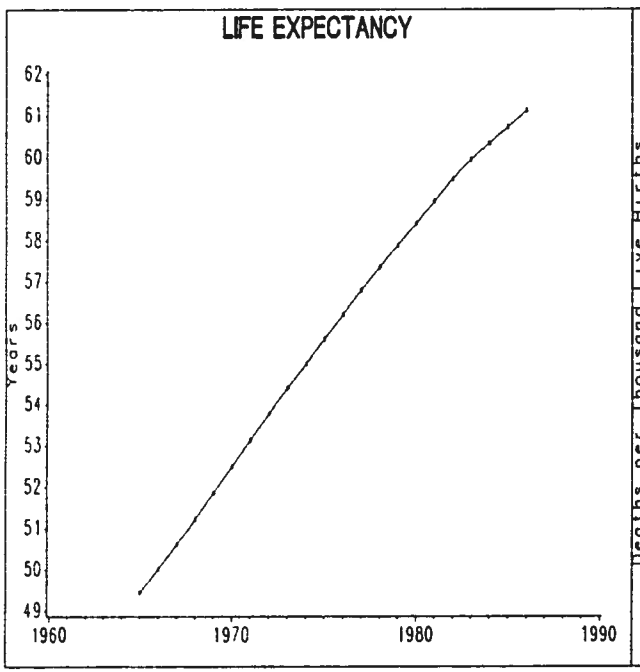
AGRICULTURE

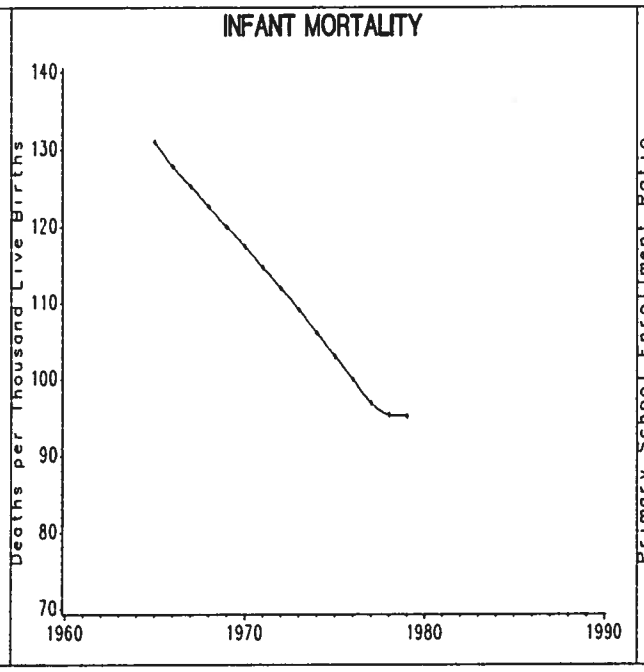
Agricultural Production as % of GDP...(1985) 24%

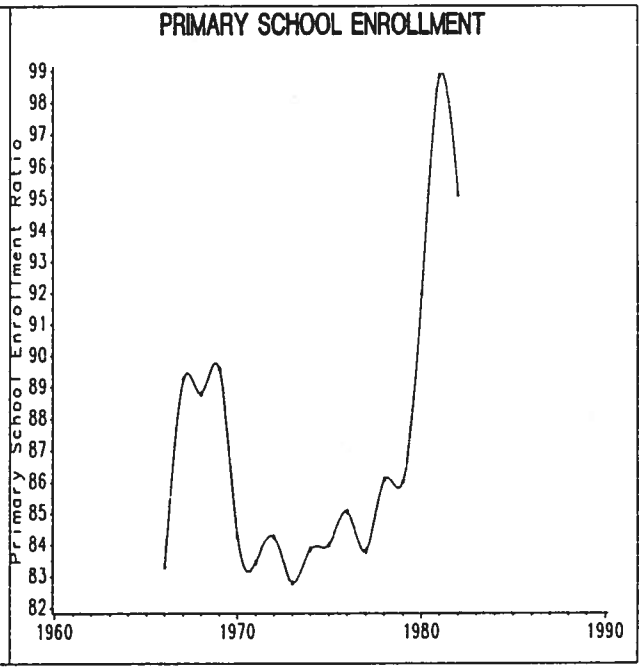
Major Crop(s)	As % of Arable Land	
Subsistence: CORN; BEANS-DRY; RICE	28%	(1986)
Cash: BANANAS; COFFEE; RAW SUGAR	20%	(1986)

Ag. Exports:(1986)COFFEE; BANANAS; RAW SUGAR
Ag. Imports:(1986) WHEAT; OILSEEDS; ANIMAL PRODUCTS

HONDURAS -- Social Indicators







POPULATION

Total Population...(Thousands, Mid 1987) 4,815

Population Growth Rate...(1970) 2.5% (1978) 3.6% (1987) 3.3%

Population (1987) By Age Group:
(0-14yrs) 45.9% (15-64yrs) 51.4% (65+ yrs) 2.7%

Married Women Aged 15-49 yrs. Using Contraception...(1984) 35.0%

Total Fertility Rate...(1970) 7.1 (1987) 5.5

HOUSEHOLD INCOME AND EMPLOYMENT

National Income Received by Low 20% of Population..(.) . %

% of Population Living Below Absolute Poverty Level
(1978) Total . % Urban 14.0% Rural 54.9%

Labor Force Participation as % of Working Age Population
(1980) 29%

Proportion of Labor Force in Agriculture...(1979) 60%

NUTRITION AND HEALTH

Per Capita Calorie Supply as a % of Requirements...(1983) 94%

Life Expectancy at Birth, in Years
(1986) Total 61.1 Male 59.2 Female 63.1
(1970) Total 52.5 Male 50.8 Female 54.3

Infant Deaths in First Yr of Life per 1000 Live Births (1987) 69

% Of Children 12-23 Months Old Fully Immunized Against
Tuberculosos(BCG3) 65% (1985) Measles 53% (1985)
Diphtheria(DPT) 59% (1985) Polio(3) 58% (1985)

Population with Reasonable Access to Safe Water Supply
(1984) 50%

EDUCATION AND LITERACY

Total School Enrollment as Ratio of Population in Age Group:

Primary	(1982)	Total	95.1	Male	99.9	Female	97.8
Secondary	(1982)	Total	26.3	Male	24.0	Female	24.7
Post Secondary	(1980)	Total	6.4	Male	7.9	Female	4.9

Adult Literacy Rate (.) Total .% Male .% Female .%

HONDURAS

PROGRAM SUMMARY ($000)			
Category	FY 1987 (Actual)	FY 1988 (Estimated)	FY 1989 (Request)
Development Assistance	41,671 1/	40,000	40,000
Loan	15,361	11,187	0
Grant	26,310	28,813	40,000
Economic Support Fund	131,786 2/	85,000	87,000
Loan	0	0	0
Grant	131,786	85,000	87,000
Other*			
TOTALS	173,457	125,000	127,000
P.L. 480	15,102	14,964	15,122
Title I	12,000	12,000	12,000
Title II	3,102	2,964	3,122
TOTALS	188,559	139,964	142,122

Footnotes:
1/ Above total includes $263,961 of prior-year deobligated funds reobligated in FY 1987.
2/ The above total for ESF includes $645,000 in local cost support.

PERSONNEL DATA – MISSION DIRECT HIRE[a]			
Category	FY 1987 (Actual)	FY 1988 (Estimated)	FY 1989 (Request)
U.S. National	38.75	41.25	41.25
Foreign National	32	36.0	36.0
TOTALS	70.75	77.25	77.25

[a]*Total full time equivalent workyears of employment. Include HIG, excess property, and IG personnel. Excludes TDP. One workyear = 2,087 hours.*

PARTICIPANT TRAINING DATA[a]									
Category	FY 1987 (Actual)			FY 1988 (Estimated)			FY 1989 (Request)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
U.S. Participants									
Bilateral[d]	8	89	97	139	382	521	113	550	663
Regional[e]	290	255	545	306	120	426	291	-	291
Third Country Participants									
Bilateral[d]	9	24	33	10	30	40	10	25	35
Regional[e]									
TOTALS	307	368	675	455	532	987	414	575	989

[a]*In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*
[b]*Academic: degree seeking.*
[c]*Technical: non-degree seeking.*
[d]*Participants funded under bilateral programs.*
[e]*Participants funded under regional programs (e.g., CLASP, AMDP).*

AID 370-2 (8-86)

HONDURAS

Introduction

In January 1986, in a graphic demonstration of a strengthened democracy, one democratically elected government succeeded another for the first time in 50 years. In June 1986, the newly elected government of President Jose Azcona embarked on a comprehensive three year economic program to stabilize and structurally reform the economy. By 1987, Government of Honduras (GOH) programs to extend health, education and other basic services to the poor had moved Honduras' basic indicators up to levels nearly equal to those of their higher income neighbor, Guatemala, and substantially above those of El Salvador. In 1987, real gross domestic product (GDP) growth is projected to be about 4.0%, the highest growth rate in the eighties and the first time in eight years that GDP growth outpaced the population growth rate.

For the first time in years, Honduras' prospects for sustained development are good, but they are by no means certain. Honduras is still a poor, predominantly (61%) rural country. It lacks the basic infrastructure and the trained human resources to support rapid growth. Dependent on world commodity prices for its traditional crops, and indebted for past infrastructure investments, it faces a major external financing gap until at least 1990. Past government interventions in the economy have left a legacy of policies which serve to drain the government budget and deter new investment. Recent economic gains, while quite noteworthy in the Honduran context, have been achieved through an intense government focus on specific targets, which may be difficult to maintain as campaigning for the 1989 elections increases.

A.I.D.'s assistance program has and will continue to support actions to maintain overall economic growth, to ensure broad participation in and sharing of the benefits of that growth, and to strengthen democratic institutions. Program assistance funded by Economic Support Funds (ESF) is disbursed against concrete steps in the implementation of a comprehensive GOH program of economic stabilization and structural reform in key sectors of the Honduran economy. These structural reforms are specifically aimed at reducing the barriers to investment, reducing the fiscal deficit through divestiture of parastatals and better budgetary control of government operations, improving the climate for both domestic and export investment, and strengthening democratic institutions. Social and agricultural service delivery will be geographically expanded with increased emphasis on quality of services and cost effectiveness of delivery. Family planning, maternal and child health services, primary education, small enterprise development, low-cost housing improvements, and agricultural production projects are already showing positive results and will continue to be emphasized, building on the lessons learned from mid-project evaluations carried out in 1986 and 1987.

A.I.D. Development Strategy, Assistance and Accomplishments to Date

Based on the Central American Initiative, A.I.D. has focused its assistance on Honduran efforts to stabilize the economy, lay the basis for rapid and sustained economic growth, broaden the sharing of the benefits of growth, and strengthen democratic institutions through support for the eleven specific objectives discussed below.

Short-term Economic Stabilization

1. Stabilize financial structures and substantially improve macroeconomic performance from 1985 through 1992: A.I.D.'s balance-of-payments assistance under the Economic Stabilization Facility (522-0283), Stabilization and Economic Recovery (522-0323), Economic Support (522-0331), P.L. 480 Title I, and Section 416 programs continues to provide crucial support for a Honduran economic program designed to improve further macroeconomic performance, as well as to meet immediate food needs. Support provided under the Policy Analysis and Implementation project (522-0325), which was signed late in FY 1987, will enhance the capacity of the public and private sectors to articulate and support future economic policy and administrative reforms.

Modest improvements in macroeconomic performance continued in 1987. Real GDP rose by about 4.0% during the year compared to growth of 3% a year earlier. Inflation was contained to about 2.5%, an improvement over the rate for 1986. Private investment continued to expand only modestly. The precipitous end of the brief coffee boom, tumbling mineral exports, higher oil prices, and heavier debt service payments resulted in an increase in the current account deficit to the equivalent of about 7.6% of GDP. This is unfavorable when compared to 1986, but well below 1984 and 1985. In 1987, exports recovered weakly following a 12% decline in the first quarter, holding the decline for the year to 3% below 1986. Modest increases in a newly revitalized banana industry and nontraditional exports sustained the external sector. However, the full positive effects of increased banana and nontraditional exports will probably not be felt until late in 1988 or after. The reintroduction in October of producer coffee quotas also will stabilize and strengthen world coffee prices over the next two years. Imports grew by 2.5% over 1986.

The modestly favorable trends in exports and imports reflect increasingly effective implementation of GOH-supported legislation and administrative measures to promote investment in bananas and nontraditional exports, and a series of both formal and informal Central Bank measures to liberalize the exchange-rate regime. A.I.D. balance-of-payments assistance supported both external sector financing and government actions on policy and legislative measures key to sustained growth.

The Privatization of State-Owned Enterprises project (522-0289) supported the completion of five privatization packages in 1987. Thirteen additional packages are under preparation. The Strategic Planning and Technical

Support project (522-0269) financed studies to help public and private sector organizations study priority development problems in the context of the Central American Initiative. The project also financed technical assistance to support the implementation of the project portfolio.

Basic Structural Reform Leading to Rapid and Sustained Economic Growth

2. Increase agricultural production by $360 million from 1985 through 1992: During 1987, A.I.D.-supported activities resulted in estimated increases of $40 million in agricultural production, principally through the activities of the Small Farmer Coffee Improvement project (522-0176). Other major increases were attributable to the following projects: Rural Technologies (522-0157); Natural Resources Management (522-0168); Export Development and Services (522-0207); Small Farmer Livestock Improvement (522-0209); Agricultural Research Foundation (522-0249); and Small Scale Livestock operational program grant (OPG) (522-0251). As the portfolio matures, A.I.D. estimates that activities it supports will add $68 million to agricultural production in 1988, and $99 million in 1989. Although coffee production will continue to represent a significant proportion of agricultural production, its contribution as a percentage of total production will decrease as a result of A.I.D. support to forestry, export development, and agricultural cooperatives and small farmers in the production of basic grains, livestock, fruit and vegetables under the Small Farmer Organization Strengthening (522-0252), the Irrigation Development (522-0268) projects and under the Forestry Development project (522-0246) to be initiated in FY 1988. The Rural Trails and Access Roads II project (522-0214) will expand the national secondary road system, making it easier for Honduran farmers to acquire necessary inputs and to market their produce. The terminating Mosquitia Relief and Development project (522-0278) supported production and marketing activities in that region through the improvement of canals and the construction of a bridge to facilitate road transportation in the region.

3. Promote $370 million in export earnings from 1985 through 1992: Policy measures supported by A.I.D.'s balance-of-payments assistance projects are the principal means for increasing export production. The Export Development and Services project (522-0207) is directed at increasing the quantity and quality of agricultural and industrial exports, supporting a policy environment that favors export development, providing information and services to potential exporters, and making available foreign exchange and local financing mechanisms for nontraditional exports. In addition to previously enacted import and export incentives and export processing zone laws, the Honduran Congress has revised the agricultural development law to encourage production for export. Two private sector service organizations -- the Foundation for Investment and Export Development, and the Federation of Agricultural and Agro-Industrial Producers' and Exporters' Associations of Honduras -- are providing technical, financial, and marketing assistance to nontraditional exporters. Through the support provided by this project, export earnings increased by approximately $25 million through June 1987 with the concurrent creation of over 2,500 jobs. This project and the

Small Farmer Coffee (522-0176), Rural Technologies (522-0157), and Forestry Development (522-0246) projects are expected to help Honduras increase exports by approximately $75 million in 1988 and $100 million in 1989.

Wider Sharing of the Benefits of Growth

4. Increase access to voluntary family planning services and assist Honduran efforts to increase contraceptive prevalence from 35% in 1985 to 45% in 1992: A.I.D. is helping the Honduran public and private sectors to expand family planning services. As of June 1987, A.I.D.-supported family planning programs had provided services to 116,000 people. Estimates indicate that present contraceptive prevalence is 40%, up from 35% in 1985.

In the public sector, A.I.D. is supporting Ministry of Health (MOH) efforts to increase information and access to family planning services to couples through the Health Sector I project (522-0153). Support has enabled the MOH to: (1) train 100% of its rural service personnel in family planning; (2) design family planning and breast-feeding services standards; (3) develop monitoring guides for supervisors; (4) expand supervision visits; (5) increase the availability of contraceptive commodities; and, (6) provide personnel with specialized clinical training. Lessons learned as a result of that project will be reflected in the FY 1988 Health Sector II project (522-0216).

The private sector is being supported through the Private Sector Population Program operational program grant (OPG) (522-0286) to the Honduran Family Planning Association (ASHONPLAFA). This grant supports a nationwide community-based distribution program, a social marketing program that provides contraceptives through the commercial sector, two family planning clinics in major urban centers, a network of hospitals that provides voluntary surgical services, and the construction of four regional family planning clinics. This range of services has made ASHONPLAFA the major provider of family planning services in Honduras. In accordance with the recommendations of a recent evaluation, the social marketing program will be permitted more operational authority and the regional clinics will be delegated greater management autonomy.

5. Improve health and health services: Increase life expectancy from 61 years in 1985 to 65 years in 1992: The Ministry of Health (MOH) has used support provided under the successful Health Sector I project (522-0153) to implement its policy of placing highest priority on primary health care. The impact of the expansion of services has already had noticeable and highly positive impacts. Life expectancy is estimated to have risen to 61 years in 1985 (from 53 in 1972), while the crude mortality rate has declined from 14 per 1,000 to 9 per 1,000. Malaria cases have declined from over 50,000 cases in 1981 to 30,000 in 1986. Preliminary statistics indicate there were fewer than 20,000 malaria cases reported in 1987. Preliminary reports from the 1987 National Nutrition Survey indicate that well over 80% of children under five have been immunized with all antigens, with vaccination coverage against measles, a leading child killer, reaching 90%. The tuberculosis program has maintained improvements in its case finding and reporting systems and is successfully treating over 90% of

discovered cases. Under the Health Sector I project and the FY 1988 Health Sector II project (522-0216), MOH support systems are being strengthened at the central and regional levels. Water and sanitation programs also will be undertaken under the Health Sector II project (522-0216), taking advantage of the experience gained under the terminating Rural Water and Sanitation project (522-0166).

The concluding Mosquitia Relief and Development project (522-0278) financed 232 wells, and 1,600 latrines, five health centers and a regional hospital in the Mosquitia. An antimalarial campaign has reached most of the population of the area. DPT vaccinations and tetanus shots were provided to 18,352 Indian children and pregnant women.

6. Reduce infant mortality from 70 per 1000 in 1985 to 60 per 1000 in 1992: The infant mortality rate of 70 per 1,000, although still high, compares very favorably with earlier rates: 118/1,000 in the early 1970s and 88/1,000 in 1980. The improvement in diarrheal disease control is most notable, with an estimated 40% decline in diarrheal mortality having been achieved from 1981 to 1983. Monitoring reports under the Health Sector I project (522-0153) indicate that Litrosol (the Honduran oral rehydration salt) was found in 93% of health centers. Penicillin, a principal medication against acute respiratory infections, was available in 85% of MOH centers in 1986. As summarized above, 90% of children under five have been vaccinated against measles, 87% against DPT, 86% against polio, and 83% against tuberculosis. The 1986 Health Sector I evaluation showed that 90% of the cold chain was functioning. Over 1,000 nurses and 260 physicians have been trained in the promotion of breast-feeding. These accomplishments form the base for the Health Sector II project (522-0216) to be initiated in FY 1988.

P.L. 480 Title II commodities reach about 125,000 children and pregnant and/or lactating women at maternal and child health centers in programs administered by the Cooperative for American Relief Everywhere (CARE), Catholic Relief Services, and the Ministry of Health.

7. Improve housing: Construct 6,400 new homes and improve 19,600 existing homes from 1985 through 1992: A.I.D. is helping the GOH to implement a series of programs to restore liquidity to the housing finance system and prompt a substantial increase in the production of low-cost shelter and on-site infrastructure. Policy dialogue carried out primarily in the context of A.I.D.'s Housing Guaranty-financed program has been directly responsible for the adoption of a rational national shelter policy. More emphasis is now being placed on involving the private sector, including private voluntary agencies, in furnishing low-cost shelter solutions to both urban and rural families. Housing Guaranty resources and previously committed funds under the Rural Housing Improvement (522-0171), the Shelter for the Urban Poor II (522-0206), and Shelter Sector (522-0324) projects, complemented by local currency financing, are being used to meet the most critical short-term shelter needs. Simultaneously, these resources are being used to leverage other Honduran and donor financing for the housing sector, and to continue policy dialogue aimed at establishing the framework for addressing long-term shelter sector needs. Since 1984, A.I.D. supported shelter programs have financed over 2,800 new units and over

12,000 housing improvements. In addition, under the Rural Water and Sanitation Project (522-0166), over 400 rural water systems, 1,600 wells with hand pumps, and 75,000 latrines were constructed. Activities in 1987 alone resulted in the construction of 417 new shelter units and the extension of water, sewer and paving to over 10,000 low-income families.

8. Improve educational opportunities and increase the proportion of primary school students completing the sixth grade from 45% in 1985 to 70% in 1996: A.I.D. is working with Honduras to improve the quality of instruction and the cost effectiveness of educational services, with an emphasis on the primary school level. With A.I.D. assistance under the Rural Primary Education Project (522-0167), enrollment in Honduran primary schools grew from 601,000 in 1980 to 774,000 in 1985, an increase of about 29% in five years. Enrollment is projected to reach one million by 1991. During the first year of the Primary Education Efficiency project (522-0273), four first grade textbooks and teachers' guides in mathematics, Spanish, social studies, and science were written. These books and guides will be distributed to 300,000 first graders and 8,000 teachers in March, 1988. In-service teacher training began in late 1987 for 22,000 teachers. Baseline data are being gathered against which 1988 testing results on learning will be compared.

With A.I.D. support, first grade instruction programs using radio technology are being developed in mathematics and Spanish by the Association for Socioeconomic Promotion and Development (AVANCE), a Honduran private voluntary organization promoting education and literacy. Broadcasting of these programs will commence in the first half of 1988. A newspaper developed with A.I.D. assistance and produced by AVANCE, El Agricultor, is now being purchased by 25,000 readers and continues to grow in popularity. The newspaper supports both primary education and adult literacy activities while providing technical and social information and news to the rural population.

Successful policy dialogue efforts with the GOH have resulted in: (1) educational efficiency being made the top educational priority; (2) the signing of an agreement between the Ministry of Education (MOE) and AVANCE to establish the use of radio and news print materials technologies in the classroom; (3) the initiation of negotiations about the establishment of a permanent education policy research and development program; and (4) agreement on a national system for standardized testing starting with the first grade in 1988.

P.L. 480 Title II commodities reach about 300,000 first grade students in a program co-managed by CARE and the MOE.

9. Generate 400,000 person-years of productive employment from 1985 through 1992: A.I.D. supports the development of small industrial, commercial, and agricultural businesses under the Small Business Development project (522-0205), and the Honduran Development Foundation FUNADEH (522-0263), Accountants Technical Institute ITEC (522-0287) OPGs, and a variety of agricultural projects.

In 1986, the Human Resources Development Council (CADERH), with A.I.D. support through an OPG (522-0257), increased activities aimed at improving both the quality of skills training and its relevance and responsiveness to private sector needs. CADERH has expanded the skill categories for which it issues competency certificates. It now is able to perform industry specific training needs assessments and to contract with international training sources to meet these needs. In February 1987, CADERH established an employment agency to match trained participants with private sector employment opportunities. In parallel, the Association of Honduran Managers and Entrepreneurs (GEMAH) Institutional Strengthening OPG (522-0256) will allow GEMAH to continue to provide training courses in managerial skills. Such training is important to increasing economic activity and levels of employment.

A.I.D.'s support for small industrial, commercial, and agricultural businesses will be reinforced and consolidated under the FY 1988 Small Business Development Support project (522-0241).

Strengthening Democratic Institutions

10. Increase participant training: 2,100 Hondurans have educational opportunities in the United States' democratic environment from 1985 through 1992: The Central American Initiative's objective of providing Hondurans with educational opportunities in the United States continues to be supported through the Honduras Peace Scholarship Program (522-0329). Through FY 1987, 290 Hondurans had been sent for long-term academic training and 690 for short-term technical training. A key element of the training programs for both groups is active exposure to and participation in the culture and democratic aspects of life in the United States. Over 80% of the individuals sent for training are socially and/or economically disadvantaged, 70% are from rural areas, and 37% are female. Fields of study emphasize priority areas for Honduras' development such as agriculture, education, health, and small business development. On the average, academic scholars had completed 13 years of academic study and short-term scholars six years of formal education before going to the United States.

11. Strengthen democratic institutions: Consolidate the legislative, judicial, and electoral and other democratic processes affecting the rights of citizens from 1985 through 1992: In November 1985, A.I.D. assisted Honduras in conducting elections in which 85% of eligible voters participated. Already eleven declared candidates from the two major political parties and three from minor parties are actively campaigning for their parties' presidential nomination for the late 1989 elections. The National Congress has been taking an increasingly assertive role in Honduras' political system while an unfettered press records the lively process of Honduran democratization.

In FY 1987, A.I.D. expanded its assistance to Honduran democratic institutions through the new Strengthening Democratic Institutions project (522-0296). This four-year project supports the Honduran National Election Tribunal, the Supreme Court, and the Congress to strengthen these

institutions through the provision of technical assistance, staff training, management information systems support, and the upgrading of facilities and office equipment.

Under the Small Farmer Titling and Services project (522-0173), over 20,000 farmers received titles to their lands. The Federation of Honduran Private Development Organizations FOPRIDEH OPG (522-0266) continued support to the Honduran private voluntary organization community.

Section 709 of the International Security and Development Cooperation Act of 1985 requires comprehensive reports on A.I.D. assistance provided to Latin America and the Caribbean. The following information provides the required data on Honduras.

A. Training: A.I.D. provided U.S. training in FY 1987 to 642 people from Honduras in the following fields: agriculture (244), education (72), health and population (36), business (241), public administration (21), labor (18), and engineering (10).

B. The types of imported goods associated in FY 1987 with A.I.D. ESF balance-of-payments assistance to Honduras are estimated as follows:

Types of Goods	$ (millions)
U.S. Raw Materials	65.5
U.S. Machinery and Spare Parts	26.7
U.S. and Other Country Petroleum and Derivatives	3.8
Total	96.0

C. Local currency associated with ESF and P.L. 480 Title I balance-of-payments assistance to Honduras was allocated for the following uses in FY 1987. (The equivalent of $67.4 million in local currency was available for allocation at the beginning of FY 1987. An additional $77.8 million in local currency was generated during FY 1987 for a total of $145.2 million.)

	($ millions)
Agricultural and Rural Development (includes Mediterranean Fruit Fly Eradication Program)	29.9
Infrastructure and Public Works	12.3
Roads	3.9
Primary Education and Health	23.7
Private Voluntary Organizations	29.5
Private Sector Credit Programs (rural credit, export development, and promotion)	20.1
Counterpart for International Financial Institutions (IFIs)	15.5
Support for Private Sector (other than credit) and Nongovernmental Activities	7.3
Operating Expenses Trust Fund	3.0
Total Allocated in FY 1987	145.2

D. Reprogramming of funds for Honduras resulted in the following functional account changes. Estimated FY 1987 obligations reflect the funding levels shown in the FY 1988 Congressional Presentation document.

($ thousands)	ARDN	PN	HE	CS	EHR	SDA	ESF	TOTAL
- Estimated FY 1987 Obligations	21,081	2,907	1,463	1,450	6,453	7,500	136,406	177,260
- Actual FY 1987 Obligations	21,637	2,907	1,109*	1,450	7,068	7,500	131,786	173,457

* Funding for Honduran Peace Scholarships was provided under the Education and Human Resources account.

E. Analysis of funds and programs provided to Honduras in FY 1987 through nongovernmental as contrasted to governmental channels:

	Nongovernmental ($millions)		Governmental	
DA	17.5	42%	24.2	58%
ESF	4.0	3%	127.8	97%
P.L. 480 Title I	-	-	12.0	100%
P.L. 480 Title II	2.7	100%	-	-
Section 416	-	-	8.3	100%
TOTAL	24.2	10%	172.3	90%

Although ESF balance of payments, P.L. 480 Title I, and Section 416 resources were provided through government channels, the private sector benefited from these programs. ESF dollars provided foreign exchange which facilitated the import of the U.S. raw materials and spare parts required by the Honduran private sector to keep industries going. P.L. 480 Title I and Section 416 resources provided the wheat and tallow needed to run bakeries and soap factories providing bread and soap to the public. Local currency associated with ESF and P.L. 480 sales supported expansion of private sector and nontraditional exports, mediterranean fruit fly control, and the activities of private and voluntary organizations.

FY 1989 Program

A.I.D. proposes $87 million in Economic Support Funds (ESF), $40 million in Development Assistance (DA), and $12 million in P.L. 480 Title I and $3.122 million in Title II resources.

A. Short-term Economic Stabilization ($37 million in ESF and $12 million in P.L. 480 Title I)

Economic Support Funds ($37 million): Program assistance through the Stabilization and Economic Recovery Program (522-0323) is requested to support the external financing gap which will still exist into the early 1990s. While the need to finance imports will still be great in FY 1989, A.I.D. policy dialogue with the Honduran government will continue to focus upon the structural reforms required for sustained long-term growth.

Local currency generated through the balance-of-payments and P.L. 480 Title I programs will provide continued support for the expansion of private sector and nontraditional exports, activities of private voluntary agencies and other rural groups and entities whose activities support Honduran and United States development strategies, and local costs of development activities assisted by A.I.D. and other donors, as well as other Honduran development efforts.

B. Basic Structural Reform Leading to Rapid and Sustained Economic Growth ($42.17 million in ESF and $16.853 million in DA: $13.853 million ARDN; and $3.0 million SDA)

Economic Support Funds ($41 million): Program assistance of $41 million will help Honduras to expand its continuing activities to rationalize public sector operations, enhance export competitiveness, promote private investment, and restore internal and external confidence in the Honduran economy. Measures to be supported include further tightening of the central government and decentralized agency budgets, continued transfer to the private sector of state-owned or -controlled productive enterprises, further tariff reform, rationalization of the existing tax system, and reductions of bureaucratic impediments to private investment and export development.

A.I.D. proposes additional assistance of $1.17 million for the Policy Analysis and Implementation project (522-0325) which will continue to support the Honduran public and private sectors to formulate and implement economic policies and administrative reforms.

Agriculture, Rural Development and Nutrition (ARDN) ($13,853 million): A.I.D. requests $3.0 million for the new Land Use Productivity Enhancement (522-0292) project which will increase agricultural productivity and incomes; bolster agricultural extension efforts; and improve the management and protection of Honduras' natural resource base. It will build on the lessons learned during implementation of and the findings derived from evaluations of the successfully terminating Natural Resources Management (522-0168) and Rural Technologies (522-0157) projects. These evaluations concluded that soil conservation activities could double the production of basic grains by small farmers, while protecting Honduras' eroding natural resource base. Appropriate technologies were shown to have increased the real income of beneficiary families cultivating a traditional farm of less than five hectares by 19%. Project activities will reach seven agricultural regions, about 60 watersheds, and approximately 50,000 farm families with improved technologies in soil and water conservation, agro-forestry, crop diversification, and rural farm and market activities.

A.I.D. also proposes $2.7 million for the Forestry Development (522-0246) project, $4.816 million for the Agricultural Research Foundation (522-0249) project, $2.0 million for the Small Farmer Organization Strengthening (522-0252) project, and $1.0 million for the Irrigation Development (522-0268) project.

Selected Development Activities (SDA)($3.0 million): A.I.D. requests $3.0 million for the Policy planning and Institutional Development project (522-0325) to be used in tandem with the ESF funds requested above.

C. Wider Sharing of the Benefits of Growth ($3.122 million in P.L. 480 Title II and $23.147 million in DA: $2.6 million ARDN; $3.275 million PN; $1.677 million HE; $4.7 million in CS; $6.026 million EHR; and $4.869 million SDA)

Agriculture, Rural Development and Nutrition ($2.6 million): A.I.D. requests $100 thousand for the ongoing Small Business Development Support Project (522-0241) which is strengthening and expanding the small business community -- a major creator of permanent productive employment and $2.5 million for an amendment to the Rural Trails/Access Roads II project (522-0214).

Population/Planning (PN), Health (HE) and Child Survival (CS) ($9.652 million): A.I.D. requests $1.475 million for the Private Sector Population Program II OPG (522-0369), which is scheduled to start in FY 1989 and will reach beyond the clientele being served under the ongoing Private Sector Population Program OPG (522-0286). It will provide support to ASHONPLAFA and other private sector organizations in delivering family planning services through regional family planning centers which offer community-based distribution and commercial social marketing programs. In addition, A.I.D. requests $1.760 million in Population funds, $1.6 million in Health funds and $4.7 million in Child Survival funds for the Health Sector II Project (522-0216) to continue support to the Ministry of Health's efforts to meet Honduras' National Development Plan objectives of reducing infant mortality and lowering the country's population growth rate. P.L. 480 Title II resources will provide continued support to the maternal and child health, food for work, and refugee feeding programs of the Cooperative for American Relief Everywhere (CARE), as well as the maternal and child health, and food for work programs of Catholic Relief Services.

Education and Human Resources (EHR) ($6.026 million): $4.0 million are requested to continue the Primary Education Efficiency project (522-0273) in order to assist Honduras to increase the quality of its primary education system, and to improve retention and graduation rates. P.L. 480 Title II resources will provide continued support for the school feeding program managed by CARE. A.I.D. also requests $2.0 million to continue the OPG with the Advisory Council on Human Resources Development (CADERH) (522-0257) for its efforts in improving the quality and relevance of vocational, technical, and managerial training responsive to the needs of the private sector.

Selected Development Activities (SDA) ($4.869 million): A.I.D. proposes $2.9 million in SDA funds to complement ARDN funds for the ongoing Small Business Development Support Project (522-0241) which is strengthening and expanding the small and micro business community -- a major creator of permanent productive employment and $1.65 million for the Export Development and Services project (522-0207).

D. Strengthening Democratic Institutions ($7.8 million in ESF)

Economic Support Funds ($7.8 million): Additional funding of $6.3 million is requested to support the Honduras Peace Scholarships Program (522-0329). An additional $1,500 million is requested to continue the Strengthening Democratic Institutions project (522-0296), which is bolstering the capabilities of the Judiciary, the Congress, and the National Elections Tribunal.

Development Assistance funding is also requested to support the development efforts of private voluntary organizations which are consistent with Honduran development priorities under the proposed Private and Voluntary Organizations - OPGs project (522-9999) ($1.0 million) and to finance Program Development and Support Activities ($0.70 million)including project design and evaluations. These amounts are incorporated in the Central American Initiative goals and functional account subsections above.

Mission Director: John A. Sanbrailo

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: HONDURAS

CP 89

PROJECT NO. / PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	PLANNED	-THROUGH FY 86- OBLIGATIONS	EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	EXPENDITURES
522-0000 PROGRAM DEVELOPMENT AND SUPPORT													
	EH G	73	C	---	---	2,901	2,753	50	168	50	70	26	36
	FN G	73	C	---	---	6,026	5,396	336	598	388	205	337	250
	HE G	73	C	---	---	1,047	757	300	391	81	200	27	50
	PN G	73	C	---	---	377	280	100	103	50	260	40	93
	SD G	73	C	---	---	2,238	1,928	100	368	218	300	269	200
PROJECT TOTAL:				---	---	12,589	11,114	886	1,628	787	1,035	699	629
522-0150 AGRICULTURE SECTOR II													
	FN G	79	84	---	---	3,884	3,880	---	4	---	---	---	---
PROJECT TOTAL:				---	---	3,884	3,880	---	4	---	---	---	---
522-0153 HEALTH SECTOR I													
	CS G	80	88	1,450	1,450	---	---	1,450	---	---	600	---	550
	ES G	80	89	4,000	4,000	---	---	4,000	---	---	3,450	---	550
	HE G	80	87	10,593	10,593	9,789	7,723	809	2,418	---	457	---	---
	HE L	80	87	15,652	15,652	15,652	9,046	---	3,616	---	2,990	---	---
	PN G	80	87	3,194	3,194	2,619	1,236	575	863	---	974	---	121
PROJECT TOTAL:				34,894	34,894	28,060	18,005	6,834	6,897	---	8,471	---	1,221
522-0157 RURAL TECHNOLOGIES													
	FN G	79	86	9,000	9,000	9,000	7,479	---	602	---	919	---	---
PROJECT TOTAL:				9,000	9,000	9,000	7,479	---	602	---	919	---	---
522-0164 RURAL TRAILS/ACCESS ROADS													
	FN G	80	85	730	730	730	646	---	41	---	43	---	---
	FN L	80	85	20,970	20,970	20,970	18,615	---	1,719	---	---	---	636
PROJECT TOTAL:				21,700	21,700	21,700	19,261	---	1,760	---	43	---	636
522-0166 RURAL WATER AND SANITATION													
	HE G	80	86	1,200	1,200	1,200	868	---	82	---	190	---	60
	HE L	80	86	19,500	19,500	19,500	11,445	---	2,264	---	3,708	---	1,192
PROJECT TOTAL:				20,700	20,700	20,700	12,313	---	2,346	---	3,898	---	1,252
522-0167 RURAL PRIMARY EDUCATION													
	EH G	80	85	2,850	2,850	2,850	2,546	---	184	---	120	---	---
	EH L	80	85	16,850	16,850	16,850	15,363	---	834	---	663	---	---
PROJECT TOTAL:				19,700	19,700	19,700	17,909	---	1,018	---	783	---	--

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1987 are based on the authorized date. For all projects with an initial obligation date after December 31, 1987 the FY of final obligation is based on a planned date.

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: HONDURAS

CP 89

PROJECT NO. / PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	PLANNED	-THROUGH FY 86- OBLIGATIONS	EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	EXPENDITURES
522-0168 NATURAL RESOURCES MANAGEMENT													
	FN G	80	87	3,900	3,900	3,700	2,766	200	569	---	250	---	314
	FN L	80	87	12,252	12,252	10,300	6,141	1,952	1,780	---	2,300	---	2,030
PROJECT TOTAL:				16,152	16,152	14,000	8,907	2,152	2,349	---	2,550	---	2,344
522-0169 SPECIAL DEVELOPMENT ACTIVITIES													
	SD G	81	C	---	---	488	462	---	9	---	17	---	---
PROJECT TOTAL:				---	---	488	462	---	9	---	17	---	---
522-0171 RURAL HOUSING IMPROVEMENT													
	FN L	81	83	---	---	3,300	2,878	---	421	---	---	---	---
PROJECT TOTAL:				---	---	3,300	2,878	---	421	---	---	---	---
522-0173 SMALL FARMER TITLING AND SERVICES													
	FN G	82	87	3,125	3,125	2,500	1,617	625	516	---	850	---	142
	FN L	82	87	10,000	10,000	10,000	3,807	---	817	---	2,150	---	3,226
PROJECT TOTAL:				13,125	13,125	12,500	5,424	625	1,333	---	3,000	---	3,368
522-0176 SMALL FARMER COFFEE IMPROVEMENT													
	FN G	81	87	4,250	4,250	1,943	1,053	2,307	563	---	1,500	---	900
	FN L	81	87	16,000	16,000	12,000	10,169	4,000	4,351	---	970	---	200
PROJECT TOTAL:				20,250	20,250	13,943	11,222	6,307	4,914	---	2,470	---	1,100
522-0205 SMALL BUSINESS DEVELOPMENT													
	SD G	84	87	800	800	600	185	200	367	---	248	---	---
PROJECT TOTAL:				800	800	600	185	200	367	---	248	---	---
522-0207 EXPORT DEVELOPMENT AND SERVICES													
	ES G	84	89	1,550	1,550	---	---	1,550	---	---	983	---	567
	FN G	84	89	2,400	2,400	2,400	787	---	318	---	340	---	955
	FN L	84	89	7,200	7,200	7,200	582	---	921	---	600	---	800
	SD G	84	89	3,550	5,200	2,000	430	1,550	745	---	825	1,650	1,550
	SD L	84	89	8,800	7,150	6,000	495	1,150	862	---	1,336	---	650
PROJECT TOTAL:				23,500	23,500	17,600	2,294	4,250	2,846	---	4,084	1,650	4,522
522-0209 SMALL FARMER LIVESTOCK													
	FN G	83	86	3,000	3,000	3,000	1,721	---	850	---	300	---	129
	FN L	83	86	10,000	10,000	10,000	4,898	---	2,306	---	2,000	---	796

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column -- All projects in this column with an initial obligation date before December 31, 1987 are based on the authorized date. For all projects with an initial obligation date after December 31, 1987 the FY of final obligation is based on a planned date.

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: HONDURAS

CP 89

PROJECT NO. / PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	PLANNED	-THROUGH FY 86- OBLIGATIONS	EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	EXPENDITURES
PROJECT TOTAL:				13,000	13,000	13,000	6,619	---	3,156	---	2,300	---	925
522-0214 RURAL TRAILS/ACCESS ROADS II													
	FN G	85	92	1,315	24,315	1,015	76	300	128	---	325	2,500	1,286
	FN L	85	92	18,685	18,685	8,900	214	2,998	2,258	6,787	12,500	---	3,713
PROJECT TOTAL:				20,000	43,000	9,915	290	3,298	2,386	6,787	12,825	2,500	4,999
522-0216 HEALTH SECTOR II													
	CS G	88	93	---	27,000	---	---	---	---	4,000	---	4,700	1,500
	HE G	88	93	---	27,000	---	---	---	---	1,870	---	1,600	1,500
	PN G	88	93	---	3,000	---	---	---	---	1,240	---	1,760	500
PROJECT TOTAL:				---	57,000	---	---	---	---	7,110	---	8,060	3,500
522-0240 LEADERSHIP POPULATION ED. OPG													
	PN G	78	83	320	320	252	252	---	---	---	68	---	---
PROJECT TOTAL:				320	320	252	252	---	---	---	68	---	---
522-0241 SMALL BUSINESS DEVELOPMENT II													
	FN G	88	91	---	5,000	---	---	---	---	3,600	650	100	1,000
	SD G	88	91	---	15,000	---	---	---	---	2,900	---	2,900	1,200
PROJECT TOTAL:				---	20,000	---	---	---	---	6,500	650	3,000	2,200
522-0246 FORESTRY DEVELOPMENT													
	FN G	88	91	---	3,000	---	---	---	---	3,300	---	2,700	1,000
	FN L	88	91	---	12,000	---	---	---	---	2,000	---	---	1,000
PROJECT TOTAL:				---	20,000	---	---	---	---	5,300	---	2,700	2,000
522-0249 AGRICULTURE RESEARCH FOUNDATION													
	ES G	84	92	2,650	2,650	---	---	2,650	---	---	2,650	---	---
	FN G	84	92	20,000	20,350	5,400	3,474	2,659	3,514	4,475	1,350	4,816	4,000
PROJECT TOTAL:				22,650	23,000	5,400	3,474	5,309	3,514	4,475	4,000	4,816	4,000
522-0252 SMALL FARMER ORGANIZATIONS STRENGTHENING													
	ES G	85	91	4,200	4,200	---	---	4,200	---	---	1,398	---	2,802
	FN G	85	91	3,300	9,800	2,650	26	650	675	---	1,949	1,000	1,450
	FN L	85	91	8,500	3,000	---	---	2,000	---	1,000	2,000	---	1,000
PROJECT TOTAL:				16,000	17,000	2,650	26	6,850	675	1,000	5,347	1,000	5,252

*Refers to the planned project summary sheet

CLevel of effort activity

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: HONDURAS

CP 89

PROJECT NO. / PROJECT TITLE	*	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHO	-LIFE OF PROJECT- PLANNED	-THROUGH FY 86- OBLIGATIONS	-THROUGH FY 86- EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	-ACTUAL FY 87- EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	-ESTIMATED FY 88- EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	-PROPOSED FY 89- EXPENDITURES
522-0256 GEMAH INSTITUTIONAL STRENGTHENING, OPG	EH	G	84	88	1,080	1,080	1,000	620	---	263	80	197	---	---
PROJECT TOTAL:					1,080	1,080	1,000	620	---	263	80	197	---	---
522-0257 HUMAN RESOURCE DEV COUNCIL (CADERH)-OPG	EH	G	84	91	6,325	6,325	1,080	719	1,000	336	1,011	751	2,000	1,500
PROJECT TOTAL:					6,325	6,325	1,080	719	1,000	336	1,011	751	2,000	1,500
522-0263 FUNDEH PAN AM DEV. FOUNDATION	SD	G	85	85	132	132	132	14	---	54	---	64	---	---
PROJECT TOTAL:					132	132	132	14	---	54	---	64	---	---
522-0266 FOPRIDEH INSTITUTIONAL STRENGTHENING	SD	G	85	86	500	500	500	93	---	234	---	173	---	---
PROJECT TOTAL:					500	500	500	93	---	234	---	173	---	---
522-0268 IRRIGATION DEVELOP	ES	G	86	91	6,000	6,000	---	---	6,000	---	---	1,776	---	2,224
	FN	G	86	91	2,000	14,500	1,000	---	1,000	106	---	894	2,000	700
	FN	L	86	91	14,500	4,000	2,500	---	1,500	---	---	1,295	---	2,095
PROJECT TOTAL:					22,500	24,500	3,500	---	8,500	106	---	3,965	2,000	5,019
522-0269 STRATEGIC PLANNING AND TECHNICAL SUPPORT	FN	G	85	86	2,500	2,500	2,500	139	---	526	---	1,200	---	635
	SD	G	85	86	1,500	1,500	1,500	---	---	147	---	600	---	753
PROJECT TOTAL:					4,000	4,000	4,000	139	---	673	---	1,800	---	1,388
522-0273 PRIMARY EDUCATION EFF.	EH	G	86	95	19,350	21,089	3,000	---	3,311	507	2,000	2,493	4,000	4,132
	EH	L	86	95	5,500	3,761	600	---	1,761	---	1,400	580	---	700
	ES	G	86	95	2,650	2,650	---	---	2,650	---	---	1,382	---	1,268
PROJECT TOTAL:					27,500	27,500	3,600	---	7,722	507	3,400	4,455	4,000	6,100
522-0283 ECONOMIC STAB FACILITY PROGRAM	ES	G	85	90	136,248	136,248	136,248	95,000	---	41,248	---	---	---	---
PROJECT TOTAL:					136,248	136,248	136,248	95,000	---	41,248	---	---	---	---
522-0286 PRIVATE SECTOR POPULATION PROGRAM														

*Refers to the planned project summary sheet

CLevel of effort activity

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: HONDURAS

CP 89

PROJECT NO. / PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	-LIFE OF PROJECT- PLANNED	-THROUGH FY 86- OBLIGATIONS	-THROUGH FY 86- EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	-ACTUAL FY 87- EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	-ESTIMATED FY 88- EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	-PROPOSED FY 89- EXPENDITURES
	PN G	85	88	9,810	9,810	6,011	1,860	2,049	2,294	1,750	2,394	---	2,316
	PROJECT TOTAL:			9,810	9,810	6,011	1,860	2,049	2,294	1,750	2,394	---	2,316
522-0237	ITEC INSTITUTIONAL STRENGTHENING												
	EH G	85	86	480	480	480	252	---	194	---	34	---	---
	PROJECT TOTAL:			480	480	480	252	---	194	---	34	---	---
522-0289	PRIVATIZATION OF STATE-OWNED ENTERPRISES												
	ES G	86	88	1,900	1,900	---	---	1,900	---	---	570	---	1,330
	SD G	86	88	2,100	2,100	1,000	---	1,100	380	---	620	---	1,100
	PROJECT TOTAL:			4,000	4,000	1,000	---	3,000	380	---	1,190	---	2,430
522-0292	*LAND USE PRODUCTIVITY ENHANCEMENTMENT												
	FN G	89	93	---	36,000	---	---	---	---	---	---	3,000	1,000
	PROJECT TOTAL:			---	36,000	---	---	---	---	---	---	3,000	1,000
522-0296	STRENGTHENING DEMOCRATIC INSTITUTIONS												
	ES G	87	90	2,330	7,500	---	---	2,330	1	1,600	450	1,500	1,250
	SD G	87	90	1,700	1,700	---	---	1,700	---	---	450	---	1,250
	PROJECT TOTAL:			4,030	9,200	---	---	4,030	1	1,600	900	1,500	2,500
522-0323	ECONOMIC STABILIZATION & RECOVERY PROGRA												
	ES G	87	93	30,000	621,817	---	---	80,000	30,000	75,000	75,000	78,000	92,000
	PROJECT TOTAL:			30,000	621,817	---	---	80,000	30,000	75,000	75,000	78,000	92,000
522-0324	SHELTER SECTOR PROGRAM												
	SD G	87	94	1,600	1,600	---	---	1,600	---	---	561	---	395
	PROJECT TOTAL:			1,600	1,600	---	---	1,600	---	---	561	---	395
522-0325	POLICY ANALYSIS & IMPLEMENTATION												
	ES G	87	89	7,000	7,170	---	---	3,300	---	2,700	400	1,170	850
	FN G	87	89	1,000	1,000	---	---	100	---	900	300	---	500
	SD G	87	89	4,000	4,000	---	---	100	---	900	100	3,000	500
	PROJECT TOTAL:			12,000	12,170	---	---	3,500	---	4,500	800	4,170	1,850
522-0329	HONDURAS PEACE SCHOLARSHIPS												
	EH G	87	90	946	946	---	---	946	155	---	540	---	251
	ES G	87	90	17,961	17,961	---	---	2,561	---	5,700	4,787	6,330	4,950

*Refers to the planned project summary sheet

CLevel of effort activity

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: HONDURAS

CP 89

PROJECT NO. / PROJECT TITLE	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	-LIFE OF PROJECT- PLANNED	-THROUGH FY 86- OBLIGATIONS	-THROUGH FY 86- EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	-ACTUAL FY 87- EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	-ESTIMATED FY 88- EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	-PROPOSED FY 89- EXPENDITURES
	FN G	87	90	1,010	1,010	---	---	1,010	---	---	360	---	650
	PN G	87	90	183	183	---	---	183	---	---	183	---	---
PROJECT TOTAL:				20,100	20,100	---	---	4,700	155	5,700	5,870	6,330	5,351
522-0331 ECONOMIC SUPPORT PROGRAM													
	ES G	87	87	20,000	20,000	---	---	20,000	---	---	20,000	---	---
PROJECT TOTAL:				20,000	20,000	---	---	20,000	---	---	20,000	---	---
522-0369 *PRIVATE SECTOR POP PROGRAM II													
	PN G	89	92	---	12,000	---	---	---	---	---	---	1,475	100
PROJECT TOTAL:				---	12,000	---	---	---	---	---	---	1,475	100
522-0999 LOCAL COST SUPPORT													
	ES G	87	87	645	645	---	---	645	300	---	345	---	---
PROJECT TOTAL:				645	645	---	---	645	300	---	345	---	---
522-9999 *PRIVATE AND VOL ORGANIZATIONS - OPG'S													
	HE G	69	C	---	---	---	---	---	---	---	---	50	15
	SD G	69	C	---	---	---	---	---	---	---	---	50	10
PROJECT TOTAL:				---	---	---	---	---	---	---	---	100	25
COUNTRY TOTALS:				602,741	1,321,248	366,832	230,691	173,457	112,970	125,000	171,207	127,000	160,422
GRANTS:				418,332	1,144,228	223,060	147,038	158,096	90,821	113,813	138,115	127,000	142,384
LOANS:				184,409	177,020	143,772	83,653	15,361	22,149	11,187	33,092	---	18,038
---- APPROPRIATION SUMMARY ----													
AGR., RURAL DEV. & NUTRITION:				175,637	262,987	130,918	76,364	21,637	23,583	22,450	35,250	16,453	30,407
POPULATION PLANNING:				13,507	28,507	9,259	3,628	2,907	3,260	3,040	3,879	3,275	3,130
HEALTH:				46,950	73,950	47,188	29,839	1,109	8,771	1,951	7,545	1,677	2,817
CHILD SURVIVAL FUND:				1,450	28,450	---	---	1,450	---	4,000	600	4,700	2,050
AIDS:				---	---	---	---	---	---	---	---	---	---
EDUCATION & HUMAN RESOURCES:				53,381	53,381	28,761	22,253	7,068	2,641	4,541	5,448	6,026	6,619
SELECTED DEVELOP. ACTIVITIES:				24,682	39,682	14,458	3,607	7,500	3,166	4,018	5,294	7,369	7,608
ECONOMIC SUPPORT FUND:				287,134	834,291	136,248	95,000	131,786	71,549	85,000	113,191	87,000	107,791

*Refers to the planned project summary sheet

[C]Level of effort activity

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PROGRAM: HONDURAS

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Land Use Productivity Enhancement (LUPE)	DA	3,000 (G)		FY 89 3,000 (G)	Life of Project Funding 36,000 (G)

Number		Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
522-0292 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING				FY 1989	FY 1993	FY 1994

Purpose: To increase production in the agricultural sector, while increasing incomes and improving the management and protection of Honduras' natural resource base.

Project Description: Rapid and sustained economic growth is dependent upon revitalizing the agricultural sector upon which two-thirds of Honduras' population depends. This revitalization is made difficult by the lack of appropriate technologies for production, processing, and marketing of farm products; and the deficiencies of agencies charged with the conservation and management of Honduras' natural resources. The resource base needed to support sustained economic growth in the agricultural sector is currently being degraded through destructive agricultural practices.

The major elements of this Project are similar to those contained in the successful Natural Resources Management Project (NRMP) (522-0168). These include improved range and livestock management, agricultural production practices, and watershed management. Appropriate farm and small agro-industry technologies and coastal zone mariculture components also will be included in the Project. Activities will include agricultural production and marketing, soil and water conservation, agro-forestry, women in development, crop diversification, and appropriate technology dissemination. Many of the production oriented appropriate technologies were successfully distributed under the completed Rural Technologies Project (RTP) (522-0157).

Relation to A.I.D. Country Strategy: This Project is a key component of A.I.D.'s continuing commitment to increase agricultural production and productivity, while assisting Honduras to preserve and enhance its natural resource base. It is directly linked to achievement of the Central America Initiative's goal of rapid and sustained growth.

Host Country and Other Donors: For the past six years, the Government of Honduras has supported NRMP and RTP, upon which this new effort is based. Other donors, such as the Inter-American Development Bank and European Economic Community, are providing similar assistance on a much more limited scale. That assistance will complement this project.

Beneficiaries: The primary beneficiaries will be 50,000 small farm families whose farming and processing practices will be improved, and who will realize an increase in production and incomes. The nation as a whole will benefit from improvements in the management of Honduras' natural resource base.

Outputs: All Years

Households implementing new tech. packages (thous.)	50
Tree plantings (millions)	5
Families participatingin mariculture	300
Increase in farmers involved in value-added activities(thousands)	5
Professionals trained	260

Inputs:	$ Millions
Commodities	7.7
Training	3.6
Credit	6.1
Project Administration	8.7
Technical Assistance	5.6
Private Org. Contracts	2.6
Project Management	1.7
	36.0

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1987			
Estimated Fiscal Year 1988			
Estimated Through September 30, 1988			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1989	3,000 (G)	33,000 (G)	36,000 (G)

Principal Contractors or Agencies

To be determined

AID 370-7 (11-85)

PROGRAM: HONDURAS

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Private Sector Population Program II	DA			FY 89 1,475 (G)	Life of Project Funding 12,000 (G)

Number 522-0369	[X] NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
[X] GRANT [ ] LOAN	[ ] CONTINUING	1,475 (G)			FY 1989	FY 1992	FY 1994

Purpose: To increase contraceptive prevalence from 44% to 54% and reduce the total fertility rate from 4.94 to 4.29 by 1994.

Project Description: This Project will support the Honduran Family Planning Association (ASHONPLAFA) and other private sector organizations in delivering family planning services. The Project will serve fertile age couples between 15 and 49 years of age. Women who are experiencing the highest fertility rates and the shortest birth intervals (women from 20 to 29 years of age) will be given highest priority. A full range of family planning services will be made available through regional family planning centers which offer community-based distribution and commercial social marketing programs. Activities in the more industrialized northern region of the country will involve more businesses in the provision of family planning services to their employees. Pharmaceutical companies will be engaged in the promotion and the sale of contraceptives. An information, education, and communication component will address the needs of adolescents. An ongoing operations research component will reduce the cost of protection for all couples using contraceptives. National maternal child health and family planning surveys will be conducted to measure progress in decreasing infant mortality and total fertility rates.

Relationship of Project to A.I.D. Country Strategy: Increasing access to voluntary family planning services is a principal objective under the Central America Initiative goal of a wider sharing of the benefits of growth. This Project will permit the private and commercial sectors to make contraceptives more accessible to fertile age couples, thereby complementing Honduras' public sector family planning programs.

Host Country and Other Donors: The Government of Honduras recognizes that Honduras' high rate of natural increase in population offsets its modest annual economic growth rate. Honduras' most recent National Development Plan emphasizes the need to lower the population growth rate. The International Planned Parenthood Federation (IPPF) will continue to provide core support to ASHONPLAFA. The United National Family Planning Association (UNFPA) will continue to provide modest population assistance to Honduras for implementation through the public sector.

Beneficiaries: Approximately 400,000 urban and rural couples in fertile ages.

Outputs:	All Years
Regional Family Planning Centers	X
Community-based Distribution Programs	X
Commercial Social Marketing Programs	X

Inputs	$ Millions
Technical Assistance	2.0
Commodities	4.0
Training	2.0
Other costs	4.0
	$12.0

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1987			
Estimated Fiscal Year 1988			
Estimated Through September 30, 1988			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1989	1,475 (G)	10,525 (G)	12,000 (G)

Principal Contractors or Agencies

To be determined.

AID 370-7 (11-85)

PROGRAM: HONDURAS

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Private Voluntary Organizations	DA		50 (G)	FY 89 100 (G)	Life of Project Funding Continuing

Number 522-9999	☐ NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
☒ GRANT ☐ LOAN	☒ CONTINUING			50 (G)	FY 1973	FY Continuing	FY Continuing

Project Purpose: To increase the productivity and improve the quality of life of low income groups in Honduras.

Project Description: The Project will enhance productivity and quality of life for the urban and rural poor, and increase their participation in Honduras' economy and democratic processes by consolidating the efforts of nonprofit organizations addressing development needs related to Central American Initiative goals not addressed through other A.I.D. assisted projects. Steps will be taken to assure these activities complement ongoing activities. Project resources will be used to support and coordinate the efforts of local and U.S. private voluntary organizations (PVOs) directly involved in improving delivery of basic agriculture, credit, education and health services important for improving productivity of low-income people.

Project activities will be coordinated to improve impact. A key element of this approach will be technical assistance required to institutionalize PVOs as effective private sector participants in Honduras' development efforts. The technical assistance will assist with: (1) design of PVO administrative systems; (2) development of training programs; and (3) specialized expertise in agricultural production and rural health care delivery.

Relationship of Project to A.I.D. Country Strategy: The Project will directly support principal objectives of the A.I.D. program in Honduras, e.g., increasing agricultural production and employment.

Beneficiaries: The beneficiaries will be low-income people in both the rural and urban areas of Honduras.

Host Country and Other Donors: The GOH and other donors contribute to the activities of PVOs operating in Honduras through the provision of funding, personnel, equipment, and commodities used in specific Project efforts. This Project will be closely coordinated with such assistance to encourage cooperation and maximize development impact. Key implementing institutions will be five to ten U.S. and local private voluntary organizations involved in promoting the development of Honduras.

Major Outputs:	All Years
Strengthened extension systems	X
Established and functioning nutrition surveillance systems	X

A.I.D. Financed Inputs	($000)
Technical Assistance	50
Training	25
Commodities	25
Total	100*

* FY 89 Only

U.S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1987			
Estimated Fiscal Year 1988			
Estimated Through September 30, 1988			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1989	100 (G)	Continuing	Continuing

Principal Contractors or Agencies: To be determined

AID 370-7 (11-85)

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Regional Office for
Central America (ROCAP)

PROGRAM SUMMARY ($000)			
Category	FY 1987 (Actual)	FY 1988 (Estimated)	FY 1989 (Request)
Development Assistance	31,267	28,656	24,500
Loan	10,655	4,051	0
Grant	20,612	24,605	24,500
Economic Support Fund	5,260 1/	0	0
Loan	0	0	0
Grant	5,260	0	0
Other*			
TOTALS	36,527	28,656	24,500
P.L. 480	0	0	0
Title I	0	0	0
Title II	0	0	0
TOTALS	36,527	28,656	24,500

Footnotes:
1/ The above total for ESF includes $260,000 in local cost support.

PERSONNEL DATA – MISSION DIRECT HIRE[a]			
Category	FY 1987 (Actual)	FY 1988 (Estimated)	FY 1989 (Request)
U.S. National	14.5	10.0	10.0
Foreign National	17.0	5.0	5.0
TOTALS	31.5	15.0	15.0

[a]*Total full time equivalent workyears of employment. Include HIG, excess property, and IG personnel. Excludes TDP. One workyear = 2,087 hours.*

PARTICIPANT TRAINING DATA[a]									
Category	FY 1987 (Actual)			FY 1988 (Estimated)			FY 1989 (Request)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
U.S. Participants									
Bilateral[d]	0	0	0	0	0	0	0	0	0
Regional[e]	14	120	134	10	191	201	10	265	275
Third Country Participants									
Bilateral[d]	0	0	0	0	0	0	0	0	0
Regional[e]	15	175	190	18	190	208	24	235	259
TOTALS	29	295	324	28	381	409	34	500	534

[a]*In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*
[b]*Academic: degree seeking.*
[c]*Technical: non-degree seeking.*
[d]*Participants funded under bilateral programs.*
[e]*Participants funded under regional programs (e.g., CLASP, AMDP).*

AID 370-2 (8-86)

REGIONAL OFFICE FOR CENTRAL AMERICA (ROCAP)

Introduction

Although political cooperation among the countries of Central America has waxed and waned, the impulse toward economic cooperation and unity has historically been strong. In 1960 the Treaty for Central American Social and Economic Integration was signed, leading to the creation of several regional development institutions in the areas of finance, agricultural research, health and nutrition, management education, and industrial technology. In 1961 the Central American Common Market was established. The objectives in establishing these institutions were both to strengthen Central American cooperation and unity, and to achieve economies of scale in establishing institutional competencies only affordable to the small, relatively poor Central American countries on a regional basis. The Regional Office of Central American Programs (ROCAP), located in Guatemala, was established by A.I.D. in the early 1960s to act as a counterpart to these institutions and to work on other high-priority development problems best addressed regionally.

Although the economic and security crises of recent years have torn at the fabric of cooperation, particularly the Nicaraguan threat, events of the past year have signaled a resurgence of a desire for regional cooperation. Since the first meeting of the five Central American presidents in Esquipulas, Guatemala, in May 1986, considerable efforts have been made. The Arias Peace Plan was signed at "Esquipulas II" by all Central American countries. The Central American vice presidents are meeting regularly, often as a secretariat for the periodic meetings of the five presidents. A treaty to create a Central American Parliament was signed by all parties in September 1987. Where formerly inter-governmental coordination was carried out by ministers in only a few sectors (e.g., finance, health, agriculture), in the post-Esquipulas I atmosphere, this coordination now also occurs regularly in tourism, planning, and other fields.

The reinvigorated process of regional cooperation presents new opportunities for furtherance of U.S. objectives, both to achieve high-priority development goals of the Central American Initiative (CAI) and to demonstrate that the United States strongly supports Central American movement toward greater economic and political cooperation and unity. It is too early to ascertain whether the unfolding peace initiative will be able to enhance the prospects and specific opportunities for regional approaches to the achievement of such common and continuing development objectives as improved agricultural productivity, increased private investment, job creation through industrial growth, expanded intra-regional trade and export promotion, improved nutrition and health, and protection of the natural environment. Many of these Central American initiatives are best implemented at least in part by the regional institutions already established. ROCAP, with its long-standing working relationships with these institutions, is uniquely designed to support their efforts to address these opportunities, in cooperation with the bilateral A.I.D. missions.

A.I.D. Development Strategy and Accomplishments to Date

The ROCAP program addresses three of the four basic goals of the Central American Initiative (CAI):

- laying the basis for long-term growth,
- increasing equity and broad participation in development; and
- strengthening democratic institutions and processes.

The other major goal (economic stabilization) is supported by bilateral A.I.D. missions.

1. Laying the Basis for Growth:

To encourage long-term growth for the region, ROCAP is supporting a series of activities in agriculture, natural resources management education, energy, and industry.

Agriculture and Rural Development

A.I.D.'s strategy for growth on a regional basis in Central America centers on meeting the needs for expanded export trade, agricultural research and training that are best met through transnational activities.

Expansion of nontraditional exports is a common objective throughout Central America. The objective of the Non-Traditional Agricultural Export Support project (596-0108) is to increase nontraditional agricultural exports from the region by providing technical assistance and training in the areas of production, post-harvest handling, transportation, marketing, and management of marketing information to the agricultural export associations in each of the Central American countries. The project has assisted in the establishment of the Miami U.S. Department of Agriculture Market News Information office for the use of Central American and Caribbean exporters. The project has also closely supported bilateral A.I.D. missions activities in promoting new agricultural exports, including melons, asparagus, cut flowers and ornamental plants. Credit for the expansion of these types of exports is being provided through the Latin American Agribusiness Development Corporation (LAAD) under the Export Agribusiness Development and Promotion project (596-0123). This project is funding new export businesses in such products as sesame, honey and beeswax, and essential oils. In the first year of implementation the project is demonstrating considerable progress, fifteen subprojects have been approved totalling over $4 million in loans. The Regional Economic Recovery project (596-0114) is also providing funds for agricultural export expansion through the Central American Bank for Economic Integration (CABEI). Cut flowers, fruit and vegetable production for export are being financed by CABEI.

While all the Central American countries suffer from similar agricultural technology problems, no single country can adequately finance the basic research needed to solve them. The persistent limitations of budget, personnel and continuity in national agricultural research programs have prevented the countries from providing farmers with a consistent flow of

production technologies. Regional approaches to research take advantage of economies of scale and promote cooperation and collaboration among the national research programs.

The need for improved methods to control agricultural pests, for example, is a major region-wide problem which ROCAP is helping to solve through the Pest Management project (596-0110) with the Tropical Agricultural Center for Research and Training (CATIE). This project has established a regional pest diagnostic center and is forming a network of national diagnostic laboratories. Significantly reduced crop losses and improved farmer incomes are expected throughout the region as research findings are put into practice. Similar research and training projects with CATIE are being supported in watershed management and tree crop production.

Coffee rust and the coffee bean borer as they affect small and medium-size coffee farmers are significant regional problems addressed by the Regional Coffee Pest Control project (596-0090). The project has demonstrated, among other findings, that fewer fungicide and insecticide applications, applied at the proper time, will give excellent pest control. Farmers' costs have been reduced by up to $45 per hectare per year as a result of these research findings. A new technique to reproduce coffee by the tissue culture method has been developed and is now ready for testing at the commercial level. This reduces by almost thirty years the time required between selection of a superior rust-resistant plant and its release as a commercial variety. Over 20,000 coffee farmers in the region have been reached with project-generated knowledge and benefits.

Cacao has high growth potential, both as a crop for local consumption and for export. The new Regional Agriculture Technology Networks project (596-0127) is establishing technical exchange among the international and national research organizations in the region. The project will enable these institutions to better plan and conduct research on cacao production and to share results among themselves and with local producers. This project will serve as a model for research and extension cooperation with other cash crops in the future.

The rapid degradation of forests and watersheds in the region is a major problem which threatens the agricultural and maritime resources upon which Central American economic development is based. The Watershed Management project (596-0106) with CATIE has served as a catalyst for greater collaboration among national institutions dealing with natural resource management. Priority watersheds have been identified throughout the region for protection and bankable management plans are being developed for them. National watershed management councils have been established in each of the countries and are now coordinating their efforts to better utilize existing resources.

The Tree Crop Production project (596-0117) has identified 14 fast-growing varieties of trees appropriate to the region, and is developing training for small and medium-size farmers on growing these trees for profit. This project is providing the foundation for restoration of depleted tropical forests throughout the region. For example, the project introduced pochote, a quality hardwood. Approximately 1 million of these trees are now being planted by farmers in Costa Rica alone each year.

Education and Human Resources

To fill gaps in knowledge about how to operate successfully in export markets, the Export Management Training project (596-0124) has provided training by the Central American Institute for Business Administration (INCAE) for more than 1,000 exporters and potential exporters in the region. Over 50 university professors have been trained in the development of export promotion curricula in their universities. Policy dialogue seminars on export strategies in the various countries have been attended by leaders including President Duarte of El Salvador, President Azcona of Honduras and President Arias of Costa Rica. During the period of this project nontraditional exports have increased dramatically from the region. In Costa Rica, for example, the export of fruit products is nearly four times greater than it was just two years ago. Processed food products for export have more than doubled and the export of ornamental plants has increased by twenty times.

Modernization of the rural sector in Central America and Panama has been hampered by a serious lack of professional and technical manpower. A joint ROCAP-USAID/Costa Rica project, Regional Agricultural Higher Education (596-0129), provides support for the CATIE agricultural training program. As a result, CATIE has doubled the size of its regional graduate program in agriculture and expanded its short-term technical training activities. CATIE also coordinates a network of national agricultural education and research institutions. A major fund-raising program has been initiated by CATIE to support its ten-year institutional development strategy. A new regional undergraduate Agricultural College for the Humid Tropics (EARTH) is being established in cooperation with USAID/Costa Rica through the Regional Agricultural Higher Education project (596-0129). Curriculum development is under way, construction will begin in 1988, and the college is scheduled to open in 1989. It will provide additional trained manpower for the region in tropical agriculture and natural resource management.

Selected Development Activities

Central America has enormous potential for commercially exploitable geothermal resources. Many consider it the most richly endowed region in the world for this type of energy. The Regional Energy Resources project (596-0134) is working with national organizations to analyze and inventory this potential. In Guatemala crops will soon be dried with geothermal energy. Geothermal wells are being assessed for potential exploitation in Honduras and Costa Rica. Efforts are under way to expand geothermal production of electricity in El Salvador. As the ROCAP-funded project to identify economically feasible energy resources in the region concludes, the next logical phase, development of the resources' potential, will be pursued in each country according to the priority and availability of funding at the national level.

The Regional Economic Recovery project (596-0114) seeks to strengthen the capacity of the Central American Bank for Economic Integration (CABEI) to contribute to economic growth in the region. ROCAP's policy dialogue with CABEI is directed toward improving the Bank's financial viability and re-establishing the Bank's ascendency as a major source of investment in Central America. CABEI has recently obtained commitments for $72 million in capital from Mexico and a concessional loan from the West German

Development Bank (KFW). The Bank has also made great strides recovering loans. Technical assistance provided under the project continues to improve the management and operations of CABEI, a key institution in the future development of the region.

Using Program Development and Support funds, ROCAP has assisted in the creation of the Private Enterprise Federation of Central America and Panama (FEDEPRICAP). This federation of national private sector development associations is supporting studies of constraints to investment, commerce within the region and to exports outside Central America. These efforts are bringing together private sector organizations in the region to seek solutions to common problems in trade and business expansion.

In FY 87 ROCAP completed an extensive study of the transportation constraints facing exporters in Central America. The recommendations of that study have now been disseminated widely throughout the region, to bilateral USAID Missions, governments and the private sector. FEDEPRICAP has taken a lead role in organizing a series of national level transportation conferences to disseminate the results of the study. FEDEPRICAP, with ROCAP support, will coordinate transportation related activities and assist in prioritizing both public and private sector transportation projects in each country in the region; and carry out feasibility studies, conferences and workshops which address and build upon recommendations made in the study.

2. Broadening the Benefits of Growth:

Within the goal of increasing equity and broad participation in development, ROCAP is supporting activities in health, education, housing and rural electrification.

Health

Diarrheal disease, acute respiratory infections, and low birth weight are major contributors to infant mortality in Central America. The underlying cause of deaths is endemic moderate to severe malnutrition. Bilateral A.I.D. missions in Honduras, Guatemala and El Salvador have child survival programs. With the support of the Oral Rehydration Therapy, Growth Monitoring and Education project (596-0115), the Nutrition Institute for Central America and Panama (INCAP) is reinforcing these efforts by helping countries in Central America and Panama to develop, implement and evaluate national child survival plans, particularly in control and management of diarrheal disease, monitoring of infant and child growth, and promotion of improved maternal-infant feeding practices. Project technical assistance, training, operations research, information dissemination, monitoring and evaluation activities are under way in each country.

INCAP is also working to improve the implementation of U.S. and other international donor-supported food assistance programs in Central America, with the help of the Technical Support for Food Assistance project (596-0116). The project is improving child survival and reducing malnutrition through better utilization of the more than $90 million in food assistance provided each year to the countries in the region through bilateral A.I.D. missions and international agencies. It is working to integrate food assistance into national development plans, to better

coordinate activities at the national level, to better target the people who need food assistance, and to reduce losses due to poor storage and distribution systems.

Education and Human Resources

The new Agricultural College for the Humid Tropics (EARTH) project (596-0129) described above will have an equity impact by expanding the opportunity for young people of lower economic levels to have increased access to quality agricultural training in the region.

Selected Development Activities

About thirty percent of the urban population in Central America lives in housing below the minimum standard. The Shelter and Urban Development project (596-0143), with development loan and grant and matching Housing Guaranty resources, will provide houses for 10,000 low-income families and urban infrastructure (water, sewers, electricity and street paving) for an estimated 1.2 million people in poor neighborhoods in Central American cities, while stimulating local construction industries and employment. A new $5 million Housing Guaranty (HG) program will be initiated through CABEI in FY 1988.

With the assistance of the National Rural Electric Cooperative Association (NRECA), the Rural Electrification project (596-0146) is strengthening the institutional and technical base of national electricity organizations and will lead to the preparation of better rural electrification projects. Electricity will improve the quality of life of the 85% of rural Central Americans who now lack access to this vital resource, and will provide the basis for the development of new productive activities in rural areas.

3. Strengthening Democracy

A primary objective of the Central American Peace Scholarship (CAPS) program is to expose Central American students to democratic ideas and principles. The ROCAP CAPS program (596-0130) focuses on two groups, public sector auditors and agricultural teachers. Through this program, students are given both long and short-term training to improve their professional skills and to gain insight into how democratic principles operate in the U.S. To the maximum extent possible, students stay with families in the U.S. during their training, and their program contains exposure to U.S. civic groups, professional societies and all levels of government. In the past year, 50 public-sector auditors and 46 agricultural teachers have been trained. As a result, each national Controller General's office now has a small cadre of professionals more committed to maintaining ethical standards and controls in their audit work. The long-term impact will be better accounting for the use of public funds. The teacher training has improved agricultural schools in the region in such areas as poultry, swine and cattle production and forest management. An added benefit of the ROCAP program is the professional cooperation networks it has fostered through CAPS participants upon their return to Central America.

Section 709 of the International Security and Development Cooperation Act of 1985 requires that AID submit to the Congress special comprehensive reports on assistance provided to Latin America and the Caribbean. The

following information on FY 1987 assistance to Central America through ROCAP provides a partial fulfillment of that requirement.

A. Training: In FY 1987, ROCAP provided academic and technical training to 324 participants in agriculture (164), auditing (50), export management (75), housing (15), and other fields (20).

B. The types of goods associated in FY 1987 with ESF cash transfers by A.I.D. are estimated as follows:

No cash transfers were made from the ROCAP program in FY 1987.

C. Local currency associated with A.I.D. assistance was allocated by for the following uses in FY 1987:

No local currency was made available in conjunction with ROCAP assistance in FY 1987.

D. Reprogramming of funds for ROCAP during FY 1987 resulted in the following functional account changes. Estimated FY 1987 obligations are those which were shown in the FY 1988 Congressional Presentation document:

($000)	Total	ARDN	POP	HE	CS	EHRD	SDA	ESF
- Estimated FY 1987 Obligations	30,021	12,951	25	1,210	50	2,925	7,600	5,260
- Actual FY 1987 Obligations	36,267	12,951	0	1,112	50	3,048	14,106*	5,000

* SDA funding was increased by $6.5 million in FY 1987 to enable ROCAP to increase funding for the Central American Shelter and Urban Development project (596-0143) by $2.0 million in grant and $4.5 million in loan funding.

E. Funds and programs provided through non-governmental channels as contrasted to governmental channels:

	Nongovernmental[1/] ($ million)	Governmental
DA	31.267 (100%)	-0-
ESF	5.000 (100%)	-0-
PL 480 Title I/III	-0-	-0-
PL 480 Title II	-0-	-0-
TOTAL	36.267 (100%)	-0- (0%)

[1/] Much of ROCAP's program is channelled through Central America regional institutions (e.g., CABEI, INCAP, ICAITI) that were funded by Central American governments, are substantially supported by government contributions, and have Boards of Directors consisting largely of member-country government representatives. However, these institutions are not governments, and they receive substantial other donor and some private funding, as well as quota contributions from the member governments.

FY 1989

For FY 1989, A.I.D. requests $24.5 million in Development Assistance funds for the ROCAP program.

The Development Assistance request includes $15.1 million for Agriculture, Rural Development, and Nutrition, $102,000 for Health, $2.0 million for Education and Human Resources, and $7.27 million for Selected Development Activities.

Laying the Basis for Growth

Under this goal, $6.9 million is requested from the Agriculture, Rural Development and Nutrition account. The funds will be obligated for the Coffee Pest Control project (596-0090), the Agricultural Export project (596-0108), and the Tree Crop Production project (596-0117), the Agricultural Technology Networks project (596-0127) the Agricultural Higher Education project (596-0129) and Program Development and Support (596-0000).

The Selected Development Activities request includes $.35 million for the Watershed Management project (596-0106), $.771 million for the Export Management Training project (596-0124), $.5 million for the Industrial Outreach project (596-0128) and $2.0 million for the Central America Energy Resources project (596-0134).

Broadening the Benefits of Growth

For this goal, $8.2 million of Agriculture, Rural Development and Nutrition funds are requested for the College for the Humid Tropics (EARTH) project (596-0129).

In Health/Child Survival, $102,000 is requested for Program Development and Support funds for coordination, analyses, and evaluation activities.

In Education and Human Resources, $730,000 is requested for the Export Management Training project (596-0124).

The Selected Development Activities request includes $3.1 million in funds for the Central American Shelter and Urban Development project (596-0143) and $500,000 for Program Development and Support.

Strengthening Democracy

In Education and Human Resources, $1.28 million is requested for the Central American Peace Scholarship program (596-0130).

Mission Director: Nadine Hogan

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: ROCAP

CP 89

PROJECT NO. / PROJECT TITLE	*	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHO	PLANNED	-THROUGH FY 86- OBLIGA-TIONS	EXPEN-DITURES	-ACTUAL FY 87- OBLIGA-TIONS	EXPEN-DITURES	-ESTIMATED FY 88- OBLIGA-TIONS	EXPEN-DITURES	-PROPOSED FY 89- OBLIGA-TIONS	EXPEN-DITURES
596-0000		PROGRAM DEVELOPMENT AND SUPPORT												
	CS	G	75	C	---	---	---	---	50	50	---	---	---	---
	ES	G	75	C	---	---	1,854	1,574	---	---	---	280	---	---
	FN	G	75	C	---	---	9,188	9,059	225	342	518	518	225	225
	HE	G	75	C	---	---	195	116	50	124	100	100	102	100
	SD	G	75	C	---	---	3,384	1,945	750	1,702	500	500	500	750
			PROJECT TOTAL:		---	---	14,621	12,694	1,075	2,218	1,118	1,398	827	1,075
596-0089		FUELWOOD AND ALTERNATIVE ENERGY SOURCES												
	FN	G	79	88	8,800	8,800	8,800	8,048	---	541	---	211	---	---
			PROJECT TOTAL:		8,800	8,800	8,800	8,048	---	541	---	211	---	---
596-0090		COFFEE RUST AND PEST CONTROL												
	FN	G	81	89	6,000	6,000	3,500	2,820	500	537	1,000	1,200	1,000	1,000
			PROJECT TOTAL:		6,000	6,000	3,500	2,820	500	537	1,000	1,200	1,000	1,000
596-0095		REGIONAL INDUST ENERGY EFFICIENCY												
	SD	G	82	86	5,850	4,950	4,950	3,053	---	664	---	1,233	---	---
			PROJECT TOTAL:		5,850	4,950	4,950	3,053	---	664	---	1,233	---	---
596-0106		WATERSHED MANAGEMENT												
	SD	G	83	89	6,000	6,000	4,500	1,645	850	1,643	300	1,500	350	1,000
			PROJECT TOTAL:		6,000	6,000	4,500	1,645	850	1,643	300	1,500	350	1,000
596-0108		AGRICULTURAL EXPORT SUPPORT												
	FN	G	86	89	8,000	8,000	2,000	1	2,000	1,838	3,024	2,000	976	1,800
			PROJECT TOTAL:		8,000	8,000	2,000	1	2,000	1,838	3,024	2,000	976	1,800
596-0110		PEST MANAGEMENT (CATIE)												
	FN	G	84	88	6,750	6,750	3,250	2,021	1,500	1,632	2,000	1,800	---	1,000
			PROJECT TOTAL:		6,750	6,750	3,250	2,021	1,500	1,632	2,000	1,800	---	1,000
596-0114		REG. ECONOMIC RECOVERY												
	ES	G	85	86	35,000	35,000	35,000	18,673	---	897	---	6,833	---	7,700
	FN	L	85	86	9,800	9,800	9,800	---	---	---	---	6,500	---	3,300
	SD	L	85	86	5,200	5,200	5,200	---	---	---	---	3,000	---	2,200
			PROJECT TOTAL:		50,000	50,000	50,000	18,673	---	897	---	16,333	---	13,200

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1987 are based on the authorized date. For all projects with an initial obligation date after December 31, 1987 the FY of final obligation is based on a planned date.

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: ROCAP

CP 89

PROJECT NO. / PROJECT TITLE	*	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	-LIFE OF PROJECT- PLANNED	-THROUGH FY 86- OBLIGA-TIONS	-THROUGH FY 86- EXPEN-DITURES	-ACTUAL FY 87- OBLIGA-TIONS	-ACTUAL FY 87- EXPEN-DITURES	-ESTIMATED FY 88- OBLIGA-TIONS	-ESTIMATED FY 88- EXPEN-DITURES	-PROPOSED FY 89- OBLIGA-TIONS	-PROPOSED FY 89- EXPEN-DITURES
596-0115		ORT. GROWTH MONITORING AND EDUCATION												
	CS	G	85	88	---	400	---	---	---	---	400	400	---	---
	HE	G	85	88	8,800	9,000	8,000	944	800	1,572	200	2,000	---	2,000
			PROJECT TOTAL:		8,800	9,400	8,000	944	800	1,572	600	2,400	---	2,000
596-0116		FOOD ASSISTANCE SUPPORT												
	HE	G	85	88	6,100	6,100	5,600	493	262	790	238	1,500	---	1,500
			PROJECT TOTAL:		6,100	6,100	5,600	493	262	790	238	1,500	---	1,500
596-0117		TREE CROP PRODUCTION												
	FN	G	85	89	9,000	9,000	2,910	707	1,000	1,824	3,000	2,000	2,090	1,600
			PROJECT TOTAL:		9,000	9,000	2,910	707	1,000	1,824	3,000	2,000	2,090	1,600
596-0123		EXPORT AGRIBUS DEVELOP. AND PROMOTION												
	FN	L	86	88	15,000	15,000	6,600	---	6,149	4,107	2,251	6,000	---	4,000
			PROJECT TOTAL:		15,000	15,000	6,600	---	6,149	4,107	2,251	6,000	---	4,000
596-0124		EXPORT MANAGEMENT TRAINING												
	EH	G	86	87	5,150	4,879	2,400	1,009	2,325	1,126	425	1,700	729	1,350
	SD	G	86	89	1,650	921	150	---	---	---	---	100	771	500
			PROJECT TOTAL:		6,800	5,800	2,550	1,009	2,325	1,126	425	1,800	1,500	1,850
596-0127		REG. AGRIC. TECHNOLOGY NETWORKS												
	FN	G	87	89	2,500	2,500	---	---	500	---	1,000	600	1,000	1,000
			PROJECT TOTAL:		2,500	2,500	---	---	500	---	1,000	600	1,000	1,000
596-0128		INDUSTRIAL OUTREACH												
	SD	G	88	90	---	1,250	---	---	---	---	400	300	500	600
			PROJECT TOTAL:		---	1,250	---	---	---	---	400	300	500	600
596-0129		REG. AGRIC HIGHER EDUC												
	ES	G	85	92	17,000	17,000	11,000	120	---	932	---	1,500	---	3,000
	FN	G	85	92	16,400	16,400	200	22	1,000	102	2,000	1,700	9,009	4,200
			PROJECT TOTAL:		33,400	33,400	11,200	142	1,000	1,034	2,000	3,200	9,009	7,200
596-0130		CENTRAL AMERICA PEACE SCHOLARSHIPS												
	EH	G	87	93	149,795	149,795	---	---	723	412	400	550	1,280	500
	FN	G	87	87	1,997	1,997	---	---	77	45	1,100	350	820	950

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1987 are based on the authorized date. For all projects with an initial obligation date after December 31, 1987 the FY of final obligation is based on a planned date.

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: ROCAP

CP 89

PROJECT NO. / PROJECT TITLE	*	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	PLANNED	-THROUGH FY 86- OBLIGA-TIONS	EXPEN-DITURES	-ACTUAL FY 87- OBLIGA-TIONS	EXPEN-DITURES	-ESTIMATED FY 88- OBLIGA-TIONS	EXPEN-DITURES	-PROPOSED FY 89- OBLIGA-TIONS	EXPEN-DITURES
PROJECT TOTAL:					151,792	151,792	---	---	800	457	1,500	900	2,100	1,450
596-0131 COOPERATIVE HOUSING INITIATIVE														
		ES	G	85	85	10,000	10,000	10,000	4,780	---	3,539	---	1,681	---	---
PROJECT TOTAL:						10,000	10,000	10,000	4,780	---	3,539	---	1,681	---	---
596-0134 CENTRAL AMERICA ENERGY RESOURCES														
		ES	G	85	88	21,200	16,200	11,200	7,979	5,000	3,101	---	4,200	---	684
		SD	G	85	89	---	5,000	---	---	---	---	3,000	800	2,000	1,000
PROJECT TOTAL:						21,200	21,200	11,200	7,979	5,000	3,101	3,000	5,000	2,000	1,684
596-0136 ESSENTIAL DRUGS AND MALARIA														
		HE	G	85	86	2,000	2,000	2,000	423	---	1,110	---	467	---	---
PROJECT TOTAL:						2,000	2,000	2,000	423	---	1,110	---	467	---	---
596-0137 BUSINESSWOMEN IN CENTRAL AMERICA														
		ES	G	85	85	2,000	2,000	2,000	850	---	198	---	900	---	52
PROJECT TOTAL:						2,000	2,000	2,000	850	---	198	---	900	---	52
596-0138 TRAINING FOR DEMOCRACY														
		ES	G	85	85	1,000	1,000	1,000	661	---	167	---	172	---	---
PROJECT TOTAL:						1,000	1,000	1,000	661	---	167	---	172	---	---
596-0143 C.A. SHELTER AND URBAN DEVELOPMENT														
		SD	G	87	91	4,000	12,694	---	---	3,000	---	---	900	3,148	3,400
		SD	L	87	91	15,000	6,306	---	---	4,506	---	1,800	4,000	---	1,000
PROJECT TOTAL:						19,000	19,000	---	---	7,506	---	1,800	4,900	3,148	4,400
596-0146 RURAL ELECTRIFICATION SUPPORT														
		SD	G	87	87	5,000	10,000	---	---	5,000	176	5,000	1,000	---	2,000
PROJECT TOTAL:						5,000	10,000	---	---	5,000	176	5,000	1,000	---	2,000
596-0999 LOCAL COST SUPPORT														
		ES	G	87	87	---	---	---	---	260	188	---	72	---	---
PROJECT TOTAL:						---	---	---	---	260	188	---	72	---	---

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1987 are based on the authorized date. For all projects with an initial obligation date after December 31, 1987 the FY of final obligation is based on a planned date.

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: ROCAP

CP 89

PROJECT NO. PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	-LIFE OF PROJECT- PLANNED	-THROUGH FY 86- OBLIGA-TIONS	-THROUGH FY 86- EXPEN-DITURES	-ACTUAL FY 87- OBLIGA-TIONS	-ACTUAL FY 87- EXPEN-DITURES	-ESTIMATED FY 88- OBLIGA-TIONS	-ESTIMATED FY 88- EXPEN-DITURES	-PROPOSED FY 89- OBLIGA-TIONS	-PROPOSED FY 89- EXPEN-DITURES
COUNTRY TOTALS:				384,992	389,942	154,681	66,943	36,527	29,359	28,656	58,567	24,500	43,411
GRANTS:				339,992	353,636	133,081	66,943	25,872	25,252	24,605	39,067	24,500	37,911
LOANS:				45,000	36,306	21,600	---	10,655	4,107	4,051	19,500	---	10,500
---- APPROPRIATION SUMMARY ----													
AGR., RURAL DEV. & NUTRITION:				84,247	84,247	46,248	22,678	12,951	10,958	15,893	22,879	15,120	19,075
POPULATION PLANNING:				---	---	---	---	---	---	---	---	---	---
HEALTH:				16,900	17,100	15,795	1,976	1,112	3,596	538	4,067	102	3,600
CHILD SURVIVAL FUND:				---	400	---	---	50	50	400	400	---	---
AIDS:				---	---	---	---	---	---	---	---	---	---
EDUCATION & HUMAN RESOURCES:				154,945	154,674	2,400	1,009	3,048	1,538	825	2,250	2,009	1,850
SELECTED DEVELOP. ACTIVITIES:				42,700	32,321	18,184	6,643	14,106	4,135	11,000	13,333	7,269	12,450
ECONOMIC SUPPORT FUND:				86,200	81,200	72,054	34,637	5,260	9,022	---	15,638	---	11,436

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1987 are based on the authorized date. For all projects with an initial obligation date after December 31, 1987 the FY of final obligation is based on a planned date.

CENTRAL AMERICA REGIONAL

PROGRAM SUMMARY ($000)			
Category	FY 1987 (Actual)	FY 1988 (Estimated)	FY 1989 (Request)
Development Assistance	17,431	29,340	23,600
Loan	0	0	0
Grant	17,431	29,340	23,600
Economic Support Fund	2,518	2,009 1/	10,000
Loan	0	0	0
Grant	2,518	2,009	10,000
Other*			
TOTALS	19,949	31,349	33,600
P.L. 480	0	0	0
Title I	0	0	0
Title II	0	0	0
TOTALS	19,949	31,349	33,600

Footnotes:
1/ Funds appropriated in FY 1987.

CENTRAL AMERICA REGIONAL PROGRAM

Introduction

In keeping with the recommendations of the National Bipartisan Commission on Central America (NBCCA), which recognized the importance of regional approaches to the area's development, A.I.D.'s Central America Regional program reinforces and complements bilateral mission programs to achieve the goals of the Central American Initiative (CAI). Central American Regional projects are funded and managed from Washington by A.I.D's Bureau for Latin America and the Caribbean rather than through bilateral country programs, when the project: is implemented in more than one Central American country; supports and reinforces several bilateral country programs; launches pilot, innovative, or small-scale activities which are potentially useful in several countries and which, if successful, will become part of the bilateral programs; is best managed by and strengthens regional Central American institutions; and/or is more effectively and efficiently managed in Washington than in the field.

A.I.D. Development Strategy and Accomplishments to Date

The Central America Regional program foucuses on three of the four basic goals of the CAI: laying the basis for long-term economic growth; spreading more equitably the benefits of such growth; and strengthening democratic processes and institutions.

1. Laying the Basis for Long-term Growth:

The program concentrates on three major areas: increasing agricultural production, promoting exports, and managing and preserving natural resources.

Agriculture, Rural Development and Nutrition.

Development Assistance ARDN funds are used for a variety of activities that reinforce and complement the bilateral programs.

The Mediterranean fruit fly threatens both Central American and U.S. agriculture. The U.S. Department of Agriculture (USDA) has signed a large eradication program, MOSCAMED, to be implemented in Guatemala. In FY 1987, Program Development and Support (PD&S) funds (597-0000) were used to begin an environmental assessment to determine the potential environmental impact of the proposed program. The assessment is scheduled for completion in FY 1988.

Another problem posing a significant threat to increased agricultural production in Central America is the degradation of fragile lands. Regional PD&S funds contribute to an agency-wide program which will assist Central American countries to develop strategies for sustaining agriculture on fragile lands.

The Central American A.I.D. Missions are receiving specialized technical expertise through an agreement with USDA in such areas as non-traditional agricultural exports, helping Central American producers and exporters to overcome key hurdles in entering the U.S. market. In FY 1988, funding for this type of expertise will be incorporated into a new project, Rural Development Technical Services (597-0022). The scope of expertise available through short and longer-term experts will be expanded to include such areas as agricultural policy development, animal and plant health protection, rural financial markets, food assistance programs, management, and natural resources management.

A new Vitamin A Augmentation project (597-0036) will provide funds in FY 1988 to the Institute for Nutrition in Central America and Panama (INCAP) in order to provide technical assistance, operations and applied research, training, surveys, and monitoring and evaluation in support of Vitamin A activities for child survival programs in Central America.

Assistance in protecting biological diversity and tropical forests will be provided through a new project in FY 1988 designed to help establish and manage parks and protected areas, document valuable species and genetic resources, promote sustainable use of natural resources in surrounding parks and reserves, and support public environmental education. The Environmental Management Systems (597-0035) project is designed to stimulate A.I.D. missions, host country governments, private voluntary organizations and other donors to better manage and preserve natural resources in the Central America region through studies, training, pilot projects and provision of high-quality, easy-to-access technical assistance.

Similarly, a new Environmental Non-Governmental Organizations Development and Support project (597-0034) will help in FY 1988 to develop and strengthen host country environmental NGOs in the Central America region to (1) play a stronger role in promoting long-term sustainable use of the region's natural resources, (2) assist with environmental evaluation of projects to ensure environmental soundness, (3) provide grass-roots environmental education, and (4) become financially self sufficient.

In FY 1987, A.I.D. supported Israeli technical assistance to Guatemala, Honduras and El Salvador in various agricultural and rural development specialities related especially to irrigation and dryland agriculture. A.I.D. will continue to support Israeli technical assistance to selected Central American countries in FY 1988.

Economic Support Funds

In response to a recommendation of the NBCCA, A.I.D. established a Trade Credit Insurance Program (TCIP) (597-0004). Under this program the Export Import Bank issues guarantees to private U.S. banks for trade credits that they have furnished to banks in the region. A.I.D., in turn, re-insures the Export Import Bank. This program continues to grow. As of July 31, 1987 confirmed letters of credit had risen to $309.4 million. To date there have been no defaults requiring payment by A.I.D.

B. Sharing the Benefits of Growth

The Central America Regional program objectives under this goal are to reduce infant and child mortality, increase access to family planning, and improve educational opportunities.

Health

Child survival is a high priority for A.I.D. under the Central American Initiative and is reflected in programs throughout the region. The CA Regional projects complement bilateral missions' and ROCAP efforts in three areas: accelerated immunization, technology development and transfer, and improvement of the availability, quality and use of essential drugs.

The Child Survival/Accelerated Immunization project (597-0005) ties into a larger Latin America-wide project, encompassing all of the Americas and cooperating with other donors (PAHO, UNICEF and Rotary International), which seeks to interrupt the indigenous transmission of the polio virus and eradicate poliomyelitis in the region by 1990. The donors and all of the Central American host countries have designed and approved national plans of action for immunization. Implementation of these plans is now under way.

The Technology Development and Transfer in Health project (598-0006) seeks to improve the quality and efficiency of health sector training, develop operations research methodologies and models in health services financing, and provide assistance to address key health financing constraints through bilateral missions' projects. Training emphasis under this project is on appropriate clinical training as an alternative to academic medical training and on increasing management training for health programs. Follow-up activities in their host countries are being designed for nine 1987 medical trainee graduates and other previous trainees. Information on public health administration and training programs in this field is being furnished through an agreement with the American Universities of Public Health Administration (AUPHA). AUPHA is developing a network for health administration professionals in the region, including the development and distribution of a directory of training programs published in Spanish.

The Essential Drugs and Malaria project (597-0007) evolved from a recommendation of the NBCCA that the U.S. should "eradicate vector borne diseases". The project supports the development and improvement of the essential drugs programs in the Central American Ministries of Health. These programs are aimed at improving the availability, quality and use of pharmaceuticals while stressing cost-efficiency through techniques such as streamlined competitive procurement. Additionally, the project supports strengthening malaria control programs and is establishing a regional training and operations research program for mosquito-borne diseases. To date the project has funded drug utilization studies leading to program modifications in Honduras, El Salvador, Costa Rica and Guatemala, and will conduct a course on "Good Manufacturing Practices" in Central America using assistance from the U.S. Food and Drug Administration.

Population Planning

The Central America regional population program focuses on providing high-technology inputs to increase information and improve service delivery so that family planning services are available to an additional 600,000 users by 1990. The Population Information Center project (597-0015) has established a video production center in Guatemala which is increasing the information available to couples through public and private service agencies for informed decisions concerning child spacing. A logistics system center has been established in Honduras under the Management Logistics Center project (597-0014) which is improving the flow of contraceptives through improved supply lines. A Population Management Center (597-0016) is being planned to increase the efficiency of population service delivery programs through improved management using microcomputers. Through the Private and Voluntary Organizations project (597-9999), centers are being established throughout Central America to improve access to family planning.

Education and Human Resource Development

Though primary responsibility for implementing the CAI rests with Central America field missions, the CA Regional funds complement field efforts through four projects.

The Regional Technical Aids Center II (RTAC II) project (597-0011) responds to the NBCCA recommendation that Spanish-language textbooks written by U.S. authors be made available at reduced prices to university students in Central America. This is a successor to the highly successful RTAC I project launched in the 1960s under the Alliance for Progress. Since its inception in late FY 1986, RTAC II has: recruited a trained professional and support staff for both its home office in Mexico City and field offices in the Central America missions where it is operating; identified outlets for RTAC II books in each of the five countries; established currency conversion procedures for funds generated by book sales; installed a management information system; and purchased and put on sale over 39,000 student textbooks. During FY 1988 a pamphlet program will be initiated and 225,000 textbooks will be purchased and distributed in the region.

In FY 1988, the Central America Financial Management project (597-0037) will begin a systematic effort to improve the financial management capabilities of the public sector in Central America. The Central America Education Field Technical Support (CAEFTS) contract, initially financed with Program Development and Support funds, (597-0000), is providing both A.I.D./Washington and Central American field missions with valuable, quick turn-around support in implementing the CAI in education and Peace Scholarships. Through CAEFTS, a system for tracking key primary education indicators on a country-by-country and regional basis has been established and is operational. CAEFTS has also been used by field missions for new project design, implementation support, and to evaluate the progress of education projects initiated in response to the CAI. In FY 1988 these activities will be included under the new Education and Human Resources Technical Services project (597-0032), which will have as one of its key objectives continuation of support to the LAC Bureau and field missions in the implementation of the CAI.

C. Strengthening Democratic Institutions

1. Administration of Justice

A major ingredient of democracy is a strong and fair system for administering justice. A.I.D.'s primary vehicle for achieving this objective is the Central America Regional Administration of Justice project (597-0002). Since the project's beginning in 1985, more than 6,000 student-days of training have been provided to Central American criminal justice officials, 4,300 law books have been donated to Central American law libraries, a computerized system to track legislation and jurisprudence has been initiated in Costa Rica, and judicial sector assessments have been or are being performed in Panama, Costa Rica, Honduras, El Salvador and Guatemala. By the end of 1988, all bilateral A.I.D. missions in the region, with the exception of Panama, will have developed national programs oriented to the needs of the judicial system in their countries. Accordingly, A.I.D. project activity will move increasingly to the bilateral missions.

The International Criminal Investigative Training Assistance Program (ICITAP) (597-0018) was developed in cooperation with the Departments of Justice and State. ICITAP provides training in criminal investigation to judges, public defenders, and police acting under judicial or prosecutorial control. It is anticipated that this program will continue to be funded with Economic Support Funds. Legal authority for management has been shifted to the Department of State in 1988.

2. Strengthening Legislatures, the Electoral Process, Grassroots Organizations, and Human Rights

The Central America Regional Strengthening Democracy project (597-0003) provides funds for activities that seek to foster and strengthen democratic institutions and practices and to promote broad citizen participation in the political process. Specifically, these activities are intended to develop institutions and reach audiences not normally included in other A.I.D.-funded programs. Activities under this project can be grouped in four categories: strengthening legislatures, strengthening electoral processes, developing regional and national democratic institutions, and improving the human rights climate.

The CA Regional program for strengthening legislatures focuses on training programs, both in orientation for new legislators and in-service training for members and staffs. In addition to seminars in the participating countries, training programs include U.S. observation tours for legislators. Other components include support for the establishment of legislative committee systems to foster an orderly division of responsibility and expertise, professional staff assistance for legislators, and computerized information systems.

The Inter-American Center for Electoral Assistance and Promotion (CAPEL) provides the region with an ongoing capacity to provide technical assistance and information to countries seeking to improve their electoral systems. CAPEL in turn has created an organization, the Association of Electoral Organisms of Central America and the Caribbean, which allows

electoral bodies to support one another through the exchange of technical advice and observer missions. The Association also serves to reinforce efforts of its members as they seek to maintain themselves as independent electoral bodies, functioning free of interference or manipulation by governments or political parties.

Two programs, implemented by the Partners of the Americas and the Overseas Education Fund International (OEF), aim to promote awareness and wider practice of democratic processes at the community level and to strengthen the capacities of civic, youth and grassroots organizations in Central America. The Partners program strengthens the democratic leadership of public and private institutions through training, technical assistance and professional exchanges. The OEF program is helping train members of community and women's organizations in basic skills that will enhance their ability to act collectively to promote or defend shared interests. Training materials stress learner participation and democratic values focused on team-building, organizational development, community problem solving, decision making, issues analysis, public policy formulation, and strategies for citizen involvement.

The Inter-American Institute of Human Rights (IIHR) is providing training conferences and research directed at stimulating greater observance of human rights. Research includes, for example, a study of the impact of Latin American criminal justice system on human rights.

3. Strengthening the Press

In FY 1988 A.I.D. will begin a major seven-year Journalism Strengthening project (597-0031) with Florida International University. The project will improve journalistic professionalism in Central America by upgrading professional skills in writing, reporting, editing, production, research and management; raising awareness of journalistic ethics; strengthening journalism education programs in universities, including development of new instructional materials; and facilitating continuing dialogue among journalists, owners and educators in the region.

4. The Central America Peace Scholarships Program (CAPS)

The CAPS program seeks to counter Soviet-bloc scholarship programs by providing U.S. training for disadvantaged persons who occupy or have the potential for leadership roles in Central America. Although the bulk of the CAPS funds are programmed bilaterally, in FY 1988 a total of $11.6 million in CA Regional EHR funds will be applied within the CAPS program toward three special programs: (1) $10.0 million for the Central America Scholarship Program (CASP), an ongoing program managed by Georgetown University which brings disadvantaged youth to the United States for formal education and an opportunity to experience America; (2) $600,000 for a proposal by the Consortium for Service to Latin America to establish a Center for Inter-American Leadership to acquaint future leaders of the Caribbean Basin with the American democratic system and the role private enterprise plays in this system (another $650,000 will be provided from the LAC Regional EHR account); and (3) $1.0 million to develop a pilot program under which individual states and the U.S. private sector would match and

therefore maximize Federal funds applied toward scholarship diplomacy (another $1.0 million will be drawn from the LAC Regional EHR account for this program).

CA Regional CAPS funds are also being used to support a major evaluation of the CAPS project. Since the evaluation began in FY 1986, a computer-based information system (CIS) has been installed in all A.I.D. Missions where the CAPS project is operating. CIS provides valuable data on types of training being received in the U.S. by Peace Scholars and on key characteristics of the Peace Scholars themselves. Data are also being collected focusing on the quality of the training provided in the United States, the U.S. experience in general, and the Peace Scholars' attitudes toward the United States upon returning to their countries.

5. Strengthening Labor Development

An additional area of democratic development is the development and strengthening of free trade unionism in Central America. The Free Labor Development project (597-0008) provides funds to the American Institute for Free Labor Development (AIFLD) to conduct projects in the Central American countries. These programs continue to improve free trade union leadership at all levels through a variety of educational activities and social projects.

FY 1989 Programs

For FY 1989, A.I.D. requests $33.6 million for the Central American Regional program, including $23.6 million in Development Assistance funds and $10.0 million in Economic Support Funds. The Development Assistance request includes $20.3 million for Agriculture, Rural Development and Nutrition (ARDN), $2.5 million for Population Planning (PN), $559,000 for Health (HE), $350,000 for Child Survival (CS), $16.5 million for Education and Human Resources Development (EHR) and $2.0 million for Selected Development Activities (SDA). ESF financing is requested to continue programs to strengthen democracy and improve the administration of justice.

A. Laying the Basis for Growth

Agriculture, Rural Development and Nutrition

ARDN funds of $2.0 million are requested to continue to providing specialized technical assistance to A.I.D. Missions in the region to help achieve the goals of the CAI. Subject to a positive determination from the environmental impact assessment now under way on the MOSCAMED program, a similar assessment will be done in FY 1989 for the region-wide CAPMED eradication program.

Selected Development Activities

From the SDA account $2.0 million is requested to continue funding the development and conduct of research projects in Central American economics faculties under the Economic Policy Research project (597-0020), and to provide funding for regional studies for use in planning and monitoring A.I.D.-funded Central American programs.

B. Sharing the Benefits of Growth

Health and Child Survival

A total of $909,000 is requested in FY 1989 to be used to continue efforts to eliminate poliomyelitis, accelerate immunization programs, reduce infant mortality, transfer appropriate health technology, and provide clinical and management training. In addition, a new Health Technical Services Support Project (597-0027) is scheduled to begin in FY 1989 to improve the planning, management and evaluation of cost-effective health services through the public and private sectors. This project will expand the areas of technical expertise available to the overseas A.I.D. missions in the areas of health care financing, private sector initiatives, privatization, nutrition strategic planning and tracking systems, acquired immune deficiency syndrome (AIDS), evaluation and monitoring, and acute respiratory infections.

Population Planning

The $2.5 million requested will continue projects to increase access to population services, disseminate information on family planning, and improve management of delivery programs. The establishment of management centers in Central American countries will be aimed at further improving access to family planning using for-profit and private voluntary organizations.

Education and Human Resource Development

Funds in the amount of $.4 million are requested for the planned Education and Human Resources Technical Services project.

C. Strengthening Democratic Institutions

For education activities, $15.3 million in EHR funds is requested in FY 1989. These funds will continue to provide support for the Central American Peace Scholarship program (597-0001) and the Regional Technical Aids Center II project, (597-0011) and AIFLD's efforts to train trade union leaders in Central America (597-0008). The Central American Peace Scholarship program also includes continued funding for the States-sponsored Scholarship Diplomacy program.

Economic Support Funds

The $10.00 million in Economic Support Funds requested in FY 1989 will continue to fund initiatives in strengthening democracy and improving the administration of justice in Central America. Specific areas of assistance for Administration of Justice (597-0002) are (the continuation of the law school affiliates program) and training and technical assistance activities in support of bilateral programs. FY 1989 funds for democratic initiatives will be used to continue support for the Strengthening Journalism project (597-0031) with Florida International University, CAPEL activities in strengthening electoral systems, improving civic awareness, and training legislators.

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: CENTRAL AMERICAN REGIONAL

CP 89

PROJECT NO. / PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHO	PLANNED	-THROUGH FY 86- OBLIGATIONS	EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	EXPENDITURES
597-0000 PROGRAM DEVELOPMENT AND SUPPORT													
CS	G	86	C	---	---	---	---	45	---	50	55	50	50
EH	G	86	C	---	---	1,271	427	248	439	90	600	100	200
ES	G	86	C	---	---	260	70	481	207	---	464	---	---
FN	G	86	C	---	---	1,729	652	450	237	550	900	750	1,000
HE	G	86	C	---	---	342	109	117	134	100	100	59	75
PN	G	86	C	---	---	527	172	500	52	200	100	100	100
SD	G	86	C	---	---	248	23	282	294	650	750	749	750
PROJECT TOTAL:				---	---	4,377	1,453	2,123	1,363	1,640	2,969	1,808	2,175
597-0001 CENTRAL AMERICA PEACE SCHOLARSHIPS													
EH	G	85	90	36,000	78,016	37,221	14,104	7,222	13,905	12,825	10,000	10,748	10,000
ES	G	85	90	39,379	39,379	29,429	2,403	---	12,354	---	10,000	---	4,000
PROJECT TOTAL:				125,379	117,395	66,650	16,507	7,222	26,259	12,825	20,000	10,748	14,000
597-0002 REG. ADMINISTRATION OF JUSTICE													
ES	G	85	92	11,837	25,000	11,720	2,955	117	4,212	---	4,000	1,500	2,000
PROJECT TOTAL:				11,837	25,000	11,720	2,955	117	4,212	---	4,000	1,500	2,000
597-0003 STRENGTHENING DEMOCRACY													
ES	G	35	C	---	---	7,543	3,311	1,430	1,646	2,009	5,000	5,500	5,000
SD	G	85	C	---	---	---	---	---	---	2,800	600	---	2,000
PROJECT TOTAL:				---	---	7,543	3,311	1,430	1,646	4,809	5,600	5,500	7,000
597-0004 TRADE CREDIT INSURANCE PROGRAM													
ES	G	85	87	20,000	20,000	20,000	---	---	---	---	---	---	---
PROJECT TOTAL:				20,000	20,000	20,000	---	---	---	---	---	---	---
597-0005 CHILD SURVIVAL/ACCELERATED IMMUNIZATION													
CS	G	86	88	3,148	3,548	2,500	54	648	---	400	2,000	---	1,400
HE	G	86	88	2,632	2,632	2,632	---	---	---	---	1,500	---	1,000
PROJECT TOTAL:				5,780	6,180	5,132	54	648	---	400	3,500	---	2,400
597-0006 TECH DEVELOPMENT/TRANSFER IN HEALTH													
HE	G	86	88	1,500	2,000	1,500	150	---	602	500	800	---	448
PROJECT TOTAL:				1,500	2,000	1,500	150	---	602	500	800	---	448
597-0007 ESSENTIAL DRUGS & MALARIA													
HE	G	86	90	6,627	7,860	2,716	364	1,911	99	1,920	2,000	---	2,000

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1987 are based on the authorized date. For all projects with an initial obligation date after December 31, 1987 the FY of final obligation is based on a planned date.

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: CENTRAL AMERICAN REGIONAL

CP 89

PROJECT NO. / PROJECT TITLE	*	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	PLANNED	-THROUGH FY 86- OBLIGA-TIONS	EXPEN-DITURES	-ACTUAL FY 87- OBLIGA-TIONS	EXPEN-DITURES	-ESTIMATED FY 88- OBLIGA-TIONS	EXPEN-DITURES	-PROPOSED FY 89- OBLIGA-TIONS	EXPEN-DITURES
PROJECT TOTAL:					6,627	7,860	2,716	364	1,911	99	1,920	2,000	---	2,000
597-0008 FREE LABOR DEVELOPMENT (AIFLD)														
	EH	G	86	C	---	---	1,500	924	2,000	576	2,185	2,000	2,300	2,300
	ES	G	86	C	---	---	51	---	---	51	---	---	---	---
	SD	G	86	C	---	---	---	---	300	---	---	150	---	150
PROJECT TOTAL:					---	---	1,551	924	2,300	627	2,185	2,150	2,300	2,450
597-0011 REGIONAL TECH AIDS CENTER														
	EH	G	86	89	10,000	10,000	800	160	2,346	852	1,000	3,000	2,000	2,000
PROJECT TOTAL:					10,000	10,000	800	160	2,346	852	1,000	3,000	2,000	2,000
597-0012 COOPERATIVE COMMUNITY IMPROVEMENT														
	SD	G	85	86	2,300	2,300	2,300	290	---	---	---	1,200	---	700
PROJECT TOTAL:					2,300	2,300	2,300	290	---	---	---	1,200	---	700
597-0014 MANAGEMENT LOGISTICS SYSTEM CENTER														
	PN	G	86	86	250	250	250	---	---	29	---	125	---	96
PROJECT TOTAL:					250	250	250	---	---	29	---	125	---	96
597-0015 POPULATION INFORMATION CENTER														
	PN	G	86	83	1,360	1,360	650	---	310	434	400	250	---	476
PROJECT TOTAL:					1,360	1,360	650	---	310	434	400	250	---	476
597-0016 ASSISTANCE TO NGOS IN CENTRAL AMERICA														
	SD	G	86	86	150	150	150	15	---	73	---	42	---	20
PROJECT TOTAL:					150	150	150	15	---	73	---	42	---	20
597-0018* INTL INVESTIGATIVE TRG ASSISTANCE PROG														
	ES	G	87	89	1,000	3,490	---	---	490	120	---	250	3,000	2,000
PROJECT TOTAL:					1,000	3,490	---	---	490	120	---	250	3,000	2,000
597-0019 POPULATION MANAGEMENT CENTER														
	PN	G	87	88	705	705	---	---	225	---	480	300	---	395
PROJECT TOTAL:					705	705	---	---	225	---	480	300	---	395
597-0020 ECONOMIC POLICY & RESEARCH														

*Managed by the U.S. Department of State and implemented by the U.S. Department of Justice

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1987 are based on the authorized date.
For all projects with an initial obligation date after December 31, 1987 the FY of final obligation is based on a planned date.

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: CENTRAL AMERICAN REGIONAL

CP 89

PROJECT NO. / PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	PLANNED	-THROUGH FY 86- OBLIGATIONS	EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	EXPENDITURES
	SD G	83	89	---	2,000	---	---	---	---	750	200	1,250	1,000
	PROJECT TOTAL:			---	2,000	---	---	---	---	750	200	1,250	1,000
597-0022	RURAL DEVELOPMENT TECHNICAL SERVICES												
	FN G	83	C	---	---	---	---	---	---	650	200	650	800
	PROJECT TOTAL:			---	---	---	---	---	---	650	200	650	800
597-0027	*HEALTH TECHNICAL SERVICES SUPPORT												
	CS G	89	92	2,700	---	---	---	---	---	---	---	300	150
	HE G	89	92	4,500	---	---	---	---	---	---	---	500	200
	PROJECT TOTAL:			7,200	---	---	---	---	---	---	---	800	350
597-0029	ISRAELI TECHNICAL ASSISTANCE												
	FN G	87	88	827	1,827	---	---	827	---	1,000	1,227	---	600
	PROJECT TOTAL:			827	1,827	---	---	827	---	1,000	1,227	---	600
597-0032	EHR TECHNICAL SERVICES												
	EH G	83	89	---	700	---	---	---	---	300	20	400	500
	PROJECT TOTAL:			---	700	---	---	---	---	300	20	400	500
597-0034	ENVIRONMENTAL NGO DEV & SUPPORT												
	FN G	88	89	---	1,139	---	---	---	---	750	225	389	550
	PROJECT TOTAL:			---	1,139	---	---	---	---	750	225	389	550
597-0035	DEVELOPMENT OF ENVIRONMENTAL MGT SYSTEMS												
	FN G	88	89	---	405	---	---	---	---	250	100	155	200
	PROJECT TOTAL:			---	405	---	---	---	---	250	100	155	200
597-0036	VITAMIN A EARMARK												
	FN G	88	88	250	250	---	---	---	---	250	125	---	125
	PROJECT TOTAL:			250	250	---	---	---	---	250	125	---	125
597-0037	FINANCIAL MANAGEMENT												
	EH G	88	90	---	1,800	---	---	---	---	600	200	600	350
	PROJECT TOTAL:			---	1,800	---	---	---	---	600	200	600 ▲	350
597-0038	LAND SECURITY												

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1987 are based on the authorized date.
For all projects with an initial obligation date after December 31, 1987 the FY of final obligation is based on a planned date.

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: CENTRAL AMERICAN REGIONAL

CP 89

PROJECT NO. PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHO	-LIFE OF PROJECT- PLANNED	-THROUGH FY 86- OBLIGA-TIONS	-THROUGH FY 86- EXPEN-DITURES	-ACTUAL FY 87- OBLIGA-TIONS	-ACTUAL FY 87- EXPEN-DITURES	-ESTIMATED FY 88- OBLIGA-TIONS	-ESTIMATED FY 88- EXPEN-DITURES	-PROPOSED FY 89- OBLIGA-TIONS	-PROPOSED FY 89- EXPEN-DITURES
FN	G	88	89	---	200	---	---	---	---	100	50	100	25
PROJECT TOTAL:				---	200	---	---	---	---	100	50	100	25
597-9999 PRIVATE AND VOL ORGANIZATIONS - OPG'S													
PN	G	87	C	---	---	---	---	---	---	540	350	2,400	1,000
PROJECT TOTAL:				---	---	---	---	---	---	540	350	2,400	1,000
COUNTRY TOTALS:				195,165	205,011	125,339	26,183	19,949	36,316	31,349	48,883	33,600	43,660
GRANTS:				195,165	205,011	125,339	26,183	19,949	36,316	31,349	48,883	33,600	43,660
LOANS:				---	---	---	---	---	---	---	---	---	---
---- APPROPRIATION SUMMARY ----													
AGR., RURAL DEV. & NUTRITION:				1,077	3,821	1,729	652	1,277	237	3,550	2,827	2,044	3,300
POPULATION PLANNING:				2,315	2,315	1,427	172	1,035	515	1,620	1,125	2,500	2,067
HEALTH:				15,259	12,492	7,190	623	2,028	835	2,520	4,400	559	3,723
CHILD SURVIVAL FUND:				5,848	3,548	2,500	54	693	---	450	2,055	350	1,600
AIDS:				---	---	---	---	---	---	---	---	---	---
EDUCATION & HUMAN RESOURCES:				96,000	90,516	40,792	15,615	11,316	15,772	17,000	15,820	16,148	15,350
SELECTED DEVELOP. ACTIVITIES:				2,450	4,450	2,698	328	582	367	4,200	2,942	1,999	4,620
ECONOMIC SUPPORT FUND:				72,216	87,869	69,003	8,739	2,518	18,590	2,009	19,714	10,000	13,000

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1987 are based on the authorized date. For all projects with an initial obligation date after December 31, 1987 the FY of final obligation is based on a planned date.

PROGRAM: Central America Regional

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Health Technical Services Support	DA		HE 500 CS 300	FY 89 800	Life of Project Funding 7,200

Number 597-0027	☒ NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
☒ GRANT ☐ LOAN	☐ CONTINUING				FY 89	FY 92	FY 93

Project Purpose: To improve the planning, management and evaluation of cost-effective health services through the public and private sectors.

Project Description: A.I.D.'s bilateral health and nutrition projects in Central America are intended to achieve A.I.D.'s management objectives to reduce infant and child mortality and improve health in the region. The rapid growth of A.I.D.'s health and child survival programs in Central America has significantly increased the demand for technical assistance and operations research in order to design and manage the Health and Nutrition portfolio there.

The Project will permit a rapid response to the needs of A.I.D. missions in Central America for technical assistance to facilitate achievement of health program objectives. Technical assistance, operations research, training, evaluation and information will be provided as needed for: management, health care financing, private sector initiatives, privatization, child survival, nutrition planning, AIDS, clinical training, malaria, essential drugs, and acute respiratory infections.

Experience to date with two existing LAC/CA Regional health projects is that Missions will actively draw on the services of regional projects if the services coincide with the Mission's priority needs. This project comprises part of a broader A.I.D. program to be funded as follows:

LAC Regional	$ 4,800,000	(See Project No. 598-0657)
CA Regional	$ 7,200,000	
Mission Buy-ins	$ 8,000,000	
	$20,000,000	

Relationship to A.I.D. Country Strategies: Reducing infant and child mortality rates and improving health and health service delivery are important objectives within most CA Mission strategies. This project is expected to contribute significantly to attaining these objectives.

Host Country and Other Donors: All technical assistance provided under this project will be in coordination with host country and other donor activities in each country.

Beneficiaries: Direct beneficiaries are primarily children under five and individuals at risk from AIDS in the CA region. Ministries of Health and local private institutions will also benefit indirectly.

Major Outputs (All Years):

--Completion of country child survival strategies
--Maintenance of the CA nutrition tracking system
--Development of follow-on CA regional nutrition activities
--Central America analysis to support the CAI.
--Operations research

A.I.D.-Financed Inputs:	Life of Project ($000)
Technical Assistance	4,000
Training	2,000
Evaluation/Research	1,200
Total	7,200

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1987			
Estimated Fiscal Year 1988			
Estimated Through September 30, 1988			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1989	800	6,400	7,200

Principal Contractors or Agencies

To be determined

AID 370-7 (11-85)

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THE CARIBBEAN

PROGRAM SUMMARY ($000)			
Category	FY 1987 (Actual)	FY 1988 (Estimated)	FY 1989 (Request)
Development Assistance	105,116	78,226	83,287
Loan	13,155	4,580	0
Grant	91,961	73,646	83,287
Economic Support Fund	82,825 1/	13,835 4/	65,000
Loan	2,500	0	0
Grant	80,325	13,835	65,000
Other*			
TOTALS	187,941 2/	92,061	148,287
P.L. 480	95,618	63,536	69,049
Title I	81,500 3/	54,000 5/	59,000 5/
Title II	14,118	9,536	10,049
TOTALS	283,559	155,597	217,336

Footnotes:

1/ The above total for ESF includes $1,040,680 in local cost support.

2/ Above total includes $17,186,202 of prior-year deobligated funds reobligated in FY 1987.

3/ Includes $10 million Title III for Haiti, and $5.7 million Title I for Guyana.

4/ Funds appropriated in FY 1987.

5/ Includes $4 million Title I for Guyana in each fiscal year, FY 1988 and FY 1989.

THE CARIBBEAN

Overview

A.I.D.'s goals in the region are to assist the Caribbean countries to:

-- complete the process of economic stabilization in countries where this has not yet been accomplished;

-- undertake economic policy adjustments that will result in sustained economic growth led by private-sector investments, especially in agricultural diversification, other nontraditional export activities, and tourism;

-- achieve broad participation by low-income groups in the benefits of growth, especially through delivery systems that improve health status, promote child survival, and make family planning services more widely available; and

-- strengthen democratic institutions and respect for human rights, both by working directly with such institutions and by achieving a substantial increase and broader participation in training, especially in the United States.

These four goals are closely interrelated. For example, political stability, strengthening of democratic institutions and respect for human rights can best be achieved along with sustainable economic growth and social development, especially through the participation of the poor in the benefits of growth and development.

A.I.D. assistance programs in the Caribbean include Haiti, the Dominican Republic, Jamaica, and the Caribbean Regional program which covers Antigua-Barbuda, Dominica, Grenada, St. Kitts-Nevis, St. Lucia, and St. Vincent and the Grenadines. All of these countries are democracies except for Haiti, the poorest country in the Western Hemisphere, where free elections -- scheduled to be held for the first time in over 30 years -- were cancelled on November 29, 1987 because of political violence perpetrated by opponents of democracy. The subsequent January 1988 elections in Haiti have not been accepted as democratic by the U.S. Government. As a result, the economic assistance program to the Government of Haiti was terminated. Assistance targeted to help the poor is being channeled through private and voluntary organizations, other nongovernmental organizations, and the private sector.

A.I.D.'s strategy for achieving the goals of economic stabilization and growth is to encourage economic adjustments and simultaneously to provide financial assistance to moderate their short-term negative impact, particularly on the poor. Over the medium and long term, prospects for sustained increases in economic growth and employment depend on measures to encourage capital inflows and to establish suitable environments for investment in agricultural diversification, nontraditional exports, and tourism. The role of the private sector in achieving these measures is crucial.

A.I.D.'s continuing policy dialogue, together with judiciously applied ESF budgetary support, has achieved economic policy reforms in a number of the countries in the region. In Jamaica, a comprehensive reform of the once steeply progressive personal and corporate income tax system was initiated, resulting in improved tax collections and a reduction in the overall public-sector deficit. The Dominican Republic, after prolonged policy dialogue and the withholding of A.I.D.'s budgetary support program in FY 1987, decided in November 1987 to unify the foreign exchange markets and remove exchange controls. In Haiti, A.I.D. budgetary support for the country's economic reform program in FY 1986 and FY 1987 facilitated a reduction in government expenditures, an improvement in financial controls over government expenditures through an anti-corruption effort, and a rewriting of the tax code to encourage investment. Finally, Dominica initiated an innovative and realistic tax reform program.

The Caribbean countries are making progress toward economic stabilization and recovery. Prospects for economic growth are good, provided that sound economic policies are maintained and adequate external financial assistance is available. For example, Jamaica's gross domestic product (GDP) which fell by 4.0% in Jamaica fiscal year 1985/86 rose by 3.7% in 1986/87, with further growth of 5.0% anticipated for 1987/88. In Haiti, a far-reaching program of economic policy reforms has been initiated, but now faces an uncertain future in the aftermath of the aborted elections of November 1987 and the subsequent flawed elections of January 1988. In the Dominican Republic, severe balance-of-payments problems continue, even though the Government of the Dominican Republic unified the exchange rate system in November 1987, and improved export competitiveness. The countries of the Eastern Caribbean, with Dominica in the lead, have begun economic policy adjustments supported by assistance from A.I.D., the World Bank, and the International Monetary Fund.

The United States is also seeking to promote the region's development through incentives for investment and nontraditional exports under the Caribbean Basin Initiative (CBI). While the level of exports to the United States during the first four years (1983-1987) has been lower than anticipated, a result of the drop in the price of bauxite and the shrinking market for sugar, nontraditional exports are expanding rapidly. For example, manufactured exports to the United States by Jamaica and the Dominican Republic grew at an annual rate of 76% and 25% respectively. Additionally, two new measures announced in 1986 have improved the future prospects for the CBI. One is a special program of guaranteed access levels for U.S. imports of textile products assembled in CBI countries from fabric formed and cut in the United States. To date, four countries (Dominican Republic, Haiti, Jamaica and Trinidad and Tobago) have signed agreements. A second is a revision of Section 936 of the U.S. Internal Revenue Code allowing qualifying CBI countries to be eligible as sites for investment using funds generated in Puerto Rico under the same law. To qualify, the CBI country must have in effect a Bilateral Tax Information Exchange Agreement. Jamaica and Barbados currently have such agreements.

The recent cuts in ESF availability to the Caribbean place severe restrictions on the A.I.D. program in the Caribbean. In effect, the elimination of ESF in FY 1988 to the Caribbean takes A.I.D. out of the

macroeconomic policy dialogue, A.I.D's highest priority in the Caribbean Region. Efforts designed to bolster the Caribbean Basin Initiative and achieve market-oriented economic policies will be greatly limited. Other programs which are dependent on ESF, such as the democratic initiatives, will be seriously undermined. In addition to the effects of the reduction in ESF will have on the region, the recently announced cut of 25% of the sugar quoted will heavily impact on the region. This reduction is on top of previous reductions totalling 40%.

FY 1989 Program Highlights

In pursuit of our goals, shared by all democratic countries in the Caribbean, we are requesting $65 million in FY 1989 Economic Support Fund (ESF) resources, $83.3 million in Development Assistance (DA), and P.L. 480 funding of $69 million.

-- ESF will provide balance-of-payments assistance in support of continuing economic policy reforms (Dominican Republic and Jamaica). In the smaller countries of the Eastern Caribbean the emphasis will be on continued development of productive infrastructure and economic policy reform measures.

-- DA projects will concentrate on private-sector activities in agricultural diversification, development and improvement of the production capabilities of small industries, improvement in efficiency of the delivery of social services, and training.

-- DA projects in Haiti, channelled through private voluntary and nongovernmental organizations and the private sector, will continue to expand basic education opportunities, improve the health and nutritional status of the rural and urban poor, especially children, and create employment opportunities.

-- Training programs throughout the Caribbean will be continued with emphasis on training in the United States, particularly through the Presidential Training Initiatives for the Island Caribbean program.

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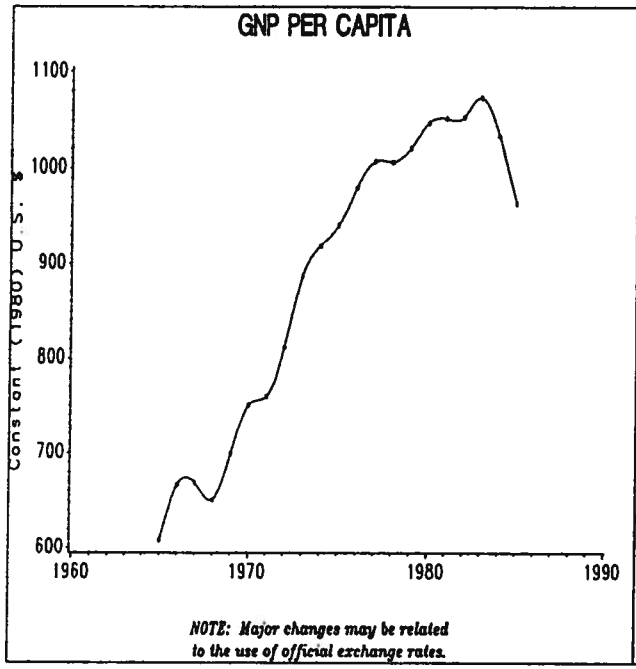
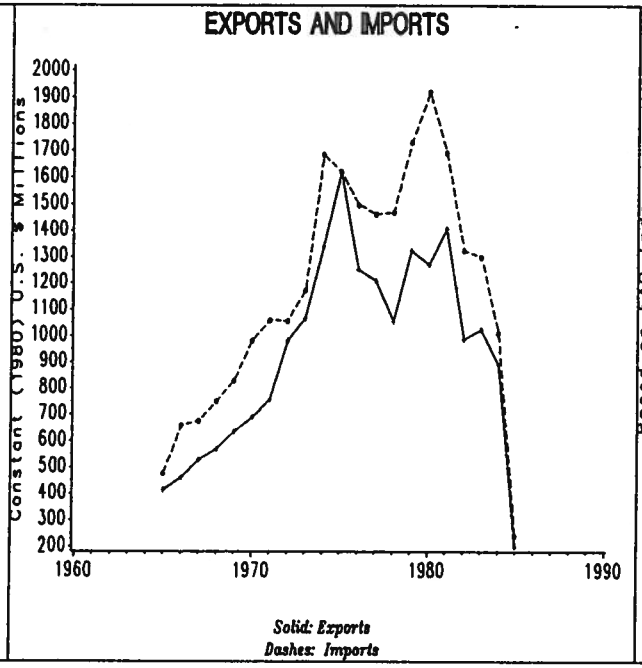
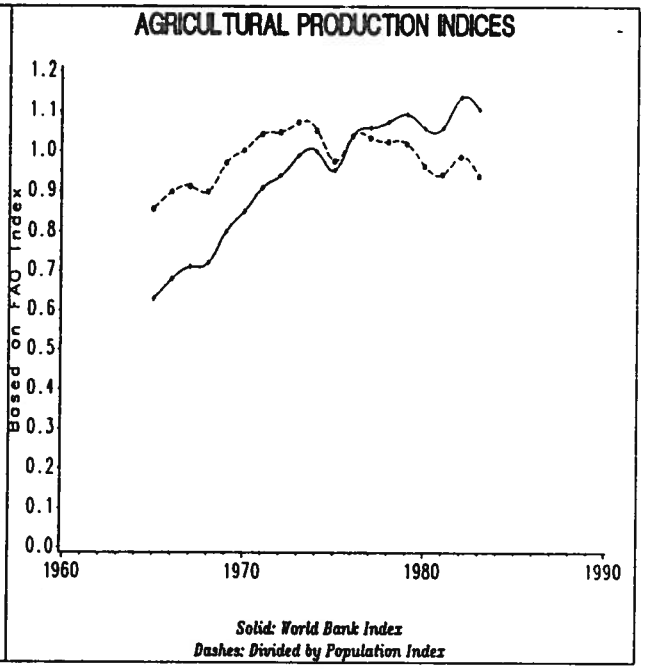
DOMINICAN REPUBLIC -- Economic Indicators

Total U.S. Aid $ 1,232 Million (1946-86)
Ratio of U.S. Aid To Total ODA 47.2% (1982-85)
Yearly U.S. Aid Per Capita $ 16.23 (1982-85)







NATIONAL INCOME AND EXPENDITURES

Per Capita GNP .....(1985) 790

Average Annual Real Per Capita GNP Growth Rate.(1965-85) 2.9%

Government Budgetary Expenditures as a % of GNP...(1986) 14.2%

Total Expenditures and Net Lending ($ Millions, US):
(1982) 1,073 (1983) 1,217 (1984) 1,397

Budgetary Deficit or Surplus ($ Millions, US):
(1982) -247 (1983) -216 (1984) -115

INTERNATIONAL RESERVES AND EXTERNAL DEBT

Official International Reserves Equivalent to
2.5 Months of Imports (1986)

External Public Debt as % of GNP...(1985) 58.6%

Service Payments on External Public Debt,
($ Millions, US)..... (1985) 220
As % of Total Export Earnings..... (1985) 51.7%

EXTERNAL TRADE (IN 1980 CONSTANT $US)

Trade Balance($ Millions, US) (1983) -277(84) -121(85) -41

Total Imports($ Millions, US) (1983) 1,301(84) 1,011(85) 242
Of Which % From U.S. .....(1985) 34%

Major Imports(1985)FOODSTUFFS;PETROLEUM PRODS;INDUST. RAW MAT

Total Exports($ Millions, US) (1983) 1,024(84) 889(85) 201
Of Which % to U.S. .....(1985) 77%

Major Exports(1985)SUGAR;NICKEL;COFFEE

Trading Partners: UNITED STATES; VENEZUELA; JAPAN

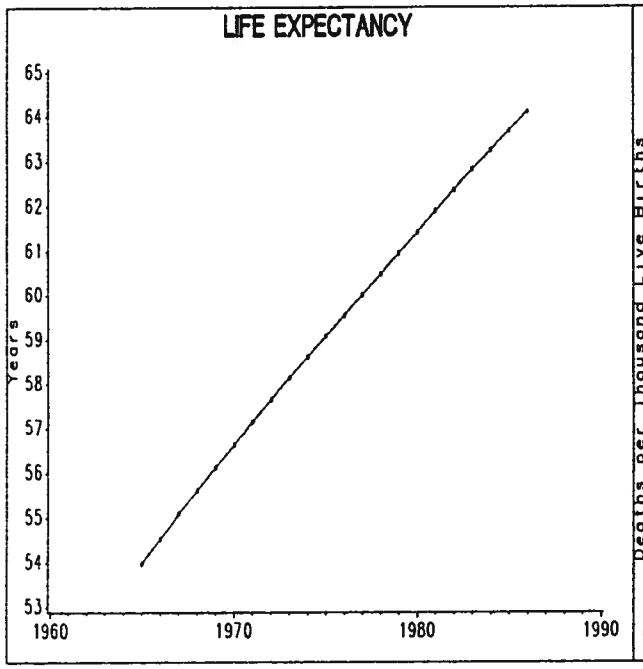
AGRICULTURE

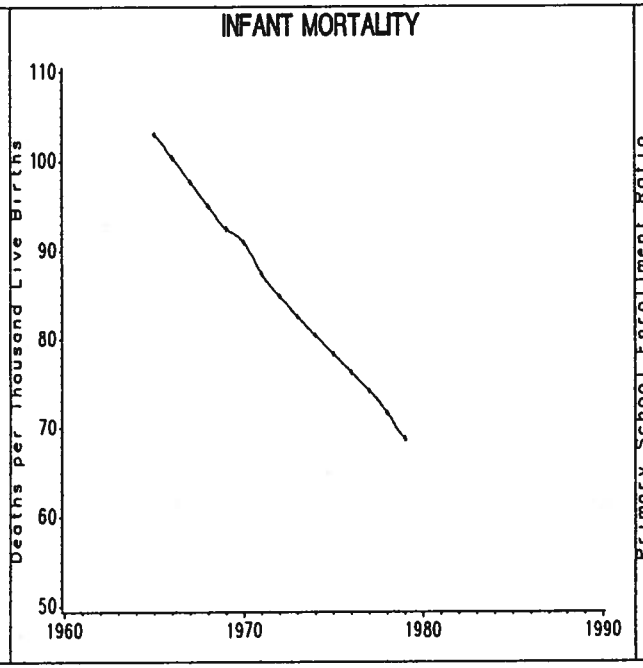
Agricultural Production as % of GDP...(1984) 15%

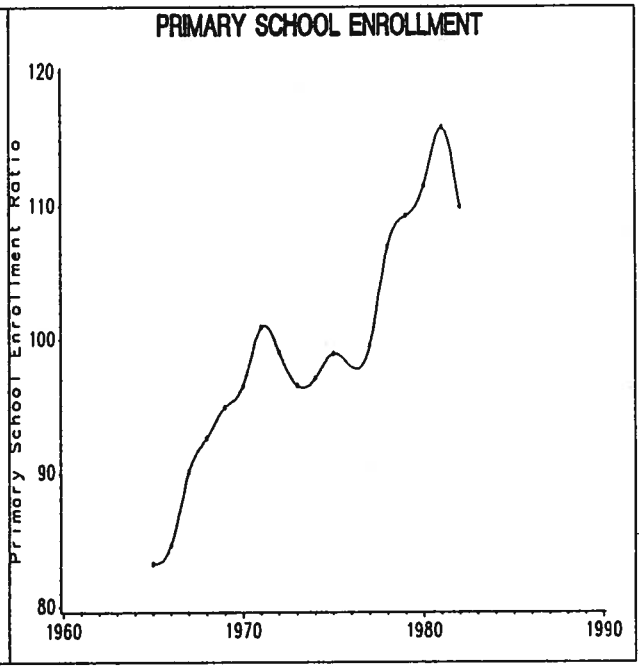
Major Crop(s)	As % of Arable Land	
Subsistence: RICE; BEANS-DRY; ROOTS AND TUBERS	26%	(1986)
Cash: SUGARCANE; COFFEE; COCOA BEANS	47%	(1986)

Ag. Exports:(1986)RAW SUGAR; COFFEE; TOBACCO
Ag. Imports:(1986) WHEAT; CORN; SOYBEANS

DOMINICAN REPUBLIC -- Social Indicators







POPULATION
Total Population...(Thousands, Mid 1987) 6,961

Population Growth Rate...(1970) 3.0% (1978) 2.8% (1987) 2.5%

Population (1987) By Age Group:
(0-14yrs) 39.5% (15-64yrs) 57.5% (65+ yrs) 2.9%

Married Women Aged 15-49 yrs. Using Contraception...(1986) 50.0%

Total Fertility Rate...(1970) 6.7 (1987) 4.0

HOUSEHOLD INCOME AND EMPLOYMENT
National Income Received by Low 20% of Population..(1984) 5.4%

% of Population Living Below Absolute Poverty Level
(1978) Total % Urban 45.0% Rural 43.0%

Labor Force Participation as % of Working Age Population
(1980) 52%

Proportion of Labor Force in Agriculture...(1981) 45%

NUTRITION AND HEALTH
Per Capita Calorie Supply as a % of Requirements...(1983) 105%

Life Expectancy at Birth, in Years
(1986) Total 64.1 Male 62.2 Female 66.1
(1970) Total 56.6 Male 54.8 Female 58.5

Infant Deaths in First Yr of Life per 1000 Live Births (1987) 70

% Of Children 12-23 Months Old Fully Immunized Against
Tuberculosos(BCG3) 51% (1985) Measles 24% (1985)
Diphtheria(DPT) 18% (1985) Polio(3) 18% (1985)

Population with Reasonable Access to Safe Water Supply
(1980) 59%

EDUCATION AND LITERACY
Total School Enrollment as Ratio of Population in Age Group:

Primary	(1981)	Total	63.8	Male	62.3	Female	65.6
Secondary	(1981)	Total	73.8	Male	73.0	Female	74.8
Post Secondary	(1981)	Total	44.8	Male	45.3	Female	45.2

Adult Literacy Rate (1981) Total 72% Male 73% Female 72%

DOMINICAN REPUBLIC

PROGRAM SUMMARY ($000)			
Category	FY 1987 (Actual)	FY 1988 (Estimated)	FY 1989 (Request)
Development Assistance	19,472 1/	18,691	20,318
Loan	3,000	4,580	0
Grant	16,472	14,111	20,318
Economic Support Fund	165 2/	13,835 3/	25,000
Loan	0	0	0
Grant	165	13,835	25,000
Other*			
TOTALS	19,637	32,526	45,318
P.L. 480	31,565	22,953	28,268
Title I	30,000	20,000	25,000
Title II	1,565	2,953	3,268
TOTALS	51,202	55,479	73,586

Footnotes:
1/ Above total includes $2,000,000 of prior-year deobligated funds reobligated in FY 1987.
2/ Local cost support.
3/ Funds appropriated in FY 1987.

PERSONNEL DATA – MISSION DIRECT HIRE[a]			
Category	FY 1987 (Actual)	FY 1988 (Estimated)	FY 1989 (Request)
U.S. National	20	22.75	22.75
Foreign National	30.0	30.0	30.0
TOTALS	50	52.75	52.75

[a]*Total full time equivalent workyears of employment. Include HIG, excess property, and IG personnel. Excludes TDP. One workyear = 2,087 hours.*

PARTICIPANT TRAINING DATA[a]									
Category	FY 1987 (Actual)			FY 1988 (Estimated)			FY 1989 (Request)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
U.S. Participants									
Bilateral[d]	85	174	259	124	231	355	90	145	235
Regional[e]	14	43	57	-	-	-	-	-	-
Third Country Participants									
Bilateral[d]	13	5	18	13	17	30	15	10	25
Regional[e]	-	13	13	-	12	12	-	-	-
TOTALS	112	235	347	137	260	397	105	155	260

[a]*In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*
[b]*Academic: degree seeking.*
[c]*Technical: non-degree seeking.*
[d]*Participants funded under bilateral programs.*
[e]*Participants funded under regional programs (e.g., CLASP, AMDP).*

AID 370-2 (8-86)

DOMINICAN REPUBLIC

Introduction

The U.S. national interest is promoted and supported by a democratic Dominican Republic with an open, growing economy and continuing positive relations with the United States. As a functioning democracy in which human rights are respected, the Dominican Republic shares common ideals with the United States and has consistently supported the United States on key issues in international fora. Strong cultural and educational ties link the two countries. Thousands of Dominicans have studied in the United States and continue to maintain professional contacts with U.S. institutions. The Dominican Republic is a leading importer of U.S. goods in the Caribbean and a growing exporter to the United States. Increasing U.S. private investment in the country is currently estimated at more than $600 million. The Dominican Republic has been designated as a beneficiary country under the Caribbean Basin Initiative (CBI).

The Dominican Republic has experienced economic instability since 1981 Per capita gross domestic product (GDP) declined by 7% between 1980 and 1986. Inflation, exchange rate instability and balance of payments financing problems have created widespread uncertainty, and prevented effective economic recovery and a return to sustained growth and improved standards of living. Inflation, as measured by the consumer price index (CPI) was 38% in 1985, declined to 10% in 1986, but is estimated to be 26% in 1987. The Dominican peso has depreciated some 30% against the U.S. dollar since early 1985. Balance of payments difficulties largely stem from a debt service burden roughly equivalent to the value of commodity exports, as well as sharp declines in the value of traditional exports such as sugar, and recent large reductions in external assistance and commercial financing for the country's import requirements. Reduction in the United States sugar quota resulted in a loss of $50 million in foreign exchange earnings in 1987 and is estimated to result in an additional $30 million loss in 1988. The country's current account in 1987 is expected to be about $278 million, equivalent to 5% of GDP. The Government of the Dominican Republic (GODR) suspended free market foreign exchange trading between June and November 1987 and substituted a system of exchange and import controls, including an administratively determined official exchange rate. This move further exacerbated the country's trade deficit problem.

Additional structural impediments to development include an inefficient tax system based largely on external trade; poor performance by large public enterprises such as the state-owned electric and sugar companies which require large subsidies; incentive systems that favor uneconomic import substitution industries at the expense of export-oriented activities; stagnating agricultural production due to product price controls; subsidized food programs; and poor management of large government support programs for small farmers; and a severe shortage of trained managers and technical personnel in both the public and private sectors. The present Government, which took office in August 1986, has taken or is considering a

number of measures to address these constraints to increased production and export growth. The GODR reestablished in November 1987 a free market-determined exchange regime and began to implement monetary and fiscal policies consistent with financial stabilization. Proposals for tax reform are currently being considered that include reducing incentive structures that subsidize inefficient production for the domestic market at the expense of exporters. Also under consideration are proposals for private sector participation in the generation and marketing of electrical power and for transfer of state-owned sugar company lands to private sector uses, particularly for the production of nontraditional agricultural export crops.

A.I.D. Development Strategy and Accomplishments to Date

A.I.D.'s strategy and policy dialogue with the GODR are directed toward achieving financial stability in the short term and economic recovery over the longer-term. The specific objectives of this strategy are to (1) continue progress in implementing the GODR's ongoing economic stabilization program, (2) support expansion of the private sector and increase exports of nontraditional products, (3) encourage agriculture diversification and 4) develop supporting institutional, physical and social infrastructure. All of these objectives are aimed at providing new employment opportunities for poor Dominicans.

Economic Support Fund (ESF). ESF assistance has provided balance-of-payments support while the GODR is undertaking difficult adjustment measures to correct short-term external and internal financial imbalances. From September 1982 through September 1986, $83 million in loans and $135 million in grants have been provided to the GODR through the Private Enterprise Sector Development project (517-0171). These resources have enabled the GODR to: (1) carry out crucial economic reforms, such as the unification of the exchange rate, (2) successfully conclude an International Monetary Fund (IMF) standby program, (3) remove price subsidies on a number of domestically produced food commodities, particularly rice, and (4) make state sugar lands available for leasing to private producers of nontraditional crops. These steps will facilitate implementation of an export oriented growth strategy. Following the GODR's June 1987 decision to suspend the country's free market foreign exchange system, in place since January 1985, and return to a regime of regulated exchange rates and controls over imports and exports, obligation of the FY 1987 $19.8 million ESF allocation was suspended and $6.0 million was transferred to another Caribbean country. However, the recent steps by the GODR to reestablish a free market-based exchange structure and steps to implement fiscal and monetary policies consistent with stabilization is expected to provide the basis for proceeding with the $13.8 million ESF agreement in early CY 1988. However, the lack of availability of additional ESF resources in FY 1988 limits A.I.D.'s capability to support further economic policy reforms.

Agriculture, Rural Development and Nutrition. A.I.D.'s agricultural diversification strategy relies heavily on expansion of the private sector's role in agriculture and is aimed at reducing the GODR's dependence on four traditional crops (sugar, coffee, tobacco and cocoa) by increasing the production and export of nontraditional crops. The Dominican Republic

has long depended on a sugar-based agricultural economy, with sugar recently accounting for 23% of commodity export earnings. However, because of sharply reduced U.S. import quotas and low international prices, much land now devoted to sugar production is expected to be used to produce higher value crops with better long-term market prospects.

Under the Sugar Diversification project (517-0236) begun in FY 1987, A.I.D. is assisting the State Sugar Council (CEA) in planning, promoting and implementing a nationwide program to diversify away from sugar production. Under this project, several inefficient mills will be closed, at least 50% of their lands will be converted to other productive uses and about 80% of displaced sugar workers will be retrained for alternative employment. In all, about 20% of CEA's total land resources will be converted to other uses.

The centerpiece of the A.I.D. effort to stimulate diversification into nontraditional crops with export potential is the Agribusiness Promotion project (517-0186), under which $17.3 million in loan funds provide credit through commercial and development banks for the production of nontraditional agro-industrial products. Financing is provided to private borrowers at commercial rates of interest. Twenty-two subloans totalling some 16 million pesos (approximately $4.5 million) were approved during 1987, and 40 agribusiness projects have been initiated.

Other ongoing projects encourage commercial farming enterprises, many of which are small family farms, to diversify production. This is closely linked to the agribusiness development outlined above is designed to improve farm level productivity. After an in-depth assessment, the On-Farm Water Management project (517-0159) has been revised to make water user associations responsible for the operation and maintenance of the irrigation systems. Improved drainage and on-farm irrigation practices are increasing productivity. Over 200 farmers have been trained in such practices, 25 technicians have been sent abroad for training, and 25 others are in academic training.

The Commercial Farming Systems project (517-0214) brings together private and public sector institutions in an effort to improve agricultural output and increase small farmer incomes. A $10 million loan helps agribusinesses provide credit to small farmer-outgrowers for inputs such as seed, fertilizers, pesticides and land preparation. Grant funds provide financial and technical support to the private sector Agricultural Development Foundation to promote research in nontraditional crops and establish a rapid-response capability for agribusinesses and farmers. The Central Bank administers the project's rural financial services component which expands on the very successful Rural Savings Mobilization project (517-0179), completed in 1987. The project will continue the development and expansion of rural financial institutions such as credit unions to improve the GODR and Central Bank's ability to formulate and implement sound rural banking policies and procedures. Taken together, these efforts will enable the Dominican Republic to increase production of nontraditional crops through expanded farmer linkages with agribusiness and direct access to credit and improved technology.

A.I.D. will continue to support GODR efforts to improve the maintenance and rehabilitation of rural access roads through the Rural Roads Maintenance II project (517-0177) under which nearly 1,800 miles of rural roads have been repaired and absorbed into an ongoing maintenance system, while 185 miles have been completely rehabilitated. In addition, some 30 miles of pack animal trails and 5 agricultural product shelters have been constructed.

Sixty participants are now studying for MS degrees and eight for PhD degrees under the Agriculture Training project (517-0160) which strengthens research, teaching, extension and program management capabilities of agriculture institutions in both public agencies and private universities.

Health, Child Survival, Population Planning, and AIDS. A.I.D.'s strategy seeks new methods to improve and expand social services while reducing the public sector's financial burden.

The Family Planning Services Expansion project (517-0229) began late in FY 1986. The prime contractor will begin assistance to the Government operated National Council for Population and the Family (CONAPOFA), the private, non-profit family planning organization (PROFAMILIA), and the population analysis unit of the Government Planning Office (ONAPLAN).

Under the Vector Control project (517-0235), advisors from the University of South Carolina are working with local institutions to test low-cost, alternative approaches to controlling dengue and malaria vectors. Thus far, four vector courses have been given and 53 technicians have received in-country training in control techniques.

The estimated rate of infant mortality in the Dominican Republic is between 80 and 84 per 1,000 live births. Dominican children are dying or becoming severely weakened by malnutrition and infectious diseases. To attack these problems, A.I.D. undertook two new projects in FY 1987. The Child Survival project (517-0239) will enable the Ministry of Health and private voluntary organizations to provide education and services in maternal and child nutrition and to treat or prevent diarrheal disease and acute respiratory infections in approximately 750,000 children and their families in three of the poorest regions of the country. A second project, Accelerated Immunization (517-0242), will build on the existing Pan American Health Organization Expanded Program on Immunization in the Dominican Republic. Under the Health Systems Management project (517-0153), A.I.D. is assisting the Ministry of Health to improve key management systems. The new FY 1988 Self-financing Health Care project (517-0230) will expand and improve private sector health services by providing technical assistance, training, and equipment for organizations that currently serve some 250,000 working class people. Finally, the new activity, AIDS Support (517-0256), which will fund information, education, and communications activities to increase awareness of the disease, will begin in FY 1988.

Education and Human Resources Development. The A.I.D.-funded Presidential Training Initiative for the Island Caribbean project (517-0640) provides training for university faculty in the social sciences, GODR financial managers, operators of small businesses, and socially and economically disadvantaged youths from rural areas. The first contingent of 35 young high school graduates, of whom 37% are women, are now in the United States

attending various community colleges and technical schools, and another 35 are currently enrolled in an in-country, intensive English language training program.

Human resource activities support A.I.D.'s private sector oriented strategy by providing trained managers and technicians for agriculture, agribusiness and industry. The ongoing Human Resources Development project (517-0127) assists 28 vocational and technical institutions that offer training for careers in 52 skill fields. Low-income students have received some 4,100 loans, and a job placement center has been established to assist in identifying those technical skills in demand and in locating jobs for graduates. The Graduate Management Training project (517-0157) has established Masters Degree programs in Business Administration and Public Administration and has assisted in upgrading the Hotel Administration and Tourism program. Thus far, 89 students have received MBA or MPA degrees and 14 graduate and hotel management faculty members are studying in the United States for Masters or PhD degrees. A management library has been established with over 5,000 volumes and about 300 new books are arriving each month.

The Development Training project (517-0216) is now being implemented by the National Council of Businessmen. Sixteen Masters degree candidates are in training in the United States, eight from university faculties and eight from the private sector. Another 16 participants have received training in export promotion.

Selected Development Activities. The objectives of A.I.D. assistance in this area are to encourage the expansion of private investment in industry and agriculture, develop a broader base of nontraditional exports, stimulate the growth of small businesses and generate employment and increased incomes for poor Dominicans. Two major continuing efforts are the Export and Investment Promotion project (517-0190) and the Small Industry Development project (517-0150). The first project is designed to take full advantage of incentives available through the Caribbean Basin Initiative. It is implemented through a private, non-profit organization, the Investment Promotion Council (IPC), whose purpose is to coordinate promotion of investment and exports. Focus is on measures to improve the climate for business expansion and to organize the IPC to embark upon a major investment promotion program. Efforts have concentrated on the creation of legislation to simplify the development and operation of industrial free zones, the design of a program to improve and streamline customs procedures, the organization of a training seminar for free zone developers, and the development of the institutional capacity of the IPC itself.

The Small Industry Development project (517-0150) provides credit and technical assistance to small businesses. Six Regional Technical Assistance Centers have been established and have offered training and other business advisory services to over 550 Dominican firms. A total of 566 loans have been approved and $3.5 million has been disbursed to date. Loans have enabled beneficiaries to increase their average monthly profit by 164% and almost 2,900 jobs have been created.

Under a new FY 1988 Debt Conversion/Privatization project (517-0237), A.I.D. will assist the GODR in reducing its foreign currency debt to U.S. commercial banks. Foreign investment will also be increased through the conversion of debt to investor equity. Grant funds and local currency will finance technical assistance, promote new foreign investments and establish a credit facility to provide working capital for new entrepreneurs who buy or lease GODR land and fixed assets.

Industrial energy conservation measures are being carried out by the private sector under the Energy Conservation and Resources Development project (517-0144). Thus far, 78 energy audits have been carried out which, if implemented, will result in approximately $8.0 million in investments in energy measures that will save the equivalent of an estimated 130,000 barrels oil annually. The Dominican Electric Corporation (CDE in Spanish) Revenue Collection project (517-0218) is improving the ability of the Dominican Electricity Corporation to identify unauthorized and fraudulent connections and to increase revenue collections.

The Special Development Activities Fund (517-0050) is financing small, self-help projects at the village community level, most with Peace Corps Volunteer assistance. Eighteen activities were financed in 1987.

Section 416. In order to offset cuts in the U.S. sugar quota, the Dominican Republic received a special Section 416 program under which agricultural products valued at $70.8 million are being distributed through Dominican commercial channels. Local currency generated from these sales is being programmed jointly by A.I.D. and the GODR in support of sugar diversification efforts, industrial free zone development, agricultural production credit for agro-industries and for small landholders, as well as for small and micro-enterprises.

Section 709 of the International Security and Development Act of 1985 requires that comprehensive reports be provided on A.I.D. assistance to Latin America and the Caribbean. The following supplemental information on assistance to the Dominican Republic in FY 1987 partially fulfills that requirement:

A. Training: In FY 1987, 347 participants received academic and technical training in the following fields: agriculture (146); export and business and hotel administration (88); public health and family planning (39); technical education (28); government accounting and tax administration (15); economics (13); labor and political sciences (9); education and library sciences (7); and energy (2).

B. The types of goods associated in FY 1987 with ESF cash transfers by A.I.D. to the Dominican Republic are estimated as follows: None; A.I.D. made no cash transfers to the Dominican Republic in FY 1987.

C. Local currency associated with A.I.D. assistance to the Dominican Republic was allocated by A.I.D. and the GODR for the following uses in FY 1987. ($12.9 million in local currency was available for allocation at the beginning of FY 1987; the equivalent of $27.3 million was added during FY 1987.)

Economic Stabilization	$ 9.54 million
Private Sector Export Promotion	13.90 million
Productive Infrastructure	3.89 million
Agricultural Diversification	9.86 million
Trust Fund for A.I.D. Operating Expenses	3.05 million
TOTAL	$40.24 million

D. Reprogramming of funds for the Dominican Republic during FY 1987 resulted in the following functional account changes. Estimated FY 1987 obligations are those which were shown in the FY 1988 Congressional Presentation document:

($000)	Total	ARDN	PP	HE	CS	EHRD	SDA	ESF
- Estimated FY 1987 Obligations	37,500	8,095	1,850	4,355	-	2,400	800	20,000
- Actual FY 1987 Obligations	19,637	10,093	1,825	4,355	-	2,400	799	165

E. Funds and Programs provided through non-governmental as contrasted to governmental channels in FY 1987: ($ Millions)

	Nongovernmental		Government of the Dominican Republic	
	($ millions)			
DA	10.492	(54%)	8.980	(46%)
ESF	0		0	
P.L. 480 Title I	12.900	(43%)	17.1	(5.7%)
P.L. 480 Title II	1.610	(100%)	0	
Section 416	-		70.800*	(100%)
TOTAL	25.002	(21%)	96.88	(79%)

*Although the Section 416 resources were provided through Government channels, the wheat and corn imported under this program were sold for distribution through private commercial channels. Thus, the private sector was the major beneficiary of this program.

FY 1989 Program

A.I.D. requests $25.0 million in ESF, $20.3 million in Development Assistance (DA), and $28.3 million in P.L. 480 to support the GODR's efforts to maintain economic stability and to implement structural reforms needed for sustained non-inflationary economic growth. ESF balance-of-payments support is key to facilitating structural reforms necessary to diversify the Dominican Republic's economy and promoting private sector export growth. The GODR is expected to take steps to reduce government price controls, pursue an aggressive program of sugar

diversification to reduce the country's dependence on traditional exports vulnerable to world market price fluctuations, develop a policy framework and program to privatize inefficient state enterprises, carry out tax reform measures to broaden the tax base, rationalize incentive structures in favor of efficient private sector activities and reduce the tax burden on export activities. A totaL of $1.0 million is included in the ESF total for the continuation of the Administration of Justice Program.

Agriculture, Rural Development and Nutrition. A total of $6.85 million is requested for the Commercial Farming Systems (517-0214) project, the new Agribusiness Training project that will strengthen the capability of the Superior Institute of Agriculture and its Administrative Center for Rural Development to meet increasing demand for technical skills in nontraditional crop production, management and marketing. The project will finance exchanges of faculty and staff with U.S. institutions, increase private sector research and develop mechanisms to strengthen and increase the size of a permanent endowment fund for the institution. Funds will continue for the Dominican version of U.S. 4H Clubs, and Program Development and Support (517-0000) activity for evaluation, studies, and future project development.

Health, Child Survival, Population Planning, and AIDS. A total of $7.5 million to complete the funding of the Child Survival project (517-0239), to continue the AIDS Support project (517-0256), the Self-financing Health Care project (517-0230), and the Family Planning Services Expansion project (517-0229). Program Development and Support (517-0000) to cover the costs of evaluations, seminars and future project development will also be funded.

Education and Human Resources. A total of $2.0 million is requested to fund the Development Training project (517-0216) and to fully obligate the Presidential Training Initiative for the Island Caribbean (517-0640). The remainder will be used under Program Development and Support for evaluations, conferences and seminars and new project development.

Selected Development Activities. A.I.D. requests $3.97 million to fully obligate the Debt Conversion/Privatization project (517-0237) begun in FY 1988 and to begin the new Industrial Production Technology project (517-0238) which will improve and expand the production capabilities of small and medium-sized enterprises through the transfer and adaptation of appropriate production technologies. The Special Development Activities Fund (517-0050) which finances small rural self-help projects, most with Peace Corps Volunteer participation, and Program Development will be funded.

P.L. 480 Program. A total of $28.3 million is proposed for P.L 480 of which $25.0 million is for Title I for the importation of wheat and vegetable oil and $3.3 million for Title II. Local currency generated from the sale of Title 1 commodities is programmed jointly by A.I.D. and the GODR for projects designed to alleviate agricultural problems and increase production. The Title II program will provide food for distribution through CARE (the Cooperative for American Relief Everywhere) for maternal and child health programs, including oral rehydration therapy (ORT) and school feeding programs.

Mission Director: Thomas W. Stukel, Jr.

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: DOMINICAN REPUBLIC

CP 89

PROJECT NO. / PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHO	-LIFE OF PROJECT- PLANNED	-THROUGH FY 86- OBLIGATIONS	-THROUGH FY 86- EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	-ACTUAL FY 87- EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	-ESTIMATED FY 88- EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	-PROPOSED FY 89- EXPENDITURES
517-0000 PROGRAM DEVELOPMENT AND SUPPORT													
EH	G	62	C	---	---	1,014	846	180	196	155	200	180	175
FN	G	62	C	---	---	9,647	9,561	318	155	395	400	340	400
HE	G	62	C	---	---	1,057	879	450	358	147	300	145	250
PN	G	62	C	---	---	476	379	25	107	46	60	50	50
SD	G	62	C	---	---	1,889	1,504	514	434	458	750	441	450
PROJECT TOTAL:				---	---	14,083	13,169	1,487	1,250	1,201	1,710	1,156	1,325
517-0050 SPECIAL DEVELOPMENT ACTIVITIES													
SD	G	62	C	---	---	1,136	1,132	85	25	85	75	85	80
PROJECT TOTAL:				---	---	1,136	1,132	35	25	35	75	35	80
517-0125 RURAL DEVELOPMENT MANAGEMENT													
FN	G	81	86	1,600	1,600	1,600	1,083	---	90	---	427	---	---
PROJECT TOTAL:				1,600	1,600	1,600	1,083	---	90	---	427	---	---
517-0126 NATURAL RESOURCES MANAGEMENT													
FN	L	81	84	10,500	10,500	10,500	5,606	---	142	---	4,718	---	---
PROJECT TOTAL:				10,500	10,500	10,500	5,606	---	142	---	4,718	---	---
517-0127 HUMAN RESOURCES DEVELOPMENT													
EH	G	81	81	1,150	1,150	1,150	828	---	113	---	100	---	109
EH	L	81	81	4,250	4,250	4,250	1,621	---	1,085	---	1,200	---	344
PROJECT TOTAL:				5,400	5,400	5,400	2,449	---	1,198	---	1,300	---	453
517-0130 RURAL FEEDER ROADS													
FN	L	79	80	10,000	10,000	10,000	9,769	---	109	---	122	---	---
PROJECT TOTAL:				10,000	10,000	10,000	9,769	---	109	---	122	---	---
517-0144 ENERGY CONSERVATION AND RESOURCES DEV													
FN	G	82	86	3,114	3,114	3,114	2,976	---	---	---	94	---	---
FN	L	82	86	5,268	5,268	5,268	4,787	---	---	---	481	---	---
SD	G	82	86	2,600	2,600	2,600	1,568	---	636	---	396	---	---
SD	L	82	86	6,550	6,550	6,550	949	---	541	---	3,000	---	2,060
PROJECT TOTAL:				17,532	17,532	17,532	10,280	---	1,177	---	3,971	---	2,060
517-0150 SMALL INDUSTRY													
FN	G	82	84	595	595	595	200	---	---	---	300	---	64
FN	L	82	84	3,500	3,500	3,500	2,553	---	935	---	12	---	---

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1987 are based on the authorized date.
For all projects with an initial obligation date after December 31, 1987 the FY of final obligation is based on a planned date.

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: DOMINICAN REPUBLIC

CP 89

PROJECT NO. / PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	PLANNED	-THROUGH FY 86- OBLIGA-TIONS	EXPEN-DITURES	-ACTUAL FY 87- OBLIGA-TIONS	EXPEN-DITURES	-ESTIMATED FY 88- OBLIGA-TIONS	EXPEN-DITURES	-PROPOSED FY 89- OBLIGA-TIONS	EXPEN-DITURES
SD	G	82	84	255	255	255	111	---	---	---	144	---	---
SD	L	82	84	1,500	1,500	1,500	---	---	---	---	1,500	---	---
PROJECT TOTAL:				5,850	5,850	5,850	2,864	---	935	---	1,956	---	64
517-0153 HEALTH SYSTEMS MANAGEMENT													
HE	G	82	88	1,500	1,900	1,500	1	---	524	400	500	---	475
PROJECT TOTAL:				1,500	1,900	1,500	1	---	524	400	500	---	475
517-0156 AGRICULTURE POLICY ANALYSIS													
FN	G	84	83	500	1,250	500	197	---	79	750	150	---	74
PROJECT TOTAL:				500	1,250	500	197	---	79	750	150	---	74
517-0157 GRADUATE MANAGEMENT TRAINING													
EH	G	83	86	6,500	6,500	6,500	2,454	---	1,752	---	900	---	600
PROJECT TOTAL:				6,500	6,500	6,500	2,454	---	1,752	---	900	---	600
517-0159 ON - FARM WATER MANAGEMENT													
FN	L	83	83	12,000	12,000	12,000	1,988	---	2,684	---	2,500	---	2,500
PROJECT TOTAL:				12,000	12,000	12,000	1,988	---	2,684	---	2,500	---	2,500
517-0160 AGRICULTURAL SECTOR TRAINING													
EH	L	83	83	1,550	1,550	1,550	---	---	116	---	150	---	175
FN	L	83	83	3,450	3,450	3,450	624	---	429	---	450	---	750
PROJECT TOTAL:				5,000	5,000	5,000	624	---	545	---	600	---	925
517-0171 PRIVATE ENTERPRISE SECTOR DEVELOPMENT													
ES	G	82	90	135,000	205,400	135,000	135,000	---	---	---	---	24,000	24,000
PROJECT TOTAL:				135,000	205,400	135,000	135,000	---	---	---	---	24,000	24,000
517-0174 HEALTH AND NUTRITION EDUCATION - OPG													
HE	G	83	84	495	495	495	261	---	47	---	187	---	---
PROJECT TOTAL:				495	495	495	261	---	47	---	187	---	---
517-0177 RURAL ROADS MAINTENANCE II - (PVO)													
FN	L	83	85	15,000	15,000	15,000	4,304	---	746	---	4,000	---	5,950
PROJECT TOTAL:				15,000	15,000	15,000	4,304	---	746	---	4,000	---	5,950

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1987 are based on the authorized date. For all projects with an initial obligation date after December 31, 1987 the FY of final obligation is based on a planned date.

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: DOMINICAN REPUBLIC

CP 89

PROJECT NO. / PROJECT TITLE	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	PLANNED	-THROUGH FY 86- OBLIGATIONS	EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	EXPENDITURES
517-0179 SAVINGS MOBILIZATION I													
	FN G	83	85	950	950	950	440	---	447	---	63	---	---
PROJECT TOTAL:				950	950	950	440	---	447	---	63	---	---
517-0186 AGRI-BUSINESS PROMOTION													
	FN G	85	89	2,500	4,000	2,500	28	---	358	---	750	1,500	750
	FN L	85	89	15,560	15,560	15,560	11,220	---	4,340	---	---	---	---
	SD L	85	89	1,740	1,740	1,740	---	---	1,740	---	---	---	---
PROJECT TOTAL:				19,800	21,300	19,800	11,248	---	6,438	---	750	1,500	750
517-0190 EXPORT INVESTMENT PROMOTION													
	EH G	86	90	2,500	2,500	1,500	---	620	630	380	950	---	920
	SD G	86	90	3,500	6,500	3,300	201	200	1,156	---	1,750	1,545	393
PROJECT TOTAL:				6,000	9,000	4,800	201	820	1,786	380	2,700	1,545	1,313
517-0210 BI-NATIONAL CENTER - OPG													
	SD G	84	84	250	250	250	78	---	36	---	65	---	71
PROJECT TOTAL:				250	250	250	78	---	36	---	65	---	71
517-0214 COMMERCIAL FARMING SYSTEMS													
	FN G	87	90	4,750	8,190	---	---	4,750	---	---	300	1,020	500
	FN L	87	90	10,000	7,580	---	---	3,000	---	4,580	3,000	---	3,000
PROJECT TOTAL:				14,750	15,770	---	---	7,750	---	4,580	3,300	1,020	3,500
517-0216 DEVELOPMENT TRAINING													
	EH G	86	89	7,000	6,600	4,500	---	500	372	890	450	710	450
PROJECT TOTAL:				7,000	6,600	4,500	---	500	372	890	450	710	450
517-0218 CDE REVENUE COLLECTION													
	SD G	86	86	500	500	500	---	---	66	---	200	---	234
	SD L	86	86	2,500	2,500	2,500	---	---	---	---	1,000	---	1,000
PROJECT TOTAL:				3,000	3,000	3,000	---	---	66	---	1,200	---	1,234
517-0229 FAMILY PLANNING SERVICES													
	PN G	85	88	5,000	6,200	2,300	---	1,800	15	1,450	750	650	750
PROJECT TOTAL:				5,000	6,200	2,300	---	1,800	15	1,450	750	650	750
517-0230 SELF-FINANCING HEALTH CARE													

*Refers to the planned project summary sheet

CLevel of effort activity

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: DOMINICAN REPUBLIC

CP 89

PROJECT NO. / PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	PLANNED	-THROUGH FY 86- OBLIGA-TIONS	EXPEN-DITURES	-ACTUAL FY 87- OBLIGA-TIONS	EXPEN-DITURES	-ESTIMATED FY 88- OBLIGA-TIONS	EXPEN-DITURES	-PROPOSED FY 89- OBLIGA-TIONS	EXPEN-DITURES
HE	G	88	90	---	8,000	---	---	---	---	1,360	300	4,140	2,000
PROJECT TOTAL:				---	8,000	---	---	---	---	1,360	300	4,140	2,000
517-0232 CARE - RURAL WATER OPG													
HE	G	85	85	430	430	430	48	---	262	---	120	---	---
PROJECT TOTAL:				430	430	430	48	---	262	---	120	---	---
517-0235 VECTOR CONTROL													
HE	G	86	87	1,500	1,500	1,000	---	500	250	---	625	---	625
PROJECT TOTAL:				1,500	1,500	1,000	---	500	250	---	625	---	625
517-0236 SUGAR DIVERSIFICATION													
FN	G	87	88	3,500	3,500	---	---	2,025	---	1,475	250	---	400
PROJECT TOTAL:				3,500	3,500	---	---	2,025	---	1,475	250	---	400
517-0237 PRIVATIZATION/DEBT CONVERSION													
SD	G	88	90	---	5,000	---	---	---	---	3,500	---	1,050	300
PROJECT TOTAL:				---	5,000	---	---	---	---	3,500	---	1,050	300
517-0238 *INDUSTRIAL PRODUCTION TECH													
SD	G	89	91	---	9,000	---	---	---	---	---	---	850	---
PROJECT TOTAL:				---	9,000	---	---	---	---	---	---	850	---
517-0239 CHILD SURVIVAL - OPG													
CS	G	87	89	1,952	1,952	---	---	---	---	500	200	1,452	350
HE	G	87	89	2,700	2,700	---	---	2,700	---	---	350	---	800
PROJECT TOTAL:				4,652	4,652	---	---	2,700	---	500	550	1,452	1,150
517-0240 ARTISANAL PROMOTION													
SD	G	88	88	---	450	---	---	---	---	450	---	---	200
PROJECT TOTAL:				---	450	---	---	---	---	450	---	---	200
517-0242 ACCELERATED IMMUNIZATION													
HE	G	87	87	705	705	---	---	705	---	---	140	---	140
PROJECT TOTAL:				705	705	---	---	705	---	---	140	---	140
517-0243 *AGRIBUSINESS TRAINING													

*Refers to the planned project summary sheet

G Level of effort activity

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: DOMINICAN REPUBLIC

CP 89

PROJECT NO. / PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	-LIFE OF PROJECT- PLANNED	-THROUGH FY 86- OBLIGATIONS	-THROUGH FY 86- EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	-ACTUAL FY 87- EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	-ESTIMATED FY 88- EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	-PROPOSED FY 89- EXPENDITURES
	FN G	89	92	---	12,000	---	---	---	---	---	---	2,600	---
	PROJECT TOTAL:			---	12,000	---	---	---	---	---	---	2,600	---
517-0246	RURAL YOUTH LEADERSHIP TRAINING												
	FN G	88	88	---	270	---	---	---	---	270	---	---	150
	PROJECT TOTAL:			---	270	---	---	---	---	270	---	---	150
517-0255	PRIVATE SECTOR ENTERPRISE SUPPORT												
	ES G	88	88	13,835	13,835	---	---	---	---	13,835	13,835	---	---
	PROJECT TOTAL:			13,835	13,835	---	---	---	---	13,835	13,835	---	---
517-0256	AIDS SUPPORT												
	DG G	88	89	---	---	---	---	---	---	300	150	500	200
	PROJECT TOTAL:			---	---	---	---	---	---	300	150	500	200
517-0640	PTIIC												
	EH G	87	88	1,100	3,300	---	---	1,100	---	1,100	800	1,100	850
	PROJECT TOTAL:			1,100	3,300	---	---	1,100	---	1,100	800	1,100	850
517-0999	LOCAL COST SUPPORT												
	ES G	87		165	165	---	---	165	79	---	86	---	---
	PROJECT TOTAL:			165	165	---	---	165	79	---	86	---	---
517-9999	*PRIVATE AND VOL ORGANIZATIONS - OPG'S												
	FN G	78	C	---	---	---	---	---	---	---	---	1,390	500
	HE G	78	C	---	---	---	---	---	---	---	---	570	200
	PROJECT TOTAL:			---	---	---	---	---	---	---	---	1,960	700
598-0642	REGIONAL ADMINISTRATION OF JUSTICE												
	ES G	86	90	---	---	---	---	---	---	---	---	1,000	250
	PROJECT TOTAL:			---	---	---	---	---	---	---	---	1,000	250

*Refers to the planned project summary sheet

C Level of effort activity

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: DOMINICAN REPUBLIC

CP 89

PROJECT NO. PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	-LIFE OF PROJECT- PLANNED	-THROUGH FY 86- OBLIGATIONS	-THROUGH FY 86- EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	-ACTUAL FY 87- EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	-ESTIMATED FY 88- EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	-PROPOSED FY 89- EXPENDITURES
COUNTRY TOTALS:				309,514	424,304	279,126	203,196	19,637	21,054	32,526	49,250	45,318	53,539
GRANTS:				206,146	323,356	135,758	159,775	16,637	8,187	27,946	27,117	45,318	37,760
LOANS:				103,368	100,948	93,368	43,421	3,000	12,867	4,580	22,133	---	15,779
---- APPROPRIATION SUMMARY ----													
AGR., RURAL DEV. & NUTRITION:				102,787	118,327	94,184	55,336	10,093	10,514	7,470	13,017	6,850	15,038
POPULATION PLANNING:				5,000	6,200	2,776	379	1,825	122	1,496	810	700	800
HEALTH:				7,330	15,730	4,482	1,189	4,355	1,441	1,907	2,522	4,855	4,490
CHILD SURVIVAL FUND:				1,952	1,952	---	---	---	---	500	200	1,452	350
AIDS:				---	---	---	---	---	---	300	150	500	200
EDUCATION & HUMAN RESOURCES:				24,050	25,850	20,464	5,749	2,400	4,264	2,525	4,750	1,990	3,623
SELECTED DEVELOP. ACTIVITIES:				19,395	36,845	22,220	5,543	799	4,634	4,493	8,880	3,971	4,788
ECONOMIC SUPPORT FUND:				149,000	219,400	135,000	135,000	165	79	13,835	13,921	25,000	24,250

*Refers to the planned project summary sheet

CLevel of effort activity

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PROGRAM: DOMINICAN REPUBLIC

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Industrial Production Technology	DA			FY 89 850 (G)	Life of Project Funding 9,000 (G)

Number		Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
517-0238	☒ NEW			850 (G)	FY 89	FY 91	FY 94
☒ GRANT ☒ LOAN	☐ CONTINUING						

Purpose: To expand and improve the production capabilities of small- and medium-sized enterprises (SMEs) by the provision of currently available, appropriate production technologies.

Project Description: SMEs in the Dominican Republic often utilize outdated production techniques and antiquated equipment. As a result, their products are of an inferior quality and are not competitive. The project is designed to address this problem by providing information on currently available production technologies, expertise to assist Dominican industries in utilizing these technologies, and credit at commercial rates for SMEs to acquire the technology. The target group of SMEs will include businesses with assets below $75,000, with up to 100 workers and with requirements for loans up to the local currency equivalent of $125,000.

A grant will be made to an organization such as the International Executive Service Corps (IESC), or similar business-oriented PVO or organization, to: 1) promote the transfer and adaptation of new technologies among SMEs through the collection and dissemination of technological information, and 2) conduct or contract out "technology audits" aimed at evaluating production constraints and recommending cost-effective and appropriate technology. A local implementing entity will also establish a center for technology information collection, dissemination and promotion activities.

A loan fund will be established in one or more commercial banks, which will make credit available to SMEs who are seeking to expand or reorient product lines to take advantage of new technologies identified through the "technology audits" conducted under this project.

Relationship to A.I.D. Country Strategy: This project supports the A.I.D. strategy of promoting private sector expansion by supporting activities which increase production, productivity and employment opportunities. It is designed to build upon the achievements of the Small Industry Development project (517-0150) and the Export/Investment Promotion Project (517-0190).

Host Country and Other Donors: The GODR counterpart loan contribution to the SME credit fund will be equivalent to aproximately $4.0 million, which will be used for the expansion and rehabilitation of SME facilities, and to meet working capital needs of the SME. This fund would also be linked to the IDB Industrial Rehabilitation Project, which provides working capital funds for raw material imports.

Beneficiaries: Owners and operators of 120 small- and medium-sized enterprises together with their employees, both existing and newly employed.

Major Outputs:	All Years
-Industrial Technology Clearinghouse established	1
-Industry-specific seminars	25
-Technology audits	120
-Loans to SMEs	75

A.I.D.-Financed Inputs	Life of Project ($000)
Revolving loan fund	6,000
Technical assistance (192 person-months)	2,400
Operating cost support to center	600
TOTAL	9,000

U. S. FINANCING (In thousands of dollars)

	Obligations	Expenditures	Unliquidated
Through September 30, 1987			
Estimated Fiscal Year 1988			
Estimated Through September 30, 1988			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1989	850	8,150	9,000

Principal Contractors or Agencies

To be determined.

PROGRAM: DOMINICAN REPUBLIC

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Agribusiness Training		2,600		FY 89 2,600 (G)	Life of Project Funding 12,000 (G)

Number 517-0243	[X] NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
[X] GRANT [ ] LOAN	[ ] CONTINUING				FY 89	FY 92	FY 94

Purpose: To develop a source of mid-level and technical personnel for the expanding agribusiness community by strengthening the capacity of the Superior Institute of Agriculture (ISA) to provide appropriate training in agribusiness fields.

Project Description: The project seeks to firmly establish ISA and its Center for Rural Development Administration (CADER) as the pre-eminent regional source of technical personnel to meet the increasing demand for non-traditional crop production, management and marketing skills. A major constraint to ISA/CADER's full-fledged development has been the inability to retain highly qualified faculty. The project will increase private sector research opportunities for faculty and staff, and create mechanisms to strengthen a permanent endowment fund for ISA. The endowment would effectively solve the faculty/staff retention problem by providing income to enable ISA/CADER to pay competitive salaries. The project will also provide up to fifty man-years of faculty and staff exchanges with U.S. institutions. Project success will depend heavily upon the selection of appropriate U.S. exchange faculty, effective delegation of budget management to ISA/CADER sub-units, and development of the capability to elicit agribusiness/community support for the endowment fund.

Relationship to A.I.D. Country Strategy: The project fully supports the A.I.D. strategy of concentrating on increasing productivity in the private sector while encouraging the greatest possible dialogue on policy reform. It complements the 1987 Sugar Diversification (0236) and Commercial Farming Systems (0214) projects by focusing upon non-traditional crop production, management and marketing. CADER's existing and productive association with the Agricultural Policy project (0156) will be strengthened and institutionalized as will the existing linkages to the On-Farm Water Management (0159) and the fuel woods component of the Energy Conservation (0144) projects.

Host Country and Other Donors: ISA currently receives financial support from the Secretariat of Education. This amount would be substantially increased during the LOP. Agribusiness would provide substantial resources for the endowment fund over the five-year LOP. The GODR would match from PL 480 local currency funds all donations to the endowment fund from private sources. Additionally, the GODR would provide much of the costs associated with policy oriented workshops, seminars or short-duration training courses provided by ISA/CADER.

Beneficiaries: The agribusiness community engaged in the production of non-traditional crops is the primary economic beneficiary. Secondary beneficiaries are the small, medium and large scale commercial farmers (and their families) who successfully diversify into non-traditional crops.

Major Outputs:	All Years
Faculty and Staff person years of academic/research experience at U.S. institutions.	50
Income from the endowment fund	X
Major Policy Workshop	15
Policy Seminars	60
Weeks of short cycle training for agri-businessmen	50
Research monographs relating to non-traditional crops, agribusiness, watershed and irrigation management	250

A.I.D. Financed Inputs	Life of Project ($000)
Technical Assistance	9,000
Training	1,000
Commodities	1,100
Audits and other costs	900
TOTAL	12,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1987			
Estimated Fiscal Year 1988			
Estimated Through September 30, 1989			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1989	2,600	9,400	12,000

Principal Contractors or Agencies

To be determined.

AID 370-7 (11-85)

PROGRAM: DOMINICAN REPUBLIC

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Private Voluntary Organizations		1,390 (G)	570 (G)	FY 89 1,960 (G)	Life of Project Funding: Continuing

Number 517-9999	☐ NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
☒ GRANT ☐ LOAN	☒ CONTINUING				FY 78	FY Continuing	FY Continuing

Purpose: To strengthen the capacity and mobilize the expertise of U.S. and Dominican private and voluntary organizations (PVOs) in support of A.I.D. development assistance programs in the Dominican Republic.

Project Description: The private sector of the Dominican Republic has traditionally supported private voluntary organizations that are involved in social and economic development activities. As a result, there are several PVOs that are able to complement government activities with their own resources. Since 1978, A.I.D. has registered 23 Dominican PVOs, many of which are receiving and providing direct support in conjunction with our programs. Since 1983, PVOs have received over $5.0 million in local currency generated from ESF and PL-480 Title I programs. Another allocation of $6.0 million in local currency is planned for FY 1988.

A.I.D. provides field support grants (FSG) to organizations which can undertake low-cost developmental activities that have high impact. This approach has been successful in activities involving microbusiness development, vocational training for women, and rural credit. Among the current programs are the Applied Nutrition Education Program, and the CARE Rural Water project. A new FY 1988 project for Artisanal Promotion focuses on product development and a marketing strategy for manufacturers and craftsmen in design related fields of ceramics, jewelry, housewares and silkscreens. A local PVO will upgrade the capability of existing artisan design centers, provide quality control, and assistance in design, production and marketing to local artisans.

For FY 1989, a new project is proposed for Rural Youth Leadership Training, involving the local PVO FUNDEJUR, the Foundation for Rural Youth Development. FUNDEJUR is organized along the lines of the U.S. 4H Clubs and will help strengthen rural organizations, provide leadership training and undertake production projects in various areas of the country. A collaborative arrangement with the University of New Mexico is envisaged.

Relationship of Project to A.I.D. Country Strategy: PVOs complement A.I.D.'s private sector development strategy objectives by developing small scale enterprises, generating employment, promoting exports and industrial production and engaging in private sector health care.

Host Country and Other Donors: In many cases, A.I.D. funds represent less than half of the total OPG project costs and never more than 75% of the resources devoted to the project. The remainder is covered by the PVOs themselves and, in some instances, by grants from the Government of the Dominican Republic (GODR). A number of Peace Corps Volunteers also work with Dominican PVOs.

Beneficiaries: Beneficiaries of the OPG projects are the rural and urban poor through employment, increased incomes and participation in national economic development activities.

Major Outputs	All Years
-Artisan promotion and product exports	XX
-4H Clubs organized	XX
-Rural Leaders Trained	XX

A.I.D. Financed Inputs	FY 89 ($000)
Health	570
Ag. RD&N	1,390
TOTAL	1,960

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30, 1987			
Estimated Fiscal Year 1988			
Estimated Through September 30, 1988			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1989	1,960	Continuing	Continuing

Principal Contractors or Agencies

AID 370-7 (11-85)

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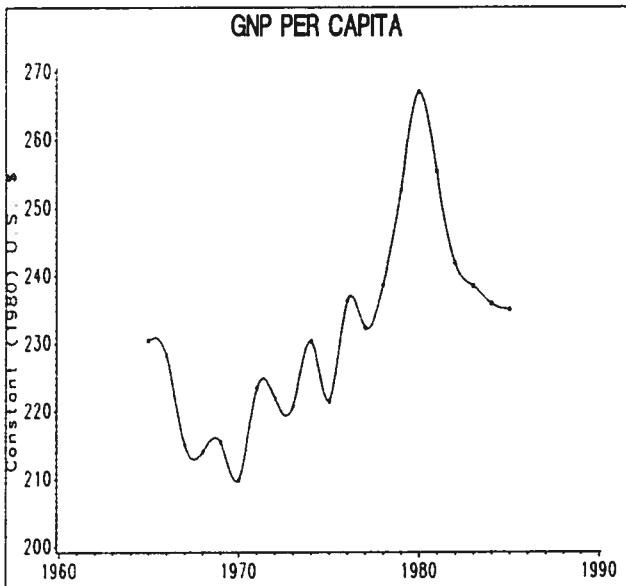
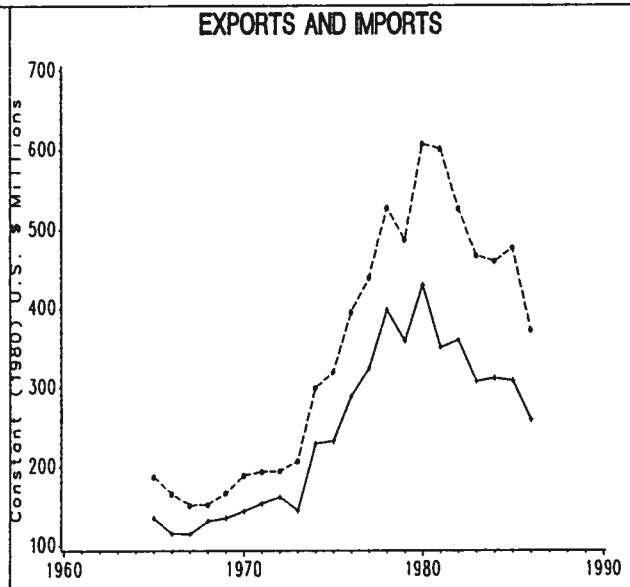
HAITI -- Economic Indicators

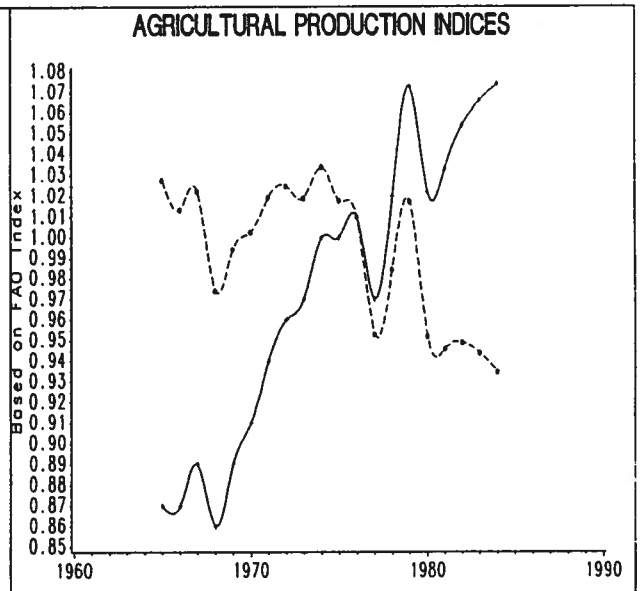
Total U.S. Aid $ 588 Million (1946-86)
Ratio of U.S. Aid To Total ODA 28.4% (1982-85)
Yearly U.S. Aid Per Capita $ 7.86 (1982-85)



NOTE: Major changes may be related to the use of official exchange rates.



Solid: Exports
Dashes: Imports



Solid: World Bank Index
Dashes: Divided by Population Index

NATIONAL INCOME AND EXPENDITURES

Per Capita GNP .....(1985) 310

Average Annual Real Per Capita GNP Growth Rate.(1965-85) 0.7%

Government Budgetary Expenditures as a % of GNP...(1985) 21.9%

Total Expenditures and Net Lending ($ Millions, US):
(1983) 284 (1984) 337 (1985) 362

Budgetary Deficit or Surplus ($ Millions, US):
(1979) -45 (1980) -68 (1982) -47

INTERNATIONAL RESERVES AND EXTERNAL DEBT

Official International Reserves Equivalent to
0.4 Months of Imports (1986)

External Public Debt as % of GNP...(1985) 26.8%

Service Payments on External Public Debt,
($ Millions, US)..... (1985) 20
As % of Total Export Earnings..... (1985) 4.2%

EXTERNAL TRADE (IN 1980 CONSTANT $US)

Trade Balance($ Millions, US) (1984)	-149(85)	-168(86)	-114
Total Imports($ Millions, US) (1984)	460(85)	477(86)	372
Of Which % From U.S. .....(.)			.%

Major Imports(1985)CONSU. DURABLES;FOODSTUFFS;INDUSTRIAL EQ.

Total Exports($ Millions, US) (1984)	311(85)	308(86)	259
Of Which % to U.S. .....(.)			.%

Major Exports(1985)MANGOS;COFFEE;LT. INDUST. PRO

Trading Partners: UNITED STATES; FRANCE; JAPAN

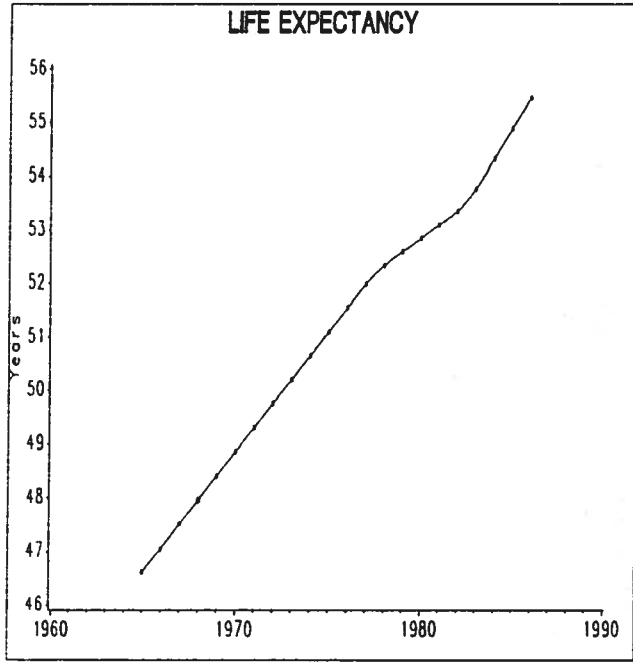
AGRICULTURE

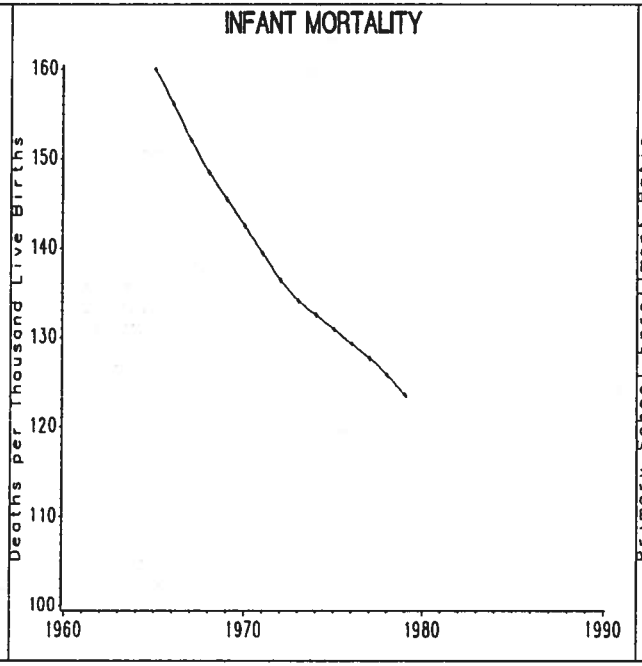
Agricultural Production as % of GDP...(.)

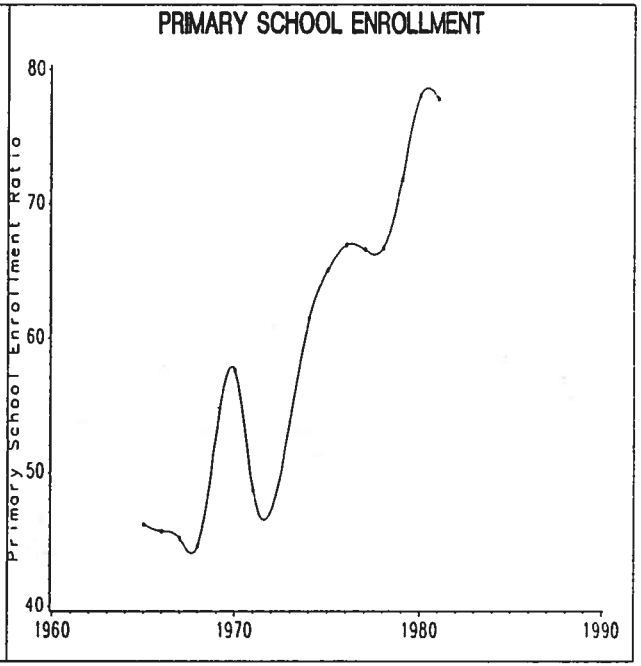
Major Crop(s)	As % of Arable Land
Subsistence: CORN; SORGHUM; RICE	55% (1986)
Cash: COFFEE; SISAL; MANGOES	30% (1986)

Ag. Exports:(1986)COFFEE; SISAL; MANGOES
Ag. Imports:(1986) WHEAT; SOYBEANS; RICE

HAITI -- Social Indicators







POPULATION

Total Population...(Thousands, Mid 1987) 6,187

Population Growth Rate...(1970) 2.1% (1978) 1.7% (1987) 1.8%

Population (1987) By Age Group:
(0-14yrs) 39.3% (15-64yrs) 56.7% (65+ yrs) 4.1%

Married Women Aged 15-49 yrs. Using Contraception...(1983) 6.9%

Total Fertility Rate...(1970) 6.0 (1987) 4.6

HOUSEHOLD INCOME AND EMPLOYMENT

National Income Received by Low 20% of Population..(.) . %

% of Population Living Below Absolute Poverty Level
(1977) Total . % Urban 55.0% Rural 78.0%

Labor Force Participation as % of Working Age Population
(1980) 53%

Proportion of Labor Force in Agriculture...(1980) 57%

NUTRITION AND HEALTH

Per Capita Calorie Supply as a % of Requirements...(1983) 83%

Life Expectancy at Birth, in Years
(1986) Total 55.5 Male 54.1 Female 56.9
(1970) Total 48.9 Male 48.0 Female 49.8

Infant Deaths in First Yr of Life per 1000 Live Births (1987) 95

% Of Children 12-23 Months Old Fully Immunized Against
Tuberculosos(BCG3) 57% (1985) Measles 21% (1985)
Diphtheria(DPT) 19% (1985) Polio(3) 19% (1985)

Population with Reasonable Access to Safe Water Supply
(1980) 12%

EDUCATION AND LITERACY

Total School Enrollment as Ratio of Population in Age Group:

Primary	(1981)	Total	77.8	Male	84.2	Female	71.5
Secondary	(1981)	Total	14.3	Male	15.6	Female	13.4
Post Secondary	(1979)	Total	0.7	Male	1.0	Female	0.4

Adult Literacy Rate (.) Total .% Male .% Female .%

HAITI

PROGRAM SUMMARY ($000)			
Category	FY 1987 (Actual)	FY 1988 (Estimated)	FY 1989 (Request)
Development Assistance	38,544	19,800	25,150
Loan	0	0	0
Grant	38,544	19,800	25,150
Economic Support Fund	35,960 1/	0	0
Loan	0	0	0
Grant	35,960	0	0
Other*			
TOTALS	74,504 2/	19,800	25,150
P.L. 480	22,040	6,583	6,781
Title I	10,000 3/	0	0
Title II	12,040	6,583	6,781
TOTALS	96,544	26,383	31,931

Footnotes:
1/ The above total for ESF includes $710,000 in local cost support.
2/ Above total includes $1,162,583 of prior-year deobligated funds reobligated in FY 1987.
3/ Title III.

PERSONNEL DATA – MISSION DIRECT HIRE[a]			
Category	FY 1987 (Actual)	FY 1988 (Estimated)	FY 1989 (Request)
U.S. National	26.5	28.0	28.0
Foreign National	36.0	36.0	36.0
TOTALS	62.5	64.0	64.0

[a]*Total full time equivalent workyears of employment. Include HIG, excess property, and IG personnel. Excludes TDP. One workyear = 2,087 hours.*

PARTICIPANT TRAINING DATA[a]									
Category	FY 1987 (Actual)			FY 1988 (Estimated)			FY 1989 (Request)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
U.S. Participants									
Bilateral[d]	8	121	129	80	372	452	101	323	424
Regional[e]	11	70	81	15	3	18	10	0	10
Third Country Participants									
Bilateral[d]	-	10	10	-	23	23	-	24	24
Regional[e]	-	16	16	-	-	-	-	-	-
TOTALS	19	217	236	95	398	493	111	347	458

[a]*In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*
[b]*Academic: degree seeking.*
[c]*Technical: non-degree seeking.*
[d]*Participants funded under bilateral programs.*
[e]*Participants funded under regional programs (e.g., CLASP, AMDP).*

AID 370-2 (8-86)

HAITI

Introduction

Haiti is the poorest country in the Western Hemisphere. With a per capita income of approximately $330 a year, it is also one of the world's least developed countries. Some 70% of Haitians live on the land with an average per capita income of $150 per year. Given an estimated infant mortality rate of 105 per 1,000 births, needless childhood death is the single most prevailing health concern in Haiti today. The literacy rate is only 25%. Population growth is estimated at 2.3% per year, and the ratio of people to arable land is higher than in India and Pakistan. The country's development was held back by years of autocratic Duvalier rule, low private investment levels, minimal public investment in infrastructure and social services, and high out-migration of many of Haiti's best trained and educated people. This is the economic legacy which the National Governing Council (CNG) inherited.

Soon after assuming power on February 7, 1986, the CNG eliminated many of the repressive political symbols and practices of the Duvalier regime, including the release of political prisoners and the disbanding of the "Volunteers for National Security" (referred to as Tontons Macoutes). Exiles were allowed to return without hindrance and liberal press and political party laws were decreed.

In June 1986, the CNG announced local elections for July 1987, presidential and legislative elections for November 1987, and the installation of a new government by February 7, 1988. A "Constituent Assembly," elected in October 1986 to write a new constitution, prepared the document which was widely perceived as protecting human and civil rights, barring a return to dictatorship, and establishing a government system of checks and balances. The new constitution was overwhelmingly approved in a March 1987 referendum.

The Provisional Electoral Council (CEP in French), the constitutional body designated to run the presidential and legislative elections, received funding (through the Ministry of Finance) from the United States and other donors to organize local, legislative, and presidential elections which were scheduled for November and December 1987. A.I.D. provided substantial assistance to the electoral process in Haiti through budget support and a grant to the Inter-American Center for Electoral Promotion and Assistance (CAPEL in Spanish), under the Inter-American Human Rights Institution, based in San Jose, Costa Rica. This assistance was in support of one of A.I.D.'s major objectives in Haiti - financial support to help the Haitians participate in the first democratic elections in thirty years.

Of the estimated electorate of 3 million, 2.2 million (73%) registered to vote in the November 29, 1987 elections for president and legislature. Election day, however, brought horrendous violence, including participation by members of the army in attacks on polling places and voters. After the CEP cancelled the elections, General Namphy, head of the CNG, discharged the CEP and announced that new elections would be scheduled and that a new government would be installed on February 7, 1988.

As a result of the failed elections, the U.S. Government terminated all economic assistance to the Government of Haiti (GOH). To show U.S. support for the Haitian people and their desire to bring about a democracy, the U.S. Government announced it would continue humanitarian assistance channeled through private voluntary and nongovernmental organizations which directly benefits the people of Haiti. This approach is consistent with the Congressional provisions regarding assistance to Haiti as set forth in the FY 1988 Continuing Resolution.

The subsequent elections of January 1988 have not been recognized as fully free and open by the U.S. Government. Therefore, A.I.D. is continuing its economic assistance program only through private and nongovernmental organization and the private sector.

A.I.D. Development Strategy and Accomplishments to Date

In the two years between the fall of the Duvalier regime and the planned inauguration of a new Government (February 7, 1986 - February 7, 1988), A.I.D.'s strategy was to assist the CNG in establishing the policies and programs necessary to stimulate economic growth, generate jobs, and provide basic services to the population. During this short "window of opportunity" for establishing the framework for sound economic development, A.I.D. intensified implementation of its ongoing development assistance program with increased emphasis on job creation in all elements of the program (particularly local currency-financed projects), undertook major policy dialogue initiatives in economic reform, and expanded efforts in training.

The U.S. assistance program in Haiti has addressed the four following objectives:

1. stabilizing financial structures;

2. increasing agricultural production, preserving natural resources, and improving infrastructure;

3. strengthening the private sector; and

4. reducing infant and child mortality, increasing access to voluntary family planning services, and improving educational opportunities.

Largely through the efforts of its Minister of Finance, the CNG made a major effort to respond to the economic constraints it inherited. The CNG implemented a number of significant economic and policy reforms, including: (1) decreased current expenditures of the Treasury, (2) improved public sector financial controls and practices, (3) eliminated salaries for non-working government employees, (4) liberalized trade, (5) initiated a broad reform of the General Tax Code, and (6) eliminated all export taxes, including the export tax on coffee. The GOH closed two parastatals, and initiated audits of the accounts of government agencies. The CNG also eliminated government monopolies in sugar, cement, and vegetable oil.

The United States supported this economic reform effort through a $57.3 million Economic Support Fund (ESF) program during FY 1986 and FY 1987. The FY 1987 ESF program (totaling $36 million) provided support for the economic stabilization program with dollar funds being used for balance-of-payments support and local currency for budget support, including the financing of CEP activities and labor-intensive, economic development programs. Significant additional progress was made on trade liberalization, income tax reform, and improved financial accountability. While compliance with FY 1987 fiscal and monetary targets was substantially achieved, compliance in the last quarter was only partial, largely as a result of revenue losses associated with contraband and the civil disturbances during the summer of 1987. The economy remains stagnant as a result of the decline in coffee exports, contraband, the disappointing performance of assembly exports, and the delay of foreign assistance disbursements as a result of political and civil disruptions beginning this past summer.

The U.S. Government decision not to proceed with economic assistance to the government will have serious consequences for the Haitian budget, the balance-of-payments account, and the availability of foreign exchange.

Agriculture, Rural Development and Nutrition. A.I.D. places high priority on activities to increase agricultural production and income, conserve topsoil, and sustain hillside agriculture. In FY 1987, the activities of several major ongoing projects focused on targeted watershed areas. The Agroforestry Outreach project (521-0122) helped farmers plant over 30 million trees by the end of FY 1987. During FY 1987, the project initiated two new components in seed and germplasm improvement and research to improve the technical packages extended to tree crop farmers. This project is being implemented through a PVO and will continue in FY 1988.

In the southern and southwestern regions, the Agricultural Development Support II project (521-0092) continued to introduce improved food crop varieties and on-farm testing of perennial species to enable farmers to conserve soil fertility, thereby increasing productivity. Project data banks on agricultural production surveys and natural resources are providing information for improved planning at the national, regional and project levels. The project is one that has been suspended but is being reviewed to ascertain the possibility of continuing it through a PVO or NGO. The Targeted Watershed Management project (521-0191) extended soil-conserving and fertility-augmenting land management practices in seven southern watersheds. The element of the project being funded through the private sector is one of the activities designated to be continued. The Local Resources Development I and II projects (521-0156 and 521-0192) address the problems associated with hillside agriculture in the central plateau and in the west. Local Resources Development I made significant progress in hillside conservation and in increasing agricultural production. These two projects are being implemented by PVOs and NGOs and will be continued in FY 1988.

The Interim Swine Repopulation project (521-0170) was evaluated in FY 1987, and based on the results of the evaluation, was extended for two years with an increased focus on alternate feed development, extension and strengthening of the National Swine Health Surveillance Program. About

15,000 piglets were produced in FY 1987 from the 440 multiplication centers for a life-of-project total of 50,000 piglets. Experiments are being carried out to raise fodder crops which can be used for feed for the pigs. This activity is being implemented through an NGO and will be continued in FY 1988. A new Coffee Cooperative Development project (521-0205), designed to strengthen coffee cooperatives through institution building and the introduction of production and extension activities, will start up in FY 1988. This project is being designed to be implemented through a PVO or NGO.

Health, Child Survival, Population Planning, and AIDS. Projects in this area have two mutually reinforcing objectives: 1) to reduce infant mortality and 2) to achieve an ecologically sound population growth rate. Preliminary results from a 1987 national survey suggests a reduction in the infant mortality rate from 124 (1978) to 105 (1982-86). The Rural Health Delivery System project (521-0091) continued to provide support to the national vaccination campaign which expanded its outreach program and achieved higher coverage rates. The project also supported masters degree training of health professionals in the United States. This project is through the public sector and is therefore being terminated in FY 1988. The reorientation of A.I.D. assistance to the National Malaria Service (SNEM) under the Management of Malaria project (521-0143) continued to retrain volunteers associated with SNEM to distribute contraceptives and oral rehydration solution. The project is being suspended, but A.I.D. is exploring the possibility of implementing these activities in cooperation with the Pan American Health Organization (PAHO). The Voluntary Agencies for Child Survival project (521-0206) was approved in FY 1987 and will support child survival interventions for one million people through U.S. and local PVOs.

A 1983 contraceptive prevalence survey showed a 7% prevalence rate which is dramatically lower than any other country in the region. Consequently, the Private Sector Family Planning project (521-0189) continued to expand the number of health clinics offering family planning services in the private sector and to increase awareness of maternal health and population issues.

A new information, education and communications activity will begin in FY 1988 to increase public awareness of AIDS and means to prevent its spread. Funds will also be available for the training of urban health workers.

Education and Human Resources Development. After careful consultation with a group of Haitian educators, A.I.D. began the Incentives to Improve Primary Education project (521-0190) at the end of FY 1986. This activity focuses on the major constraints facing primary education: high drop-out and repetition rates; inadequate school facilities; undernourished students; lack of learning materials; under-training of teachers; and high cost of education to parents. By October 1987 there were 119 project schools serving over 25,000 students. Over 750 teachers and school principals have been retrained. In FY 1988, an additional 150 schools will be identified and prepared to open as project schools in early FY 1989. Other activities include local currency-funded assistance to several literacy and civic education programs and the Presidential Training Initiatives for the Island Caribbean project (521-0640) under which 78

Haitians received training in FY 1987 and an estimated 169 will be trained in FY 1988. Only activities being implemented by PVOs or NGOs will be continued under these projects.

Selected Development Activities. Projects under this account, augmented by other A.I.D. resources, contributed to the objective of increased employment through private sector-led growth. To generate employment and foreign exchange, the A.I.D. private sector program is concentrating on the development of nontraditional exports, investment, and export promotion.

Major activities in FY 1987 included:

- technical assistance for industrial and agroindustrial policy reform activities, resulting in the review and approval of new customs and income tax codes, the negotiation of a new tariff reduction system, and the elimination of previously legislated "nuisance" taxes;

- additional financing from ESF-generated local currency to expand the successful operations of the Haitian Development Foundation project (521-0181);

- additional development assistance financing to expand the operations of the Crafts Export Resource Center project (521-0179); and

- export and investment promotion activities through the Haitian Industrial Development Center project (521-0186).

Projects designed to create employment opportunities in the private sector will be cut back, but will not be suspended. We believe that these efforts should continue to the extent conditions permit. We also want to be in a position to quickly reinstitute these activities to develop more jobs should the political situation and investment climate improve.

P.L. 480. In FY 1987 the government continued to make satisfactory progress on policy reforms called for in the $10 million P.L. 480 Title III Agreement. Local currency associated with the sale of commodities was used to fund mutually agreed upon developmental activities in agriculture, health, and public works. The suspension of assistance to the GOH includes the FY 1988 Title III program and local currency funds generated under previous P.L. 480 programs not previously disbursed.

Of the $13.0 million in Title II commodities, $7.0 million was monetized and approximately $6.0 million was allocated to four private and voluntary agencies to meet both development and humanitarian needs in FY 1987. Approximately 600,000 people from Haiti's lower-income population groups benefited from school feeding, maternal and child health and food-for-work activities in the first two quarters of the fiscal year. Civil unrest delayed the reception and distribution of $3.2 million of Title II food commodities. These will be channeled to the recipients in FY 1988. In FY 1988, three PVOs will continue the implementation of their programs under the three-to-four year operational plans developed in FY 1986 to increase the development impact of Title II programs, integrating them more fully with A.I.D. objectives, making them more compatible with development priorities, and improving management.

Section 709 of the International Security and Development Act of 1985 requires that comprehensive reports be provided on A.I.D. assistance to Latin America and the Caribbean. The following supplemental information on assistance to Haiti in FY 1987 is provided as partial fulfillment of that requirement:

A. Training: In FY 1987, A.I.D. provided academic and technical training to 236 participants in the following fields of study: agriculture and rural development (44); public and business administration (35); public health and demography (19); democratic institutions (2); education (13); engineering and energy (6); electronics and computer science (2); economic development and planning (8); communications (22); leadership and community development (64); and other fields (21).

B. The types of goods associated during FY 1987 with ESF cash transfers by A.I.D. to Haiti are as follows:

Types of Goods	Value
Cement raw materials	$ 6 million
Petroleum Products	15 million
Debt Service	12 million
Total	$33 million

C. Local currency availabilities in FY 1987 amounted to $64.9 million equivalent ($10.1 million at the beginning of FY 1987 and an additional $54.8 million during FY 1987). Of these funds, $56.3 million was allocated by A.I.D. and the GOH for the following uses:

	$(millions)
Agriculture	13.1
Infrastructure	5.4
Employment	1.7
Health Services	4.4
Support for the P.L. 480 Program and Disaster Relief	1.2
Education/Literacy	1.5
Planning/Management	1.0
Electoral Support	6.6
Budget Support to GOH	21.3
Trust Fund for A.I.D. Operating Expenses	1.4
TOTAL	$57.6

D. Reprogramming of funds for Haiti during FY 1987 resulted in the following functional account changes. Estimated FY 1987 obligations are those which were shown in the FY 1988 Congressional Presentation document:

($000)	Total	ARDN	PP	HE	CS	EHRD	SDA	ESF
- Estimated FY 1987 Obligations	66,165	15,300	3,541	6,000	3,000	4,300	4,859	29,165
- Actual FY 1987 Obligations	74,504	16,079	3,541	5,510	3,000	4,640	5,774	35,960

E. Funds and Programs provided through nongovernmental as contrasted to governmental channels:

	Nongovernmental		Government of Haiti	
	($ million)			
DA	28.2	(73%)	$10.3	(27%)
ESF	2.3	(6%)	$33.0	(94%)
P.L. 480 Title. I/III	1.5	(10%)	13.3	(90%)
P.L. 480 Title II	14.0	(100%)		(0%)
TOTAL	46.0	(45%)	56.6	(55%)

FY 1989 Program

Since the January 17, 1988 elections did not meet the criteria of Section 569 of the Continuing Resolution, which prohibits government-to-government assistance unless the democratic process set forth in the Haitian Constitution of March 29, 1987 is implemented, A.I.D. will not resume assistance to the Haitian government. A.I.D., however, will continue assistance only through PVOs, NGOs and the private sector. A total of $25.15 million of Development Assistance is requested.

Agriculture, Rural Development and Nutrition. Incremental funding of $11.0 million is required for Agroforestry Outreach (521-0122), Community Water Systems Development (521-0155), Targeted Watershed Management (521-0191), Strengthening Coffee Cooperatives (521-0193), Technical Consultants and Training (521-0167), and the Presidential Training Initiative for the Island Caribbean (521-0640) projects.

Health, Child Survival, Population Planning, and AIDS. Funding of $4.8 million is required to incrementally fund the Private Sector Family Planning (521-0189), Urban Health and Community Development (521-0159), Voluntary Agencies for Child Survival (521-0206), the Presidential Training Initiative for the Island Caribbean (521-0640) projects, and AIDS public information campaign and training activities. Support to Nongovernmental Organizations (521-0188) will also be funded.

Education and Human Resources. A total of $4.97 million is requested to fund the Incentives to Improve Primary Education (521-0190) and the Management and Productivity Center (521-0183) projects, Program Development and Support (521-0000) for project development, evaluations and related support.

Selected Development Activities. A total of $2.85 million will fund seven ongoing activities: Special Development Activities (521-0062), Crafts Export Resource Center (521-0179), Investment and Export Promotion (521-0186), the Development Finance Corporation (521-0154), the Haitian Development Foundation (521-0182), the National Mortgage Bank (521-0163), and the Program Development and Support (521-0000).

Program Development and Support funds will be used for the design and support of activities to be implemented through PVOs.

P.L. 480 Programs. A total of $6.78 million is proposed for P.L. 480 Title II to be distributed by three PVOs in school feeding, maternal and child health care, and community development programs.

Mission Director: Gerald Zarr

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: HAITI

CP 89

PROJECT NO. / PROJECT TITLE	*	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	PLANNED	-THROUGH FY 86- OBLIGA-TIONS	EXPEN-DITURES	-ACTUAL FY 87- OBLIGA-TIONS	EXPEN-DITURES	-ESTIMATED FY 88- OBLIGA-TIONS	EXPEN-DITURES	-PROPOSED FY 89- OBLIGA-TIONS	EXPEN-DITURES
521-0000 PROGRAM DEVELOPMENT AND SUPPORT														
	EH	G	73	C	---	---	923	882	290	70	100	250	100	200
	FN	C	73	C	---	---	3,507	3,427	249	224	250	300	350	300
	HE	G	73	C	---	---	461	417	500	130	---	350	150	200
	PN	G	73	C	---	---	282	248	100	40	---	90	100	100
	SD	G	73	C	---	---	2,177	2,058	300	214	80	250	120	150
PROJECT TOTAL:					---	---	7,350	7,032	1,439	678	430	1,240	820	950
521-0052 SPECIAL DEVELOPMENT ACTIVITIES														
	SD	G	68	C	---	---	2,083	1,995	200	254	200	200	200	200
PROJECT TOTAL:					---	---	2,083	1,995	200	254	200	200	200	200
521-0078 INTEGRATED AGRICULTURAL DEVELOPMENT														
	FN	G	76	85	9,290	8,903	8,903	8,674	---	152	---	77	---	---
	FN	L	76	85	2,800	2,800	2,800	2,570	---	69	---	161	---	---
PROJECT TOTAL:					12,090	11,703	11,703	11,244	---	221	---	238	---	---
521-0091 RURAL HEALTH DELIVERY SYSTEM														
	HE	G	79	87	19,756	19,756	19,256	15,547	500	---	---	2,000	---	2,209
PROJECT TOTAL:					19,756	19,756	19,256	15,547	500	---	---	2,000	---	2,209
521-0092 AGRICULTURAL DEVELOPMENT SUPPORT II														
	FN	G	79	87	3,308	3,808	3,308	1,819	500	912	---	1,077	---	---
PROJECT TOTAL:					3,808	3,808	3,308	1,819	500	912	---	1,077	---	---
521-0121 STRENGTHENING RURAL CREDIT SERVICES														
	FN	G	81	86	3,750	3,750	3,750	3,487	---	164	---	99	---	---
PROJECT TOTAL:					3,750	3,750	3,750	3,487	---	164	---	99	---	---
521-0122 AGROFORESTRY OUTREACH - PVO														
	FN	G	81	89	27,000	26,000	11,400	9,678	5,812	2,478	3,500	3,500	5,288	3,800
PROJECT TOTAL:					27,000	26,000	11,400	9,678	5,812	2,478	3,500	3,500	5,288	3,800
521-0124 FAMILY PLANNING OUTREACH														
	PN	G	81	87	13,948	13,040	9,931	8,923	3,109	1,003	---	1,000	---	2,114
PROJECT TOTAL:					13,948	13,040	9,931	8,923	3,109	1,003	---	1,000	---	2,114
521-0143 MANAGEMENT OF MALARIA														

*Refers to the planned project summary sheet

G Level of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1987 are based on the authorized date. For all projects with an initial obligation date after December 31, 1987 the FY of final obligation is based on a planned date.

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: HAITI

CP 89

PROJECT NO. / PROJECT TITLE	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHO	-LIFE OF PROJECT- PLANNED	-THROUGH FY 86- OBLIGATIONS	-THROUGH FY 86- EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	-ACTUAL FY 87- EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	-ESTIMATED FY 88- EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	-PROPOSED FY 89- EXPENDITURES
	HE G	82	91	13,400	13,400	8,000	6,734	4,000	1,626	500	3,000	---	1,090
	PROJECT TOTAL:			13,400	13,400	8,000	6,784	4,000	1,626	500	3,000	---	1,090
521-0149	SECONDARY ROADS DEVELOPMENT												
	FN G	83	87	12,500	9,450	8,450	5,192	1,000	2,490	---	1,768	---	---
	PROJECT TOTAL:			12,500	9,450	8,450	5,192	1,000	2,490	---	1,768	---	---
521-0154	DEVELOPMENT FINANCE CORPORATION												
	ES G	83	91	6,800	6,800	6,800	6,115	---	364	---	321	---	---
	SD G	83	91	3,200	3,200	---	---	2,100	270	---	1,500	830	930
	PROJECT TOTAL:			10,000	10,000	6,800	6,115	2,100	634	---	1,821	830	930
521-0155	COMMUNITY WATER SYSTEM DEVELOPMENT												
	FN G	84	89	6,000	6,700	2,605	2,022	1,800	1,231	1,500	1,500	795	1,500
	PROJECT TOTAL:			6,000	6,700	2,605	2,022	1,800	1,231	1,500	1,500	795	1,500
521-0156	LOCAL RESOURCE DEVELOPMENT												
	FN G	85	85	1,000	1,000	1,000	176	---	204	---	620	---	---
	PROJECT TOTAL:			1,000	1,000	1,000	176	---	204	---	620	---	---
521-0159	URBAN HEALTH & COMMUNITY DEV II OPG												
	DG G	84	89	---	350	---	---	---	---	200	50	150	75
	HE G	84	89	3,100	5,600	3,100	1,352	---	942	500	748	2,000	1,550
	PROJECT TOTAL:			3,100	5,950	3,100	1,352	---	942	700	798	2,150	1,625
521-0163	HAITIAN MORTGAGE BANK												
	ES G	84	89	1,750	1,100	1,100	412	---	180	---	508	---	---
	SD G	84	89	---	300	---	---	---	---	---	---	300	250
	PROJECT TOTAL:			1,750	1,400	1,100	412	---	180	---	508	300	250
521-0167	TECHNICAL CONSULTANCIES AND TRAINING												
	ES G	83	90	4,391	4,390	2,935	1,986	1,455	1,073	---	1,331	---	---
	FN G	83	90	3,709	3,709	---	---	800	83	500	750	500	750
	PROJECT TOTAL:			8,100	8,099	2,935	1,986	2,255	1,156	500	2,081	500	750
521-0170	INTERIM SWINE REPOPULATION												
	FN G	83	87	7,938	7,917	4,999	3,759	2,918	1,833	---	2,000	---	325

*Refers to the planned project summary sheet

G Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1987 are based on the authorized date.
For all projects with an initial obligation date after December 31, 1987 the FY of final obligation is based on a planned date.

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: HAITI

CP 89

PROJECT NO. PROJECT TITLE	*	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	PLANNED	-THROUGH FY 86- OBLIGATIONS	EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	EXPENDITURES
			PROJECT TOTAL:		7,938	7,917	4,999	3,759	2,918	1,833	---	2,000	---	325
521-0179			CRAFTS EXPORT CENTER											
	SD	G	85	90	3,400	3,400	1,000	510	500	672	450	700	450	500
			PROJECT TOTAL:		3,400	3,400	1,000	510	500	672	450	700	450	500
521-0181			NGO SUPPORT II											
	ES	G	84	84	4,596	4,258	4,258	3,141	---	841	---	276	---	---
			PROJECT TOTAL:		4,596	4,258	4,258	3,141	---	841	---	276	---	---
521-0182			NGO SUPPORT III											
	ES	G	85	89	3,561	2,763	2,602	1,792	161	597	---	374	---	---
	SD	G	85	89	---	1,593	---	---	---	---	840	200	753	590
			PROJECT TOTAL:		3,561	4,356	2,602	1,792	161	597	840	574	753	590
521-0183			PRIVATE ENTERPRISE MANAGEMENT CENTER											
	EH	G	85	88	2,300	3,850	1,250	515	750	1,072	960	1,000	474	820
			PROJECT TOTAL:		2,300	3,850	1,250	515	750	1,072	960	1,000	474	820
521-0185			NGO SUPPORT IV											
	ES	G	86	86	474	474	474	---	---	361	---	113	---	---
			PROJECT TOTAL:		474	474	474	---	---	361	---	113	---	---
521-0186			INVESTMENT AND EXPORT PROMOTION											
	SD	G	86	90	7,700	7,700	1,200	---	1,659	1,301	450	1,250	200	950
			PROJECT TOTAL:		7,700	7,700	1,200	---	1,659	1,301	450	1,250	200	950
521-0188			NGO SUPPORT V											
	EH	G	87	89	739	939	---	---	739	223	200	516	---	200
	ES	G	87	89	634	634	---	---	634	---	---	634	---	---
	HE	G	87	89	---	623	---	---	---	---	---	---	623	350
			PROJECT TOTAL:		1,373	2,196	---	---	1,373	223	200	1,150	623	550
521-0189			POPULATION FOR DEVELOPMENT											
	PN	G	86	87	3,250	3,141	3,016	85	125	---	---	1,500	---	1,500
			PROJECT TOTAL:		3,250	3,141	3,016	85	125	---	---	1,500	---	1,500

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1987 are based on the authorized date.
For all projects with an initial obligation date after December 31, 1987 the FY of final obligation is based on a planned date.

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: HAITI

CP 89

PROJECT NO. / PROJECT TITLE	L / * G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	PLANNED	-THROUGH FY 86- OBLIGA-TIONS	EXPEN-DITURES	-ACTUAL FY 87- OBLIGA-TIONS	EXPEN-DITURES	-ESTIMATED FY 88- OBLIGA-TIONS	EXPEN-DITURES	-PROPOSED FY 89- OBLIGA-TIONS	EXPEN-DITURES
521-0190 INCENTIVES TO IMPROVE PRIMARY EDUC	EH G	86	90	15,000	15,000	1,200	92	1,800	340	4,200	3,200	4,400	3,500
PROJECT TOTAL:				15,000	15,000	1,200	92	1,800	340	4,200	3,200	4,400	3,500
521-0191 TARGETED WATERSHED MANAGEMENT	FN G	86	93	15,000	15,000	1,500	---	2,700	451	2,610	2,500	2,467	4,000
PROJECT TOTAL:				15,000	15,000	1,500	---	2,700	451	2,610	2,500	2,467	4,000
521-0192 LOCAL RESOURCES DEVELOPMENT II	FN G	86	87	1,000	800	500	36	---	138	300	300	---	326
PROJECT TOTAL:				1,000	800	500	36	---	138	300	300	---	326
521-0193 STRENGTHENING COFFEE COOP. II (CLUSA)	FN G	85	86	1,000	1,600	1,000	155	---	565	600	550	---	330
PROJECT TOTAL:				1,000	1,600	1,000	155	---	565	600	550	---	330
521-0194 MOBILIZING MOTHERS FOR CHILD SURVIVAL	CS G	85	88	5,400	5,400	5,400	1,213	---	1,000	---	2,500	---	687
PROJECT TOTAL:				5,400	5,400	5,400	1,213	---	1,000	---	2,500	---	687
521-0196 *PRIVATE/PUBLIC FAMILY PLANNING	PN G	89	91	---	25,800	---	---	---	---	---	---	1,400	300
PROJECT TOTAL:				---	25,800	---	---	---	---	---	---	1,400	300
521-0200 ECONOMIC RECOVERY ASSIST/CASH TRANSFER	ES G	86	C	---	---	18,000	12,000	33,000	29,000	---	10,000	---	---
PROJECT TOTAL:				---	---	18,000	12,000	33,000	29,000	---	10,000	---	---
521-0203 TRAINING FOR DEVELOPMENT	EH G	87	91	2,000	2,000	---	---	100	---	---	40	---	55
	HE G	87	91	2,500	2,500	---	---	510	---	---	200	---	300
	PN G	87	91	1,000	1,000	---	---	207	---	---	100	---	100
PROJECT TOTAL:				5,500	5,500	---	---	817	---	---	340	---	455
521-0205 COFFEE COOPERATIVE DEVELOPMENT	FN G	88	92	---	9,000	---	---	---	---	---	---	1,100	1,000

*Refer to the planned project summary sheet

CLevel of effort activity

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: HAITI

CP 89

PROJECT NO. / PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	-LIFE OF PROJECT- PLANNED	-THROUGH FY 86- OBLIGATIONS	-THROUGH FY 86- EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	-ACTUAL FY 87- EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	-ESTIMATED FY 88- EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	-PROPOSED FY 89- EXPENDITURES
PROJECT TOTAL:				---	9,000	---	---	---	---	---	---	1,100	1,000
521-0206 VOL AGS FOR CHILD SURVIVAL													
	CS G	87	92	12,000	12,000	---	---	3,000	---	1,000	1,300	1,400	3,000
PROJECT TOTAL:				12,000	12,000	---	---	3,000	---	1,000	1,300	1,400	3,000
521-0209 STRENGTHENING CIVIC PARTICIPATION													
	SD G	87	87	915	915	---	---	915	232	---	300	---	383
PROJECT TOTAL:				915	915	---	---	915	232	---	300	---	383
521-0210 FREE LABOR DEVELOPMENT (AIFLD) PVO													
	EH G	87	87	161	336	---	---	161	75	175	86	---	100
PROJECT TOTAL:				161	336	---	---	161	75	175	86	---	100
521-0211 OAS SPECIAL FUND													
	SD G	87	87	100	100	---	---	100	---	---	100	---	---
PROJECT TOTAL:				100	100	---	---	100	---	---	100	---	---
521-0540 PTIIC													
	EH G	87	89	1,661	1,065	---	---	800	5	265	200	---	756
	PN G	87	89	884	800	---	---	300	---	---	200	500	600
	HE G	87	89	800	920	---	---	---	---	420	---	500	800
PROJECT TOTAL:				3,345	2,785	---	---	1,100	5	685	400	1,000	2,156
521-0999 LOCAL COST SUPPORT													
	ES G	87	87	710	710	---	---	710	547	---	163	---	---
PROJECT TOTAL:				710	710	---	---	710	547	---	163	---	---
COUNTRY TOTALS:				230,925	266,294	149,170	107,062	74,504	53,426	19,800	51,752	25,150	36,890
GRANTS:				228,125	263,494	146,370	104,492	74,504	53,357	19,800	51,591	25,150	36,890
LOANS:				2,800	2,800	2,800	2,570	---	69	---	161	---	---

---- APPROPRIATION SUMMARY ----

AGR., RURAL DEV. & NUTRITION:	95,679	101,237	53,722	40,995	16,079	10,994	9,260	15,402	11,000	12,931
POPULATION PLANNING:	18,193	42,981	13,229	9,256	3,541	1,043	---	2,690	1,500	4,114
HEALTH:	39,556	42,799	30,817	24,100	5,510	2,698	1,420	6,298	3,273	6,499
CHILD SURVIVAL FUND:	17,400	17,400	5,400	1,213	3,000	1,000	1,000	3,800	1,400	3,687

*Refers to the planned project summary sheet

CLevel of effort activity

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: HAITI

CP 89

PROJECT NO. / PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	PLANNED	-THROUGH FY 86- OBLIGA-TIONS	EXPEN-DITURES	-ACTUAL FY 87- OBLIGA-TIONS	EXPEN-DITURES	-ESTIMATED FY 88- OBLIGA-TIONS	EXPEN-DITURES	-PROPOSED FY 89- OBLIGA-TIONS	EXPEN-DITURES
AIDS:				---	350	---	---	---	---	200	50	150	75
EDUCATION & HUMAN RESOURCES:				21,861	23,190	3,373	1,489	4,640	1,735	5,900	5,292	4,974	5,631
SELECTED DEVELOP. ACTIVITIES:				15,315	17,208	6,460	4,563	5,774	2,943	2,020	4,500	2,853	3,953
ECONOMIC SUPPORT FUND:				22,916	21,129	36,169	25,446	35,960	32,963	---	13,720	---	---

*Refers to the planned project summary sheet.

CLevel of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1987 are based on the authorized date. For all projects with an initial obligation date after December 31, 1987 the FY of final obligation is based on a planned date.

PROGRAM: HAITI

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Private/Public Family Planning	DA			FY 89 1,400	Life of Project Funding 25,800

Number 521-0198	☒ NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
☒ GRANT ☐ LOAN	☐ CONTINUING	1,400			FY 89	FY 96	FY 96

Purpose: To increase access to voluntary family planning services.

Project Description: Support to both the private and the public sectors family planning programs.

The project provides support to private sector health institutions for community-based distribution; contraceptive social marketing through retail sales; operations research on new approaches to provide low cost family planning services; and training in modern contraceptive technology and natural family planning.

Assistance to the public sector Ministry of Health provides for institutional reform to improve resource management; improved service statistics and contraceptive logistics; training; the development of educational materials and mass media campaigns; operations research; and development of a national population policy. Assistance to the Institute of Statistics supports the next population census and analysis of the data.

Relationship of Project to A.I.D. Country Strategy: The project supports the Mission's goal of assisting the GOH to meet its objective of lowering the population growth rate to one more consistent with Haiti's resources. The project also supports the health/population sector objective of completing a viable rural primary health care system to expand family planning access and reduce infant mortality. The project is consistent with A.I.D.'s goal of expanding access to a wide range of voluntary family planning services, emphasizing the use of private sector resources and institutions.

Host Country and Other Donors: The GOH will contribute 25% of project costs through local currency generated under the PL-480 Program. Assistance from the UNFPA, and possibly the IDB, will complement the A.I.D. population support.

Beneficiairies: Approximately 2.5 million Haitians are expected to benefit from this project. Women at high risk of pregnancy will particularly benefit from increased access to family planning services.

Major Outputs:

- -- A nationwide system of family planning service delivery in 200 public sector and 150 private sector institutions; non-clinical services being delivered by 3000 community agents; approximately 2.5 million Haitians with access to safe, effective methods.
- -- A functioning management information system in the above mentioned institutions, producing reliable contraceptive prevalence data .
- -- Extension of PROFAMIL operation doubling the model clinics to 6.
- -- Personnel in 150 PVOs trained.
- -- Information materials utilized in all institutions, and increased TV/Radio family planning information.
- -- Operations research studies reviewing the management and program requirements for new approaches to community-based distribution.
- -- Expanded clinical research underway in 3 public sector and 6 private sector institutions.
- -- Contraceptive retail sales program managed by private sector.

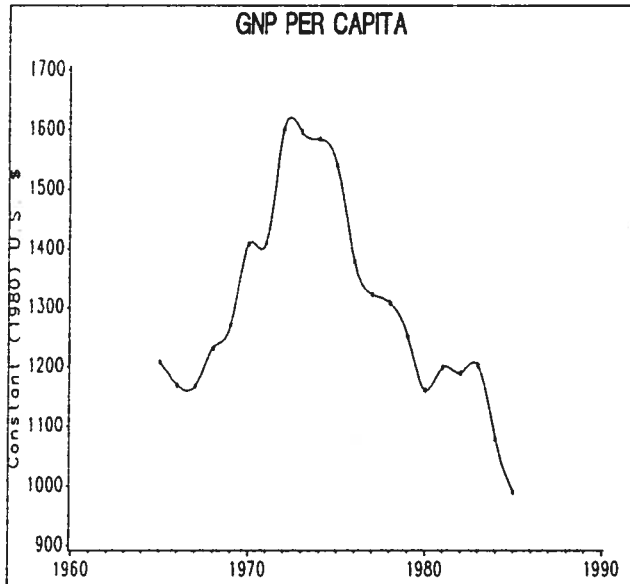
A.I.D.-Financed Inputs	Life-of-Project ($000)
Technical Assistance	6,500
Training and Education	3,800
Research	1,900
Equipment and Supplies	1,900
Contraceptive Commodities	9,500
Local Costs	1,900
Construction	300
TOTAL	25,800

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated	Principal Contractors or Agencies
Through September 30,				
Estimated Fiscal Year				
Estimated Through September 30,				
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1989	1,400	24,400	25,800	

AID 370-7 (11-85)

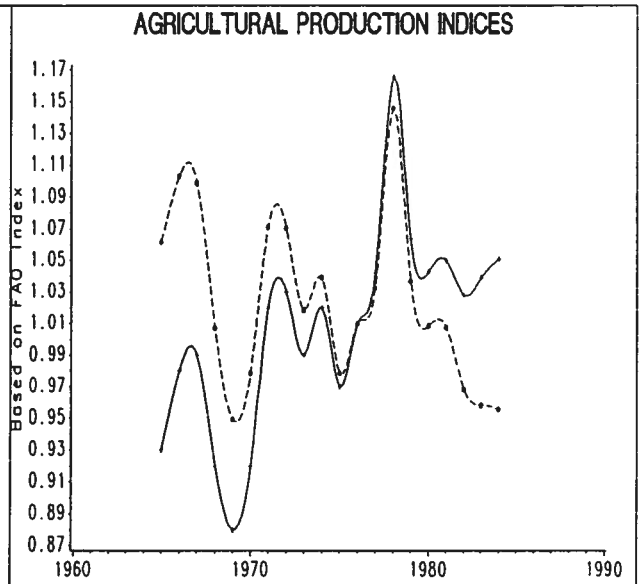
JAMAICA -- Economic Indicators

Total U.S. Aid $ 909 Million (1956-86)
Ratio of U.S. Aid To Total ODA 55.9% (1982-85)
Yearly U.S. Aid Per Capita $ 54.62 (1982-85)



NOTE: Major changes may be related to the use of official exchange rates.

Solid: Exports
Dashes: Imports



Solid: World Bank Index
Dashes: Divided by Population Index

NATIONAL INCOME AND EXPENDITURES

Per Capita GNP .....(1985) 940

Average Annual Real Per Capita GNP Growth Rate.(1965-85) -0.7%

Government Budgetary Expenditures as a % of GNP...(1985) 46.8%

Total Expenditures and Net Lending ($ Millions, US):
(1979) 959 (1980) 1,191 (1981) 1,343

Budgetary Deficit or Surplus ($ Millions, US):
(1979) -307 (1980) -415 (1981) -405

INTERNATIONAL RESERVES AND EXTERNAL DEBT

Official International Reserves Equivalent to
1.3 Months of Imports (1985)

External Public Debt as % of GNP...(1985) 164%

Service Payments on External Public Debt,
($ Millions, US)..... (1985) 398
As % of Total Export Earnings..... (1985) 33.8%

EXTERNAL TRADE (IN 1980 CONSTANT $US)

Trade Balance($ Millions, US) (1983) -326(84) -92(85) -92

Total Imports($ Millions, US) (1983) 1,338(84) 826(85) 639
Of Which % From U.S. .....(1985) 50%

Major Imports(1985)FUELS;MACHINERY;TRANSPORT EQUIP

Total Exports($ Millions, US) (1983) 1,012(84) 734(85) 546
Of Which % to U.S. .....(1985) 35%

Major Exports(1985)ALUMINA;BAUXITE;SUGAR

Trading Partners: UNITED STATES; UNITED KINGDOM; VENEZUELA

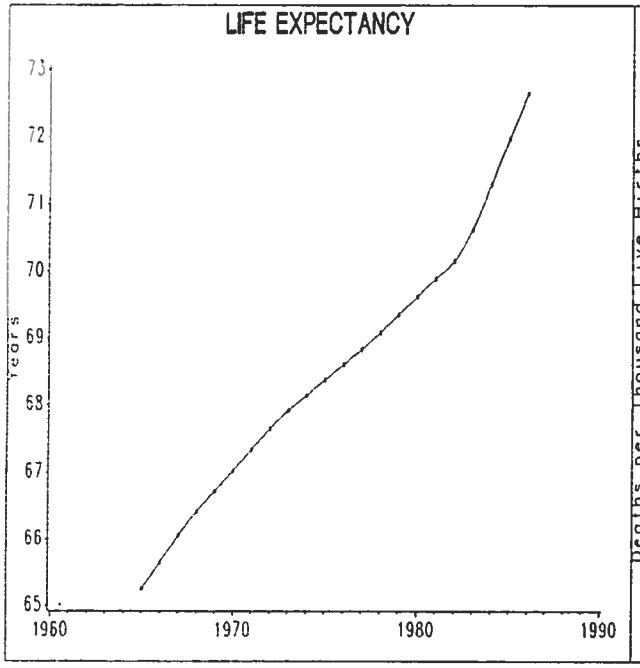
AGRICULTURE

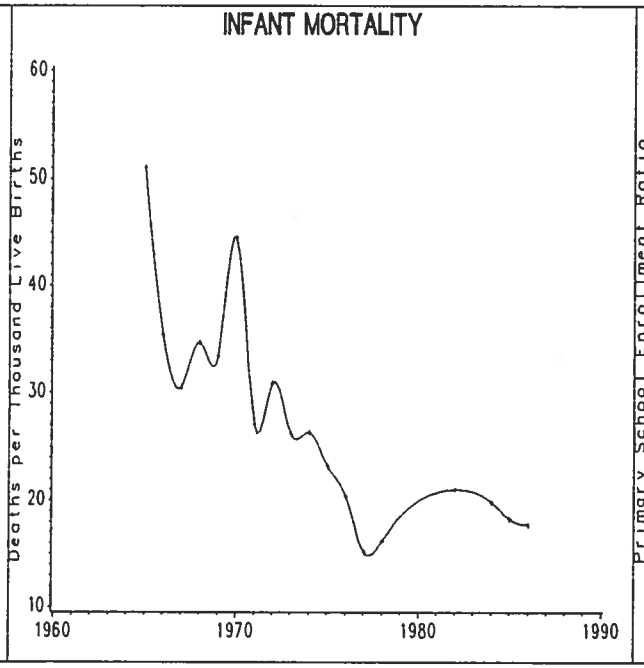
Agricultural Production as % of GDP...(1985) 6%

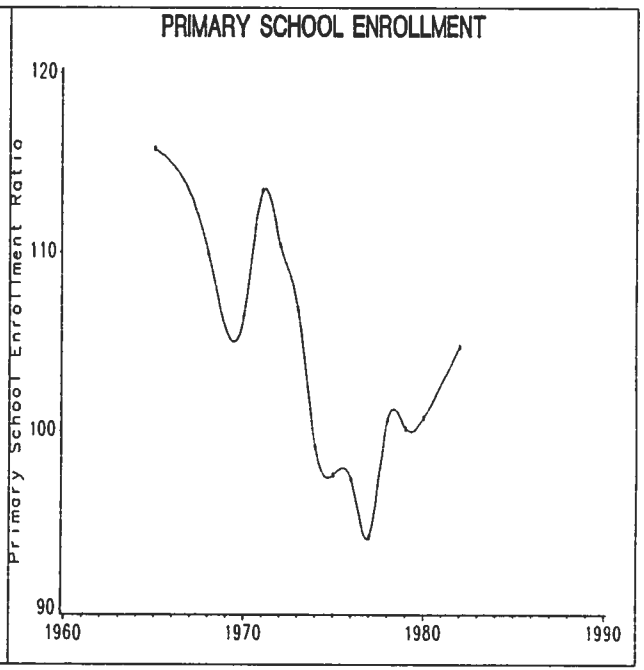
Major Crop(s)	As % of Arable Land	
Subsistence: ROOTS AND TUBERS; PULSES; CORN	30%	(1986)
Cash: SUGARCANE; COFFEE; SPICES	35%	(1986)

Ag. Exports:(1986)RAW SUGAR; COFFEE; BANANAS
Ag. Imports:(1986) WHEAT; CORN; RICE

JAMAICA -- Social Indicators







POPULATION

Total Population...(Thousands, Mid 1987) 2,431

Population Growth Rate...(1970) 1.3% (1978) 1.0% (1987) 1.1%

Population (1987) By Age Group:
(0-14yrs) 36.2% (15-64yrs) 57.1% (65+ yrs) 6.8%

Married Women Aged 15-49 yrs. Using Contraception...(1983) 51.4%

Total Fertility Rate...(1970) 5.3 (1987) 3.1

HOUSEHOLD INCOME AND EMPLOYMENT

National Income Received by Low 20% of Population..(.) . %

% of Population Living Below Absolute Poverty Level
(1977) Total . % Urban . % Rural 80.0%

Labor Force Participation as % of Working Age Population
(1980) 34%

Proportion of Labor Force in Agriculture...(1980) 37%

NUTRITION AND HEALTH

Per Capita Calorie Supply as a % of Requirements...(1983) 111%

Life Expectancy at Birth, in Years
(1986) Total 72.6 Male 70.7 Female 74.7
(1970) Total 67.0 Male 65.3 Female 68.9

Infant Deaths in First Yr of Life per 1000 Live Births (1987) 18

% Of Children 12-23 Months Old Fully Immunized Against
Tuberculosos(BCG3) 51% (1985) Measles 64% (1985)
Diphtheria(DPT) 60% (1985) Polio(3) 58% (1985)

Population with Reasonable Access to Safe Water Supply
(1980) 92%

EDUCATION AND LITERACY

Total School Enrollment as Ratio of Population in Age Group:

Primary	(1982)	Total	104.7	Male	100.2	Female	101.3
Secondary	(1982)	Total	88.1	Male	73.8	Female	69.1
Post Secondary	(1980)	Total	4.7	Male	.	Female	.

Adult Literacy Rate (1981) Total 73% Male 67% Female 78%

PROGRAM SUMMARY ($000)			
Category	FY 1987 (Actual)	FY 1988 (Estimated)	FY 1989 (Request)
Development Assistance	17,355 1/	17,389	17,589
Loan	2,555	0	0
Grant	14,800	17,389	17,589
Economic Support Fund	24,925 2/	0	25,000
Loan	0	0	0
Grant	24,925	0	25,000
Other*			
TOTALS	42,280	17,389	42,589
P.L. 480	36,313	30,000	30,000
Title I	35,800	30,000	30,000
Title II	513	0	0
TOTALS	78,593	47,389	72,589

Footnotes:
1/ Above total includes $2,555,000 of prior-year deobligated funds reobligated in FY 1987.
2/ The above total of ESF includes $165,000 in local cost support.

PERSONNEL DATA – MISSION DIRECT HIRE[a]			
Category	FY 1987 (Actual)	FY 1988 (Estimated)	FY 1989 (Request)
U.S. National	25.75	24.25	24.25
Foreign National	17.0	17.0	17.0
TOTALS	42.75	41.25	41.25

[a]*Total full time equivalent workyears of employment. Include HIG, excess property, and IG personnel. Excludes TDP. One workyear = 2,087 hours.*

PARTICIPANT TRAINING DATA[a]									
Category	FY 1987 (Actual)			FY 1988 (Estimated)			FY 1989 (Request)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
U.S. Participants									
Bilateral[d]	121	49	170	50	165	215	50	150	200
Regional[e]	10	72	82						
Third Country Participants									
Bilateral[d]		4	4						
Regional[e]									
TOTALS	131	125	256	50	165	215	50	150	200

[a]*In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*
[b]*Academic: degree seeking.*
[c]*Technical: non-degree seeking.*
[d]*Participants funded under bilateral programs.*
[e]*Participants funded under regional programs (e.g., CLASP, AMDP).*

AID 370-2 (8-86)

JAMAICA

Introduction

After several years of delayed economic response to policy reforms in the areas of taxation, exchange rates and private sector encouragement, Jamaica is succeeding in establishing a growing, market-oriented economy with considerable export potential. During the present Jamaican fiscal year, the economy seems certain to record its second consecutive year of 3% to 4% growth in gross domestic product (GDP), marking the first back-to-back years of increasing real per capita GDP since the early 1970s. Although the recent successes of the economy are encouraging, there are signs that the economy is encountering some potentially serious imbalances. These imbalances threaten both the strength and durability of the present recovery and, through the political process, the ultimate stability of the economy.

To conserve scarce foreign exchange needed to pay for productive imports, Jamaica has rescheduled its commercial debt and negotiated additional assistance from the International Monetary Fund (IMF) and the World Bank, but these sources have been stretched to the limit. Jamaica's proximity to the United States, in geography and in economic philosophy, argue strongly for continued U.S. assistance in the years immediately ahead. Jamaica needs time to grow large enough economically to support the debt burden that is part of the legacy of past borrowing from a number of donors and commercial creditors. With continued U.S. assistance, the prognosis for achieving this growth is very good; however, without substantial external assistance, the prognosis is poor.

A.I.D. Development Strategy and Accomplishments to Date

A.I.D.'s strategy is to support those Jamaican activities and institutions that have the potential to contribute most to increasing the productivity of all its economic resources. In past years this has meant underwriting Government efforts to establish a more market-oriented, private sector-driven economy through Economic Support Funds (ESF), Development Assistance (DA) and P.L. 480 resources. These efforts are now beginning to pay dividends in the form of higher growth rates and less government involvement in economic decisions.

Most important, Jamaica's recovery is being fueled by private enterprise. The overall fiscal deficit as a share of GDP has dropped sharply from 14% in fiscal 1985/1986 to 5.5% in fiscal 1986/1987, and public employment has fallen by 17,000 workers. Although still unacceptably high, the Jamaican unemployment rate, without adjusting for definitional problems, has declined to 21% of the eligible labor force, down from about 25% last year. Wage gains have been constrained by a 10% per year guideline, and the inflation rate for most items purchased by workers is well below that figure. However, after several years of austerity, the Jamaican economy is restocking with new materials, capital goods, and to a lesser extent, consumer needs. Imports currently are running at least one third higher than last year despite favorable prices in world markets for many staple imports (e.g., food) and moderate increases in fuel prices. Even the

current growth has not yet succeeded in returning the economy to its production level of four years ago. As production moves toward levels previously obtained - and hopefully beyond - the volume of imported goods will move upwards, widening the gap between imports and exports and placing additional pressure on the exchange rate and/or domestic credit constraints.

A.I.D's policy dialogue with the GOJ contributed to the policy reforms leading to the economic recovery. The positive economic response to more market-oriented policies adopted in the early 1980s was interrupted by the near collapse of the world alumina and bauxite market which reduced Jamaica's foreign exchange earnings by well over $1 billion over the 1982-1987 period. This loss of exports caused the Jamaican Government to move cautiously in implementing austere economic measures until the losses from mineral exports could be met through increased tourism, gains in nontraditional exports and falling oil prices. After a delay in the early years of the program, the GOJ unified and devalued the exchange rate and adjusted monetary and fiscal policy. In addition, the Government privatized several major companies including the National Commercial Bank and the Caribbean Cement Corporation; completed a major reform of the tax system; reduced barriers to export led growth, including reducing import restrictions and increasing exports; and is divesting several hotels which can be operated more efficiently by the private sector.

Policy reform contributed to a positive growth; however, additional measures are needed to achieve a sustainable level of growth. To a great extent, this means further reducing the level of unemployed resources (especially labor), improving the quality of the economic resources that are brought to the market place, and reducing the cost of getting it there. A.I.D.'s strategy in Jamaica is to blend specific project assistance with overall policy reform to assist the GOJ to improve the efficiency of public sector agencies in their use of scarce resources. Special effort is directed at opening up the economy to new entrepreneurs as a means of creating a more broadly based and diversified economy.

Despite the recognized need to restrain total demand for resources, both real and financial, the GOJ must address the serious problems of deteriorating services in the traditional public sector: basic health care, education, utilities, and roads. In some cases, further postponement of expenditures may trigger a sharp public reaction to the austerity measures that were tolerated when the economy was declining. Although some loosening of the public purse strings may now be possible, it is a delicate balancing act that could easily upset underlying expansion. In this situation, the loss of ESF in FY 1988, due to A.I.D. budgetary limitations, not only jeopardizes reforms already made but threatens the financial capability of the GOJ to continue its reform efforts.

Agriculture, Rural Development and Nutrition. A.I.D.'s current strategy covers a wide range of policy and project initiatives aimed at raising the sector's productivity through lessening constraints and widening the resource base. The assistance strongly supports diversification of Jamaican exports through research, irrigation, investor promotion, and credit. Assistance is also being targeted on improving incomes of hillside farmers through tree crops which reduce erosion. Jamaica's small farms

produce approximately 70% of the country's nontraditional agricultural exports. Under the Crop Diversification project (532-0123), the project area was expanded during FY 1987 to cover an additional 5,000 acres for 647 new small holdings.

The new Strengthening the Agricultural Sector project (532-0142) will improve and institutionalize essential pest eradication programs, quarantine systems, plant and animal protection programs, agricultural information networking, policy revision capability, and upgrade staff training. At the same time, the new project will work with the Ministry to change its policies with respect to personnel development, technology transfer, and small farmer outreach. A.I.D. has also launched an innovative research program, primarily through the private sector.

Health, Population Planning, and AIDS. Since 1981, A.I.D. has assisted the Jamaican health sector through the Health Management Improvement project (532-0064) by implementing improved management systems for public health services. Due to the Ministry's restricted financial resources, particularly during the difficult period of economic policy readjustment, the project's principal accomplishments have been the renovation of health centers and the provision of commodities, including pharmaceuticals, vehicles and medical supplies, in order to help preserve its basic framework as much as possible during the period of extreme austerity. During FYs 1987 and 1988, 48 health centers, serving over 40,000 people, were renovated under the project. A recent amendment to the project added new components in health financing and assistance for converting small rural hospitals to polyclinics.

In keeping with the objective of increasing access to voluntary family planning services, A.I.D. has continued to support the GOJ's efforts to improve and expand educational, clinical and contraceptive services as well as to encourage private sector involvement in the provision of these services. In 1987, additional funding of $1.43 million was provided under the Population and Family Planning Services project (532-0069) for procurement of commodities and support of activities under the National Family Planning Board. During FY 1987, 15 liaison officers were selected and trained to carry family planning information outreach to remote rural areas. In addition, incremental funding has been provided since 1983 for the Private Sector Promotion of Family Planning project (532-0122) to foster private sector awareness and participation in family planning services.

The new FY 1988 activity AIDS/STD Prevention and Control (532-0153) will assist the GOJ to implement its national AIDS prevention program which includes the training of personnel, development of mass media educational materials and sero-positive prevalence surveys.

Education and Human Resources Development. A.I.D. efforts continue to focus on institution building in higher education, improving the educational environment at the primary level, sharpening the vocational training system, and providing overseas training for individuals from selected development sectors. In FY 1987 and FY 1988, A.I.D. programmed $650,000 and $800,000 respectively, to initiate the University of the West Indies Management Education project (532-0129) to improve the university's

program in management studies and to introduce an executive MBA program which prepares students for both the private and public sectors. The Primary Education Assistance project (532-0126) focuses on rehabilitation of primary schools, provision of textbooks for 350,000 children in Jamaica's 700 primary schools and the initiation of a program with Southern University to enhance community participation in primary education. A.I.D. will continue support for the Basic Skills Training project (532-0083) which has provided vocational training for over 12,000 youth, over 60% of whom are women. Under the LAC II project (598-0640) and the Presidential Training Initiative for the Island Caribbean project (532-0640), 256 Jamaicans received training in 1987, and 254 will be trained in 1988. A.I.D. is continuing activities under the Narcotics Awareness Program.

Selected Development Activities. The most beneficial impact on the Jamaican business community from past donor assistance has been the restoration of a sound economy, free of much of the *ad hoc* government domination characterizing the 1970s. U.S. balance-of-payments support was critical to this effort. Jamaica now has an efficient, broad-based, flat rate tax for individuals and companies, replacing a complicated, largely uncollectable taxing system that formerly inhibited personal and business initiative. In addition, A.I.D. development assistance has funded private sector activities that have resulted in the leasing of more than 60,000 acres of government land to private investors; the rehabilitation of 70,000 square feet of building space (now leased to manufacturers); support of the Trafalgar Development Bank with 44 project loans to firms engaged in such private sector activities as tourism, data-processing, horticulture and garment manufacturing; and a variety of similar assistance programs to smaller private sector firms.

In the past, private sector support has been flexible to respond to emerging needs. The mechanism for implementing this strategy has been the Technical Consultations and Training Grant project (532-0079), which has provided quick responses for private sector initiatives in five categories of activities: (1) policy studies supportive of economic policy reform; (2) export development; (3) investment promotion; (4) industrial development and (5) new initiatives. A.I.D. is now putting in place a more focused, coordinated program of export and investment promotion projects designed to raise the competitiveness of Jamaican exports by upgrading skill levels, improving the efficiency of credit, and increasing access to appropriate technology.

Traditionally, the public sector has had primary responsibility for providing shelter and urban infrastructure and services to lower-income urban populations. However, the GOJ recognized and articulated the need for the private sector to assume the principal role in shelter delivery. A.I.D., through the Housing Guaranty program, has engaged the Government in a policy dialogue and has committed Housing Guaranty loan resources to increase the private sector's role in providing land and infrastructure. The public sector has also begun to promote increased private sector participation in financing and constructing housing and in making basic human services such as shelter, potable water and sanitary systems available to the lowest income populations in Jamaica. This has been accomplished through solutions such as the provision of basic sites and services, home improvement loans, and neighborhood upgrading.

Section 709 of the International Security and Development Act of 1985 requires that comprehensive reports be provided on A.I.D. assistance to Latin America and the Caribbean. The following supplemental information on assistance to Jamaica in FY 1987 is provided as partial fulfillment of that requirement.

A. Training: A.I.D. provided training in FY 1987 to participants from Jamaica in the fields of agriculture (26); business (39); education (78); health and population (16); housing and urban development (12); tax administration (6); engineering/energy (4); industry (3); labor (9); law (5); arts and crafts (3); English (1); journalism (34); graphic design (2); and computer science (6).

B. The types of goods associated during FY 1987 with ESF cash transfers by A.I.D. to Jamaica are as follows:

Types of Goods	Value
U.S. Industrial Inputs	$19.2 million
U.S. Capital Goods	16.0 million
U.S. Agricultural Inputs	8.4 million
U.S. Spare Parts	14.5 million
Total	$58.1 million

C. Local Currency associated with A.I.D. assistance to Jamaica was allocated by A.I.D. and the GOJ for the following uses in FY 1987. (There was a total of the equivalent of $69.2 million in local currency available for allocation at the beginning of FY 1987. The equivalent of $59.0 million was added during FY 1987.)

	($ millions)
Education and Human Resources Dev.	$29.3
Rural Development	14.3
Infrastructure	26.1
Health Nutrition and Population	8.0
Section 108	9.2
Trust Funds for A.I.D. Operating Expenses	$ 3.7
TOTAL	90.6 million

D. Reprogramming of funds for Jamaica during FY 1987 resulted in the following functional account changes. Estimated FY 1987 obligations are those which were shown in the FY 1987 Congressional Presentation Document.

	Total	ARDN	PP	HE	CS	EHRD	SDA	ESF
($000)								
- Estimated FY 1987 Obligations	39,260	4,380	1,500	250	-	3,800	4,570	24,760
- Actual FY 1987 Obligations	42,280	6,935	1,700	250	-	3,900	4,570	24,925

E. Funds and programs provided to Jamaica FY 1987 through non-governmental as contrasted to governmental channels:

	Nongovernmental		Government of Jamaica	
	($ million)			
DA	6.8	(46%)	8.0	(54%)
ESF	-0-		24.8	(100%)
P.L. 480 Title I	9.2	(25%)	26.9	(75%)
P.L. 480 Title II	1.0	(17%)	5.0	(83%)
Section 416	-0-		2.9	(100%)
TOTAL	17.0	(20%)	67.6	(80%)*

*Although ESF and P.L. 480 Title I resources were provided through government channels, the private sector was a major beneficiary. ESF dollars provided foreign exchange which facilitated the import of U.S. raw materials and foods needed by Jamaican businesses. P.L. 480 Title I included imports of wheat, soybean and vegetable oil which were sold for distribution through private commercial channels.

FY 1989 Program

A.I.D. requests $25.0 million in ESF, $30 million in P.L. 480 Title I, and $17.6 million in Development Assistance resources to support ongoing activities.

Economic Reform Program

The proposed $25.0 million in ESF is required to provide continued balance-of-payments support for the Government of Jamaica's economic reform program. A $30 million P.L. 480 Title I program is requested to provide adequate supplies of essential food items such as wheat, corn, rice and edible oils and to provide support for the Section 108 program.

Agriculture, Rural Development and Nutrition. A total of $7.65 million is requested to incrementally fund a number of projects critical to achieving our objectives in this sector, including Hillside Agriculture (532-0101), Agricultural Research (532-0128), Crop Diversification/Irrigation (532-0123) and strengthening the Agriculture Sector (532-0142). The projects Oill provide further technical assistance, commodities and training required to assist Jamaica in maximizing the productive use of its agricultural land resources. A second tranche of $2.9 million for Strengthening the Agricultural Sector project will enable continued efforts to improve the institutional capabilities of major Jamaican agricultural agencies.

Health, Population Planning, and AIDS. A.I.D. is requesting $1.3 million to continue activities under the Population and Family Planning project (532-0069), to provide operational program grants in support of private and public health sector initiatives, and to continue activities under the AIDS/STD Prevention and Control (532-0153) project.

Education and Human Resources Development. A total of $3.7 million is requested to incrementally fund the Basic Skills Training project (532-0083), the University of the West Indies Management Education project

(532-0129) and the Presidential Training Initiative for the Island Caribbean (532-0147). The Narcotics Awareness project will be funded at $100,000.

Selected Development Activities. Funding of $4.99 million is requested to continue the Inner Kingston Improvement project (532-0120), which provides support for urban industrial development; the Export Development and Investment Promotion project (532-0135) to further finance export-oriented and investment activities by private and public sector organizations, and the Low Cost Shelter Development project.

P.L. 480. P.L. 480 Title I assistance of $30 million is requested to provide adequate supplies of essential food items.

Mission Director: William Joslin

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: JAMAICA

CP 89

PROJECT NO. / PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	-LIFE OF PROJECT- PLANNED	-THROUGH FY 86- OBLIGATIONS	-THROUGH FY 86- EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	-ACTUAL FY 87- EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	-ESTIMATED FY 88- EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	-PROPOSED FY 89- EXPENDITURES
532-0000	PROGRAM DEVELOPMENT AND SUPPORT												
	EH G	55	85	3,101	3,094	3,094	2,782	---	46	---	266	---	---
	FN G	55	85	1,593	1,550	1,550	1,174	---	65	---	311	---	---
	SD G	55	85	---	---	2,071	1,937	---	134	---	---	---	---
	PROJECT TOTAL:			4,699	4,644	6,715	5,893	---	245	---	577	---	---
532-0029	SPECIAL DEVELOPMENT ACTIVITIES												
	SD G	66	C	---	---	1,262	1,163	140	96	140	200	140	143
	PROJECT TOTAL:			---	---	1,262	1,163	140	96	140	200	140	143
532-0060	AGRICULTURAL MARKETING												
	FN G	81	89	8,847	2,700	---	---	300	---	2,400	300	---	2,000
	FN L	81	89	13,800	13,800	13,800	4,739	---	2,698	---	3,111	---	3,202
	PROJECT TOTAL:			22,647	16,500	13,800	4,789	300	2,698	2,400	3,411	---	5,202
532-0064	HEALTH MANAGEMENT IMPROVEMENT												
	HE G	81	86	3,017	3,017	3,017	120	---	69	---	1,572	---	1,256
	HE L	81	86	8,554	8,554	8,554	3,614	---	2,586	---	1,718	---	636
	PROJECT TOTAL:			11,571	11,571	11,571	3,734	---	2,655	---	3,290	---	1,892
532-0065	ENERGY SECTOR ASSISTANCE												
	SD G	81	85	300	288	288	188	---	54	---	46	---	---
	SD L	81	85	8,400	8,400	8,400	4,183	---	1,113	---	1,830	---	1,274
	PROJECT TOTAL:			8,700	8,688	8,688	4,371	---	1,167	---	1,876	---	1,274
532-0067	LOW-COST SHELTER DEVELOPMENT												
	SD G	82	89	1,535	2,435	1,385	968	150	309	450	550	450	550
	PROJECT TOTAL:			1,535	2,435	1,385	968	150	309	450	550	450	550
532-0069	POPULATION & FAMILY PLANNING SERVICES												
	PN G	82	90	10,711	10,711	6,710	3,948	1,430	1,121	870	1,000	470	1,200
	PROJECT TOTAL:			10,711	10,711	6,710	3,948	1,430	1,121	870	1,000	470	1,200
532-0079	TECHNICAL CONSULTATIONS AND TRAINING												
	ES G	81	87	14,720	14,720	12,960	9,526	1,760	1,937	---	1,300	---	1,557
	SD G	81	87	14,500	8,500	8,500	1,759	---	2,317	---	2,000	---	2,000
	PROJECT TOTAL:			29,220	23,220	21,460	11,285	1,760	4,254	---	3,300	---	3,557

*Refers to the planned project summary sheet

CLevel of effort activity

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: JAMAICA

CP 89

PROJECT NO. / PROJECT TITLE	L / * G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	PLANNED	-THROUGH FY 86- OBLIGA-TIONS	EXPEN-DITURES	-ACTUAL FY 87- OBLIGA-TIONS	EXPEN-DITURES	-ESTIMATED FY 88- OBLIGA-TIONS	EXPEN-DITURES	-PROPOSED FY 89- OBLIGA-TIONS	EXPEN-DITURES
532-0081 AGROINDUSTRIAL DEVELOPMENT													
	FN L	82	84	9,489	6,934	6,934	3,385	---	1,722	---	1,454	---	373
PROJECT TOTAL:				9,489	6,934	6,934	3,385	---	1,722	---	1,454	---	373
532-0082 AGRICULTURAL EDUCATION													
	FN G	84	85	3,000	3,000	3,000	126	---	868	---	800	---	800
	FN L	84	85	6,500	6,500	6,500	---	---	127	---	1,110	---	1,500
PROJECT TOTAL:				9,500	9,500	9,500	126	---	995	---	1,910	---	2,300
532-0083 BASIC SKILLS TRAINING													
	EH G	83	89	4,900	5,198	3,150	1,442	---	1,103	798	950	1,250	600
	EH L	83	89	8,500	8,500	8,500	815	---	2,607	---	1,800	---	2,000
PROJECT TOTAL:				13,400	13,698	11,650	2,257	---	3,710	798	2,750	1,250	2,600
532-0085 VOLUNTARY SECTOR DEVELOPMENT													
	EH G	83	88	2,021	2,021	1,621	938	200	229	200	500	---	300
	FN G	83	88	775	775	575	575	150	---	50	100	---	100
	HE G	83	88	774	774	574	574	200	---	---	100	---	100
	PN G	83	85	100	100	---	---	50	---	50	50	---	50
PROJECT TOTAL:				3,670	3,670	2,770	2,057	600	229	300	750	---	550
532-0091 PRIVATE DEVELOPMENT BANK													
	FN G	84	86	100	100	100	---	---	100	---	---	---	---
	FN L	84	86	2,500	2,500	2,500	---	---	809	---	1,500	---	191
	SD G	84	86	1,100	800	800	395	---	127	---	278	---	---
	SD L	84	86	17,500	10,000	10,000	1,813	---	2,506	---	4,525	---	1,156
PROJECT TOTAL:				21,200	13,400	13,400	2,208	---	3,542	---	6,303	---	1,347
532-0095 BOARD OF REVENUE ASSISTANCE													
	EH G	83	88	3,000	1,585	1,000	---	---	895	585	105	---	500
	EH L	83	88	4,522	4,522	4,522	3,605	---	911	---	6	---	---
	SD G	83	88	3,000	1,965	285	---	1,170	285	510	1,300	---	380
PROJECT TOTAL:				10,522	8,072	5,807	3,605	1,170	2,091	1,095	1,411	---	880
532-0097 SMALL FARM PRODUCTION AND MARKETING (OPG													
	FN G	83	88	1,060	1,060	660	360	200	246	200	100	---	354
PROJECT TOTAL:				1,060	1,060	660	360	200	246	200	100	---	354
532-0101 HILLSIDE AGRICULTURAL RESTRUCTURING													

*Refers to the planned project summary sheet

CLevel of effort activity

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: JAMAICA

CP 89

PROJECT NO. / PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	PLANNED	-THROUGH FY 86- OBLIGA-TIONS	EXPEN-DITURES	-ACTUAL FY 87- OBLIGA-TIONS	EXPEN-DITURES	-ESTIMATED FY 88- OBLIGA-TIONS	EXPEN-DITURES	-PROPOSED FY 89- OBLIGA-TIONS	EXPEN-DITURES
	FN G	87	93	10,000	10,000	---	---	800	---	1,100	1,200	1,100	1,200
PROJECT TOTAL:				10,000	10,000	---	---	800	---	1,100	1,200	1,100	1,200
532-0105 JAFD TECHNICAL SUPPORT AND INVESTMENT													
	FN G	85	85	1,000	1,000	1,000	132	---	417	---	451	---	---
PROJECT TOTAL:				1,000	1,000	1,000	132	---	417	---	451	---	---
532-0106 BROTHER'S BROTHER FOUNDATION OPG													
	EH G	83	87	650	650	500	470	150	147	---	33	---	---
	FN G	84	87	50	50	---	---	50	---	---	50	---	---
PROJECT TOTAL:				700	700	500	470	200	147	---	83	---	---
532-0107 AGRICULTURAL COOPERATIVE DEVEL.													
	FN G	84	85	500	500	500	146	---	61	---	104	---	189
PROJECT TOTAL:				500	500	500	146	---	61	---	104	---	189
532-0108 NATL DEV. FOUNDATION EXPANSION OPG													
	FN G	84	88	200	300	---	---	100	48	200	100	---	52
	SD G	84	88	670	670	470	447	100	23	100	100	---	100
PROJECT TOTAL:				870	970	470	447	200	71	300	200	---	152
532-0113 HILLSIDE ASSESMENT													
	FN G	85	85	600	600	600	216	---	111	---	150	---	123
PROJECT TOTAL:				600	600	600	216	---	111	---	150	---	123
532-0117 URBAN SECTOR TECHNICAL ASSISTANCE													
	SD G	85	85	900	900	900	26	---	324	---	550	---	---
PROJECT TOTAL:				900	900	900	26	---	324	---	550	---	---
532-0120 INNER KINGSTON IMPROVEMENT FOUNDATION													
	SD G	85	89	10,000	10,000	1,665	---	2,916	2,172	2,100	4,000	3,319	3,828
	SD L	86	89	5,000	5,000	5,000	---	---	34	---	2,385	---	2,581
PROJECT TOTAL:				15,000	15,000	6,665	---	2,916	2,206	2,100	6,385	3,319	6,409
532-0122 PRIVATE SECTOR PROM. OF FAMILY PLAN- OPG													
	PN G	85	87	448	448	248	132	200	69	---	100	---	100

*Refers to the planned project summary sheet

CLevel of effort activity

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: JAMAICA

CP 89

PROJECT NO. / PROJECT TITLE	L / G *	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHO	PLANNED	-THROUGH FY 86- OBLIGA-TIONS	EXPEN-DITURES	-ACTUAL FY 87- OBLIGA-TIONS	EXPEN-DITURES	-ESTIMATED FY 88- OBLIGA-TIONS	EXPEN-DITURES	-PROPOSED FY 89- OBLIGA-TIONS	EXPEN-DITURES
PROJECT TOTAL:				448	448	248	132	200	69	---	100	---	100
532-0123 CROP DIVERSIFICATION													
	FN G	85	90	13,000	9,550	5,200	1,470	1,500	904	1,650	4,130	566	2,000
	FN L	85	90	7,355	7,350	4,800	2,974	2,555	15	---	1,000	---	2,000
PROJECT TOTAL:				20,355	16,900	10,000	4,444	4,055	919	1,650	5,130	566	4,000
532-0124 PRODUCTION AND EMPLOYMENT VII													
	ES G	87	87	23,000	23,000	---	---	23,000	23,000	---	---	---	---
PROJECT TOTAL:				23,000	23,000	---	---	23,000	23,000	---	---	---	---
532-0126 PRIMARY EDUCATION ASSISTANCE													
	EH G	85	88	11,300	6,500	4,250	223	1,750	2,203	500	2,000	---	2,000
PROJECT TOTAL:				11,300	6,500	4,250	223	1,750	2,203	500	2,000	---	2,000
532-0128 AGRICULTURAL RESEARCH													
	FN G	86	91	7,600	7,600	500	---	850	30	1,000	1,100	2,700	2,000
PROJECT TOTAL:				7,600	7,600	500	---	850	30	1,000	1,100	2,700	2,000
532-0129 MANAGEMENT SCHOOL IMPROVEMENT													
	EH G	87	89	650	2,450	---	---	650	---	550	1,000	1,250	750
PROJECT TOTAL:				650	2,450	---	---	650	---	550	1,000	1,250	750
532-0135 PROMOTION OF INVESTMENT AND EXPORTS													
	SD G	88	91	---	12,000	---	---	---	---	550	300	900	1,700
PROJECT TOTAL:				---	12,000	---	---	---	---	550	300	900	1,700
532-0142 STRENGTHENING THE AG SECTOR													
	FN G	88	93	---	5,000	---	---	---	---	1,000	200	2,900	1,000
PROJECT TOTAL:				---	5,000	---	---	---	---	1,000	200	2,900	1,000
532-0146 *PRODUCTION & EMPLOYMENT IX													
	ES G	89	89	---	24,300	---	---	---	---	---	---	24,300	24,300
PROJECT TOTAL:				---	24,300	---	---	---	---	---	---	24,300	24,300
532-0147 PTIIC													
	EH G	87	88	900	2,700	---	---	900	---	900	1,500	900	1,200

*Refers to the planned project summary sheet

G Level of effort activity

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: JAMAICA

CP 89

PROJECT NO. / PROJECT TITLE	*	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	-LIFE OF PROJECT- PLANNED	-THROUGH FY 86- OBLIGATIONS	-THROUGH FY 86- EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	-ACTUAL FY 87- EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	-ESTIMATED FY 88- EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	-PROPOSED FY 89- EXPENDITURES
	FN	G	87	88	600	600	---	---	200	---	200	300	200	300
	PROJECT TOTAL:				1,500	3,300	---	---	1,100	---	1,100	1,800	1,100	1,500
532-0149	WATER & SEWERAGE INFRASTRUCTURE													
	HE	G	88	89	---	100	---	---	---	---	50	20	50	50
	SD	G	88	89	---	146	---	---	---	---	146	50	---	96
	PROJECT TOTAL:				---	246	---	---	---	---	196	70	50	146
532-0153	AIDS/SID PREVENTION & CONTROL													
	DG	G	88	90	---	750	---	---	---	---	250	100	250	200
	HE	G	88	90	---	290	---	---	---	---	290	50	---	100
	PROJECT TOTAL:				---	1,040	---	---	---	---	540	150	250	300
532-0180	COOPERATIVE DEV. AND TRAINING - OPG													
	EH	G	85	87	720	720	720	312	---	188	---	220	---	---
	FN	G	85	87	200	6	---	---	6	---	---	6	---	---
	PROJECT TOTAL:				920	726	720	312	6	188	---	226	---	---
532-0999	LOCAL COST SUPPORT													
	ES	G	87	87	165	165	---	---	165	63	---	102	---	---
	PROJECT TOTAL:				165	165	---	---	165	63	---	102	---	---
532-9103	PROGRAM DEVELOPMENT AND SUPPORT													
	FN	G	86	C	---	---	214	96	224	61	200	250	184	200
	PROJECT TOTAL:				---	---	214	96	224	61	200	250	184	200
532-9104	PROGRAM DEVELOPMENT AND SUPPORT													
	PN	G	86	C	---	---	30	9	20	13	30	50	20	78
	PROJECT TOTAL:				---	---	30	9	20	13	30	50	20	78
532-9105	PROGRAM DEVELOPMENT AND SUPPORT													
	EH	G	86	C	---	---	397	36	250	125	100	300	283	250
	PROJECT TOTAL:				---	---	397	36	250	125	100	300	283	250
532-9106	PROGRAM DEVELOPMENT AND SUPPORT													
	SD	G	86	C	---	---	421	181	94	201	150	250	189	200

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column -- All projects in this column with an initial obligation date before December 31, 1987 are based on the authorized date. For all projects with an initial obligation date after December 31, 1987 the FY of final obligation is based on a planned date.

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: JAMAICA

CP 89

PROJECT NO. / PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHO	PLANNED	-THROUGH FY 86- OBLIGA-TIONS	EXPEN-DITURES	-ACTUAL FY 87- OBLIGA-TIONS	EXPEN-DITURES	-ESTIMATED FY 88- OBLIGA-TIONS	EXPEN-DITURES	-PROPOSED FY 89- OBLIGA-TIONS	EXPEN-DITURES
PROJECT TOTAL:				---	---	421	181	94	201	150	250	189	200
532-9108 PROGRAM DEVELOPMENT AND SUPPORT	HE G	86	C	---	---	109	20	50	71	70	80	50	80
PROJECT TOTAL:				---	---	109	20	50	71	70	80	50	80
532-9999 PRIVATE AND VOL ORGANIZATIONS - OPG'S	HE G	79	C	---	---	---	---	---	---	---	---	418	75
PROJECT TOTAL:				---	---	---	---	---	---	---	---	418	75
595-0642 REGIONAL ADMINISTRATION OF JUSTICE	ES G	86	90	---	---	---	---	---	---	---	---	700	350
PROJECT TOTAL:				---	---	---	---	---	---	---	---	700	350
COUNTRY TOTALS:				253,432	267,448	149,836	57,039	42,280	55,410	17,389	51,113	42,589	69,324
GRANTS:				161,312	185,388	70,326	31,861	39,725	40,282	17,389	30,674	42,589	54,411
LOANS:				92,120	82,060	79,510	25,178	2,555	15,128	---	20,439	---	14,913
---- APPROPRIATION SUMMARY ----													
AGR., RURAL DEV. & NUTRITION:				83,774	81,475	48,433	15,443	6,935	8,332	8,000	17,827	7,650	17,584
POPULATION PLANNING:				11,259	11,259	6,988	4,089	1,700	1,203	950	1,200	490	1,428
HEALTH:				12,345	12,735	12,254	4,328	250	2,726	410	3,540	518	2,297
CHILD SURVIVAL FUND:				---	---	---	---	---	---	---	---	---	---
AIDS:				---	750	---	---	---	---	250	100	250	200
EDUCATION & HUMAN RESOURCES:				40,264	37,940	27,754	10,593	3,900	8,454	3,633	8,680	3,683	7,600
SELECTED DEVELOP. ACTIVITIES:				62,905	61,104	41,447	13,060	4,570	9,695	4,146	18,364	4,998	14,008
ECONOMIC SUPPORT FUND:				37,835	62,155	12,960	9,526	24,925	25,000	---	1,402	25,000	26,207

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1987 are based on the authorized date. For all projects with an initial obligation date after December 31, 1987 the FY of final obligation is based on a planned date.

PROGRAM: JAMAICA

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Production and Employment IX	ESF			FY 89 24,300	Life of Project Funding 24,300

Number 532-0146	☒ NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
☒ GRANT ☐ LOAN	☐ CONTINUING				FY 89	FY 89	FY 90

Purpose: To provide balance of payments support to the Government of Jamaica (GOJ) required for its economic recovery program.

Project Description: The effects of the recent set back to the GOJ's economic recovery program which resulted from the collapse of the world bauxite/alumina market are beginning to be overcome. Bauxite/alumina had been Jamaica's major foreign exchange earner, and the nation has since undertaken intensive efforts to develop alternative sources of foreign exchange, primarily by expanding the industrial base, by promoting tourism, and by diversifying into non-traditional agricultural exports. Although the contraction of real economic growth has ended, continued policy dialogue, in conjunction with ESF resources, is necessary to assist in buttressing GOJ resolve to continue with additional reforms and to avoid slippages to the reforms which have already taken place. The foreign exchange provided through this economic stabilization program is critical in the adjustment and development of the Jamaican economy; it finances imports needed for sustained growth and enables the country to meet responsibly its external debt service commitments. Balance of payments assistance will continue to be a supplement to, rather than a substitute for, the GOJ's own adjustment efforts. In the past, to encourage domestic production and promote exports, most Government price controls have been removed, quantitative import restrictions eliminated, a floating exchange rate adopted, and comprehensive tax reform enacted. In addition, the GOJ has recently successfully divested itself of the National Commercial Bank and the island's only cement factory through the sale of equity shares to a broad segment of the community. The GOJ has also sharply reduced its fiscal deficit, requiring tight monetary policy and very stringent control of public expenditures, including large reductions in the public work force.

USAID will pursue a policy dialogue strategy which continues to encourage macro-economic stabilization but which is in tune with the political environment. This approach will increase socio-political stability, while limiting the rate of absolute price level increases and permitting further narrowing of the international payments gap. It will involve extending the areas of structural reform that are already under way as well as exploring new approaches, such as ways of inducing swaps of externally held debt for equity in Jamaican entities.

Relationship of Project to A.I.D. Country Strategy: This balance of payments program is the key element of A.I.D.'s strategy of assisting Jamaica to achieve economic stabilization and structural reform.

Host Country and Other Donors: A.I.D., the International Monetary Fund, and the World Bank are the principal donors providing balance of payments support to the GOJ, and are in agreement about the nature of the macro-economic problem and necessary policy actions by the GOJ. A.I.D. will continue to coordinate closely with the other major donors in implementing the balance of payments adjustments support program.

Beneficiaries: This assistance is aimed at alleviating Jamaica's persistent, severe foreign exchange shortage, tied to a series of policy reforms designed to spur economic reorientation toward non-traditional exports. It is not feasible to identify specific target beneficiaries. Insofar as the program has the desired impact on the economy, it will benefit the entire population of the island, including the unemployed, consumers, and small producers.

Major Outputs:	All Years
- Policies for encouraging private investment	X
- Reduction in role of public sector in economy	X
- Economic stability	X

A.I.D.-Financed Inputs:		Life-of-Project ($000)
Balance of Payments/Budget Support	Total	24,300

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30,			
Estimated Fiscal Year			
Estimated Through September 30,			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year	24,300		24,300

Principal Contractors or Agencies

AID 370-7 (11-85)

PROGRAM SUMMARY ($000)			
Category	FY 1987 (Actual)	FY 1988 (Estimated)	FY 1989 (Request)
Development Assistance	29,745	22,346	20,230
Loan	7,600	0	0
Grant	22,145	22,346	20,230
Economic Support Fund	21,775 1/	0	15,000
Loan	2,500	0	0
Grant	19,275	0	15,000
Other*			
TOTALS	51,520 2/	22,346	35,230
P.L. 480	0	0	0
Title I	0	0	0
Title II	0	0	0
TOTALS	51,520	22,346	35,230

Footnotes:
1/ The above total for ESF includes $680,000 in local cost support.
2/ Above total includes $11,468,619 of prior-year deobligated funds reobligated in FY 1987.

PERSONNEL DATA – MISSION DIRECT HIRE[a]			
Category	FY 1987 (Actual)	FY 1988 (Estimated)	FY 1989 (Request)
U.S. National	30.25	26.75	26.75
Foreign National	34.0	33.0	33.0
TOTALS	64.25	59.75	59.75

[a]*Total full time equivalent workyears of employment. Include HIG, excess property, and IG personnel. Excludes TDP. One workyear = 2,087 hours.*

PARTICIPANT TRAINING DATA[a]									
Category	FY 1987 (Actual)			FY 1988 (Estimated)			FY 1989 (Request)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
U.S. Participants									
Bilateral[d]	50	323	373	26	903	929	12	591	603
Regional[e]	-	15	15	-	6	6	-	6	6
Third Country Participants									
Bilateral[d]	-	329	329	-	355	355	-	246	246
Regional[e]	-	-	-	-	-	-	12	-	-
TOTALS	50	667	717	26	1,264	1,290	-	843	855

[a]*In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*
[b]*Academic: degree seeking.*
[c]*Technical: non-degree seeking.*
[d]*Participants funded under bilateral programs.*
[e]*Participants funded under regional programs (e.g., CLASP, AMDP).*

CARIBBEAN REGIONAL

Introduction

The English-speaking islands of the Eastern Caribbean[1/] have so far been unable to take full advantage of the trade and tax provisions of the Caribbean Basin Initiative and other opportunities for achieving rapid and sustained long-term economic growth. The region is just beginning to diversify production toward nontraditional agriculture and manufacturing exports. The small size and isolation of these islands impede the effort to attract the significant foreign capital required for expanded investment. But there are other deficiencies that require attention, as well: limited infrastructure and technology, weak management, low labor productivity, insufficient credit, inadequate communications, high transportation costs, and intrusive public sector policies. However, a series of actions has now begun to push the Eastern Caribbean toward increased modernization, private sector development, economic growth and possible unification.

First, private sector producers and governments alike now realize that the region's traditional product lines no longer command the prices and markets that historically supported the region's economic health and political stability. The region's governments and producers are ready for change.

Second, the developed countries are no longer willing to absorb high levels of regional migration. The Eastern Caribbean can no longer depend upon the safety valve of out-migration to offset rapid population growth and domestic unemployment.

Third, key regional organizations of the Organization of Eastern Caribbean States (OECS), the Caribbean Community (CARICOM) and the Organization of American States (OAS) have begun to provide the solid intellectual and analytical underpinnings for economic and perhaps even political integration. A.I.D. is collaborating with CARICOM institutions in studying development needs of the region. The Caribbean Development Bank (CDB), the Eastern CaribbeanCentral Bank (ECCB), the Caribbean Association of Industry and Commerce (CAIC), the Caribbean Manufacturers Council (CMC), the Caribbean Tourism Research Council (CTRC), the Caribbean Agriculture Research and Development Institute (CARDI), the Eastern Caribbean Investment Promotion Service (ECIPS) and a score of other regional organizations have taken up the drum beat for comprehensive public policy reform to promote balanced private sector development and regional integration. The CARICOM heads of government have formally proposed creation of a Caribbean Export Bank to help increase the volume of internationally competitive goods and services produced within the Caribbean community.

[1/] The six democratic, English-speaking less developed countries (LDCs) of the Eastern Caribbean include Antigua-Barbuda, Dominica, Grenada, St. Kitts-Nevis, St. Lucia, and St. Vincent and the Grenadines. Dependencies include Montserrat, Anguilla, British Virgin Islands and the Turks and Caicos.

Fourth, foreign donor coordination, best exemplified by the Caribbean Group for Cooperation in Economic Development (CGCED), has resulted in a more unified and comprehensive approach to regional public investment, infrastructure, planning, and economic policy.

The United States should continue to build upon this progress and provide strong financial and policy support for Eastern Caribbean regional development. The prosperity, stability and integration of such close neighbors is in our own vital interest.

A.I.D. Development Strategy and Accomplishments to Date

Stabilization of the regional economy is basic to A.I.D. strategy. A.I.D. works within the Tight Consultative Group (TCG) of the multi-donor Caribbean Group for Cooperation in Economic Development (CGCED) to help individual governments bring their expenditures in line with their resources. The TCG succeeded in establishing an economic reform program for Dominica. A similar arrangement for Grenada is under discussion, and two additional countries of the region may also apply for inclusion in the program. The lack of ESF availability precludes A.I.D.'s contribution to the TGC in FY 1988, however, and may undermine its viability.

Infrastructure development over the past year has resulted in completion of major road, water, electric transmission and industrial support systems throughout the region and work has begun to open up the Southeast Peninsula of St. Kitts to tourist development.

The youth skills training programs co-financed by A.I.D. and the Organization of American States placed 3,132 of the 3,682 people trained in productive employment. Under the Presidential Training Initiative for the Island Caribbean project (538-0640), A.I.D. and the Organization of Eastern Caribbean States (OECS) provided over 50 undergraduate scholarships and nearly 300 short-term training awards.

With A.I.D. assistance, the OECS established the Eastern Caribbean Investment Promotion Service (ECIPS) with offices in Washington staffed by experts from the region. A.I.D.'s program with the Caribbean Financial Services Corporation (CFSC) has attracted over $3 million in equity from individuals and corporations in the region over the past few years. CFSC typically lends on longer terms and with greater reliance on cash flow and less requirement for collateral than commercial banks.

Under a Basic Human Needs Trust Fund (strongly supported by every government in the region), and through regional health and training programs, A.I.D. has helped build schools, clinics and other social infrastructure required for equitable distribution of the benefits of growth.

Agriculture, Rural Development and Nutrition

The High Impact Agriculture Marketing and Production (HIAMP) project (538-0140) forms the center of a market-driven diversified agriculture strategy. The project provides equity capital and technical assistance for private agribusiness firms and organizations in the Eastern Caribbean.

It helps regional public sector institutions promote private sector investment in nontraditional, export-oriented agriculture, agro-processing, fishing and related businesses. Under the project, A.I.D. is providing $12 million in equity financing for agriculture investment through the Agriculture Venture Trust. This project directly contributed to the decision of the United States to declare Grenada and St. Vincent free of fruit flies. As a result, these two countries can now export a wide range of nontreated fresh, exotic fruits to the U.S. market.

Research under the HIAMP project supports efforts by A.I.D. and the Canadian International Development Agency to help small-scale cocoa farmers increase exports. Research and development of exotic aquacultural and maricultural activities are reducing obstacles to successful commercial production of lobsters and other scarce species. The HIAMP project has identified and begun support for commercial export opportunities in Antigua (pineapple), St. Lucia (mango) and Dominica (ginger root and flowers).

The Caribbean Agricultural Research and Development Institute (CARDI) Farming Systems project (538-0099) conducts applied research on a wide variety of regional crops for domestic consumption as well as for export. Technologies developed and improved by CARDI are disseminated through the Caribbean Agricultural Extension II (CAEP) project (538-0068) which also works to improve the capacity of the University of the West Indies to support national agricultural extension services for small farmers. As a result of the Caribbean Agriculture Extension II project, a major new passion fruit production program is about to begin in Dominica.

The St. Lucia Agriculture Structural Adjustment project (538-0090) has successfully surveyed, demarcated and recorded all of the country's agricultural land holdings and established a new land registry to preserve individual ownership rights to land. The Government of St. Lucia recently commemorated the project's success in a series of postage stamps recognizing A.I.D.

Health and Population Planning

A.I.D. is striving for more efficiency in the provision of health and voluntary family planning services, including privatization efforts. The Population and Development project (538-0039) provides assistance to public and private family planning clinics to improve their management, marketing of services in the community, and quality control. The Regional Pharmaceuticals Management project (538-0134) continues to pool procurement of pharmaceuticals for Eastern Caribbean states to achieve lower consumer prices due to economies of scale and competitive bidding. The project is also computerizing drug inventories and developing cost recovery schemes to enable the regional drug service to become self-sustaining. In Grenada, the mental health facility was completed. The Immediate Health Care Development project (538-0149), implemented by Project Hope, will continue in Grenada through 1988 to complete training in mental and general health services delivery. To combat acquired immune deficiency syndrome (AIDS), a region-wide initiative, beginning in FY 1988, will help countries carry out blood screening, safeguard blood supplies and provide preventive education against the spread of the disease.

Education and Human Resources Development

Training conducted both in the region and in the United States is helping to raise skill levels. The Presidential Training Initiative for the Island Caribbean is providing scholarships for 66 undergraduates now pursuing B.A. degrees in the United States. A.I.D. is funding special summer training in U.S. universities for 263 Caribbean teachers. The program also trains journalists, agriculturalists and small-scale businesspersons through a variety of short-term training in the United States. Priority is given to the economically and socially disadvantaged. Some 44% of trainees have been women. Nearly 60% of all training has been at historically black colleges and universities. Training under a grant to a U.S. private voluntary organization, Partners of the Americas (538-0160), matches North-South communities to develop appropriate programs that place participants in U.S. neighborhoods where they experience the United States first-hand. The Regional Nonformal Skills Training project (538-0073) develops marketable skills among unemployed youths and mid-level workers who need retraining. Over 80% of the graduates of this program are now employed. The Regional Management Training project (538-0149) targets existing managers and provides training to encourage cost effective business operations. The Caribbean Law Institute project (538-0165), a new activity in FY 1988, will provide technical assistance to the Eastern Caribbean islands to modernize their legal codes to promote economic development through trade and investment.

Selected Development Activities

This account funds private sector and infrastructure activities. The private sector portfolio, recently consolidated and more sharply focused, addresses national and regional institutional capacity in investment promotion and export development, and provides credit to qualified entrepreneurs.

The Small Enterprise Assistance project (538-0133) provides technical, managerial, marketing and financial help to micro, small and medium-scale enterprises working through the CAIC. To date, approximately 650 micro and 100 small to medium-sized firms have received technical assistance and training. In addition to direct assistance to businesses, CAIC, with A.I.D. support, represents the private sector of the CARICOM region to help shape a policy environment in which the private sector can flourish.

The Investment Promotion and Export Development project (538-0119) has attracted over 140 new foreign investments and new export contracts to the Eastern Caribbean and directly created nearly 10,000 new jobs. The project has developed investor/buyer search techniques appropriate to small economies. A major new initiative began last year with the establishment of the Eastern Caribbean Investment Promotion Service in the United States under this project. This represents the first truly indigenous effort to improve efficiency in investment promotion through regional cooperation among all OECS member states. The Caribbean Financial Services Corporation project (538-0084) provides long-term credit to entrepreneurs that is not readily available from commercial sources. To date, over 30 loans have been made, covering a wide range of manufacturing, agro-industries and tourism. In FY 1988 $1.5 million is being budgeted under the

Infrastructure Maintenance Systems project (538-0138) for a new initiative in rural electrification. This new activity will provide technical assistance and training for regional public utilities management.

Economic Support Fund (ESF)

The lack of ESF resources in FY 1988 will constrain A.I.D.'s ability to initiate new infrastructure and market oriented activities in 1988. ESF resources are used to attract new investment and expand private sector production. The Infrastructure Expansion and Maintenance Systems project (538-0138) funds a series of interventions ranging from road construction to electric power generation and maintenance systems in order to help improve the investment climate in the region. The infrastructure program directly reinforces A.I.D.'s private sector and agriculture programs. Other ongoing infrastructure activities, including the Dominica Rural Electrification project (538-0130), the Cumberland Hydroelectric project (538-0091) and the St. Lucia Geothermal project (538-0137), aim at exploiting renewable energy resources, increasing power generation capacity, expanding transmission/distribution networks, and improving management of utilities. The Antigua Water Supply project (538-0098) is increasing potable water supply for both the tourist and manufacturing sectors in drought-prone Antigua. Technical assistance is also being provided to strengthen the Antigua Public Utilities Authority. The Infrastructure Expansion and Maintenance Systems project (538-0138) includes sub-project such as St. Kitts Southeast Peninsula Area Development for construction of a 10 kilometer access road, provision of utilities, and help with land use management; and St. Vincent Infrastructure for road construction, and development of a water system to serve a new industrial estate.

The Basic Needs Trust Fund (538-0103), administered by the Caribbean Development Bank, finances over 150 small infrastructure works, including water supply, health clinics, and schools. The project has generated more than 70,000 person weeks of employment. A pilot effort initiated under the project involves developing the capability within the region to effectively maintain facilities once constructed.

The Public Management and Policy Planning project (538-0096) provides technical assistance to support policy dialogue efforts in the region. Earlier sub-activities focused on fiscal administration matters. During the past year, the project has moved into the forefront of policy planning. For example, in Dominica this involves wide ranging tax reform. Policy planning sub-activities under way also include financial planning for Antigua, public sector investment planning for Grenada, and fiscal planning for St. Kitts. A recent external midterm evaluation gave the overall effort high marks.

In Grenada, previous efforts focused on completion of the Point Salines Airport, factory shell construction and the rehabilitation of productive and social infrastructure. Grenada Infrastructure III (under 538-0138) is under way and includes an industrial estate which will provide 144,000 square feet of factory space, sewage collection and treatment for the Grand Anse Beach tourist area, improvements to St. George's Careenage, and restoration of two historic forts which are already major tourist attractions.

The LAC Regional Caribbean Justice Improvement project (598-0642) aims to strengthen the legal systems of the Eastern Caribbean by improving the capacity of the courts to respond to the needs of the people. Country-specific activities will modernize and improve management of the courts and civil registries and provide training for magistrates and other legal professionals.

Section 709 of the International Security and Development Cooperation Act of 1985 requires that comprehensive reports be provided on A.I.D. assistance to Latin America and the Caribbean. The following supplemental information on assistance through the Caribbean Regional program in FY 1987 is provided as partial fulfillment of that requirement:

A. Training: In FY 1987, A.I.D. provided academic and technical training in the United States to 388 new participants in the following fields of study: economics (2); education (200); business studies (16); natural sciences (4); agriculture (28); tourism (11); mathematics (7); statistics (1); engineering (11); food technology (6); health and population (5); labor (9); industrial arts and trades (44); journalism (18); and other (26).

B. The types of goods associated with ESF cash transfers during FY 1987 by A.I.D. to Grenada ($5 million) and Dominica ($1.5 million) cannot be assessed at this time as funds were obligated very late in the fiscal year.

C. Local currency associated with A.I.D. assistance to Grenada was allocated by A.I.D. and the Government of Grenada for the following uses in FY 1987:

	$ millions
Government Salaries, Wages, Supplies, Equipment	3.7
Amortization Sinking Fund	1.1
Trust Fund for A.I.D. Operating Expenses	0.2
TOTAL	$5.0

D. Reprogramming of funds for the Caribbean Regional program during FY 1987 resulted in the following functional account changes. Estimated FY 1987 obligations are those which were shown in the FY 1988 Congressional Presentation document:

($000)	Total	ARDN	PP	HE	CS	EHRD	SDA	ESF
- Estimated FY 1987 Obligations	42,100	10,045	700	1,200	-	6,698	4,257	19,200
- Actual FY 1987 Obligations	50,840	8,201	700	1,200	-	7,028	12,616	21,095

E. Funds and Programs provided to the Caribbean Regional Program through non-governmental as contrasted to governmental channels:

	Non-governmental		Caribbean Governments	
	($ million)			
DA	10.222	(33%)	20.318	(67%)
ESF	3.966	(19%)	17.129.	(81%)
TOTAL	14.188	(28%)	37.447	(72%)

FY 1989 Program

A.I.D. proposes $15.0 million in Economic Support Funds and $20.2 million in Development Assistance. The ESF request includes funding for the Infrastructure Expansion and Maintenance Systems project (538-0138); the Public Management and Policy Planning project (538-0096) which supports key policy dialogue efforts aimed at improved government management; the Structural Adjustment Support project (538-0141), implemented in conjunction with a multi-donor effort under the World Bank-led Tight Consultative Group process, to carry out fiscal and budget reforms. The Caribbean Justice Improvement project (598-0642) for the Eastern Caribbean countries will be funded at $2.3 million.

Agriculture, Rural Development and Nutrition. A.I.D. requests $7.645 million to support private sector development of nontraditional exports. Under the High Impact Agriculture Marketing and Production project (538-0140), A.I.D. will help institute quarantine and pest control procedures, support production and export of exotic fruits, and provide equity capital for small businesses. Program Development and Support (538-0000) will fund program development, evaluations, and studies in the agriculture sector.

Health, Population Planning, and AIDS. A.I.D. requests a total of $3.5 million for Private Voluntary Organizations-Operational Program Grants (538-9999), the Population and Development project (538-0039), AIDS activities, and Program Development and Support (538-0000) for studies and evaluations.

Education and Human Resources Development. A.I.D. proposes $5.8 million to continue the Regional Skills Training project (538-0073), the Presidential Training Initiative for the Island Caribbean (538-0640) project, the Caribbean Law Institute (538-0165) project, and Program Development and Support (538-0000) to undertake evaluations and studies.

Selected Development Activities. A.I.D. requests $3.2 million to fund the Investment Promotion and Export Development project (538-0119) to continue the recently established Eastern Caribbean Investment Promotion Service, the Small Enterprise Assistance project (538-0133) for credit and technical assistance services, and the rural electrification initiative. Program Development and Support funds will be used for evaluations and studies related to the private sector.

Mission Director: James S. Holtaway

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: CARIBBEAN REGIONAL

CP 89

PROJECT NO. / PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	PLANNED	-THROUGH FY 86- OBLIGATIONS	EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	EXPENDITURES
538-0000 PROGRAM DEVELOPMENT AND SUPPORT													
EH	G	75	C	---	---	1,042	955	98	77	48	75	43	60
ES	G	75	C	---	---	866	659	305	168	---	200	200	325
FN	G	75	C	---	---	3,701	3,304	300	139	100	200	200	200
HE	G	75	C	---	---	999	599	100	94	40	150	70	150
PN	G	75	C	---	---	541	386	100	78	50	160	100	100
SD	G	75	C	---	---	3,540	3,048	358	452	350	350	300	350
PROJECT TOTAL:				---	---	10,689	8,951	1,261	1,008	588	1,135	913	1,185
538-0005 SPECIAL DEVELOPMENT ACTIVITIES													
ES	G	75	C	---	---	1,291	1,035	300	261	---	295	300	225
SD	G	75	C	---	---	2,545	2,065	---	254	56	226	---	56
PROJECT TOTAL:				---	---	3,836	3,100	300	515	56	521	300	281
538-0010 RELIEF AND RECONSTRUCTION													
FN	L	77	77	6,500	6,500	6,500	6,310	---	---	---	290	---	---
PROJECT TOTAL:				6,500	6,500	6,500	6,310	---	---	---	290	---	---
538-0013 EMPLOYMENT INVESTMENT PROMOTION I													
SD	G	78	82	1,676	1,676	1,676	1,544	---	---	---	132	---	---
PROJECT TOTAL:				1,676	1,676	1,676	1,544	---	---	---	132	---	---
538-0014 CARIBBEAN REGIONAL DEV TRAINING													
EH	G	79	85	4,000	4,000	4,000	3,723	---	---	---	277	---	---
PROJECT TOTAL:				4,000	4,000	4,000	3,723	---	---	---	277	---	---
538-0027 EPIDEMIOLOGICAL SURVEILLANCE AND TRNG													
HE	G	79	85	2,585	2,585	2,585	1,970	---	327	---	288	---	---
PROJECT TOTAL:				2,585	2,585	2,585	1,970	---	327	---	288	---	---
538-0029 CARIBBEAN EDUCATIONAL DEVELOPMENT													
EH	G	79	83	9,958	9,958	9,958	9,811	---	130	---	17	---	---
PROJECT TOTAL:				9,958	9,958	9,958	9,811	---	130	---	17	---	---
538-0030 BASIC HUMAN NEEDS EMPLOYMENT SECTOR													
EH	G	79	80	4,000	4,000	4,000	3,887	---	---	---	113	---	---
PROJECT TOTAL:				4,000	4,000	4,000	3,887	---	---	---	113	--- ▲	---

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1987 are based on the authorized date.
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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
(IN THOUSANDS OF DOLLARS)

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: CARIBBEAN REGIONAL

CP 89

PROJECT NO. / PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	PLANNED	-THROUGH FY 86- OBLIGATIONS	EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	EXPENDITURES
538-0039 POPULATION AND DEVELOPMENT	PN G	82	90	7,666	7,666	4,662	2,240	600	1,616	1,000	1,200	1,400	1,500
PROJECT TOTAL:				7,666	7,666	4,662	2,240	600	1,616	1,000	1,200	1,400	1,500
538-0043 PRIVATE SECTOR INVESTMENT ASST PROGRAM	SD G	81	87	3,500	3,500	3,300	2,782	200	718	---	---	---	---
PROJECT TOTAL:				3,500	3,500	3,300	2,782	200	718	---	---	---	---
538-0057 AGRIBUSINESS EXPANSION	FN L	80	80	6,000	6,000	6,000	3,723	---	---	---	2,277	---	---
PROJECT TOTAL:				6,000	6,000	6,000	3,723	---	---	---	2,277	---	---
538-0060 ACCELERATED PRIVATE SECTOR ASSISTANCE	ES G	82	87	2,000	2,000	1,500	1,420	500	313	---	267	---	---
PROJECT TOTAL:				2,000	2,000	1,500	1,420	500	313	---	267	---	---
538-0068 CARIBBEAN AGRICULTURAL EXTENSION II	FN G	82	90	11,000	11,000	7,210	5,293	1,434	2,237	1,500	1,400	---	1,204
PROJECT TOTAL:				11,000	11,000	7,210	5,293	1,434	2,237	1,500	1,400	---	1,204
538-0073 REGIONAL NON-FORMAL SKILLS TRAINING	EH G	82	90	7,572	7,572	4,072	1,133	1,500	1,638	1,270	2,000	500	1,092
PROJECT TOTAL:				7,572	7,572	4,072	1,133	1,500	1,638	1,270	2,000	500	1,092
538-0080 CARIBBEAN AGRICULTURAL TRADING CO.	FN G	82	88	305	445	225	102	30	124	140	219	---	---
	FN L	82	88	4,000	1,250	1,250	890	---	---	---	360	---	---
PROJECT TOTAL:				4,305	1,695	1,475	992	30	124	140	579	---	---
538-0081 BARBADOS PRIVATE INITIATIVES IN HOUSING	SD G	82	86	470	470	470	260	---	91	---	119	---	---
PROJECT TOTAL:				470	470	470	260	---	91	---	119	---	---
538-0082 PRODUCTIVE INFRASTRUCTURE REHABILITATION	ES G	82	83	14,650	14,650	14,650	14,376	---	100	---	174	---	---
PROJECT TOTAL:				14,650	14,650	14,650	14,376	---	100	---	174	---	---

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CLevel of effort activity

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: CARIBBEAN REGIONAL

CP 89

PROJECT NO. / PROJECT TITLE	*	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	PLANNED	-THROUGH FY 86- OBLIGA-TIONS	EXPEN-DITURES	-ACTUAL FY 87- OBLIGA-TIONS	EXPEN-DITURES	-ESTIMATED FY 88- OBLIGA-TIONS	EXPEN-DITURES	-PROPOSED FY 89- OBLIGA-TIONS	EXPEN-DITURES
538-0083			BANANA INDUSTRY REHABILITATION											
	ES	G	82	82	1,750	1,750	1,750	1,526	---	219	---	5	---	---
			PROJECT TOTAL:		1,750	1,750	1,750	1,526	---	219	---	5	---	---
538-0084			CARIBBEAN FINANCIAL SERVICES											
	ES	L	83	85	4,000	1,500	4,000	---	---	---	---	500	---	1,000
	FN	L	85	85	2,300	2,300	2,300	---	---	---	---	1,730	---	570
	SD	G	83	85	400	200	200	36	---	25	---	139	---	---
	SD	L	83	85	11,035	11,035	11,035	3,892	---	2,373	---	2,270	---	2,500
			PROJECT TOTAL:		17,735	15,035	17,535	3,928	---	2,398	---	4,639	---	4,070
538-0087			REGIONAL DEVELOPMENT TRAINING II											
	EH	G	83	86	---	---	3,488	1,793	---	1,695	---	---	---	---
			PROJECT TOTAL:		---	---	3,488	1,793	---	1,695	---	---	---	---
538-0088			INFRASTRUCTURE FOR PRODUCTIVE INVESTMENT											
	SD	L	84	88	6,000	6,000	6,000	650	---	685	---	625	---	1,500
			PROJECT TOTAL:		6,000	6,000	6,000	650	---	685	---	625	---	1,500
538-0089			INTERAGENCY RESIDENT MISSION											
	ES	G	85	87	300	300	300	---	---	35	---	200	---	65
	SD	G	85	87	676	676	676	380	---	---	---	261	---	35
			PROJECT TOTAL:		1,476	976	976	380	---	35	---	461	---	100
538-0090			ST. LUCIA AGRIC STRUCTURAL ADJUSTMENT											
	ES	G	83	83	9,500	9,500	9,500	5,348	---	2,987	---	1,165	---	---
			PROJECT TOTAL:		9,500	9,500	9,500	5,348	---	2,987	---	1,165	---	---
538-0091			CUMBERLAND HYDRO ELECTRIC											
	ES	G	84	84	500	500	500	300	---	28	---	172	---	---
	ES	L	84	84	7,500	7,500	7,500	1,841	---	2,306	---	2,076	---	1,277
			PROJECT TOTAL:		8,000	8,000	8,000	2,141	---	2,334	---	2,243	---	1,277
538-0096			PUBLIC MANAGEMENT POLICY PLANNING											
	ES	G	85	87	8,000	10,400	5,200	2,779	2,800	2,913	---	2,308	2,400	2,000
	SD	G	85	89	---	600	---	---	---	---	600	100	---	300
			PROJECT TOTAL:		8,000	11,000	5,200	2,779	2,800	2,913	600	2,408	2,400	2,300

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: CARIBBEAN REGIONAL

CP 89

PROJECT NO. / PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	-LIFE OF PROJECT- PLANNED	-THROUGH FY 86- OBLIGATIONS	-THROUGH FY 86- EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	-ACTUAL FY 87- EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	-ESTIMATED FY 88- EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	-PROPOSED FY 89- EXPENDITURES
538-0098 ANTIGUA WATER SUPPLY													
	ES G	83	83	3,225	3,225	3,225	2,652	---	454	---	119	---	---
	ES L	83	83	6,625	6,625	6,625	3,456	---	755	---	900	---	1,514
PROJECT TOTAL:				9,850	9,850	9,850	6,108	---	1,209	---	1,019	---	1,514
538-0099 E. CARIBBEAN FARM SYSTEMS RESCH & DEV													
	FN G	83	88	7,550	7,550	4,870	4,381	1,700	1,381	980	1,788	---	---
PROJECT TOTAL:				7,550	7,550	4,870	4,381	1,700	1,381	980	1,788	---	---
538-0101 ST. VINCENT AGRICULTURAL DEVEL PROGRAM													
	ES G	84	84	2,000	2,000	2,000	1,758	---	135	---	107	---	---
PROJECT TOTAL:				2,000	2,000	2,000	1,758	---	135	---	107	---	---
538-0102 CARIBBEAN MARKETING ASSISTANCE (OPG)													
	SD G	83	35	390	390	---	---	---	---	---	---	---	---
PROJECT TOTAL:				390	390	---	---	---	---	---	---	---	---
538-0103 BASIC NEEDS TRUST FUND													
	ES G	84	36	12,700	12,700	12,700	5,600	---	2,001	---	5,099	---	---
PROJECT TOTAL:				12,700	12,700	12,700	5,600	---	2,001	---	5,099	---	---
538-0108 ST. KITTS/NEVIS RESOURCE MANAGEMENT													
	ES G	84	87	2,000	1,500	1,500	571	---	641	---	288	---	---
PROJECT TOTAL:				2,000	1,500	1,500	571	---	641	---	288	---	---
538-0111 CARIBBEAN EYE CARE (OPG)													
	HE G	83	83	250	250	250	157	---	73	---	20	---	---
PROJECT TOTAL:				250	250	250	157	---	73	---	20	---	---
538-0112 ANTIGUA LIVESTOCK IMPROVEMENT PROJECT													
	FN G	84	35	530	530	530	455	---	56	---	19	---	---
PROJECT TOTAL:				530	530	530	455	---	56	---	19	---	---
538-0116 FAMILY PLANNING IEC - OPG													
	PN G	84	86	---	---	962	551	---	411	---	---	---	---
PROJECT TOTAL:				---	---	962	551	---	411	---	---	---	---

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: CARIBBEAN REGIONAL

CP 89

PROJECT NO. / PROJECT TITLE	*	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	PLANNED	-THROUGH FY 86- OBLIGA-TIONS	EXPEN-DITURES	-ACTUAL FY 87- OBLIGA-TIONS	EXPEN-DITURES	-ESTIMATED FY 88- OBLIGA-TIONS	EXPEN-DITURES	-PROPOSED FY 89- OBLIGA-TIONS	EXPEN-DITURES
538-0119 INVESTMENT PROM AND EXPORT DEVEL.														
	ES	G	84	86	1,500	1,500	1,500	---	---	1,500	---	---	---	---
	SD	G	84	90	15,000	15,000	8,176	6,526	3,300	2,958	1,400	2,916	1,137	1,739
PROJECT TOTAL:					16,500	16,500	9,676	6,526	3,300	4,458	1,400	2,916	1,137	1,739
538-0120 GRENADA BLINDNESS PREVENTION														
	HE	G	84	84	400	400	400	298	---	102	---	---	---	---
PROJECT TOTAL:					400	400	400	298	---	102	---	---	---	---
538-0129 GRENADA INFRASTRUCTURE REHABILITATION														
	ES	G	86	86	5,000	5,000	5,000	1,911	---	3,054	---	35	---	---
PROJECT TOTAL:					5,000	5,000	5,000	1,911	---	3,054	---	35	---	---
538-0130 DOMINICA ELECTRIC														
	ES	G	85	85	4,700	4,700	4,700	3,954	---	255	---	490	---	---
PROJECT TOTAL:					4,700	4,700	4,700	3,954	---	255	---	490	---	---
538-0133 SMALL ENTERPRISE DEVELOPMENT														
	ES	G	86	90	5,000	6,000	---	---	2,100	120	---	1,980	2,000	1,900
	SD	G	86	88	6,850	6,850	2,900	507	900	2,042	1,248	2,000	500	900
PROJECT TOTAL:					11,850	12,850	2,900	507	3,000	2,162	1,248	3,980	2,500	2,800
538-0134 REGIONAL PHARMACEUTICALS MANAGEMENT														
	HE	G	85	87	3,500	3,500	3,450	495	50	659	---	1,000	---	1,200
PROJECT TOTAL:					3,500	3,500	3,450	495	50	659	---	1,000	---	1,200
538-0135 CARIBBEAN REGIONAL CREDIT UNION DEVEL II														
	SD	G	85	86	535	535	535	330	---	205	---	---	---	---
PROJECT TOTAL:					535	535	535	330	---	205	---	---	---	---
538-0136 NATIONAL DEVELOPMENT FOUNDATION ASSIST.														
	FN	G	85	85	260	260	---	---	---	---	---	---	---	---
	SD	G	85	85	---	---	260	---	---	260	---	---	---	---
PROJECT TOTAL:					260	260	260	---	---	260	---	---	---	---
538-0137 ST LUCIA GEOTHERMAL														
	ES	G	85	87	4,000	4,000	3,000	111	1,000	1,660	---	2,229	---	---
	ES	L	85	87	2,000	2,000	---	---	2,000	---	---	250	---	1,750

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[C]Level of effort activity

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: CARIBBEAN REGIONAL

CP 89

PROJECT NO. / PROJECT TITLE	*	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	-LIFE OF PROJECT- PLANNED	-THROUGH FY 86- OBLIGATIONS	-THROUGH FY 86- EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	-ACTUAL FY 87- EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	-ESTIMATED FY 88- EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	-PROPOSED FY 89- EXPENDITURES
PROJECT TOTAL:					6,000	6,000	3,000	111	3,000	1,660	---	2,479	---	1,750
533-0138 INFRASTRUCTURE EXPANSION MAINT SYSTEMS														
	ES	G	86	90	23,000	40,000	1,200	160	5,090	1,803	---	3,100	4,600	3,000
	ES	L	86	90	7,900	40,000	1,800	---	500	---	---	2,000	---	300
	SD	G	86	91	258	258	---	---	258	---	1,710	258	1,300	2,000
	SD	L	87	91	7,600	7,600	---	---	7,600	---	---	2,560	---	3,500
PROJECT TOTAL:					38,758	87,858	3,000	160	13,448	1,803	1,710	7,918	5,900	8,800
533-0140 HIGH IMPACT AGRIC. MARKETING AND PROD.														
	FN	G	86	91	30,900	40,000	5,250	100	4,637	4,084	5,023	6,000	7,445	6,800
PROJECT TOTAL:					30,900	40,000	5,250	100	4,687	4,084	5,023	6,000	7,445	6,800
533-0141 STRUCTURAL REFORM SUPPORT														
	ES	G	87	88	6,500	9,700	---	---	6,500	---	---	6,500	3,200	3,000
PROJECT TOTAL:					6,500	9,700	---	---	6,500	---	---	6,500	3,200	3,000
533-0147 INTEGRATED AG OPG														
	FN	G	85	86	1,750	1,750	1,750	809	---	109	---	832	---	---
PROJECT TOTAL:					1,750	1,750	1,750	809	---	109	---	832	---	---
538-0148 REGIONAL MANAGEMENT TRG PILOT PROJECT														
	EH	G	86	88	2,700	2,700	1,000	---	1,430	60	270	1,200	---	1,100
PROJECT TOTAL:					2,700	2,700	1,000	---	1,430	60	270	1,200	---	1,100
538-0149 PROJECT HOPE - OPG														
	HE	G	86	87	1,600	2,450	550	---	1,050	1,022	850	1,000	---	428
PROJECT TOTAL:					1,600	2,450	550	---	1,050	1,022	850	1,000	---	428
538-0156 GRENADA STRUCTURAL ADJUSTMENT														
	ES	G	86	86	4,000	4,000	4,000	2,000	---	2,000	---	---	---	---
PROJECT TOTAL:					4,000	4,000	4,000	2,000	---	2,000	---	---	---	---
533-0160 CARIBBEAN TRAINING - OPG														
	EH	G	86	86	1,600	1,600	1,600	20	---	76	---	500	---	500
PROJECT TOTAL:					1,600	1,600	1,600	20	---	76	---	500	---	500

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: CARIBBEAN REGIONAL

CP 89

PROJECT NO. / PROJECT TITLE	L / * G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	-LIFE OF PROJECT- PLANNED	-THROUGH FY 86- OBLIGATIONS	-THROUGH FY 86- EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	-ACTUAL FY 87- EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	-ESTIMATED FY 88- EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	-PROPOSED FY 89- EXPENDITURES
538-0161 AIDS/COMMUNICATIONS AND TECHNICAL ASSIST	DG G	88	90	---	1,500	---	---	---	---	300	100	800	500
PROJECT TOTAL:				---	1,500	---	---	---	---	300	100	800	500
538-0163 WINFRUIT	FN G	88	88	---	411	---	---	---	---	411	100	---	200
PROJECT TOTAL:				---	411	---	---	---	---	411	100	---	200
538-0165 CARIBBEAN LAW INSTITUTE	EH G	88	89	---	3,000	---	---	---	---	1,500	500	1,500	1,000
PROJECT TOTAL:				---	3,000	---	---	---	---	1,500	500	1,500	1,000
538-0640 PTIIC	EH G	87	90	5,730	18,400	---	---	4,000	---	3,500	4,922	3,785	5,500
PROJECT TOTAL:				5,730	18,400	---	---	4,000	---	3,500	4,922	3,785	5,500
538-0999 LOCAL COST SUPPORT	ES G	87		---	---	---	---	680	400	---	280	---	---
PROJECT TOTAL:				---	---	---	---	680	400	---	280	---	---
538-9999 *PRIVATE AND VOL ORGANIZATIONS - OPG'S	HE G	73	C	---	---	---	---	---	---	---	---	1,150	700
PROJECT TOTAL:				---	---	---	---	---	---	---	---	1,150	700
543-0010 RELIEF AND RECONSTRUCTION	ES G	84	86	2,603	2,603	2,603	---	---	2,214	---	389	---	---
PROJECT TOTAL:				2,603	2,603	2,603	---	---	2,214	---	389	---	---
598-0645 CARIBBEAN JUSTICE IMPROVEMENT	ES G	86	89	---	2,300	---	---	---	---	---	---	2,300	1,000
PROJECT TOTAL:				---	2,300	---	---	---	---	---	---	2,300	1,000

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: CARIBBEAN REGIONAL

CP 89

PROJECT NO. / PROJECT TITLE	L / * G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	-LIFE OF PROJECT- PLANNED	-THROUGH FY 86- OBLIGA-TIONS	-THROUGH FY 86- EXPEN-DITURES	-ACTUAL FY 87- OBLIGA-TIONS	-ACTUAL FY 87- EXPEN-DITURES	-ESTIMATED FY 88- OBLIGA-TIONS	-ESTIMATED FY 88- EXPEN-DITURES	-PROPOSED FY 89- OBLIGA-TIONS	-PROPOSED FY 89- EXPEN-DITURES
COUNTRY TOTALS:				318,499	398,320	221,368	126,862	51,520	52,573	22,346	71,821	35,230	53,040
GRANTS:				247,039	300,010	168,358	106,100	41,420	46,454	22,346	55,983	35,230	39,129
LOANS:				71,460	98,310	53,010	20,762	10,100	6,119	---	15,838	---	13,911
---- APPROPRIATION SUMMARY ----													
AGR., RURAL DEV. & NUTRITION:				71,095	77,996	39,586	25,367	8,201	8,130	8,154	15,215	7,645	8,974
POPULATION PLANNING:				7,665	7,666	6,165	3,177	700	2,105	1,050	1,360	1,500	1,600
HEALTH:				3,335	9,185	8,234	3,519	1,200	2,277	890	2,458	1,220	2,478
CHILD SURVIVAL FUND:				---	---	---	---	---	---	---	---	---	---
AIDS:				---	1,500	---	---	---	---	300	100	800	500
EDUCATION & HUMAN RESOURCES:				35,560	51,230	29,160	21,322	7,028	3,676	6,588	9,604	5,828	9,252
SELECTED DEVELOP. ACTIVITIES:				54,390	54,790	41,313	22,020	12,616	10,063	5,364	11,956	3,237	12,880
ECONOMIC SUPPORT FUND:				141,453	195,953	96,910	51,457	21,775	26,322	---	31,128	15,000	17,356

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GLevel of effort activity

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: GRENADA

CP 89

PROJECT NO. / PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHO	PLANNED	-THROUGH FY 86- OBLIGA-TIONS	EXPEN-DITURES	-ACTUAL FY 87- OBLIGA-TIONS	EXPEN-DITURES	-ESTIMATED FY 88- OBLIGA-TIONS	EXPEN-DITURES	-PROPOSED FY 89- OBLIGA-TIONS	EXPEN-DITURES
543-0000 PROG DEVELOP AND SUPPORT	ES G	84	85	1,596	1,596	1,589	1,195	---	223	---	171	---	---
PROJECT TOTAL:				1,596	1,596	1,589	1,195	---	223	---	171	---	---
543-0002 FREE LABOR DEVELOPMENT (AIFLD)	ES G	84	85	966	966	966	707	---	186	---	71	---	---
PROJECT TOTAL:				966	966	966	707	---	186	---	71	---	---
543-0003 IMMEDIATE HEALTH CARE	ES G	84	85	3,605	3,805	3,605	2,301	---	247	---	89	---	---
PROJECT TOTAL:				3,605	3,805	3,605	2,301	---	247	---	89	---	---
543-0005 AGRICULTURE SECTOR REVITALIZATION	ES G	84	84	1,964	1,964	1,964	1,109	---	755	---	100	---	---
PROJECT TOTAL:				1,964	1,964	1,964	1,109	---	755	---	100	---	---
543-0010 RELIEF AND RECONSTRUCTION	ES G	84	96	8,681	8,681	8,631	8,631	---	---	---	---	---	---
PROJECT TOTAL:				8,681	8,681	8,631	8,631	---	---	---	---	---	---
543-0013 PRIVATE SECTOR DEVELOPMENT	ES G	84	84	874	874	874	561	---	202	---	111	---	---
PROJECT TOTAL:				874	874	874	561	---	202	---	111	---	---
543-0014 SPECIAL DEVELOPMENT FUND	ES G	84	85	---	---	281	187	---	49	---	---	---	---
PROJECT TOTAL:				---	---	281	187	---	49	---	---	---	---
COUNTRY TOTALS:				17,636	17,836	17,910	14,691	---	1,662	---	542	---	---
GRANTS:				17,636	17,836	17,910	14,691	---	1,662	---	542	---	---
LOANS:				---	---	---	---	---	---	---	---	---	---
---- APPROPRIATION SUMMARY ----													
AGR., RURAL DEV. & NUTRITION:				---	---	---	---	---	---	---	---	---	---
POPULATION PLANNING:				---	---	---	---	---	---	---	---	---	---
HEALTH:				---	---	---	---	---	---	---	---	---	---
CHILD SURVIVAL FUND:				---	---	---	---	---	---	---	---	---	---

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1987 are based on the authorized date. For all projects with an initial obligation date after December 31, 1987 the FY of final obligation is based on a planned date.

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: GRENADA

CP 89

PROJECT NO. / PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	-LIFE OF PROJECT- PLANNED	-THROUGH FY 86- OBLIGATIONS	-THROUGH FY 86- EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	-ACTUAL FY 87- EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	-ESTIMATED FY 88- EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	-PROPOSED FY 89- EXPENDITURES
AIDS:				---	---	---	---	---	---	---	---	---	---
EDUCATION & HUMAN RESOURCES:				---	---	---	---	---	---	---	---	---	---
SELECTED DEVELOP. ACTIVITIES:				---	---	---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND:				17,686	17,886	17,910	14,691	---	1,662	---	542	---	---

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column -- All projects in this column with an initial obligation date before December 31, 1987 are based on the authorized date. For all projects with an initial obligation date after December 31, 1987 the FY of final obligation is based on a planned date.

PROGRAM: CARIBBEAN REGIONAL

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Private and Voluntary Organizations Operational Program Grants			1,150	FY 89 1,150	Life of Project Funding Continuing

Number		Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
538-9999 ☒ GRANT ☐ LOAN	☐ NEW ☒ CONTINUING				FY	FY	FY

Purpose: To strengthen the capacity and mobilize the expertise of both U.S. and local private and voluntary organizations (PVOs) in development programs.

Project Description: Public health services have deteriorated in recent years as Caribbean governments face reductions in budgets, increased maintenance and operational costs, and the exodus of skilled staff. Fortunately, PVOs are responding to government encouragement of greater private sector involvement in the provision of health care.

Under the proposed project, small grants will be made to private sector institutions for new initiatives in health care. Activities are likely to include: (1) small clinics located in economically depressed areas; (2) health and nutrition education campaigns, with particular emphasis on maternal/child health and infant survival; and (3) community pharmacies, to provide health aids at reasonable cost, and encourage greater utilization of generic drugs.

Relationship of Project to A.I.D. Country Strategy: The project is consistent with the A.I.D. strategies to: (1) arrest the deterioration in the provision of social services; and (2) to increase the involvement of the private sector.

Host Country and Other Donors: Caribbean governments are encouraging the involvement of PVOs in the delivery of social services. A.I.D. never funds more than 75% of project costs. The remainder is covered by PVOs themselves, and in some cases by local government grants.

Beneficiaries: Immediate beneficiaries will be urban and rural poor, particularly women and children in need of health services. The entire population will benefit from reductions in the incidence of preventable diseases.

Major Outputs:	All Years
Reduced costs in pharmaceuticals to the poor	X
Reduced infant mortality rates	X
Increased immunization rates	X

A.I.D. Financed Inputs:	Life of Project ($000)
Health Activities	1,150

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated	Principal Contractors or Agencies
Through September 30,				
Estimated Fiscal Year				
Estimated Through September 30,				
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1989	1,150			

AID 370-7 (11-85)

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Overview of
South American Activities

PROGRAM SUMMARY ($000)			
Category	FY 1987 (Actual)	FY 1988 (Estimated)	FY 1989 (Request)
Development Assistance	51,939 1/	49,827	54,260
Loan	1,100	0	0
Grant	50,839	49,827	54,260
Economic Support Fund	44,319 2/ 3/	7,320	36,000
Loan	0	0	0
Grant	44,319	7,320	36,000
Other*	55 4/	0	0
TOTALS	96,313	57,147	90,260
P.L. 480	62,488	51,720	56,110
Title I	40,000 5/	30,000 5/	33,000 5/
Title II	22,488	21,720	23,110
TOTALS	158,801	108,867	146,370

Footnotes:

1/ Above total includes $400,000 of prior-year deobligated funds reobligated in FY 1987.

2/ The above total includes $805,000 in local cost support (including $30,000 in Uruguay).

3/ Includes $12,152,000 for Uruguay.

4/ International Disaster Assistance.

5/ Includes Title III level for Bolivia of $20 million in FY 1987, $20 million in FY 1988, and $17 million in FY 1989.

SOUTH AMERICA

Overview

The United States has an important stake in the survival of democracy and renewed economic growth in the Andean countries of Ecuador, Peru and Bolivia. Severe poverty, high debt levels, continued low prices for primary exports and natural disasters have plagued each of these countries. In Peru and Ecuador terrorism and armed insurgents threaten constitutional order, and in all three countries narcotics traffickers exercise a destabilizing influence. In spite of these problems, respect for the democratic process and the rule of law continues within the region. However, the democratic tradition is not strong, and a failure of the Andean countries to promote economic growth and equity could lead to a return to more authoritarian rule, costly economic policies and increased narcotics flows to the United States.

The Andean countries are important because of their geographic location, their natural resources, their leadership in Latin America, and their participation in the fight against illegal drugs. Trade relations between these countries and the United States are significant, and U.S. companies have large investments in the region. The countries are favorably oriented to the United States and share common western values. However, this commitment to democratic values is being challenged, both by narcotics traffickers and by leftist extremists. In the case of Peru, Soviet penetration, combined with the fanatical and violent Sendero Luminoso movement, could alter Peru's traditionally pro-Western orientation and imperil U.S. strategic interests.

Objectives

A.I.D.'s objectives in the region are to:

-- halt economic decline and achieve positive annual economic growth rates;

-- expand the contribution of the private sector to development;

-- increase agricultural production for domestic consumption and agroindustrial export;

-- improve health conditions in the region, with special emphasis on child survival;

-- develop alternative employment and income opportunities for former narcotics producers, and develop greater awareness of the problems of narcotics production and trafficking;

-- expand participation of low-income groups in the benefits of economic growth;

-- increase the number of potential leaders trained in the United States;

-- strengthen democratic institutions, including the judicial systems.

Economic Overview

Extreme poverty is pervasive throughout the Andean region. Per capita GDP in Bolivia is little more than $500 per year, and skewed income distribution is a major problem in Ecuador and Peru. Per capita gross domestic product (GDP) in Peru and Bolivia has fallen to the level of 1960. The provision of health services has not kept up with the growing population, which is increasing at a rate of over 2.5% in the region. The infant mortality rate exceeds 120 per 1000 in Bolivia and 90 in Peru. In Ecuador only 50% of the people have access to potable water, and that is the highest rate in the Andes. All three countries need to accelerate their efforts to provide basic immunization and other preventive services to reduce high rates of infant mortality. Malnutrition and hunger are also continuing problems in the Andean countries. In addition, illiteracy continues at an unacceptably high level, and declining government revenues in all three countries reduce their ability to address this fundamental development constraint.

In the early 1980s the Andean countries suffered a severe economic downturn from which they have not yet recovered. The decline was caused by: (a) a sharp fall in prices for primary mineral and agricultural exports, (b) devastating floods and drought wrought by the El Nino ocean current, (c) the burden of external debt and rising interest rates, and (d) inappropriate economic policies.

Program Accomplishments and Progress in Recent Years

The responses to these economic challenges by the governments of Bolivia, Ecuador and Peru have varied. Bolivia has implemented a very courageous reform program which it has sustained for the past two years. While the adjustment program has stabilized the economy, short-term growth prospects are not good without continued outside help. ESF and P.L. 480 resources have enabled the government to continue its market-based economic reform program in the face of severe unemployment, social and political tension, and unfavorable markets for its primary exports. A.I.D.-financed agricultural credit has helped over 10,000 farmers to maintain and increase farm production, and the country has remained self-sufficient in all food commodities except wheat. Some 20,000 female artisans under an A.I.D. handicraft project are producing goods for the export market and earning foreign exchange from nontraditional sources.

The market-oriented, private sector approach of the Ecuadorean Government has not been sufficient to offset declining revenues due to a major drop in world oil prices and a severe earthquake in March 1987, which halted oil production for six months. Nevertheless, Ecuador has continued a dialogue with international creditors and recently entered into a new IMF standby agreement. ESF assistance has been important in reinforcing the Government's economic adjustment program, which includes the introduction of market-determined foreign exchange and interest rates and agricultural policies leading to the elimination of price controls. A.I.D. has supported the establishment of an agricultural commodities exchange, has helped increase the income of many small sheep farmers by 50% through

improved breeding stock, and has assisted in the reforestation of indigenous communities and establishment of a forest protection system. Assistance in the health sector has reduced the prevalence of malaria by 50%, and the number of children provided with basic immunization has increased from 46% to 80% in the past 18 months. Over 54,000 campesinos have benefited from potable water activities.

Peru's demand-led growth program boosted the Peruvian economy by 8.5% in 1986, but resulted in an unsustainable balance-of-payments position. Sustained economic growth will require major policy reforms. In spite of these difficulties, A.I.D. has been able to continue its effort to increase agricultural production by helping to improve the agricultural planning, research and extension system. This system, now beginning to function, will serve over 1.2 million farmers in the coast, highlands and jungle. In health, A.I.D. has supported a rural water and sanitation project that will build over 1,200 water systems for about 5% of the rural population. Progress in helping farmers adopt alternatives to coca production has been hampered by unsettled security conditions in the Upper Huallaga Valley, but narcotics awareness activities continue to develop a constituency supporting more effective drug enforcement action.

In the late 1970s A.I.D. was instrumental in helping Peru to develop the first government-articulated family planning policy in South America. This policy is now being vigorously implemented with the active support of the Peruvian President and cabinet members. A.I.D. continues to support both the public and private sector in this endeavor.

Advanced Developing Countries

A.I.D. is carrying out a modest program to promote increased cooperation and an expanded partnership among U.S. public and private institutions in some of the more advanced developing countries (ADCs) in Latin America. This involves Mexico, Brazil, Colombia and Paraguay, in which resource transfers and traditional technical assistance are no longer appropriate. A.I.D. activities in the ADCs are designed to acquaint potential leaders with our societal and cultural values, develop trade and investment relations between the United States and the host country private sector, and increase the utilization of U.S. technology. In these countries, selected A.I.D. training, science and technology, and population activities complement public and private sector efforts to expand access to U.S. technology and further develop their human resource base. A.I.D. funding is provided for these ADC activities from the Intercountry Technology Transfer project (598-0616) in the LAC Regional Program, and from centrally funded programs.

In Mexico, A.I.D. is assisting private family planning organizations and providing modest training, technical assistance and seed grants needed for development of micro- and small enterprises. A.I.D. is also helping to develop Mexican institutional capacity to provide third-country training and technical assistance in critical development areas. A large Section 416 program provides food commodities to support a variety of development programs in agriculture and health.

In Colombia, A.I.D. is assisting the country's largest private family planning program, providing training in the United States under the Andean Peace Scholarship Program; and facilitating training, technical assistance and collaborative research in micro-enterprise development and the administration of justice.

In Brazil, A.I.D. supports activities only through PVOs. Activities include support for the large and effective private-sector family planning program, which reaches some 65% of fertile couples. A.I.D. is also assisting in agricultural research and in reducing infant mortality. Training in science and technology is a major element of this program.

The A.I.D. bilateral program in Paraguay was phased out in FY 1984. Under the ADC program, cooperation with that country emphasizes human resource development and private sector technology transfer. It also incorporates centrally funded resources for small-scale programs in family planning, the environment (in conjunction with the Peace Corps), and women-in-development activities.

FY 1989 Program Highlights

-- A.I.D. is requesting $36 million of ESF assistance to support continued economic policy reforms in Ecuador and Bolivia and to finance anti-narcotics programs and human resource development in Peru, and administration of justice projects in the three countries.

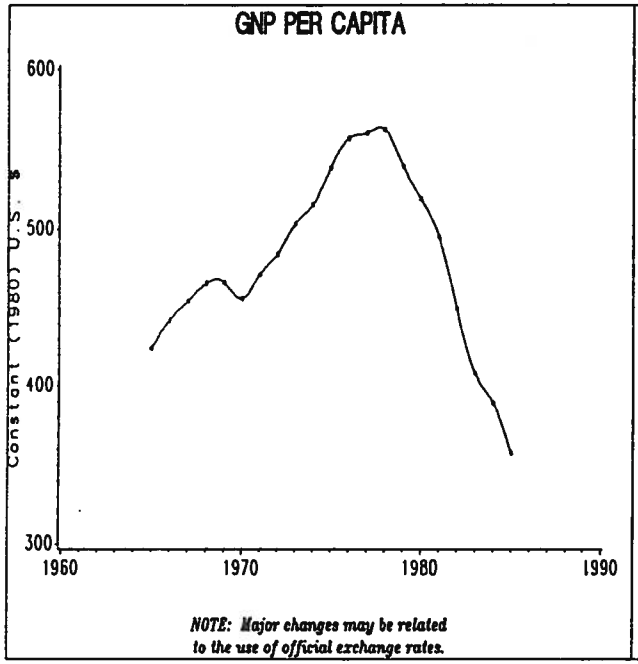
-- A.I.D. is requesting $54.3 million in Development Assistance to support efforts to improve agricultural production and marketing, promote the role of the private sector in economic development, and improve health conditions, with special priority for child survival activities.

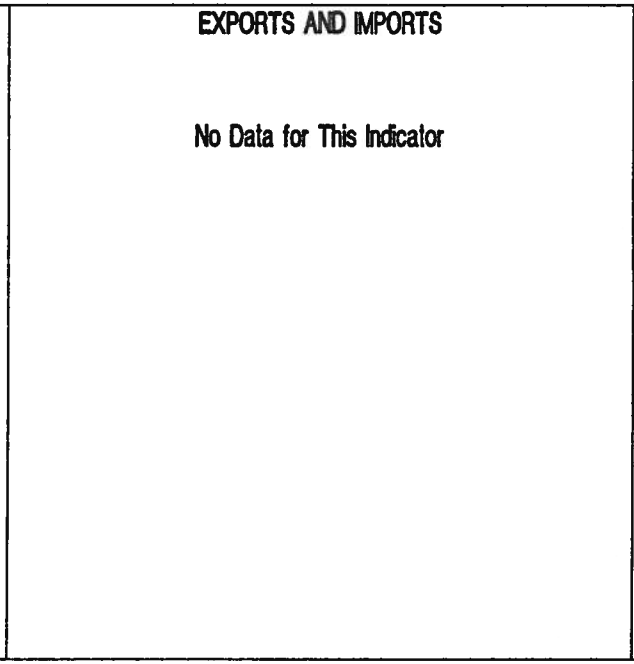
-- ESF and DA resources will be complemented by $33 million in P.L. 480 Title I/III resources, which will promote economic policy reforms, particularly in the agricultural sector, while easing balance-of-payments deficits. A.I.D. also proposes to provide $23.1 million in Title II resources for child feeding and MCH programs in the region.

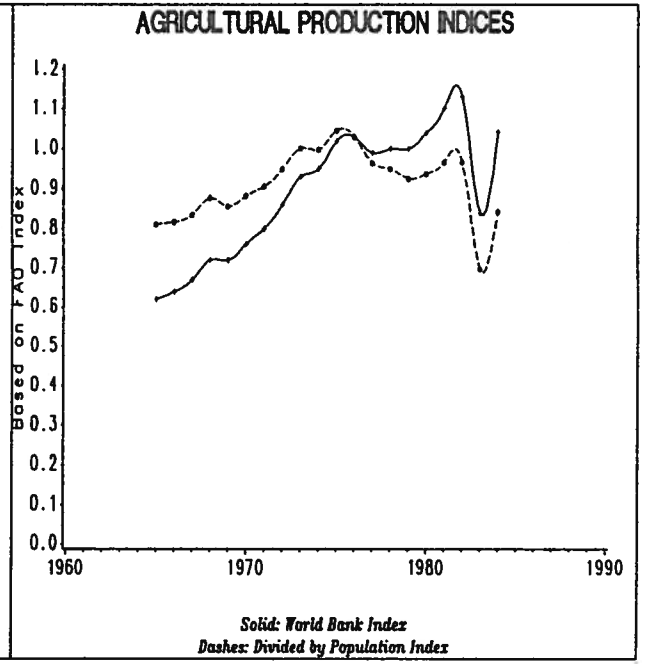
-- A.I.D. objectives in South America complement A.I.D. strategy worldwide by emphasizing private-sector participation in the development process, encouraging greater reliance on market forces and competition as promoters of economic efficiency, and furthering overall U.S. efforts to halt illegal drug production at the source.

BOLIVIA -- Economic Indicators

Total U.S. Aid $ 1,180 Million (1946-86)
Ratio of U.S. Aid To Total ODA 26.3% (1982-85)
Yearly U.S. Aid Per Capita $ 9.05 (1982-85)







NATIONAL INCOME AND EXPENDITURES

Per Capita GNP .....(1985) 470

Average Annual Real Per Capita GNP Growth Rate.(1965-85) -0.2%

Government Budgetary Expenditures as a % of GNP...(1985) 35.0%

Total Expenditures and Net Lending ($ Millions, US):
(1981) 919 (1982) 398 (1983) 878

Budgetary Deficit or Surplus ($ Millions, US):
(1981) -248 (1982) -163 (1983) -618

INTERNATIONAL RESERVES AND EXTERNAL DEBT

Official International Reserves Equivalent to
4.3 Months of Imports (1985)

External Public Debt as % of GNP...(1984) 98.3%

Service Payments on External Public Debt,
($ Millions, US)..... (1985) 214
As % of Total Export Earnings..... (1985) 17.6%

EXTERNAL TRADE (IN 1980 CONSTANT $US)

Trade Balance($ Millions, US) (.) .(.) .(.)

Total Imports($ Millions, US) (.) .(.) .(.)
Of Which % From U.S. .....(1985) 29%

Major Imports(1985)FOODSTUFFS;CHEMICALS;CAPITAL GOODS

Total Exports($ Millions, US) (.) .(.) .(.)
Of Which % to U.S. .....(1985) 16%

Major Exports(1985)TIN;NATURAL GAS;SILVER

Trading Partners: UNITED STATES; ARGENTINA; BRAZIL

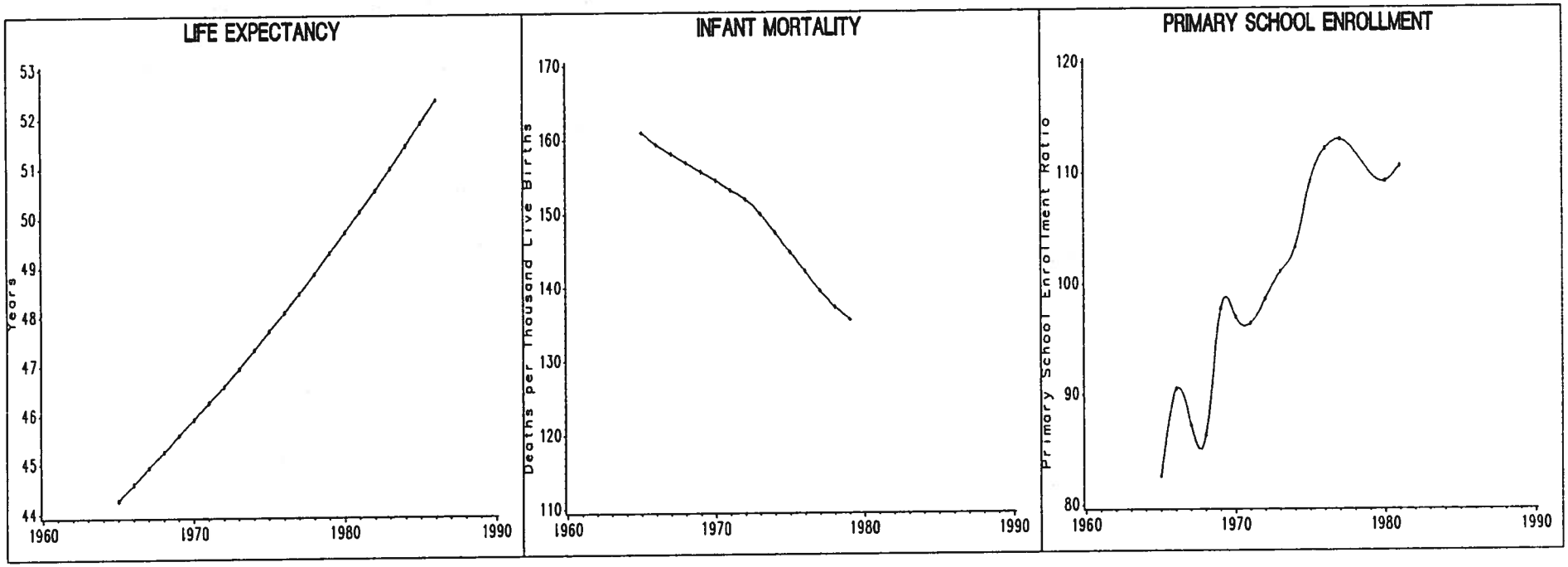
AGRICULTURE

Agricultural Production as % of GDP...(1985) 27%

Major Crop(s)	As % of Arable Land	
Subsistence: POTATOES; CORN; .	12%	(1986)
Cash: RICE; WHEAT; SUGARCANE	9%	(1986)

Ag. Exports:(1986)COFFEE; RAW SUGAR; SOYBEANS
Ag. Imports:(1986) WHEAT; RICE; BARLEY

BOLIVIA -- Social Indicators



POPULATION

Total Population...(Thousands, Mid 1987) 6,310

Population Growth Rate...(1970) 2.3% (1978) 2.2% (1987) 2.2%

Population (1987) By Age Group:
(0-14yrs) 40.2% (15-64yrs) 56.2% (65+ yrs) 3.6%

Married Women Aged 15-49 yrs. Using Contraception...(1983) 23.6%

Total Fertility Rate...(1970) 6.5 (1987) 4.9

HOUSEHOLD INCOME AND EMPLOYMENT

National Income Received by Low 20% of Population..(.) . %

% of Population Living Below Absolute Poverty Level
(.) Total . % Urban . % Rural . %

Labor Force Participation as % of Working Age Population
(1980) 33%

Proportion of Labor Force in Agriculture...(.) .%

NUTRITION AND HEALTH

Per Capita Calorie Supply as a % of Requirements...(1983) 82%

Life Expectancy at Birth, in Years
(1986) Total 52.4 Male 50.1 Female 54.7
(1970) Total 45.9 Male 43.8 Female 48.1

Infant Deaths in First Yr of Life per 1000 Live Births (1987) 127

% Of Children 12-23 Months Old Fully Immunized Against
Tuberculosos(BCG3) 24% (1985) Measles 21% (1985)
Diphtheria(DPT) 33% (1985) Polio(3) 30% (1985)

Population with Reasonable Access to Safe Water Supply
(1980) 37%

EDUCATION AND LITERACY

Total School Enrollment as Ratio of Population in Age Group:
Primary (1981) Total 110.6 Male 119.9 Female 101.2
Secondary (1981) Total 21.8 Male . Female .
Post Secondary (1978) Total 7.9 Male . Female .

Adult Literacy Rate (.) Total .% Male .% Female .%

BOLIVIA

PROGRAM SUMMARY ($000)			
Category	FY 1987 (Actual)	FY 1988 (Estimated)	FY 1989 (Request)
Development Assistance	20,499	20,887	22,270
Loan	0	0	0
Grant	20,499	20,887	22,270
Economic Support Fund	7,500 1/	7,320	25,000
Loan	0	0	0
Grant	7,500	7,320	25,000
Other*			
TOTALS	27,999	28,207	47,270
P.L. 480	30,435	33,030	29,696
Title I	20,000 2/	20,000 2/	17,000 2/
Title II	10,435	13,030	12,696
TOTALS	58,434	61,237	76,966

Footnotes:
1/ The above total for ESF includes $340,000 in local cost support.
2/ Title III.

PERSONNEL DATA – MISSION DIRECT HIRE[a]			
Category	FY 1987 (Actual)	FY 1988 (Estimated)	FY 1989 (Request)
U.S. National	14.5	19.5	19.5
Foreign National	33.0	34.0	34.0
TOTALS	47.5	53.5	53.5

[a]*Total full time equivalent workyears of employment. Include HIG, excess property, and IG personnel. Excludes TDP. One workyear = 2,087 hours.*

PARTICIPANT TRAINING DATA[a]									
Category	FY 1987 (Actual)			FY 1988 (Estimated)			FY 1989 (Request)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
U.S. Participants									
Bilateral[d]	11	34	45	11	110	121	16	129	145
Regional[e]	8	32	40	6	-	6	6	0	6
Third Country Participants									
Bilateral[d]	3	28	31	-	107	107	-	119	119
Regional[e]	0	1	1	-	-	-	-	-	-
TOTALS	22	95	117	17	217	234	22	248	270

[a]*In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*
[b]*Academic: degree seeking.*
[c]*Technical: non-degree seeking.*
[d]*Participants funded under bilateral programs.*
[e]*Participants funded under regional programs (e.g., CLASP, AMDP).*

AID 370-2 (8-86)

BOLIVIA

Introduction

When President Paz Estenssoro took office in August 1985, Bolivia was on the verge of economic collapse. Economic problems were compounded by narcotics traffickers, who exercised considerable influence within the informal sector and posed a major threat to government authority and the continuation of Bolivia's nascent democracy. Within weeks after taking office, the new Government of Bolivia (GOB) moved to check hyperinflation and stop Bolivia's slide toward economic chaos. The GOB issued an economic stabilization decree which (a) froze public sector wages, (b) unified the exchange rate, (c) raised domestic petroleum prices to the world market price, (d) raised utility rates, (e) eliminated ceilings on deposit and loan interest rates, (f) removed price controls on commodities, (g) abolished import restrictions (h) applied a flat 10% ad valorum duty (later raised to 20%), and (i) decentralized the state-owned mining complex. Additional measures were incorporated into the 1986 standby agreement with the IMF. The most important of these was tax reform.

These reforms quickly stabilized the Bolivian economy. By December 31, 1986, the public sector budget deficit had declined to 3.8% from 12.4% of the gross domestic product (GDP) in 1985, the annual rate of increase of bank credit to the public sector declined from 17,000% in 1985 to 28%, the rate of increase of money supply declined from 7,300% in 1985 to 84%, and the rate of increase of the consumer price index declined to 65% from 11,700% in 1985. But, the social impact of these reforms placed a heavy burden on Bolivia's low and middle classes. Over 20,000 miners were thrown out of work, and unemployment and underemployment grew sharply. Productivity dropped and per capita income declined in the past two years.

In July 1987, the GOB issued an Economic Reactivation Decree including (a) an Extraordinary Fund for Economic Reactivation of $100 million to finance the working capital requirements of the productive private sector and for low-income housing construction; (b) a formula for settling the external public debt owed to foreign banks; (c) a set of regulations to rehabilitate the banking system and establish effective supervisory machinery, (d) lower interest rates on loans to the productive sector financed with external concessionary funds; (e) lower energy and transport costs, and (f) a strategy to promote nontraditional exports.

The GOB has taken courageous action against narcotics production and trafficking. In July 1986, the GOB requested U.S. logistical support for Operation Blast Furnace, which destroyed a number of cocaine labs and demonstrated that with effective narcotics enforcement, coca producers would be compelled to seek alternative income and employment opportunities. In February 1987, the GOB entered into a comprehensive narcotics agreement

that provided a framework for cooperative efforts to eradicate coca and interdict illicit processing. The GOB began a voluntary program of coca eradication in August 1987, and has now eradicated over 1,000 hectares in the largest program in the Western Hemisphere.

Despite significant success, other challenges lie ahead. Bolivia must find new sources of foreign exchange, and new means to employ workers displaced by the collapse in world tin and natural gas markets, Bolivia's main commercial exports. Unemployment has reached 22%. The GOB must undertake further tax reform, e.g. improve tax collection, increase the supply and reduce the cost of credit to the private sector, and develop Bolivia's transportation infrastructure which inhibits Bolivian agriculture and agribusiness. And, the country will need to continue its difficult program of coca eradication in the face of growing political and social opposition.

A.I.D. Development Strategy and Accomplishments to Date.

The United States has three main goals in Bolivia: (1) support democratic and constitutional government, (2) help resolve the economic crisis and promote self-sustaining economic growth, and (3) reduce the production of cocaine and its flow to the United States.

These goals are interdependent. Maintenance of Bolivia's fledgling democracy is key to promoting long-term socio-economic development and eliminating drug trafficking. While the country has achieved political stability for the moment, this cannot be maintained without both economic growth and effective and sustained narcotics control. A.I.D.'s strategy in Bolivia is to promote self-sustaining long-term economic growth and to improve the well-being of the rural poor through increased small farmer production and expanded employment opportunities. To achieve this, A.I.D. is helping the Bolivian Government establish more rational macroeconomic policies which promote a larger and more dynamic role for the private sector. However, the severe reduction in the availability of ESF in FY 1988 has severely limited A.I.D.'s ability to support the GOB in this regard.

Support for Narcotics Control

A.I.D.'s strategy to support economic development in Bolivia's primary coca growing area must be preceded by effective narcotics control and interdiction. A.I.D. economic assistance complements coca eradication and control activities by providing for alternative sources of income to former coca producers. In pursuit of this third U.S. Government goal--to reduce the production and flow of cocaine to the United States--A.I.D. is undertaking new initiatives. Following the evaluation of the Chapare region program, A.I.D. has extended development resources into the Upper Valleys of Cochabamba, the origin of many migrants into the Chapare. The Chapare cannot support both the migrant and stable populations through legitimate agricultural activities alone. Pressured by lower coca prices and increased risks to production, as well as GOB financial incentives to eradicate, and carefully targeted development efforts which help create new economic opportunities, migrants are expected to return to the Upper Valleys. Chapare farmers began large-scale eradication of coca plants in August 1987.

Private Sector Development and Small Business Expansion

The GOB's economic development program promotes Bolivia's private sector where it has comparative advantage: agriculture, marketing, agribusiness, artisanry and handicrafts. Bolivia's public sector, traditionally fulfilling most economic functions, lacks the financial and human resources to effectively meet economic and social demands. A.I.D. is assisting the private sector to play a lead role in economic recovery and expansion, particularly in agriculture, manufacturing and micro and small enterprises, which employ the largest percentage of the economically active work force.

In support of broad-based, equitable economic reactivation, A.I.D. is initiating in FY 1988 a $10 million Small Enterprise Development project to build on the entrepreneurial spirit found in the country's small and medium producers and retailers. The project will enhance production for the domestic market while generating employment opportunities. Other efforts to promote business expansion include: (1) management training in collaboration with Bolivia's Confederation of Private Businessmen, (2) financial sector improvement through the Agribusiness and Artisanry project (511-0472) and the Strengthening Financial Markets project (511-0598) begun in FY 1988, and (3) internal marketing of agricultural produce and processed agricultural products through the Private Agricultural Organizations (511-0589) and Market Town Capital Formation projects (511-0573). Even distribution of economic activity throughout the country is also an objective of the Market Town Capital Formation project, while the ESF-funded Economic Recovery Program provides foreign exchange resources to meet private sector demands for imports of essential raw materials, as well as intermediate and capital goods.

Restructuring the Economy

One of the most visible and effective components of the A.I.D. portfolio is the GOB policy analysis unit (UDAPE), created under the ongoing Policy Reform project (511-0571). UDAPE has played an increasingly important role in assisting the GOB to restructure the economy. It has become a key participant in economic policy making. UDAPE has provided assistance over the past year in such diverse and important matters as the new tax law, negotiations on Bolivia's external debt, public finance, domestic price structures, employment policy and World Bank Consultative Group meetings.

Bolivia's success in achieving economic reactivation depends on several factors. First, adequate levels of credit must be available to all sectors of the economy. Up to now, farmers and agribusinesses have been unable to obtain sufficient or timely working capital through Bolivia's banking system due to onerous collateral requirements, severe institutional technical limitations and financial difficulties. These difficulties stem from poor policies and management of previous administrations, and from the current economic crisis. Hyperinflation induced a sharp contraction in the dollar value of bank deposits and high interest rates. Bank policies were inappropriate and insufficient to deal with the crisis and banks ceased to

function effectively. A.I.D., the World Bank and the Inter-American Development Bank (IDB) are coordinating efforts to meet needs of the revitalizing economy, which include training of bank officials, and banking policy and institutional reforms. A.I.D.'s contributions in this area include: (1) technical assistance and training to make the country's public and private financial systems more efficient and effective through the Strengthening Financial Markets project (511-0598), (2) quick-disbursing credit for agricultural production and processing through the Emergency Agricultural Credit project (511-0591), and (3) small business loans through the Small Enterprise Development project (511-0596).

Health, Child Survival and Family Planning

While the primary focus of the A.I.D. program in Bolivia is on broad-based economic expansion, several serious social problems are being addressed by A.I.D. projects. A.I.D.'s Child Survival strategy focuses on (a) reducing mortality and morbidity rates caused by diarrhea and communicable diseases among infants and children less than five years of age, (b) immunization, and (c) improvement in the availability of potable water and related sanitation facilities in rural areas. In FY 1988, a new information, education and communications project will be initiated to increase public awareness of the AIDS disease and the means to prevent its spread. Increasing access to voluntary family planning services is also an important element of A.I.D.'s health strategy to combat high risk births, reduce high incidences of neonatal and maternal mortality and to improve the socio-economic conditions of rural families by providing them with the knowledge and methods to space their children. The integration of oral rehydration therapy (ORT) and child growth monitoring services into the P.L. 480 Title II program at 2,000 mothers' clubs is providing added protection to the nutritional and overall health status of low-income women and children.

Education and Human Resources Development

A.I.D.'s education efforts in Bolivia focus on three areas: narcotics awareness, U.S. scholarships and training, and democratic initiatives. The ongoing Narcotics Education project helps develop public support for GOB drug control efforts. The Andean Peace Scholarship Program introduces young Bolivians to the United States and the benefits of democratic-based development, and provides much needed technical and professional training. A new Democratic Initiatives project will (1) promote improved administration of the judicial system and other judicial reforms and (2) support preparations for fair elections with broad participation through training, technical assistance, and rehabilitation of facilities.

To ease the severe impact of the GOB economic reforms and high unemployment on Bolivia's poor, A.I.D. will continue the successful urban and rural Food-for-Work program funded with P.L. 480 Title II food commodities and local currency generated by P.L. 480 Title III and ESF.

Section 709

Section 709 of the International Security and Development Act of 1985 requires that comprehensive reports be provided on A.I.D. assistance to Latin America and the Caribbean. The following supplemental information on assistance to Bolivia in FY 1987 is provided in fulfillment of that requirement:

A. Training: In FY 1987, A.I.D. provided training to 117 participants from Bolivia in the fields of agriculture (23), agricultural economics (6), public administration (12), democratic institutions (16), demographic analysis (9), economics (7), labor (10), health (10), business (4), and textiles (20).

B. The types of goods associated in FY 1987 with ESF cash transfers by A.I.D. to Bolivia are estimated as follows:

Types of Goods	Value
U.S. raw materials, machinery, intermediate goods, and spare parts	$7.16 million

C. Local currency associated with A.I.D. assistance to Bolivia was allocated by A.I.D. and the Government of Bolivia for the following uses in FY 1987 ($4.5 million was available for allocation at the beginning of FY 1987 and $21.6 million was added during FY 1987.)

	($millions)
1. Private Sector Agricultural Credit	7.3
2. Agro-industrial Credit	3.5
3. Agricultural Production Activities	1.5
4. Health and Nutrition	1.7
5. Narcotics Awareness Activities	.9
6. Cooperatives and Producer Associations	1.2
7. Training and Public Sector Reduction	.6
8. Rural Development	1.0
9. Public Administration	1.0
10. Employment Generation	2.8
11. Infrastructure	3.9
12. Program Administration and A.I.D. Operating Expense Trust Fund	.7
Total	$26.1

D. Reprogramming of Funds for Bolivia during FY 1987 resulted in the following functional account changes. Estimated FY 1987 obligations are as stated in the FY 1988 Congressional Presentation:

($000)	Total	ARDN	PN	HE	CSF	EHR	SDA	ESF
- Estimated FY 1987 Obligations	35,100	12,151	60	600	3,000	1,070	3,219	15,000
- Actual FY 1987 Obligations	27,999	12,150	60	600	3,000	1,470	3,219	7,500

E. Funds and Programs provided to Bolivia in FY 1987 through nongovernmental as contrasted to governmental channels:

	Nongovernmental		Government of Bolivia	
	($millions)			
DA	16.8	(81.7%)	3.7	(18.3%)
P.L. 480 Title II	9.4	(90.4%)	1.0	(9.6%)
P.L. 480 Title III 1/	-	-	20.0	(100%)
ESF 1/	-	-	7.2	(100%)
Total	26.2	(45.1%)	31.9	(54.9%)

1/ Although ESF and P.L. 480 Title III resources were provided through government channels, the private sector was the major beneficiary of these funds and programs. ESF dollars provided foreign exchange which facilitated the import of U.S. raw materials and goods needed by Bolivian businesses. P.L. 480 Title III provided for the import of wheat which was sold for distribution through private commercial channels.

FY 1989 Program

A.I.D. proposes $25 million in Economic Support Funds, $22.3 million in Development Assistance, $17 million in P.L. 480 Title III and $12.7 million in P.L. 480 Title II for Bolivia. The FY 1989 program will continue to support GOB efforts to achieve economic recovery and growth. Emphasis will remain on expanding the private sector through GOB policy changes and improved access to financial and technical services.

Agriculture, Rural Development and Nutrition ($9.15 million)

In FY 1989 A.I.D. will continue to promote agriculture as the spearhead of economic recovery and long-term growth in Bolivia, and to create economic opportunities for farmers who give up coca production. An additional $2 million will be provided for the Chapare Regional Development project (511-0543). A.I.D. will initiate in FY 1989 a new Export Promotion project (511-0585), and provide funding for two ongoing projects, Market Town Capital Formation (511-0573) and Small Enterprise Development (511-0596) to help produce a broad, legitimate basis for long-term economic stability and expansion.

Health, Child Survival and Population Planning ($4.6 million)

Funding will be provided for ongoing projects, most notably the PVO Child Survival project (511-0601) and the Community and Child Health project (511-0594) which supports immunization, oral rehydration therapy, birth spacing and nutrition education. Extension of Child Survival services will be supported through bilateral and centrally-funded grants to U.S. private and voluntary organizations (PVOs) and through the local currency component of the P.L. 480 Title III program.

Education and Human Resources ($2.3 million)

In FY 1989 the Bolivia component of the Andean Peace Scholarship Program (511-0603) will finance training in the United States for 86 participants. More than 430 participants will be trained over the life of the project. A.I.D. will also provide additional funding for the Narcotics Awareness project (511-0592) which is playing an important role in building a constituency in support of the GOB's courageous narcotics control program.

Selected Development Activities ($6.1 million)

This account will provide incremental funding for the Industrial Transition project (511-0577) which started in FY 1987 and facilitates the divestiture and privatization of state-owned industries, the Small Enterprise Development Project (511-0596) which promotes broad-based growth and employment in micro and small businesses, and the Strengthening Financial Markets project (511-0598). Funds will also be provided for the first year of the Export Promotion project (511-0585).

Economic Support Funds ($25 million)

Economic Support Funds (ESF) will provide $23 million for the Economic Recovery Program (511-0595) which is needed to continue support for the GOB's economic reactivation. The funds will help compensate for the losses in foreign exchange due to the expected continuation of the depressed markets for the country's principal traditional exports, tin and natural gas. ESF will also provide $2,000,000 for incremental funding for Democratic Initiatives, and Administration of Justice programs.

P.L. 480 Program ($29.7 million)

The $17 million proposed for the Title III program will assist the GOB to conserve scarce foreign exchange resources by funding a major proportion of Bolivia's wheat imports. The Food-for-Work element of the proposed $12.7 million Title II program will be implemented through Catholic Relief Services/Caritas, Food for the Hungry International, the Adventist Development and Relief Agency and the GOB National Community Development Services Agency. This ongoing activity is helping to mitigate urban unemployment caused by the GOB's economic reform measures while improving rural and urban infrastructure in poor areas of the country.

Mission Director: G. Reginald van Raalte.

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: BOLIVIA

CP 89

PROJECT NO. / PROJECT TITLE	*	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	PLANNED	-THROUGH FY 86- OBLIGATIONS	EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	EXPENDITURES
511-0000		PROGRAM DEVELOPMENT AND SUPPORT												
	CS	G	74	C	---	---	---	---	---	---	440	100	350	400
	EH	G	74	C	---	---	882	721	270	113	85	300	200	250
	FN	G	74	C	---	---	2,290	2,173	500	218	500	500	500	500
	HE	G	74	C	---	---	698	606	200	207	190	150	202	200
	PN	G	74	C	---	---	52	35	60	28	77	80	100	80
	SD	G	74	C	---	---	970	794	500	383	500	500	500	500
			PROJECT TOTAL:		---	---	4,892	4,329	1,530	949	1,792	1,630	1,852	1,930
511-0412		SPECIAL DEVELOPMENT ACTIVITIES												
	SD	G	64	C	---	---	1,367	1,153	150	58	300	200	500	400
			PROJECT TOTAL:		---	---	1,367	1,153	150	58	300	200	500	400
511-0458		RURAL SANITATION												
	HE	G	77	80	310	310	310	251	---	55	---	4	---	---
	HE	L	77	80	4,000	4,000	4,000	2,352	---	1,548	---	100	---	---
			PROJECT TOTAL:		4,310	4,310	4,310	2,603	---	1,603	---	104	---	---
511-0466		RURAL ACCESS ROADS II												
	FN	G	78	79	300	300	300	148	---	57	---	---	---	---
	FN	L	78	79	9,042	9,042	9,042	3,330	---	466	---	---	---	---
			PROJECT TOTAL:		9,342	9,342	9,342	3,478	---	523	---	---	---	---
511-0471		RURAL DEVELOPMENT PLANNING												
	EH	G	78	84	3,950	3,949	3,949	3,352	---	223	---	374	---	---
			PROJECT TOTAL:		3,950	3,949	3,949	3,352	---	223	---	374	---	---
511-0472		AGRIBUSINESS AND ARTISANRY												
	FN	G	77	86	2,150	2,150	2,150	846	---	483	---	821	---	---
	FN	L	77	86	9,200	9,200	9,200	6,135	---	1,937	---	1,128	---	---
			PROJECT TOTAL:		11,350	11,350	11,350	6,981	---	2,420	---	1,949	---	---
511-0482		RURAL EDUCATION II												
	EH	G	77	84	2,129	2,129	2,129	2,022	---	24	---	---	---	---
	EH	L	77	84	---	---	10,000	9,070	---	15	---	---	---	---
			PROJECT TOTAL:		2,129	2,129	12,129	11,092	---	39	---	---	---	---
511-0511		DEPARTMENTAL DEVELOPMENT CORPORATIONS												
	FN	L	79	79	7,000	7,000	7,000	2,945	---	3,195	---	870	---	---

*Refers to the planned project summary sheet

[C] Level of effort activity

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: BOLIVIA

CP 89

PROJECT NO. / PROJECT TITLE	L / G *	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHO	PLANNED	-THROUGH FY 86- OBLIGATIONS	EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	EXPENDITURES
	SD L	79	79	3,000	3,000	3,000	1,318	---	1,435	---	247	---	---
PROJECT TOTAL:				10,000	10,000	10,000	4,263	---	4,620	---	1,117	---	---
511-0536 SAN GABRIEL HEALTH PROJECT (PVO)													
	HE G	83	84	---	---	300	261	---	20	---	19	---	---
PROJECT TOTAL:				---	---	300	261	---	20	---	19	---	---
511-0543 CHAPARE REGIONAL DEVELOPMENT													
	FN G	83	91	4,400	10,150	3,541	1,586	859	833	---	1,000	2,000	2,500
	FN L	83	91	12,500	12,500	12,500	1,686	---	1,189	---	5,313	---	3,000
PROJECT TOTAL:				16,900	22,650	16,041	3,272	859	2,022	---	6,313	2,000	5,500
511-0567 LOW-COST SHELTER THROUGH PRIVATE SECTOR													
	SD G	83	88	1,650	1,650	750	495	700	431	200	500	---	119
PROJECT TOTAL:				1,650	1,650	750	495	700	431	200	500	---	119
511-0569 SELF FINANCING PRIMARY HEALTH CARE													
	CS G	83	90	1,250	1,250	---	---	800	230	---	200	---	250
	HE G	83	90	1,500	1,300	1,100	643	200	153	---	200	---	74
PROJECT TOTAL:				2,750	2,550	1,100	643	1,000	383	---	400	---	324
511-0571 POLICY REFORM													
	SD G	83	89	5,000	5,000	3,812	1,176	---	82	700	1,200	488	700
PROJECT TOTAL:				5,000	5,000	3,812	1,176	---	82	700	1,200	488	700
511-0573 MARKET TOWN CAPITAL FORMATION													
	FN G	86	91	3,500	12,197	2,206	---	951	559	1,800	1,000	2,500	1,000
	FN L	86	91	15,000	6,303	6,303	---	---	700	---	1,500	---	3,000
PROJECT TOTAL:				18,500	18,500	8,509	---	951	1,259	1,800	2,500	2,500	4,000
511-0577 INDUSTRIAL TRANSITION													
	FN G	87	91	6,000	6,000	---	---	1,000	---	500	500	---	500
	SD G	87	91	4,000	4,000	---	---	869	---	1,000	1,200	1,000	1,000
PROJECT TOTAL:				10,000	10,000	---	---	1,869	---	1,500	1,700	1,000	1,500
511-0578 PLANNING ASSISTANCE													
	CS G	88	90	---	500	---	---	---	---	200	50	---	100
	FN G	88	90	---	500	---	---	---	---	200	50	---	100

*Refers to the planned project summary sheet

CLevel of effort activity

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: BOLIVIA

CP 89

PROJECT NO. / PROJECT TITLE	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHO	-LIFE OF PROJECT- PLANNED	-THROUGH FY 86- OBLIGATIONS	-THROUGH FY 86- EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	-ACTUAL FY 87- EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	-ESTIMATED FY 88- EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	-PROPOSED FY 89- EXPENDITURES
PROJECT TOTAL:				---	1,000	---	---	---	---	400	100	---	200
511-0580 MANAGEMENT TRAINING													
	EH G	85	87	3,000	3,000	2,700	193	300	1,004	---	1,000	---	500
PROJECT TOTAL:				3,000	3,000	2,700	193	300	1,004	---	1,000	---	500
511-0581 DISASTER RECOVERY													
	FN L	84	85	5,700	5,700	5,700	---	---	1,319	---	2,000	---	2,000
PROJECT TOTAL:				5,700	5,700	5,700	---	---	1,319	---	2,000	---	2,000
511-0583 HANDICRAFT EXPORT DEVELOPMENT													
	SD G	85	89	3,000	3,000	1,375	378	1,000	1,047	625	1,000	---	575
PROJECT TOTAL:				3,000	3,000	1,375	378	1,000	1,047	625	1,000	---	575
511-0584 TRAINING FOR DEVELOPMENT													
	EH G	85	89	2,500	2,500	2,500	84	---	241	---	700	---	400
PROJECT TOTAL:				2,500	2,500	2,500	84	---	241	---	700	---	400
511-0585 *EXPORT PROMOTION													
	FN G	89	92	---	5,000	---	---	---	---	---	---	2,000	1,300
	SD G	89	92	---	6,500	---	---	---	---	---	---	1,000	800
PROJECT TOTAL:				---	11,500	---	---	---	---	---	---	3,000	2,100
511-0589 PRIVATE AG. ORGANIZATIONS													
	FN G	86	89	4,200	4,200	550	---	1,265	341	400	800	---	600
PROJECT TOTAL:				4,200	4,200	550	---	1,265	341	400	800	---	600
511-0590 ORT AND CHILD GROWTH MONITORING - OPG													
	CS G	85	87	600	800	---	---	400	2	400	300	---	200
	FN G	85	87	300	300	300	---	---	74	---	120	---	106
	HE G	85	87	136	136	136	---	---	83	---	53	---	---
PROJECT TOTAL:				1,036	1,236	436	---	400	159	400	473	---	306
511-0591 EMERGENCY AGRICULTURAL CREDIT													
	FN G	86	91	20,000	20,000	2,425	---	7,575	4,808	4,040	7,000	---	2,192
PROJECT TOTAL:				20,000	20,000	2,425	---	7,575	4,808	4,040	7,000	---	2,192

*Refers to the planned project summary sheet

CLevel of effort activity

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: BOLIVIA

CP 89

PROJECT NO. / PROJECT TITLE	*	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHO	PLANNED	-THROUGH FY 86- OBLIGA-TIONS	EXPEN-DITURES	-ACTUAL FY 87- OBLIGA-TIONS	EXPEN-DITURES	-ESTIMATED FY 88- OBLIGA-TIONS	EXPEN-DITURES	-PROPOSED FY 89- OBLIGA-TIONS	EXPEN-DITURES
511-0592			NARCOTICS AWARENESS											
	EH	G	86	89	1,150	2,650	250	---	900	299	750	500	750	1,000
			PROJECT TOTAL:		1,150	2,650	250	---	900	299	750	500	750	1,000
511-0593			ECONOMIC STABILIZATION AND RECOVERY PROG											
	ES	G	87	88	14,660	7,160	---	---	7,160	3,000	---	4,160	---	---
			PROJECT TOTAL:		14,660	7,160	---	---	7,160	3,000	---	4,160	---	---
511-0594			COMMUNITY & CHILD HEALTH											
	CS	G	88	92	---	13,000	---	---	---	---	2,500	1,000	3,050	2,200
	HE	G	88	92	---	2,000	---	---	---	---	200	---	---	---
			PROJECT TOTAL:		---	15,000	---	---	---	---	2,700	1,000	3,050	2,200
511-0595			ECONOMIC RECOVERY PROGRAM											
	ES	G	88	89	29,700	30,320	---	---	---	---	7,320	7,320	23,000	23,000
			PROJECT TOTAL:		29,700	30,320	---	---	---	---	7,320	7,320	23,000	23,000
511-0596			SMALL ENTERPRISE DEVELOPMENT											
	FN	G	88	92	---	5,000	---	---	---	---	1,000	500	2,000	1,500
	SD	G	88	92	---	5,000	---	---	---	---	980	200	1,300	1,000
			PROJECT TOTAL:		---	10,000	---	---	---	---	1,980	700	3,300	2,500
511-0598			STRENGTHENING FINANCIAL MARKETS											
	SD	G	88	91	6,200	6,200	---	---	---	---	1,000	900	1,300	1,200
			PROJECT TOTAL:		6,200	6,200	---	---	---	---	1,000	900	1,300	1,200
511-0599			WATER & HEALTH SERVICES - OPG											
	CS	G	86	89	2,300	1,850	500	---	1,350	156	---	850	---	400
	HE	G	86	89	2,200	2,186	1,986	---	200	492	---	500	---	400
			PROJECT TOTAL:		4,500	4,036	2,486	---	1,550	648	---	1,350	---	800
511-0600			ORS PACKETS											
	CS	G	87	C	---	650	---	---	450	---	200	200	---	350
			PROJECT TOTAL:		---	650	---	---	450	---	200	200	---	350
511-0601			CHILD SURVIVAL - OPG											
	CS	G	88	91	---	3,000	---	---	---	---	1,000	200	---	700

*Refers to the planned project summary sheet

CLevel of effort activity

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: BOLIVIA

CP 89

PROJECT NO. / PROJECT TITLE	L / * G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	-LIFE OF PROJECT- PLANNED	-THROUGH FY 86- OBLIGATIONS	-THROUGH FY 86- EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	-ACTUAL FY 87- EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	-ESTIMATED FY 88- EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	-PROPOSED FY 89- EXPENDITURES
PROJECT TOTAL:				---	3,000	---	---	---	---	1,000	200	---	700
511-0603 ANDEAN PEACE SCHOLARSHIPS	EH G	88	91	---	3,800	---	---	---	---	1,000	500	1,330	500
PROJECT TOTAL:				---	3,800	---	---	---	---	1,000	500	1,330	500
511-0608 AIDS PREVENTION	DG G	88	91	---	500	---	---	---	---	100	---	200	300
PROJECT TOTAL:				---	500	---	---	---	---	100	---	200	300
511-0999 LOCAL COST SUPPORT	ES G	87	87	340	340	---	---	340	336	---	4	---	---
PROJECT TOTAL:				340	340	---	---	340	336	---	4	---	---
511-9999 *PRIVATE AND VOL ORGANIZATIONS - OPG'S	CS G	79	C	---	---	---	---	---	---	---	---	850	---
	FN G	79	C	---	---	---	---	---	---	---	---	150	---
PROJECT TOTAL:				---	---	---	---	---	---	---	---	1,000	---
598-0642 REGIONAL ADMINISTRATION OF JUSTICE	ES G	86	90	---	---	---	---	---	---	---	---	2,000	1,000
PROJECT TOTAL:				---	---	---	---	---	---	---	---	2,000	1,000
COUNTRY TOTALS:				191,367	237,222	106,273	43,753	27,999	27,834	28,207	47,913	47,270	56,896
GRANTS:				126,425	180,477	39,528	16,917	27,999	16,040	28,207	36,755	47,270	48,896
LOANS:				65,442	56,745	66,745	26,836	---	11,794	---	11,158	---	8,000
---- APPROPRIATION SUMMARY ----													
AGR., RURAL DEV. & NUTRITION:				99,292	115,542	63,507	18,849	12,150	16,169	8,440	23,132	9,150	18,298
POPULATION PLANNING:				---	---	52	35	60	28	77	80	100	80
HEALTH:				8,146	9,932	8,530	4,113	600	2,558	390	1,026	202	674
CHILD SURVIVAL FUND:				4,150	21,050	500	---	3,000	388	4,740	2,900	4,250	4,600
AIDS:				---	500	---	---	---	---	100	---	200	300
EDUCATION & HUMAN RESOURCES:				12,729	18,028	22,410	15,442	1,470	1,919	1,835	3,374	2,280	2,650
SELECTED DEVELOP. ACTIVITIES:				22,850	34,350	11,274	5,314	3,219	3,436	5,305	5,947	6,088	6,294
ECONOMIC SUPPORT FUND:				44,700	37,820	---	---	7,500	3,336	7,320	11,484	25,000	24,000

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1987 are based on the authorized date.
For all projects with an initial obligation date after December 31, 1987 the FY of final obligation is based on a planned date.

PROGRAM: Bolivia

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)		
Export Promotion		2,000		FY 89 2,000 ARDN 1,000 SDA	Life of Project Funding 5,000 ARDN; 6,500 SDA	
Number 511-0585 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING	Population	ED. & HR	Sel. Act. 1,000	Initial Obligation FY 89	Estimated Final Obligation FY 92 / Estimated Completion Date of Project FY 93

Purpose: To support private sector efforts to expand and diversify Bolivia's exports of non-technical products.

Project Description: The Government of Bolivia (GOB) is placing major emphasis on the development of the export sector to reactivate the economy and create employment. The GOB's Reactivation Decree of July 1987 establishes the basis for the design of programs and policies to attain this objective. However, the export sector is hampered by institutional, technological, financial, and economic constraints which hamper efforts to develop Bolivia's export potential. The goal of the project is to promote Bolivia's economic recovery by addressing these constraints. A.I.D. will provide technical assistance, training, pre and post-embarkation credit, and assistance in developing an improved information system.

The project has four components:

(1) Institutional Strengthening for private and public institutions engaged in export promotion. A.I.D. will fund short and long-term technical assistance to develop market information, identify exportable categories of products, and respond to requests for technical assistance and short-term export financing.
(2) Product Identification, Design and Development assistance will be provided to Bolivian producers and exporters.
(3) Market Development. Producers/exporters will be assisted in identifying markets and distribution channels. The newly formed National Export Promotion Institute will be assisted with trade fairs, advertising campaigns, and linkage with foreign trade associations.
(4) Pre and Post Embarkation Credit: The project will provide almost $8.0 million in credit to exporters for working capital purposes.

Relationship of Project to A.I.D. Country Strategy: The project will support A.I.D.'s private enterprise development policy which emphasizes domestic and export production. It will also contribute directly to strengthening private sector firms and institutions to revitalize the Bolivian economy.

Host Country and Other Donors: The Inter-American Development Bank (IDB) and Andean Development Corporation (CAF) have each given Bolivia a $5.0 million loan for imports of raw materials and intermediate goods. The Bolivian government contribution to this project will consist of credit for exporters and producers.

Beneficiaries: The direct beneficiaries will be exporters and Bolivian producers who expand their domestic or export markets. Indirectly, the project will benefit the entire Bolivian population through an increase in private sector employment, and a reduction in trade and the balance-of-payments deficit.

Major Outputs	All Years
Private sector export organizations strengthened	2
Pre-feasibility studies completed	5
Information system established	1
Bolivian ICIs channeling credit to exporters	6

A.I.D. Financed Inputs	Life-of-Project ($000)
Technical Assistance	1,700
Training	350
Commodities	100
Credit Fund	8,000
Contigency/Evaluation	1,350
Total	$11,500

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30,			
Estimated Fiscal Year			
Estimated Through September 30,			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1989	3,000	8,500	11,500

Principal Contractors or Agencies

AID 370-7 (11-85)

PROGRAM: Bolivia

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Private Voluntary Organizations - Operational Program Grant (OPG)		150	CSF 850	FY 89 1,000	Life of Project Funding Continuing

Number		Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
511-9999 ☒ GRANT ☐ LOAN	☐ NEW ☒ CONTINUING				FY 87	FY Continuing	FY Continuing

Purpose: To assist U.S. and indigenous private and voluntary organizations (PVOs) to implement child survival initiatives and P.L. 480 development and feeding programs.

Project Description: During FY 1989, A.I.D. will continue to support child survival and related health activities. Studies show that the health status of Bolivian children under four years of age is the lowest in South America. Key factors contributing to this condition are the absence of adequate health services and health education at the community level. Further, A.I.D. will support a U.S. PVO in providing assistance in planning and managing P.L. 480 feeding and development programs for private voluntary organizations.

CARE will continue to implement an integrated health promotion and potable water program to reduce the mortality and morbidity rate due to diarrhea. It is providing training for community-level health committees, health promoters, and other community members in oral rehydration therapy, correct hygiene, and protection of water supplies. Community health committees are being trained in and are responsible for operation and maintenance of water systems. Operation and maintenance costs will be paid by collecting user fees from residents.

Save the Children will continue to implement its program, initiated in FY 1988, to provide child survival interventions such as immunizations, control of diarrheal diseases, nutrition, child growth monitoring, birth spacing, and maternal and child health promotion. The purpose of the grant is to strengthen and encourage collaboration among the Ministry of Health, indigenous PVOs and multilateral organizations working in Child Survival activities; unify health information systems; identify and support local technical assistance needs, and strengthen ties and participation with the Bolivian ministries working in CS activities.

A.I.D. will provide a grant in FY 1989 to Planning Assistance, a U.S. PVO, to provide management and technical assistance to the Adventist Development and Relief Agency, Catholic Relief Services and Food for the Hungry in carrying out P.L. 480 feeding programs.

Relationship of Project to A.I.D. Country Strategy: A basic objective of the A.I.D. program in Bolivia is to improve the health status of Bolivia's people through increased health services, and productivity in the agricultural sector.

Host Country and Other Donors: The PVOs will contribute their own funds to these activities. In addition, each participating community will contribute labor and materials required for the CARE project. The contribution of participating communities, excluding user fees, will be about $1.5 million. PVO counterpart resources for the Save the Children OPG are estimated to be about $417,000.

Beneficiaries: The major beneficiaries of these projects will be rural children under four years of age. Other beneficiaries include the adult population of communities participating in the potable water program and about 75,000 people who will receive primary health care services.

Major Outputs	All Years
Reduced infant and child mortality	X
Potable water systems installed	200
Family latrines built	10,000
Community health committees established	200
Expanded child growth monitoring	X
PVO sub-projects implemented	20
CS interventions expanded	X

A.I.D. Financed Inputs	FY 1989 ($000)
Grants to PVOs	1,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30,			
Estimated Fiscal Year			
Estimated Through September 30,			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year	1,000	Continuing	Continuing

Principal Contractors or Agencies

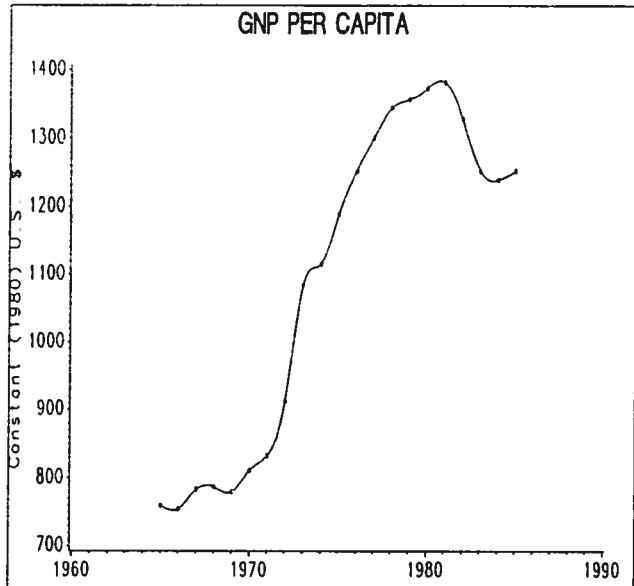
ADRA - Adventist Development and Relief Agency
CARE - Cooperation for American Relief Everywhere
CRS - Catholic Relief Services

AID 370-7 (11-85)

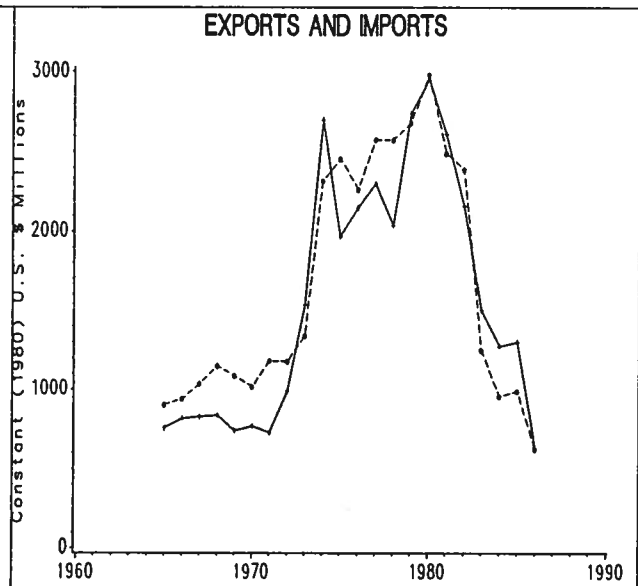
Encyclopedia

ECUADOR -- Economic Indicators

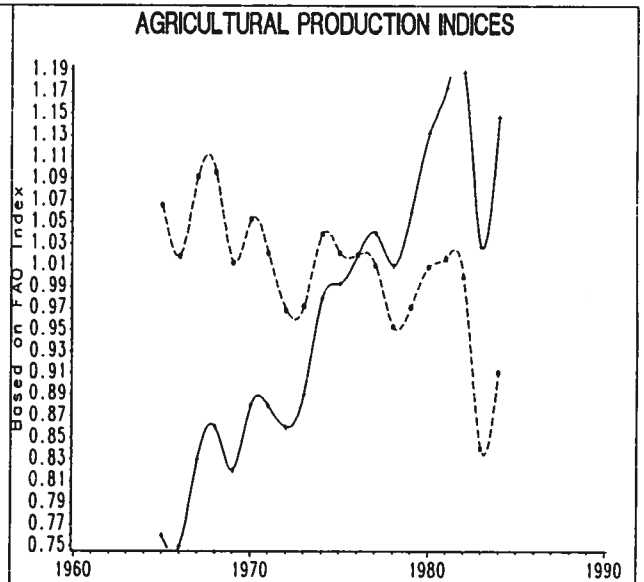
Total U.S. Aid $ 555 Million (1946-86)
Ratio of U.S. Aid To Total ODA 23.1% (1982-85)
Yearly U.S. Aid Per Capita $ 3.61 (1982-85)



NOTE: Major changes may be related to the use of official exchange rates.



Solid: Exports
Dashes: Imports



Solid: World Bank Index
Dashes: Divided by Population Index

NATIONAL INCOME AND EXPENDITURES

Per Capita GNP .....(1985) 1,160

Average Annual Real Per Capita GNP Growth Rate.(1965-85) 3.5%

Government Budgetary Expenditures as a % of GNP...(.) . %

Total Expenditures and Net Lending ($ Millions, US):
(1982) 2,188 (1983) 966 (1984) 1,279

Budgetary Deficit or Surplus ($ Millions, US):
(1982) -627 (1983) -245 (1984) -86

INTERNATIONAL RESERVES AND EXTERNAL DEBT

Official International Reserves Equivalent to
3.9 Months of Imports (1986)

External Public Debt as % of GNP...(1985) 46.3%

Service Payments on External Public Debt,
($ Millions, US)..... (1985) 939
As % of Total Export Earnings..... (1985) 21.4%

EXTERNAL TRADE (IN 1980 CONSTANT $US)

Trade Balance($ Millions, US) (1984) 318(85) 312(86) 8

Total Imports($ Millions, US) (1984) 955(85) 988(86) 623
Of Which % From U.S. .....(1986) 56%

Major Imports(1985)AG.&INDUST. MAC;INDUST. RAW MAT;BLDG SUPPLIES

Total Exports($ Millions, US) (1984) 1,273(85) 1,300(86) 631
Of Which % to U.S. .....(1986) 92%

Major Exports(1985)PETROLEUM PRODS;SHRIMP;FISH PRODUCTS

Trading Partners: UNITED STATES; JAPAN; GERMANY, FEDER

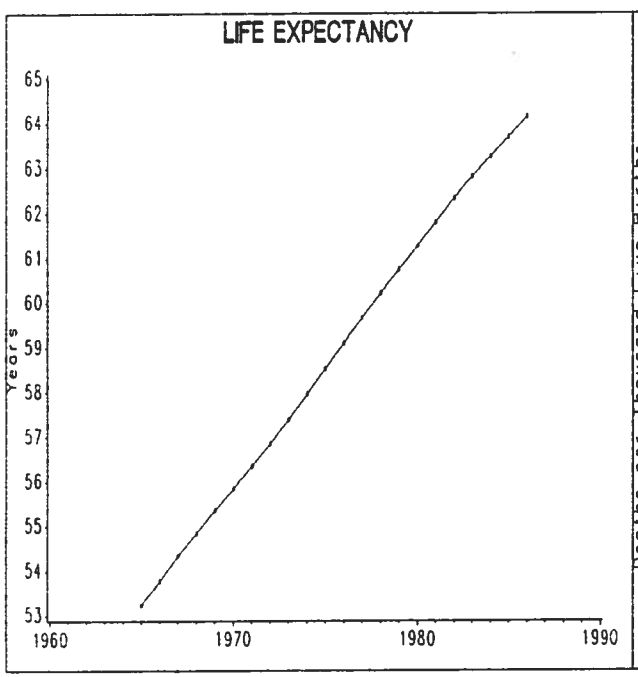
AGRICULTURE

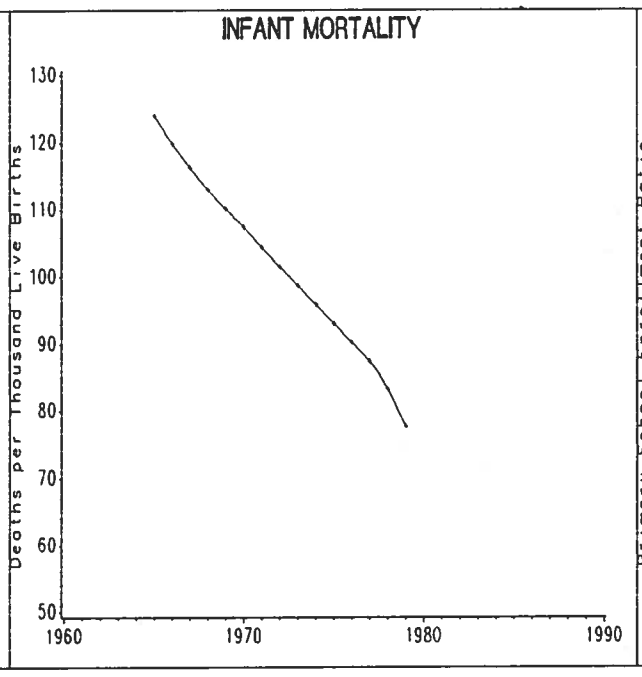
Agricultural Production as % of GDP...(1985) 14%

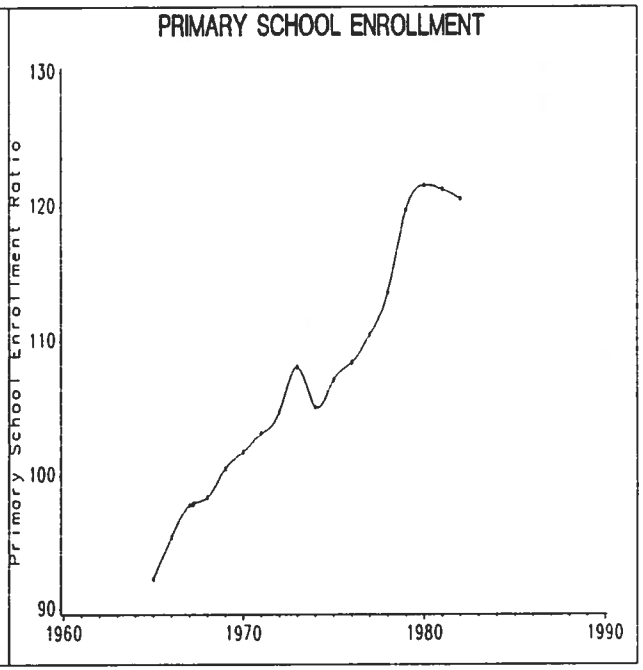
Major Crop(s)	As % of Arable Land	
Subsistence: POTATOES; PLANTAINS; CORN	28%	(1986)
Cash: COFFEE; COCOA BEANS; RICE	55%	(1986)

Ag. Exports:(1986)COFFEE; BANANAS; COCOA BEANS
Ag. Imports:(1986) WHEAT; SOYBEAN OIL; CATTLE

ECUADOR -- Social Indicators







POPULATION
Total Population...(Thousands, Mid 1987) 9,955

Population Growth Rate...(1970) 3.1% (1978) 2.9% (1987) 2.8%

Population (1987) By Age Group:
(0-14yrs) 41.6% (15-64yrs) 54.8% (65+ yrs) 3.6%

Married Women Aged 15-49 yrs. Using Contraception...(1987) 44.2%

Total Fertility Rate...(1970) 6.6 (1987) 4.6

HOUSEHOLD INCOME AND EMPLOYMENT
National Income Received by Low 20% of Population..(.) %

% of Population Living Below Absolute Poverty Level
(1980) Total % Urban 40.0% Rural 65.0%

Labor Force Participation as % of Working Age Population
(1980) 33%

Proportion of Labor Force in Agriculture...(1980) 48%

NUTRITION AND HEALTH
Per Capita Calorie Supply as a % of Requirements...(1980) 74%

Life Expectancy at Birth, in Years
(1986) Total 64.1 Male 62.2 Female 66.2
(1970) Total 55.9 Male 54.0 Female 57.8

Infant Deaths in First Yr of Life per 1000 Live Births (1987) 66

% Of Children 12-23 Months Old Fully Immunized Against
Tuberculosos(BCG3) 99% (1985) Measles 54% (1985)
Diphtheria(DPT) 41% (1985) Polio(3) 39% (1985)

Population with Reasonable Access to Safe Water Supply
(1982) 52%

EDUCATION AND LITERACY
Total School Enrollment as Ratio of Population in Age Group:

Primary	(1982)	Total 120.6	Male 122.4	Female 118.7
Secondary	(1982)	Total 59.5	Male 51.9	Female 51.2
Post Secondary	(1980)	Total 30.4	Male 38.3	Female 22.5

Adult Literacy Rate (1982) Total 86% Male 88% Female 83%

ECUADOR

PROGRAM SUMMARY ($000)			
Category	FY 1987 (Actual)	FY 1988 (Estimated)	FY 1989 (Request)
Development Assistance	17,190	15,678	16,720
Loan	1,100	0	0
Grant	16,090	15,678	16,720
Economic Support Fund	19,334 1/	0	9,000
Loan	0	0	0
Grant	19,334	0	9,000
Other*			
TOTALS	36,524	15,678	25,720
P.L. 480	3,667	706	510
Title I	0	0	0
Title II	3,667	706	510
TOTALS	40,191	16,384	26,230

Footnotes:
1/ The above total for ESF includes $185,000 in local cost support.

PERSONNEL DATA – MISSION DIRECT HIRE[a]			
Category	FY 1987 (Actual)	FY 1988 (Estimated)	FY 1989 (Request)
U.S. National	14	19.25	19.25
Foreign National	16	17.0	17.0
TOTALS	30	36.25	36.25

[a]*Total full time equivalent workyears of employment. Include HIG, excess property, and IG personnel. Excludes TDP. One workyear = 2,087 hours.*

PARTICIPANT TRAINING DATA[a]									
Category	FY 1987 (Actual)			FY 1988 (Estimated)			FY 1989 (Request)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
U.S. Participants									
Bilateral[d]	10	65	75	39	156	195	40	160	200
Regional[e]	18	44	62	10	25	35	5	10	15
Third Country Participants									
Bilateral[d]	1	33	34	4	20	24	5	20	25
Regional[e]	0	0	0	0	0	0	0	0	0
TOTALS	29	142	171	53	201	254	50	190	240

[a]*In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*
[b]*Academic: degree seeking.*
[c]*Technical: non-degree seeking.*
[d]*Participants funded under bilateral programs.*
[e]*Participants funded under regional programs (e.g., CLASP, AMDP).*

AID 370-2 (8-86)

ECUADOR

Introduction

During the past four years, the Ecuadorean economy has suffered four major blows: the "El Nino" disaster, the drying up of foreign commercial credit, the collapse of oil prices, and the March 1987 earthquake which destroyed parts of the oil pipeline and cut off oil exports for six months. The latter two factors have highlighted Ecuador's over-dependence on petroleum exports and have contributed heavily to a severe balance-of-payments deficit. Several difficult steps have been taken by Ecuador, including increasing revenue collections, cutting subsidies and other spending, floating the foreign exchange rate, and freeing exchange transactions and all commercial interest rates. Despite strong political pressure in recent months to reverse many of its market-oriented policy reforms, especially with the coming electoral campaign, the Government of Ecuador (GOE) has maintained a firm stance vis-a-vis its policy agenda.

Since the A.I.D. program was restarted in FY 1980 to support Ecuador's return to a democratic system after eight years of military rule, there has been significant progress in strengthening democratic institutions. The GOE has continued to maintain a warm relationship with the United States based on a shared commitment to democracy, a common understanding of the role of government, a strong commitment to private sector-led growth and an historically vigorous trade relationship.

U.S. interests in Ecuador over the coming year will focus on encouraging a smooth transition to a new democratically elected administration and the initiation of a dialogue regarding development priorities for the subsequent four-year period. Central to this effort is a concern with the broad disparities in income levels between the modern urban sector and the rest of the country; the very high level of underemployment which is pervasive in both rural and urban areas; low rural health and educational levels; and an infant mortality rate which is one of the highest in Latin America.

A.I.D. Development Strategy and Accomplishments to Date

A.I.D. has continued to assist the GOE in its program to stabilize the external sector and restructure the economy along competitive lines. A.I.D.'s development assistance strategy includes three major elements:

1. Assist Ecuador in confronting its most critical obstacle to sustained economic growth: its vulnerability to short-run economic instability due to its dependence on petroleum export earnings. GOE efforts to restructure and diversify the economy to address this issue have produced significant results which have been reinforced by A.I.D.'s continuing assistance. The provision of ESF and other fast-disbursing

financial assistance to support the maintenance of free-market-oriented policies during a period of economic stabilization.

2. Assist Ecuador to set appropriate policies and to develop and implement programs to stimulate investment and greater production and productivity, particularly in agriculture and by small enterprises.

3. Provide assistance to Ecuador in promoting a wider sharing of the benefits of growth. A.I.D.'s involvement in the social sectors focuses on low-income housing, health (including child survival activities), family planning, employment and technical skills training. Also, A.I.D. is helping the Ecuadorean private sector to become more active in the area of drug use awareness and prevention.

Agriculture, Rural Development and Nutrition. A.I.D.'s basic objectives are to increase agricultural production, productivity and exports, and to promote the rational use, management and protection of Ecuador's natural resources base. Emphasis is being placed on improving sector policies, institutional development, research, extension and marketing.

The Agricultural Sector Reorientation project (518-0051) has been the vehicle for analyzing and implementing improved agricultural policies and providing a framework for reducing government intervention in the marketplace. A policy analysis unit has been established in the Ministry of Agriculture and is now preparing key policy studies for the sector. P.L. 480 Title I and Section 416 food assistance programs have encouraged and supported policy reforms for the agricultural sector. The Rural Technology Transfer System project (518-0032) is assisting producer groups and associations to make greater use of modern appropriate technologies in areas such as dairy, meat, sheep and short-cycle crops (corn and soybeans). P.L. 480 local currencies support these efforts. The Non-Traditional Agricultural Exports project (518-0019) is contributing to strengthening the exporters' association, making available market and technological information to agro-based exporters, and providing credit for new agribusiness investments. Non-traditional agricultural exports directly resulting from this A.I.D. project amounted to $28 million in 1986 and 1987.

A.I.D. also continued to prepare the necessary studies, baseline information and groundwork to strengthen Ecuador's agricultural research, extension and education system through a private foundation. A new project, Agriculture Research, Extension, and Education (518-0068) is planned for FY 1988. The Forestry Sector Development project (518-0023) was recently evaluated and redesigned to focus on agroforestry and forestry protection activities. The project will provide much of the preliminary work associated with the development of an FY 1989 natural resources management activity. Operational program grants (OPGs) with U.S. and Ecuadorean private and voluntary organizations (PVOs) provide technical assistance and services to small farmers, particularly irrigation and soil conservation; scholarships for graduate agricultural education abroad to low-income Ecuadoreans; and improved natural resource conservation and environmental awareness.

Health and Child Survival. A.I.D.'s objectives in the sector are to reduce mortality and morbidity among infants and children and improve public health services. A.I.D. assistance is focused on preventing and reducing diarrheal diseases, immuno-preventable diseases, malaria and malnutrition.

The Child Survival (CS) effort, as a component of the Integrated Rural Health Delivery System project (518-0015), is making significant progress in reducing child morbidity and mortality in Ecuador. At the beginning of the project, approximately 18 months ago, only 46% of all children under four years of age were covered by the CS immunization campaigns, compared to a dramatic increase to 80% coverage at the present time. Project assistance to institutionalize CS services in the Ministry of Health is making good progress. Despite several years of successful program efforts to reduce the incidence of malaria by the National Service for the Eradication of Malaria (SNEM), with assistance of the Malaria Control project (518-0049), it now appears that malaria may again be on the increase due to labor problems in SNEM which affect spraying frequency. The project is making adjustments to deal with this changing situation. A major accomplishment in the health sector has been the significant institutional progress, the introduction of low-cost, appropriate technology, and the impact achieved through the completion of over 100 rural potable water projects which are now providing good quality water for the first time to over 54,000 low-income Ecuadoreans. Local currencies from P.L. 480 Title I and ESF, in addition to grant resources provided under the Integrated Rural Health Delivery System project (518-0012), are supporting this effort.

Population Planning. The objective of A.I.D.'s population program under the Population and Family Planning project (518-0026) is to increase access to voluntary family planning services. Key to the project's success is the participation of U.S. and Ecuadorean PVOs in population studies, the promotion of family planning practices and the provision of services to the community. The cumulative number of new acceptors from A.I.D.-funded activities increased to 372,000 in 1986. In FY 1987, 60 new health posts providing family planning services were opened. A.I.D. assistance has contributed substantially to a national contraceptive prevalence use rate of 44%.

Education and Human Resources. A.I.D. is working with private sector organizations and PVOs to improve the technical and management skills of the Ecuadorean private sector. Through the Graduate Management Training project (518-0035) A.I.D. provided its support to a private Ecuadorean foundation to help establish a graduate management institute, which opened in December 1987. Several grants to PVOs for assistance in technical and financial skills have been signed with selected private sector organizations. Some 3,800 Ecuadoreans received technical training in FY 1987 under these projects.

A.I.D.-supported narcotics education and awareness activities were intensified in FY 1987 with the start of a Narcotics Education project (518-0064) which is being implemented by a private Ecuadorean foundation.

Another important objective is to increase the number of Ecuadoreans who receive training in the United States and to improve the effectiveness of A.I.D.'s participant training programs. The Andean Peace Scholarship program (518-0067) was launched in the last month of FY 1987.

Program Development and Support funds (PD&S) were used to carry out formative evaluations of ongoing technical skills training, complete the design of the Narcotics Education project, and develop the new Andean Peace Scholarship program.

Selected Development Activities. Funding from this account was used to strengthen the private business sector, increase productive employment in small businesses, and strengthen selected GOE institutions.

In FY 1987, A.I.D. continued its support to private sector organizations, with emphasis on financial markets and privatization, through a Technical Training for the Financial Sector project (518-0048). The Small Enterprise Development project (518-0056) initiated training and technical assistance with small and micro-enterprises. This project expands on very successful, pilot credit activities with micro-enterprises that have been implemented through U.S. and local PVOs.

The GOE Ministry of Finance has continued to implement a major internal reorganization under the Fiscal Administration project (518-0042) to improve overall tax administration. The collection of delinquent direct and indirect taxes attributable to project activities has amounted to approximately $30 million. This was performed without changing the tax structure or increasing tax rates. In anticipation of the national elections being held in 1988, A.I.D. is designing a modest activity, the Policy Analysis and Transition Support project (518-0065), to assist the incoming administration in defining its development agenda in priority sectors.

Urban Development. A.I.D.'s objective in the urban sector is to improve the quality of life for low-income urban families. The Urban Development program seeks to improve performance, efficiency and equity in the supply of housing and essential urban services. During FY 1987, A.I.D. and the GOE continued and strengthened three activities funded under the Housing Guaranty (HG) program: the Solanda project in Quito (518-HG-005 for $20 million); the National Housing Program (518-HG-006 for $25 million); and the Private Sector Program (518-HG-007 for $30 million). These programs have helped the GOE adopt coherent and sustainable policies to address the urgent needs of rapidly growing cities. During FY 1987, new core units and home improvement loans financed through the HG program enabled 5,200 low-income families to own or improve their own homes. Also in FY 1987, A.I.D. started a Shelter Sector Technical Assistance project (518-0076) to assist the Central Bank of Ecuador to promote the participation of the private sector in low-income housing and emphasize a greater use of individual credits for shelter improvement. A new $10 million HG program is planned for FY 1988.

Economic Support Fund. In 1986, the world price for oil fell dramatically, causing severe shocks throughout the Ecuadorean economy. In 1987, the situation for Ecuador further deteriorated as a result of the March earthquake, which destroyed the pipeline and halted oil exports (the country's main foreign exchange earner) for approximately six months. Net losses to Ecuador's economy during 1987 as a result of these events are estimated at $950 million. Consequently, economic growth is expected to suffer during the rest of the decade, while balance-of-payments gaps and fiscal deficits increase. A.I.D. helped the GOE confront this crisis with a modest balance-of-payments ESF program totalling $18.8 million in FY 1987 under the Economic Stabilization and Recovery program (518-0058). These funds encouraged the Ecuadorean Government to continue its market-oriented economic restructuring program and were instrumental in leveraging other bilateral and multilateral assistance. Specifically, A.I.D. assistance helped to support policy reforms such as reduction in tariff barriers, liberalization of interest rates, and reduction in domestic gasoline subsidies. Local currencies from ESF were allocated for a private sector development program, emergency rehabilitation activities, counterpart for A.I.D. and other donor projects, and a modest A.I.D. Operating Expense Trust Fund. No ESF resources are available in FY 1988 to continue A.I.D. support in Ecuador for balance-of-payments assistance and associated policy reforms or for these important local currency activities.

P.L. 480 Title I / Section 416. Although there are no Title I programs planned beyond the FY 1986 program, expenditures of local currencies generated in FYs 1985 and 1986 will extend into FY 1988. Under Section 416 programs approved for FYs 1986 and 1987, wheat and non-fat dry milk (NFDM) will be monetized and the resulting local currencies earmarked for uses related to agricultural policy reform, the strengthening of private producer organizations, and GOE counterpart funding for A.I.D. agricultural and rural development projects. To date, significant results have been achieved through support to self-help measures dealing with marketing, research and extension, credit and seed production. In order to continue to support these efforts, A.I.D. is providing in FY 1988 $8.8 million in Section 416 Food for Progress wheat and sorghum. Local currency generations will be used to maintain and, where appropriate, to expand the scope of the market-oriented policy reforms and technology changes that have been implemented by the GOE in the agricultural sector.

P.L. 480 Title II. In response to the March 1987 earthquake, A.I.D. provided $3.8 million in P.L. 480 Title II vegetable oil. Local currency generations from the monetization of the oil will be used in emergency rehabilitation and reconstruction efforts in the affected areas. In addition, a modest P.L. 480 Title II Food for Peace program supports A.I.D.'s strategy of addressing basic human needs and the objective of reducing infant and child mortality. Food commodities are distributed by the Catholic Relief Services (CRS) local counterpart, the Social Promotion Secretariat of the Ecuadorean Bishops' Conference (SENAPS). CRS/SENAPS are preparing a phase-out plan, including specific alternate activities, such as fruit and vegetable community gardens and income-generating projects.

Section 709 of the International Security and Development Act of 1985 requires that comprehensive reports be provided on A.I.D. assistance to Latin America and the Caribbean. The following supplemental information on assistance to Ecuador is provided in fulfillment of this requirement:

A. Training: A.I.D. provided training in FY 1987 to a total of 171 participants from Ecuador in the fields of public administration (79), management (26), agriculture (24), health (19), computer science (9), agribusiness (6), environmental science (2), population (2), special education (2), engineering (2).

B. The types of goods associated in FY 1987 with ESF Cash Transfers by A.I.D. to Ecuador are as follows:

Types of Goods	Value
U.S. Raw Materials	3.8 million
U.S. Intermediate Goods	15.0 million
TOTAL	$18.8 million

C. Local Currency associated with A.I.D. assistance to Ecuador was allocated by A.I.D. and the GOE for the following uses in FY 1987:

Public Sector Development Activities (small infrastructure works throughout the country)	$3.3 million
Extensions of ongoing A.I.D./GOE Projects	1.8 million
Private Sector Development Activities	9.2 million
GOE Budgeted Counterpart Expenses	6.9 million
Other Public Sector Activities	0.2 million
Assistance to Ministry of Agriculture	0.7 million
P.L. 480 Title I Program Management	0.2 million
Trust Fund for A.I.D. Operating Expenses	1.9 million
TOTAL	$24.2 million

D. Reprogramming of funds for Ecuador during FY 1987 resulted in the following functional account changes. Estimated FY 1987 obligations are those which were shown in the FY 1988 Congressional Presentation Document:

($000)	TOTAL	ARDN	PN	HE	EHR	SDA	CSF	ESF
-Estimated FY 1987 Obligations	28,841	7,400	1,206	1,041	2,918	2,776	900	12,315
-Actual FY 1987 Obligations	36,524	7,357	2,281	1,038	2,795	2,719	1,000	19,334

E. Funds and programs provided to Ecuador in FY 1987 through nongovernmental as contrasted to governmental channels:

	Nongovernmental		Government of Ecuador	
	($millions)			
DA	10.7	(62.2%)	6.5	(37.8%)
ESF	-		18.8	(100%)
P.L. 480 Title II	.6	(16.2%)	3.1	(83.8%)
Section 416			7.1	(100%)
TOTAL	$11.3	(24.1%)	$35.5	(75.9%)

FY 1989 Program

The A.I.D. program proposed for Ecuador in FY 1989 will continue to place emphasis on addressing key constraints to equitable economic growth. The planned Development Assistance program totals $16.72 million. An additional $9 million in ESF is requested.

Agriculture, Rural Development and Nutrition. Activities in this sector will receive $6.2 million in FY 1989. A.I.D. will provide $1.64 million to initiate a Natural Resources Management project (518-0069). Funds will also be provided for the following ongoing activities: the Land Titling project (518-0059); the Agricultural Research, Extension and Education project (518-0068); and the Andean Peace Scholarship program (518-0067). Program Development and Support funds (518-0000) will be provided for new project design, and special studies and evaluations.

Health, Child Survival and Population. A.I.D.-funded activities will continue to emphasize child survival and family planning outreach. Funding of $4.1 million will be provided for these sectors in FY 1989. A.I.D. will initiate in FY 1989 a Child Survival/Maternal Child Health project (518-0071), providing an initial obligation of $2.55 million to build and expand the activities started under the Integrated Rural Health Delivery System project (518-0015). The project focuses on deficiencies in child survival services, with particular emphasis on local capacity to deliver these services on a sustainable basis. The timing of the new project will permit dialogue with the new GOE administration to reach an agreement on how to best support child survival objectives. A.I.D. funding will continue support of the Population and Family Planning project (518-0026).

Education and Human Resources: Total funding of $3.3 million will continue to support the expansion of academic and technical training in the United States under the Andean Peace Scholarship program (518-0067); the Graduate Management program (518-0035); and the Narcotics Education OPG (518-0064).

Selected Development Activities. Total A.I.D. funding for the account is planned at $3 million. A.I.D. will provide $1.2 million for a new project to establish a Binational Foundation (518-0066), that will serve as a vehicle for A.I.D. and others to channel funding for development activities

carried out by U.S. and Ecuadorean PVOs. In addition, incremental funding will be provided for the Small Enterprise Development project (518-0056) and the Special Development Activities project (518-0004).

Urban Development. During FY 1989, A.I.D. will continue to stress implementation of ongoing Housing Guaranty programs and provide technical assistance under the ongoing Shelter Sector Technical Assistance project (518-0076).

Economic Support Fund (ESF). To face the economic crisis which began in 1986, the GOE will need to continue special measures for the management of foreign debt payments to help close its expected balance-of-payment gap. To support this effort, a $8.5 million addition to the Economic Stabilization and Recovery program (518-0078) will promote the maintenance of free-market-oriented policies with the next GOE administration. ESF assistance ($500,000) will also be used to support the Administration of Justice program in Ecuador.

P.L. 480 Title II. A proposed $510,000 P.L. 480 Title II program implemented by CRS will continue to provide nutritional assistance to vulnerable segments of the Ecuadorean population.

Mission Director: Frank Almaguer

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: ECUADOR

CP 89

PROJECT NO. / PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	PLANNED	-THROUGH FY 86- OBLIGATIONS	EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	EXPENDITURES
518-0000 PROGRAM DEVELOPMENT AND SUPPORT													
	CS G	73	C	---	---	---	---	40	4	200	100	100	100
	EH G	73	C	---	---	1,727	980	195	481	250	280	148	180
	FN G	78	C	---	---	13,473	12,609	457	691	471	550	454	500
	HE G	73	C	---	---	1,098	579	77	236	300	200	73	200
	PN G	73	C	---	---	190	156	90	---	50	100	40	40
	SD G	73	C	---	---	3,128	2,390	607	823	500	600	499	680
PROJECT TOTAL:				---	---	19,616	16,714	1,466	2,285	1,771	1,830	1,314	1,700
518-0004 SPECIAL DEVELOPMENT ACTIVITIES													
	SD G	79	C	---	---	753	623	192	210	200	230	200	250
PROJECT TOTAL:				---	---	753	623	192	210	200	230	200	250
518-0012 INTEGRATED RURAL DEVELOP., AGRICULTURE													
	FN G	80	84	2,000	2,000	2,000	1,463	---	485	---	52	---	---
	FN L	80	84	9,800	9,800	9,800	6,457	---	3,173	---	170	---	---
PROJECT TOTAL:				11,800	11,800	11,800	7,920	---	3,658	---	222	---	---
518-0015 INTEGRATED RURAL HEALTH DELIVERY SYSTEM													
	CS G	81	88	9,160	9,160	---	---	960	---	1,000	450	---	650
	HE G	81	88	5,991	5,991	5,130	1,802	861	1,125	---	1,300	---	1,300
	HE L	81	88	7,235	7,235	7,235	5,610	---	1,379	---	200	---	46
PROJECT TOTAL:				22,396	22,336	12,365	7,412	1,821	2,504	1,000	1,950	---	1,996
518-0017 TRAINING FOR DEVELOPMENT													
	EH G	80	86	1,300	1,300	1,300	843	---	305	---	152	---	---
PROJECT TOTAL:				1,300	1,300	1,300	843	---	305	---	152	---	---
518-0019 NON-TRADITIONAL AG EXPORTS													
	FN G	84	88	2,400	2,900	1,998	1,069	400	850	500	477	---	502
	FN L	84	88	8,000	8,000	6,400	2,579	1,100	1,994	---	2,927	---	---
PROJECT TOTAL:				10,400	10,900	8,398	3,648	1,500	2,844	500	3,404	---	502
518-0023 FORESTRY SECTOR DEVELOPMENT													
	FN G	82	85	1,600	1,487	1,487	901	---	25	---	236	---	235
	FN L	82	85	6,500	6,500	6,500	1,021	---	1,314	---	2,140	---	2,025
PROJECT TOTAL:				8,100	7,987	7,987	1,922	---	1,339	---	2,376	---	2,260
518-0026 POPULATION AND FAMILY PLANNING													

*Refers to the planned project summary sheet

G Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1987 are based on the authorized date. For all projects with an initial obligation date after December 31, 1987 the FY of final obligation is based on a planned date.

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: ECUADOR

CP 89

PROJECT NO. / PROJECT TITLE	*	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	PLANNED	-THROUGH FY 86- OBLIGA-TIONS	EXPEN-DITURES	-ACTUAL FY 87- OBLIGA-TIONS	EXPEN-DITURES	-ESTIMATED FY 88- OBLIGA-TIONS	EXPEN-DITURES	-PROPOSED FY 89- OBLIGA-TIONS	EXPEN-DITURES
	PN	G	81	90	14,000	14,000	5,388	3,279	2,191	997	1,250	1,200	1,116	1,350
	PROJECT TOTAL:				14,000	14,000	5,388	3,279	2,191	997	1,250	1,200	1,116	1,350
518-0029	ALTERNATIVE ENERGY SOURCES													
	SD	G	81	84	800	586	586	524	---	---	---	---	---	---
	SD	L	81	84	1,650	1,400	1,400	895	---	118	---	---	---	---
	PROJECT TOTAL:				2,450	1,986	1,986	1,419	---	118	---	---	---	---
518-0032	RURAL TECHNOLOGY TRANSFER SYSTEM													
	FN	G	80	88	5,300	6,300	4,700	2,541	600	1,382	1,000	1,877	---	500
	FN	L	80	88	2,600	2,600	2,600	809	---	1,791	---	---	---	---
	PROJECT TOTAL:				7,900	8,900	7,300	3,350	600	3,173	1,000	1,877	---	500
518-0033	STRENGTHENING COMMUNITY ORG. (OPG)													
	FN	G	83	86	296	296	296	248	---	---	---	48	---	---
	HE	G	86	86	155	155	155	---	---	140	---	15	---	---
	PROJECT TOTAL:				451	451	451	248	---	140	---	63	---	---
518-0035	GRADUATE MANAGEMENT TRAINING													
	EH	G	86	90	10,000	10,000	3,500	---	1,200	688	---	2,000	1,350	2,000
	PROJECT TOTAL:				10,000	10,000	3,500	---	1,200	688	---	2,000	1,350	2,000
518-0040	MICRO ENTERPRISE DEVELOPMENT (OPG)													
	SD	G	84	85	460	460	460	340	---	119	---	---	---	---
	PROJECT TOTAL:				460	460	460	340	---	119	---	---	---	---
518-0041	PROFESSIONAL DEVELOPMENT INSTITUTE - OPG													
	EH	G	84	85	388	388	388	65	---	6	---	130	---	187
	PROJECT TOTAL:				388	388	388	65	---	6	---	130	---	187
518-0042	FISCAL ADMINISTRATION DEVELOPMENT													
	EH	G	85	87	2,200	2,200	2,200	231	---	447	---	650	---	800
	SD	G	85	87	2,600	2,600	2,180	842	420	382	---	500	---	750
	SD	L	85	87	2,250	2,250	2,250	75	---	244	---	600	---	800
	PROJECT TOTAL:				7,050	7,050	6,630	1,148	420	1,073	---	1,750	---	2,350
518-0044	TECHNICAL TRAINING - OPG													
	EH	G	84	86	821	821	611	199	210	107	---	200	---	315

*Refers to the planned project summary sheet

CLevel of effort activity

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: ECUADOR

CP 89

PROJECT NO. / PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHO	PLANNED	-THROUGH FY 86- OBLIGA-TIONS	EXPEN-DITURES	-ACTUAL FY 87- OBLIGA-TIONS	EXPEN-DITURES	-ESTIMATED FY 88- OBLIGA-TIONS	EXPEN-DITURES	-PROPOSED FY 89- OBLIGA-TIONS	EXPEN-DITURES
PROJECT TOTAL:				821	821	611	199	210	107	---	200	---	315
518-0045 SPECIAL EDUCATION RESOURCE CTRS (OPG)													
	SD G	83	85	50	50	50	35	---	11	---	4	---	---
PROJECT TOTAL:				50	50	50	35	---	11	---	4	---	---
518-0047 PRIVATE SECTOR DEVELOPMENT (OPG)													
	FN G	84	87	350	350	225	72	125	38	---	180	---	60
PROJECT TOTAL:				350	350	225	72	125	38	---	180	---	60
518-0048 TECH TRAINING FOR THE FINANCE SECTOR-OPG													
	SD G	84	87	437	437	237	106	200	87	---	105	---	139
PROJECT TOTAL:				437	437	237	106	200	87	---	105	---	139
518-0049 MALARIA CONTROL													
	HE G	85	86	3,000	3,000	3,000	300	---	377	---	776	---	1,355
	HE L	85	86	6,500	6,500	6,500	1,441	---	101	---	817	---	1,004
PROJECT TOTAL:				9,500	9,500	9,500	1,741	---	478	---	1,593	---	2,359
518-0050 MACRO ECONOMIC POLICY ANALYSIS													
	SD G	84	86	1,300	1,300	1,300	807	---	385	---	108	---	---
PROJECT TOTAL:				1,300	1,300	1,300	807	---	385	---	108	---	---
518-0051 AG SECTOR REORIENTATION PROGRAM													
	FN G	85	89	7,100	7,100	3,302	980	3,798	1,232	---	1,600	---	1,800
	FN L	85	89	1,400	1,400	1,400	38	---	344	---	550	---	468
PROJECT TOTAL:				8,500	8,500	4,702	1,018	3,798	1,576	---	2,150	---	2,268
518-0055 TECHNICAL SKILLS DEVELOPMENT - OPG													
	EH G	86	88	597	597	140	---	---	20	457	180	---	180
PROJECT TOTAL:				597	597	140	---	---	20	457	180	---	180
518-0056 SMALL ENTERPRISE DEVELOPMENT													
	SD G	86	89	5,000	5,000	1,560	---	600	240	1,124	1,200	1,100	1,300
PROJECT TOTAL:				5,000	5,000	1,560	---	600	240	1,124	1,200	1,100	1,300
518-0057 SMALL FARMER SUPPORT SERVICES - OPG													

*Refers to the planned project summary sheet

GLevel of effort activity

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: ECUADOR

CP 89

PROJECT NO. / PROJECT TITLE	L / * G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHO	-LIFE OF PROJECT- PLANNED	-THROUGH FY 86- OBLIGATIONS	-THROUGH FY 86- EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	-ACTUAL FY 87- EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	-ESTIMATED FY 88- EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	-PROPOSED FY 89- EXPENDITURES
	ES G	85	87	414	414	414	---	---	170	---	150	---	94
	FN G	85	87	397	397	250	53	147	47	---	100	---	97
	PROJECT TOTAL:			811	811	664	53	147	217	---	250	---	191
518-0058	ECONOMIC STABILIZATION PROGRAM												
	ES G	85	88	43,031	51,531	24,216	24,000	18,815	12,531	---	6,500	8,500	8,500
	PROJECT TOTAL:			43,031	51,531	24,216	24,000	18,815	12,531	---	6,500	8,500	8,500
518-0059	LAND TITLING												
	FN G	85	89	3,300	6,800	2,000	92	---	333	---	850	1,800	1,600
	FN L	85	89	7,000	3,500	3,500	246	---	731	---	1,600	---	923
	PROJECT TOTAL:			10,300	10,300	5,500	338	---	1,064	---	2,450	1,800	2,523
518-0060	PRIV SECTOR HEALTH DEL MODEL-OPG												
	HE G	85	86	645	645	645	60	---	204	---	200	---	150
	PROJECT TOTAL:			645	645	645	60	---	204	---	200	---	150
518-0061	CHILD, FAMILY, & COMM DEV - OPG												
	EH G	85	87	640	640	500	201	140	119	---	160	---	160
	SD G	85	87	774	774	300	---	474	174	---	300	---	300
	PROJECT TOTAL:			1,414	1,414	800	201	614	293	---	460	---	460
518-0062	AGRICULTURAL EDUCATION-OPG												
	FN G	85	89	680	680	450	39	230	163	---	225	---	175
	PROJECT TOTAL:			680	680	450	39	230	163	---	225	---	175
518-0064	NARCOTICS EDUCATION - OPG												
	EH G	87	90	1,600	1,600	---	---	300	80	600	250	700	300
	PROJECT TOTAL:			1,600	1,600	---	---	300	80	600	250	700	300
518-0065	POLICY ANALYSIS AND TRANSITION SUPPORT												
	SD G	88	88	---	300	---	---	---	---	300	150	---	150
	PROJECT TOTAL:			---	300	---	---	---	---	300	150	---	150
518-0066	*BINATIONAL FOUNDATION												
	SD G	89	91	---	3,000	---	---	---	---	---	---	1,200	150

*Refers to the planned project summary sheet

[C]Level of effort activity

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: ECUADOR

CP 89

PROJECT NO. / PROJECT TITLE	L / * G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	-LIFE OF PROJECT- PLANNED	-THROUGH FY 86- OBLIGATIONS	-THROUGH FY 86- EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	-ACTUAL FY 87- EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	-ESTIMATED FY 88- EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	-PROPOSED FY 89- EXPENDITURES
PROJECT TOTAL:				---	3,000	---	---	---	---	---	---	1,200	150
518-0067 ANDEAN PEACE SCHOLARSHIPS													
	EH G	87	90	3,021	3,021	---	---	750	---	621	200	1,150	400
	ES G	87	90	334	334	---	---	334	---	---	200	---	100
	FN G	87	90	1,962	1,962	---	---	200	---	762	100	700	300
	HE G	87	90	1,083	1,083	---	---	100	---	567	80	250	240
PROJECT TOTAL:				6,400	6,400	---	---	1,384	---	1,950	580	2,100	1,040
518-0068 AGRICULTURAL RESEARCH, EXTENSION AND EDU													
	FN G	83	91	---	7,000	---	---	---	---	2,967	350	1,650	750
PROJECT TOTAL:				---	7,000	---	---	---	---	2,967	350	1,650	750
518-0069 *NATURAL RESOURCES MANAGEMENT													
	FN G	89	92	---	7,000	---	---	---	---	---	---	1,640	100
PROJECT TOTAL:				---	7,000	---	---	---	---	---	---	1,640	100
518-0071 CHILD SURVIVAL													
	CS G	88	92	---	6,000	---	---	---	---	750	---	1,550	200
	HE G	83	92	---	4,000	---	---	---	---	---	---	1,000	500
PROJECT TOTAL:				---	10,000	---	---	---	---	750	---	2,550	700
518-0074 SMALL FARM IRRIGATION													
	FN G	87	88	600	600	---	---	300	---	300	150	---	350
PROJECT TOTAL:				600	600	---	---	300	---	300	150	---	350
518-0076 SHELTER SECTOR TA ASSISTANCE													
	SD G	87	89	1,000	1,000	---	---	226	---	337	250	---	250
PROJECT TOTAL:				1,000	1,000	---	---	226	---	337	250	---	250
518-0999 LOCAL COST SUPPORT													
	ES G	87		185	185	---	---	185	153	---	32	---	---
PROJECT TOTAL:				185	185	---	---	185	153	---	32	---	---
518-9999 PRIVATE AND VOL ORGANIZATIONS - OPG'S													
	EH G	78	C	---	---	---	---	---	---	1,172	500	---	210

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column -- All projects in this column with an initial obligation date before December 31, 1987 are based on the authorized date. For all projects with an initial obligation date after December 31, 1987 the FY of final obligation is based on a planned date.

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: ECUADOR

CP 89

PROJECT NO. / PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHO	-LIFE OF PROJECT- PLANNED	-THROUGH FY 86- OBLIGATIONS	-THROUGH FY 86- EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	-ACTUAL FY 87- EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	-ESTIMATED FY 88- EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	-PROPOSED FY 89- EXPENDITURES
PROJECT TOTAL:				---	---	---	---	---	---	1,172	500	---	210
598-0542 REGIONAL ADMINISTRATION OF JUSTICE	ES G	86	90	---	1,500	---	---	---	---	---	---	500	500
PROJECT TOTAL:				---	1,500	---	---	---	---	---	---	500	500
COUNTRY TOTALS:				189,906	228,129	138,922	77,600	36,524	37,106	15,678	35,251	25,720	36,215
GRANTS:				136,971	178,944	91,337	58,429	35,424	25,917	15,678	26,247	25,720	30,949
LOANS:				52,935	49,185	47,585	19,171	1,100	11,189	---	9,004	---	5,266
---- APPROPRIATION SUMMARY ----													
AGR., RURAL DEV. & NUTRITION:				61,295	76,672	60,381	31,217	7,357	14,593	6,000	14,182	6,244	10,385
POPULATION PLANNING:				14,000	14,000	5,578	3,435	2,281	997	1,300	1,300	1,156	1,390
HEALTH:				24,609	28,609	23,763	9,792	1,038	3,612	867	3,588	1,323	4,795
CHILD SURVIVAL FUND:				9,160	15,160	---	---	1,000	4	1,950	550	1,650	950
AIDS:				---	---	---	---	---	---	---	---	---	---
EDUCATION & HUMAN RESOURCES:				20,567	20,567	10,366	2,519	2,795	2,253	3,100	4,702	3,348	4,732
SELECTED DEVELOP. ACTIVITIES:				16,321	19,157	14,204	6,637	2,719	2,793	2,461	4,047	2,999	4,769
ECONOMIC SUPPORT FUND:				43,964	53,964	24,630	24,000	19,334	12,854	---	6,882	9,000	9,194

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1987 are based on the authorized date.
For all projects with an initial obligation date after December 31, 1987 the FY of final obligation is based on a planned date.

PROGRAM: Ecuador

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Natural Resources Management		1,640		FY 89 1,640 (G)	Life of Project Funding 7,000

Number 518-0069	☒ NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
☒ GRANT ☐ LOAN	☐ CONTINUING				FY 89	FY 92	FY 93

Purpose: To foster technologies and policies that will contribute to the sustainable use of Ecuador's renewable natural resources.

Project Description: The project will consist of four components:

1. Field Demonstrations of appropriate technologies will be designed and implemented in selected ecological zones and social settings for the sustained, economically productive use of natural resources. Examples of potential demonstrations are: irrigation on steep slopes combined with soil conservation techniques, crop diversification and wind breaks; production of wood and seafood from mangrove forests; combined tree-livestock-agricultural crop systems; and animal production in high Andean grasslands.

2. Policy Studies and discussions will more clearly define the relationships between the use of natural resources and overall government policies for agriculture, tourism, colonization and other relevant topics.

3. Research Activities will focus on problems identified in the field demonstrations. The component will also be used to evaluate in detail the results of the demonstrations.

4. Public Education will lay a base for wider appreciation and support of the sustainable use of natural resources. The results of the field demonstrations, policy and research components will provide material for this educational campaign.

Relationship to A.I.D. Country Strategy: The project will support the Country Strategy by working through private organizations to improve the living standards of the poorest segment of Ecuador's rural agricultural population, while protecting the natural resource base of the country and increasing agricultural production.

Host Country and Other Donor: The project will be implemented principally by private Ecuadorean organizations in close coordination with pertinent GOE agencies and international PVOs. The GOE private groups and participating farmers will also contribute to the project costs.

Beneficiaries: Ecuador's rural poor, especially small-scale farmers on fragile lands, will be the focus of the project.

Major Outputs	All Years
Field Demonstrations Implemented	10
Policy Studies	6
Public Educated	25% of Ecuadorean Population
Research projects concluded	20

A.I.D. Financed Inputs	Life of Project ($000)
Commodities	4,800,000
Technical assistance	500,000
Training and research	1,700,000
TOTAL	$ 7,000,000

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated	Principal Contractors or Agencies
Through September 30,				
Estimated Fiscal Year				
Estimated Through September 30,				
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1989	1,640	5,360	7,000	

PROGRAM: Ecuador

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Binational Foundation for Cooperation and Development				FY 89 1,200	Life of Project Funding 3,000

Number		Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
518-0066 ☒ GRANT ☐ LOAN	☒ NEW ☐ CONTINUING			1,200	FY 89	FY 91	FY 93

Purpose: To establish a Binational Foundation for Cooperation and Development that will foster technical, educational, economic and social development cooperation through activities with U.S. and Ecuadorean PVOs.

Project Description: Ecuador has a large number of private and voluntary organizations with a tremendous potential for implementing development activities. However, this system lacks a sense of common purpose, or a legal structure of its own, does not have specialized financing mechanisms, and needs support in institutional strengthening. The foundation will attempt to cover these gaps and will work towards the establishment of a more cohesive PVO movement that is better equipped to serve the social and economic development needs of the country. The Foundation will serve as a channel for assistance by A.I.D. and other donors to the PVO community in a variety of areas. Through the financing of individual PVO projects, the Foundation will foster the strengthening of local voluntary organizations, promote greater interaction with the U.S. PVO community, and assist in the creation of a National PVO Association. The following is an illustrative list of activities that will be undertaken by the Binational Foundation to meet its objectives:

-- Assist local PVOs and low-income communities throughout the country in financing discrete social and economic development projects;

-- provide technical assistance to local PVOs in areas such as organizational development, project design and evaluation, and fund-raising techniques;

-- promote the development of "joint ventures" between U.S. and local PVOs to consolidate the process of technology transfer.

Relationship of Project to A.I.D. Country Strategy: The Binational Foundation will be a private Ecuadorean entity. As an umbrella PVO, the Foundation will assist A.I.D. and Ecuadorean PVOs to design, fund, implement, and/or monitor the implementation of selected social and economic development activities in small and micro-enterprise development, agroindustrial development, health, rural potable water and technical skills training, that are consistent with A.I.D.'s development strategy for Ecuador.

Host Country and Other Donors: It is expected that A.I.D. will provide no more than 75% of the Foundation's initial costs. The Government of Ecuador will make in-kind and cash contributions to this effort, including ESF local currency. Local and U.S. PVOs and Ecuador's private sector will also contribute to the Foundation's activities.

Beneficiaries: Local PVOs and low-income groups will be the primary focus of the Foundation.

Major Outputs	All Years
Development projects funded and implemented	12
Ecuadorean PVOs strengthened	10

A.I.D. Financed Inputs	Life of Project ($000)
Institutional Support	500
Technical Assistance	600
Development Projects	1,900
TOTAL	3,000

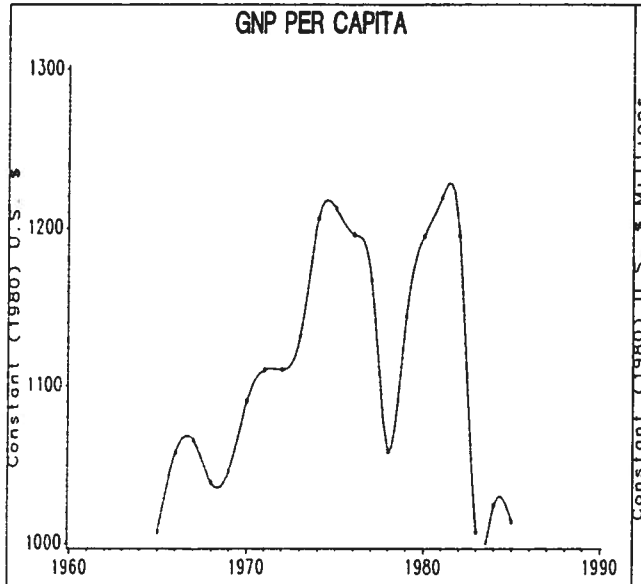
U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30,			
Estimated Fiscal Year			
Estimated Through September 30,			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1989	1,200	1,800	3,000

Principal Contractors or Agencies

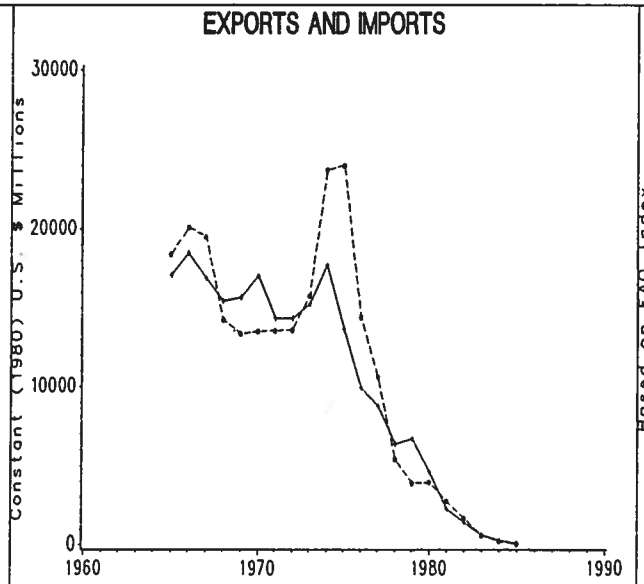
AID 370-7 (11-85)

PERU -- Economic Indicators

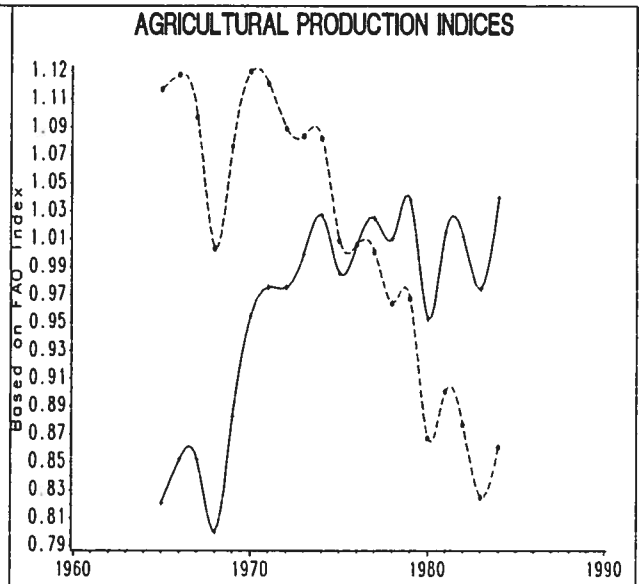
Total U.S. Aid $ 1,232 Million (1946-86)
Ratio of U.S. Aid To Total ODA 34.4% (1982-85)
Yearly U.S. Aid Per Capita $ 5.16 (1982-85)



NOTE: Major changes may be related to the use of official exchange rates.



Solid: Exports
Dashes: Imports



Solid: World Bank Index
Dashes: Divided by Population Index

NATIONAL INCOME AND EXPENDITURES

Per Capita GNP .....(1985) 1,010

Average Annual Real Per Capita GNP Growth Rate.(1965-85) 0.2%

Government Budgetary Expenditures as a % of GNP...(1983) 19.7%

Total Expenditures and Net Lending ($ Millions, US):
(1981) 4,359 (1982) 3,788 (1983) 3,067

Budgetary Deficit or Surplus ($ Millions, US):
(1981) -764 ( ) (.)

INTERNATIONAL RESERVES AND EXTERNAL DEBT

Official International Reserves Equivalent to
6.8 Months of Imports (1986)

External Public Debt as % of GNP...(1985) 67.9%

Service Payments on External Public Debt,
($ Millions, US)..... (1985) 299
As % of Total Export Earnings..... (1985) 8.1%

EXTERNAL TRADE (IN 1980 CONSTANT $US)

Trade Balance($ Millions, US) (1983) 6(84) 61(85) 29

Total Imports($ Millions, US) (1983) 613(84) 239(85) 80
Of Which % From U.S. .....(1986) 29%

Major Imports(1985)FOODSTUFFS;MACHINERY;TRANSPORT EQUIP

Total Exports($ Millions, US) (1983) 619(84) 300(85) 110
Of Which % to U.S. .....(1986) 41%

Major Exports(1986)COPPER;COFFEE;ZINC

Trading Partners: UNITED STATES; JAPAN; GERMANY, FEDER

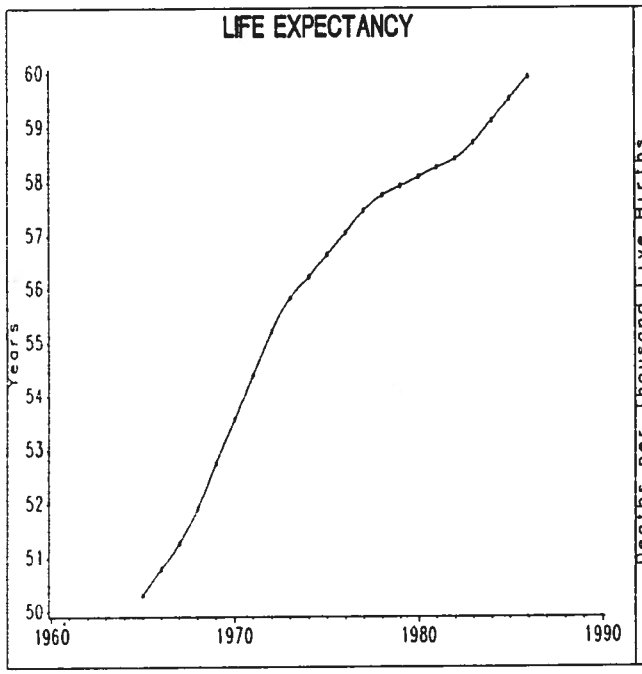
AGRICULTURE

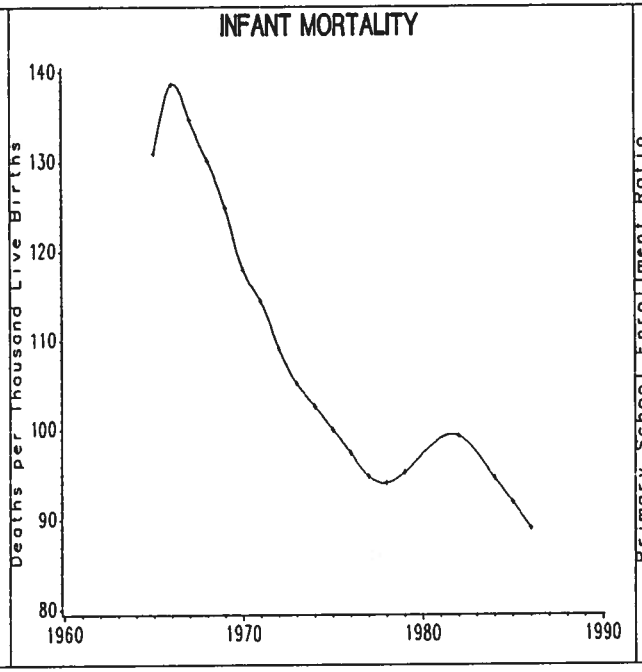
Agricultural Production as % of GDP...(1985) 14%

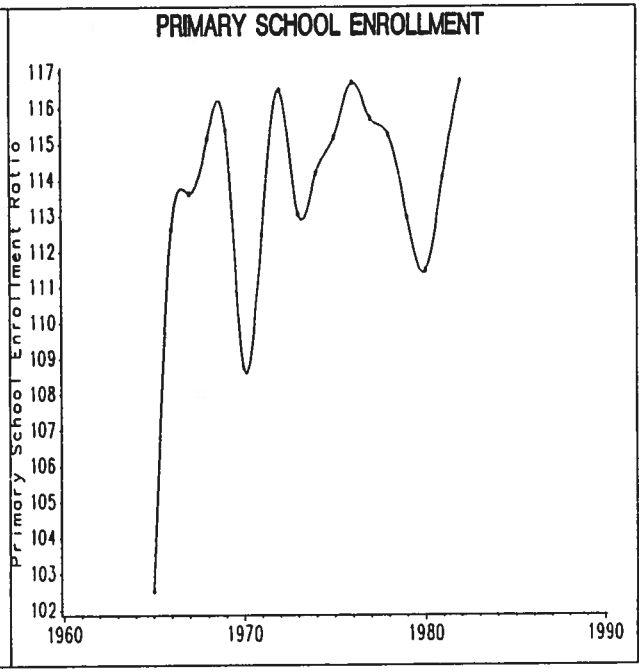
Major Crop(s)	As % of Arable Land	
Subsistence: POTATOES; CORN; BANANAS	21%	(1986)
Cash: COTTON; RICE; SUGARCANE	15%	(1986)

Ag. Exports:(1986)COFFEE; COTTON; SUGARCANE
Ag. Imports:(1986) WHEAT; MEATS; DAIRY PRODUCTS

PERU -- Social Indicators







POPULATION

Total Population...(Thousands, Mid 1987) 20,739

Population Growth Rate...(1970) 2.8% (1978) 2.6% (1987) 2.5%

Population (1987) By Age Group:
(0-14yrs) 40.1% (15-64yrs) 56.3% (65+ yrs) 3.6%

Married Women Aged 15-49 yrs. Using Contraception...(1986) 45.8%

Total Fertility Rate...(1970) 6.5 (1987) 4.5

HOUSEHOLD INCOME AND EMPLOYMENT

National Income Received by Low 20% of Population..(.) . %

% of Population Living Below Absolute Poverty Level
(1981) Total 35.0% Urban 25.0% Rural 75.0%

Labor Force Participation as % of Working Age Population
(1981) 52%

Proportion of Labor Force in Agriculture...(1985) 36%

NUTRITION AND HEALTH

Per Capita Calorie Supply as a % of Requirements...(1987) 83%

Life Expectancy at Birth, in Years
(1986) Total 59.9 Male 58.1 Female 61.9
(1970) Total 53.6 Male 52.3 Female 54.9

Infant Deaths in First Yr of Life per 1000 Live Births (1987) 90

% Of Children 12-23 Months Old Fully Immunized Against
Tuberculosos(BCG3) 70% (1985) Measles 53% (1985)
Diphtheria(DPT) 48% (1985) Polio(3) 47% (1985)

Population with Reasonable Access to Safe Water Supply
(1984) 63%

EDUCATION AND LITERACY

Total School Enrollment as Ratio of Population in Age Group:

Primary	(1982)	Total 116.7	Male 121.6	Female 111.8
Secondary	(1980)	Total 51.4	Male 56.0	Female 46.7
Post Secondary	(1980)	Total 15.8	Male .	Female .

Adult Literacy Rate (1981) Total 79% Male 85% Female 74%

PROGRAM SUMMARY ($000)			
Category	FY 1987 (Actual)	FY 1988 (Estimated)	FY 1989 (Request)
Development Assistance	14,250 1/	13,262	15,270
Loan	0	0	0
Grant	14,250	13,262	15,270
Economic Support Fund	5,333 2/	0	2,000
Loan	0	0	0
Grant	5,330	0	2,000
Other*	55 3/		
TOTALS	19,638	13,262	17,270
P.L. 480	28,386	17,984	25,904
Title I	20,000	10,000	16,000
Title II	8,386	7,984	9,904
TOTALS	48,024	31,246	43,174

Footnotes:
1/ The above total includes $400,000 of prior-year deobligated funds reobligated in FY 1987.
2/ The above total for ESF includes $250,000 in local cost support.
3/ International Disaster Assistance.

PERSONNEL DATA – MISSION DIRECT HIRE[a]			
Category	FY 1987 (Actual)	FY 1988 (Estimated)	FY 1989 (Request)
U.S. National	22.75	19.25	19.5
Foreign National	45.0	45.0	45.0
TOTALS	67.75	64.5	64.5

[a]*Total full time equivalent workyears of employment. Include HIG, excess property, and IG personnel. Excludes TDP. One workyear = 2,087 hours.*

PARTICIPANT TRAINING DATA[a]									
Category	FY 1987 (Actual)			FY 1988 (Estimated)			FY 1989 (Request)		
	A[b]	T[c]	Total	A	T	Total	A	T	Total
U.S. Participants									
Bilateral[d]	30	11	41	58	85	143	66	125	191
Regional[e]	33	43	76	21	34	55	36	5	41
Third Country Participants									
Bilateral[d]	12	14	26	15	30	45	11	24	35
Regional[e]	--	9	9	--	45	45	--	20	20
TOTALS	75	77	152	94	194	288	113	174	287

[a]*In-training refers to the sum of participant new starts during the FY & carryovers still in training from the prior FY.*
[b]*Academic: degree seeking.*
[c]*Technical: non-degree seeking.*
[d]*Participants funded under bilateral programs.*
[e]*Participants funded under regional programs (e.g., CLASP, AMDP).*

AID 370-2 (8-86)

PERU

Introduction

The Government of Peru (GOP) under President Alan Garcia has faced serious social and economic problems as well as continued terrorism which have affected Peru for more than the past decade. Per capita income is at levels of twenty years ago. Over half the children in rural areas suffer from malnutrition. Less than half the population has access to potable water, and health conditions are poor. Agriculture has not fully recovered from the statist policies of the military government of the 1970s, and rural incomes are low. The leftist "Sendero Luminoso" (Shining Path) insurgency and terrorist movement creates obstacles to restoring social and economic growth. Peru is a major location for coca production, and the government devotes considerable resources to fight the powerful narcotics trade.

Peru also has major macroeconomic problems, which make it more difficult to alleviate social problems. Peru was hard hit by the international recession and low commodity prices. In 1984, before the current Government came to power, Peru began to fall behind in meeting the debt service on its large foreign debt. Exports have fallen sharply from their peak in 1980, and arrearages are now almost double yearly exports. Excessive and inefficient government regulation of all aspects of the economy has led to the creation of a large informal sector that is largely outside the legal and financial system.

The GOP made some initial progress in restoring economic activity and increasing incomes of the poor, particularly in the rural areas. Demand stimulation measures increased output and incomes for the entire economy. The increased demand for food, combined with widespread price support measures for agricultural products particularly benefited the rural areas. However, after major increases in output in 1986, the economy is now hitting capacity limits, and further growth requires investment in new productive facilities.

The increase in output has not been accompanied by any fundamental changes in the economic situation of Peru. Foreign exchange reserves have been dropping, despite severe restrictions on debt service payments, and fiscal and monetary policies are stimulating increased inflation despite severe price controls. The controversy over nationalization of the remaining Peruvian domestic private banks and insurance companies has hurt business confidence, hindering new investment and diverting attention from the most pressing economic problems. The attempt to reserve foreign exchange for imports to support increased domestic production has led Peru to break with the international financial system. In 1987, failure to pay the World Bank led to suspension of disbursements on its projects in Peru. While the government is strongly committed to promoting rural development, improving health and social services, implementing a vigorous family planning program, and opposing the terrorist threat and illegal narcotics trade,

unless it secures a stronger economy and improves relations with the international financial agencies, it cannot be successful in its efforts. There is a general recognition by government and opposition alike that a critical period is at hand for the future of Peru.

A.I.D. Development Strategy and Accomplishments to Date

The objectives of the U.S. assistance program in Peru are to support:

-- the maintenance of constitutional and democratic government in Peru, moving away from the statist legacy of past military governments toward expansion, and strengthening of private sector institutions;

-- Peru's efforts to eliminate the illegal narcotics trade;

-- a policy dialogue with the GOP to analyze economic problems and to put in place policies that will allow sustained economic growth in Peru, reestablishment of good relations with Peru's creditors and compliance with debt service obligations;

-- GOP efforts to achieve increased and sustained economic growth, with particular emphasis on the reactivation and recapitalization of the agricultural sector;

-- promoting rural development, reducing malnutrition, improving health conditions, expanding family planning services, and providing training in the United States for disadvantaged Peruvians; and

-- improved administration of justice and respect for human rights.

Agriculture, Rural Development and Nutrition. Because of past mismanagement of the agriculture sector and flight of qualified personnel from public and private enterprises in the 1970s, A.I.D. is helping to rebuild institutions to help promote technology transfer and the formulation of more appropriate agricultural policies. A.I.D. is assisting the GOP, Peruvian universities, and the private sector to rebuild the agricultural research, extension and education system. In 1987 the new Agricultural Technology Transformation project (527-0282) was developed and started as a follow-on to the Agricultural Research, Extension and Education project (527-0192). It is implementing the recommendations of a Title XII university evaluation for closer cooperation between government, university, and private sector agricultural research institutions, and for provision of improved technology to farmers through both public and private sector channels. Improved agricultural varieties and practices from the institutions assisted by A.I.D. and Title XII institutions are crucial to increasing agricultural output in Peru. The Agricultural Planning and Institutional Development project (527-0238) has been effective in developing policies to enhance the profitability of agriculture that have resulted in greatly increased rural incomes in 1986 and 1987.

The Central Selva Resource Management project (527-0240) is a key project to develop new forestry and agricultural systems to help protect forests and soils in the humid Amazonean tropics. In 1987, the creation of the

Yanachaga National Park and San Matias Protective Forest with A.I.D. assistance brought 268,000 hectares of tropical forest under protection from destructive exploitation.

Operational program grants to U.S. and Peruvian agencies with P.L. 480 Title II feeding programs enhance the development and child survival components of their maternal and child feeding and food-for-work programs in the rural areas where malnutrition is most severe. In 1988, A.I.D. will provide funding to CARE to continue the large food-for-work reforestation project in the Sierra. An evaluation of the project indicated the need to emphasize village-based forestry activities that are seen as economically beneficial by community residents, and the project has been reformulated accordingly.

Health and Child Survival. A.I.D.'s health program concentrates on the delivery of child survival services, such as immunization and oral rehydration therapy (ORT) which save thousands of young lives each year, and family planning, while maintaining its emphasis on institutional development. The Child Survival Action project (527-0285), started in 1987, will facilitate expanded and improved provision of services in diarrheal disease control, immunizations, control of acute respiratory infection, family planning, and nutrition, targeted to those most in need of assistance to reduce infant and child mortality rates. The project will also support institutional improvements in the Ministry of Health and the Social Security Institute, to permit the sustained delivery of these services on a decentralized basis.

The Rural Water and Environmental Sanitation project (527-0221) has made good progress in providing potable water systems to rural communities; by the end of FY 1987 it had completed 660 systems, the original project goal. In 1988 it is expected to complete an additional 200 systems, towards the revised goal of 1,200 systems.

Population Planning. The Private Sector Family Planning project (527-0269) has helped private Peruvian family planning agencies to coordinate their efforts effectively and provide services in a more efficient manner. The private sector agencies play an important role in implementing the GOP's policy of promoting economic development through a lowered population growth rate, and complement the improved and expanded family planning services offered by the public sector, which will be supported by the new Child Survival Action project. The social marketing program for contraceptives, funded by a grant under the Integrated Family Planning and Health project (527-0230), is now becoming operational and complements the other projects. It will increasingly use domestically produced contraceptives, reducing reliance on imports.

Education and Human Resources. The Andean Peace Scholarship project (527-0313) is providing both short and long-term training in the United States. It targets primarily disadvantaged groups which have previously lacked access to U.S. training. The Peru component of the LAC Regional Training Initiatives II project has continued to provide academic and short courses in agriculture, health, and private sector development. In 1987, the LAC II program emphasized training in population and labor-related areas. The Narcotics Education and Public Awareness project (527-0288) is

having considerable success in increasing awareness of the narcotics problem among the Peruvian public. The Private Sector Management Improvement project (527-0272) continues its work with five private sector educational institutions to provide improved management training in small business, agro-business, and international commerce.

Selected Development Activities. The Private Sector Policy Planning and Institutional Development project (527-0298) assists organizations that carry out policy research and analysis for the private sector, and present business interests more effectively to the Peruvian Government. In 1987, the Institute for Liberty and Democracy, assisted by this project, published a widely read book, El Otro Sendero (The Other Path), which has been influential in emphasizing the widespread entrepreneurship in the informal sector in Peru, and the need for a freer and improved legal environment so that this sector can contribute more to economic growth and development. The project also supports basic studies on ways to increase private sector growth and efficiency which are carried out by the Central Bank, Ministry of Economy and Finance, and the National Planning Institute.

P.L. 480 Programs. The Title II program provides food supplements to poor urban and rural groups through U.S. private and voluntary organizations (PVOs) and their Peruvian affiliates. The programs are integrated with child survival activities and local economic development programs. The emphasis on Title II food distribution in rural areas, especially the Sierra, will continue. In 1988, a development program using Title II commodities sponsored by a PVO cooperating with the Ministry of Health may be started. It will replace the current Section 416 program with the Ministry of Health for maternal and child supplementary feeding in rural areas. A recent evaluation has indicated the value of this program and confirmed the need to continue it.

The Title I program provides needed food imports to help meet Peru's chronic deficits. The self-help measures in the program are integrated with A.I.D.'s agriculture projects and emphasize policies to increase food production, improve marketing efficiency, lessen food imports, and alleviate malnutrition. The local currency from commodity sales is used to finance development projects supported by A.I.D., primarily self-help measures, and other priority agricultural and health projects, including projects in the Andean regions threatened by leftist terrorists.

Economic Support Fund. ESF assistance in FY 1987 was used to finance the Administration of Justice project (527-0303), which works with the Ministry of Justice, Public Prosecutor's office and the Courts to improve administrative, technical and legal performances of judicial institutions; the Narcotics Education and Public Awareness project (527-0288); the Andean Peace Scholarship project (527-0313) described above under Education and Human Resources, and the Agricultural Technology Transformation project (527-0282) described above under Agriculture, Rural Development, and Nutrition. No ESF will be available in FY 1988 to support most of these important projects.

Disaster Relief and Reconstruction. The projects in response to the "El Nino" flood and drought disaster of 1983 were successfully completed in 1987, and an evaluation has provided valuable recommendations for preparing

for and responding to new emergencies. A disaster response expert has been provided to work with Peruvian institutions in improving disaster preparedness.

Section 709 of the International Security and Development Act of 1985 requires that comprehensive reports be provided on A.I.D. assistance to Latin America and the Caribbean. The following supplemental information on assistance to Peru in FY 1987 is provided as partial fulfillment of that requirement:

A. Training: A.I.D. provided training in FY 1987 to 152 participants from Peru in the following fields: agriculture (48), economics (18), health and population (7), natural resources management (17), banking and finance (4), public administration (7), management (6), biological sciences (2), labor (23), fisheries (2), international arbitration (1), private sector (16), communications and social science (1).

B. Types of goods associated in FY 1987 with ESF cash transfers by A.I.D. to Peru: There were no ESF cash transfers to Peru; all ESF funds were used to finance project assistance.

C. Local Currency associated with A.I.D. assistance to Peru was allocated by A.I.D. and the Government of Peru for the following uses in FY 1987.

	($millions)
1. Agriculture and Rural Development	10.4
2. Roads	1.0
3. Primary Health Care and Education	1.5
4. Development Activities for PVOs	2.0
5. Administration of Justice	0.8
6. Private Sector Agricultural Investment Promotion	0.4
7. Integrated Regional Development	3.2
8. Construction of Basic Infrastructure	2.3
9. Land Use Inventory, Soil Conservation and Reforestation	1.6
10. Disaster Assistance	0.3
11. Institutional Development and Studies	1.9
12. Small Ruminants	0.5
TOTAL	25.9

D. Reprogramming of funds for Peru during FY 1987 resulted in the following functional account changes. Estimated FY 1987 obligations are those which were shown in the FY 1988 Congressional Presentation Document:

	TOTAL	ARDN	PN	HE	CS	EHR	SDA	ESF
- Estimated FY 1987 Obligations ($000)	19,500	4,850	2,000	1,300	3,500	1,150	1,700	5,000
- Actual FY 1987 Obligations ($000)	19,583	5,256	2,000	1,299	2,500	1,150	2,045	5,333

E. Funds and programs provided to Peru in FY 1987 through nongovernmental as contrasted to governmental channels:

	Nongovernmental		Government of Peru	
	($ millions)			
DA	7.1	(50%)	7.1	(50%)
ESF	1.3	(25%)	3.8	(75%)
P.L. 480 Title I	--		20.0	(100%)
P.L. 480 Title II	6.5	(77%)	1.9	(23%)
Section 416	--		6.2	(100%)
Total	14.9	(28%)	39.0	(72%)

FY 1989 Program

A.I.D. proposes to provide $15.3 million of Development Assistance (DA) and $2 million of ESF in FY 1989 to improve the health and nutritional status of the poor in Peru, to support a more dynamic and growing private sector, to provide increased training in the United States, and to assist in the economic recovery and growth of Peru. These resources will promote improved policies for agriculture and private sector revitalization, including expansion of nontraditional agricultural exports. The GOP and A.I.D. will continue their collaborative efforts to deal with narcotics control issues and improve administration of justice.

Agriculture, Rural Development and Nutrition. The Agricultural Technology Transformation project (527-0282), started in 1987, will receive most of the funding from this account. Building on the recent advance in agricultural technology and policy and on pilot-project experience, in FY 1989 the new Non-traditional Agricultural Export and Agribusiness Development project (527-0310) will be started. This project will provide technical assistance and training to private and public sector organizations for expanding nontraditional export activities and for modernizing and making more efficient private sector food marketing. Operational program grants to PVOs implementing P.L. 480 Title II feeding programs will be continued in FY 1989.

Health, Child Survival, and Population Planning. Additional funding will be provided for the Child Survival Action project (527-0285) started in 1987, and the ongoing Private Sector Family Planning project (527-0269). A new Contraceptive Social Marketing project (527-0326) will be started in FY 1989. The project will support increased usage of voluntary family planning services by expanding the availability of contraceptives through the private commercial sector.

Education and Human Resources Development. Additional funding will be provided for the Andean Peace Scholarship project (527-0313), the Private Sector Management Improvement project (527-0272), and the Narcotics Education and Public Awareness project (527-0288).

Selected Development Activities. Additional funding will be provided for the Private Sector Policy Planning and Institutional Development project (527-0298), which works with private sector and government institutions to create a more favorable environment for private sector production, employment and income, with particular emphasis on small and informal business enterprise.

P.L. 480 Programs. A $16 million Title I program in FY 1989 will support GOP efforts to implement self-help measures on improved agricultural policies and programs. Local currency from commodity sales will support development projects in agriculture, nutrition, health, and other priority sectors. The Title II program will provide $9.9 million of commodities to agencies which are providing maternal and child health, food-for-work, and child survival services to Peru's most nutritionally and economically vulnerable population .

Economic Support Fund. Additional funding will be provided for the Andean Peace Scholarship project (527-0313); the amended Upper Huallaga Area Development project (527-0244), which continues to operate in the region where the GOP is making major interdiction and eradication efforts against the illegal narcotics trade; and the Administration of Justice project (527-0303).

Mission Director: Donor M. Lion

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: PERU

CP 89

PROJECT NO. / PROJECT TITLE	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	PLANNED	-THROUGH FY 86- OBLIGATIONS	EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	EXPENDITURES
527-0000	PROGRAM DEVELOPMENT AND SUPPORT												
	EH G	74	C	---	---	49	22	30	28	---	29	---	---
	FN G	74	C	---	---	6,638	5,400	761	1,485	420	891	215	350
	HE G	74	C	---	---	3,746	2,207	253	1,653	120	250	60	60
	PN G	74	C	---	---	100	69	100	67	10	79	10	10
	SD G	74	C	---	---	817	230	325	537	150	385	108	170
	PROJECT TOTAL:			---	---	11,350	7,928	1,469	3,770	700	1,634	393	590
527-0061	SPECIAL DEVELOPMENT ACTIVITIES												
	SD G	63	C	---	---	1,698	1,652	100	99	100	120	100	120
	PROJECT TOTAL:			---	---	1,698	1,652	100	99	100	120	100	120
527-0178	INTEGRATED REGIONAL DEVELOPMENT												
	FN G	79	83	1,600	1,600	---	---	---	---	---	3	---	---
	FN L	79	83	15,000	15,000	15,000	12,578	---	656	---	410	---	235
	PROJECT TOTAL:			16,600	16,600	15,000	12,578	---	656	---	413	---	235
527-0192	AG RESEARCH, EXTENSION AND EDUCATION												
	FN G	80	87	10,650	10,650	9,650	4,925	1,000	1,733	---	3,992	---	---
	FN L	80	87	9,000	9,000	9,000	8,590	---	212	---	198	---	---
	PROJECT TOTAL:			19,650	19,650	18,650	13,515	1,000	1,945	---	4,190	---	---
527-0202	LAND USE INVENTORY & ENV PLANNING/ONERN												
	FN G	80	85	1,600	1,600	1,600	1,240	---	129	---	231	---	---
	PROJECT TOTAL:			1,600	1,600	1,600	1,240	---	129	---	231	---	---
527-0219	EXTENSION OF INTEGRATED PRIMARY HEALTH												
	FN G	79	85	1,100	1,100	1,100	720	---	357	---	23	---	---
	HE G	79	85	800	800	800	797	---	2	---	1	---	---
	HE L	79	85	5,800	5,800	5,800	4,845	---	838	---	117	---	---
	PROJECT TOTAL:			7,700	7,700	7,700	6,362	---	1,197	---	141	---	---
527-0221	RURAL WATER SYSTEMS AND ENV. SANITATION												
	HE G	80	85	1,000	1,000	1,000	538	---	73	---	199	---	189
	HE L	80	85	10,000	10,000	10,000	4,013	---	2,116	---	2,448	---	1,423
	PROJECT TOTAL:			11,000	11,000	11,000	4,551	---	2,189	---	2,647	---	1,612
527-0224	SUR MEDIO HEALTH AND FAMILY PLANNING												
	HE G	80	81	800	800	800	744	---	---	---	56	---	---

*Refers to the planned project summary sheet

[C]Level of effort activity

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: PERU

CP 89

PROJECT NO. / PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	-LIFE OF PROJECT- PLANNED	-THROUGH FY 86- OBLIGATIONS	-THROUGH FY 86- EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	-ACTUAL FY 87- EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	-ESTIMATED FY 88- EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	-PROPOSED FY 89- EXPENDITURES
PROJECT TOTAL:				800	800	800	744	---	---	---	56	---	---
527-0226 SMALL HYDRO DEVELOPMENT													
	FN G	81	84	1,000	750	750	312	---	162	---	276	---	---
	FN L	81	84	9,000	9,000	9,000	6,478	---	1,425	---	1,097	---	---
PROJECT TOTAL:				10,000	9,750	9,750	6,790	---	1,537	---	1,373	---	---
527-0230 INT FAMILY PLANNING AND HEALTH													
	HE L	81	85	4,000	4,000	4,000	3,039	---	829	---	132	---	---
	PN G	81	85	10,900	9,925	9,925	6,331	---	1,399	---	1,079	---	1,101
PROJECT TOTAL:				14,900	13,925	13,925	9,370	---	2,228	---	1,211	---	1,101
527-0231 EXPANDED REFORESTATION PROGRAM - OPG													
	FN G	82	86	1,225	1,225	1,225	933	---	156	---	136	---	---
	HE G	86	86	75	75	75	---	---	7	---	68	---	---
PROJECT TOTAL:				1,300	1,300	1,300	933	---	163	---	204	---	---
527-0238 AGRICULTURAL PLANNING AND INST. DEV.													
	FN G	83	90	6,000	6,650	4,480	3,318	870	1,259	470	516	385	400
	FN L	83	90	11,000	11,000	11,000	4,073	---	1,674	---	2,475	---	1,389
PROJECT TOTAL:				17,000	17,650	15,480	7,391	870	2,933	470	2,991	385	1,789
527-0240 CENTRAL SELVA RESOURCE MANAGEMENT													
	FN G	82	87	4,800	4,800	4,000	2,805	800	995	---	1,000	---	---
	FN L	82	87	18,000	18,000	18,000	3,811	---	2,564	---	1,000	---	1,000
PROJECT TOTAL:				22,800	22,800	22,000	6,616	800	3,559	---	2,000	---	1,000
527-0241 URBAN SMALL ENTERPRISE DEV.													
	SD L	82	83	10,000	10,000	10,000	9,730	---	260	---	10	---	---
PROJECT TOTAL:				10,000	10,000	10,000	9,730	---	260	---	10	---	---
527-0244 UPPER HUALLAGA AREA DEVELOPMENT													
	ES G	81	88	5,400	6,700	5,400	31	---	1,910	---	3,459	1,300	1,000
	FN G	81	89	3,000	3,200	3,000	2,619	---	237	---	94	200	100
	FN L	81	89	15,000	15,000	15,000	12,376	---	1,796	---	828	---	---
PROJECT TOTAL:				23,400	24,900	23,400	15,026	---	3,993	---	4,381	1,500	1,100
527-0247 EXPANDED FEEDING PROGRAM (OFASA) - OPG													

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CLevel of effort activity

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: PERU

CP 89

PROJECT NO. / PROJECT TITLE	L / * G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHO	-LIFE OF PROJECT- PLANNED	-THROUGH FY 86- OBLIGATIONS	-THROUGH FY 86- EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	-ACTUAL FY 87- EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	-ESTIMATED FY 88- EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	-PROPOSED FY 89- EXPENDITURES
	FN G	33	87	1,270	1,270	1,120	720	150	302	---	248	---	---
	HE G	86	87	175	175	175	40	---	25	---	39	---	71
	PROJECT TOTAL:			1,445	1,445	1,295	760	150	327	---	287	---	71
527-0246	CARITAS FEEDING PROGRAM - OPG												
	FN G	84	87	525	525	425	154	100	76	---	295	---	---
	HE G	86	86	125	125	125	---	---	---	---	125	---	---
	PROJECT TOTAL:			650	650	550	154	100	76	---	420	---	---
527-0261	BASIC INFRASTRUCTURE FOR PUEBLOS JOVENES												
	FN G	84	87	350	350	775	521	75	247	---	82	---	---
	HE G	86	86	125	125	125	---	---	54	---	71	---	---
	PROJECT TOTAL:			975	975	900	521	75	301	---	153	---	---
527-0265	PRIVATE SECTOR AG INVESTMENT PROMOTION												
	FN L	83	83	10,000	10,000	10,000	4,976	---	925	---	4,099	---	---
	PROJECT TOTAL:			10,000	10,000	10,000	4,976	---	925	---	4,099	---	---
527-0269	PRIVATE SECTOR FAMILY PLANNING												
	PN G	86	92	13,000	13,000	1,700	10	1,900	1,174	1,590	2,400	1,790	2,400
	PROJECT TOTAL:			13,000	13,000	1,700	10	1,900	1,174	1,590	2,400	1,790	2,400
527-0272	PRIVATE SECTOR MANAGEMENT IMPROVEMENT												
	EH G	85	90	7,000	7,000	3,239	279	720	748	150	750	790	1,000
	PROJECT TOTAL:			7,000	7,000	3,239	279	720	748	150	750	790	1,000
527-0282	AGRICULTURAL TECH TRANS												
	ES G	87	92	2,700	2,700	---	---	2,700	---	---	2,700	---	---
	FN G	87	92	1,300	15,300	---	---	1,300	---	2,500	1,356	3,550	5,987
	PROJECT TOTAL:			4,000	18,000	---	---	4,000	---	2,500	4,056	3,550	5,987
527-0285	CHILD SURVIVAL ACTION												
	CS G	87	91	2,500	18,000	---	---	2,500	---	2,997	3,500	2,675	4,000
	HE G	87	91	630	630	---	---	100	---	213	290	447	340
	PROJECT TOTAL:			3,130	18,630	---	---	2,600	---	3,210	3,790	3,122	4,340
527-0288	NARCOTICS EDUCATION AND PUBLIC AWARENESS												
	EH G	85	89	750	2,400	750	---	---	667	850	700	800	700

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[C] Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
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BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: PERU

CP 89

PROJECT NO. / PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	PLANNED	-THROUGH FY 86- OBLIGA-TIONS	EXPEN-DITURES	-ACTUAL FY 87- OBLIGA-TIONS	EXPEN-DITURES	-ESTIMATED FY 88- OBLIGA-TIONS	EXPEN-DITURES	-PROPOSED FY 89- OBLIGA-TIONS	EXPEN-DITURES
ES	G	85	89	3,250	1,600	600	---	1,000	---	---	900	---	500
PROJECT TOTAL:				4,000	4,000	1,350	---	1,000	667	850	1,600	800	1,200
527-0293 TECHNOSERVE - COOP MANAGEMENT - OPG													
FN	G	85	87	750	750	550	478	200	272	---	---	---	---
PROJECT TOTAL:				750	750	550	478	200	272	---	---	---	---
527-0294 PVO NETWORK - OPG													
FN	G	85	86	260	260	260	175	---	85	---	---	---	---
HE	G	85	86	700	700	700	---	---	499	---	181	---	20
PROJECT TOTAL:				960	960	960	175	---	584	---	181	---	20
527-0296 PRIV SECTOR POLICY PLAN AND INST DEV													
SD	G	85	89	6,000	6,000	2,450	701	1,441	1,207	1,252	1,332	700	1,000
PROJECT TOTAL:				6,000	6,000	2,450	701	1,441	1,207	1,252	1,332	700	1,000
527-0303 ADMINISTRATION OF JUSTICE													
ES	G	86	89	1,850	3,850	1,000	1	850	357	---	800	500	900
PROJECT TOTAL:				1,850	3,850	1,000	1	850	357	---	800	500	900
527-0308 PRIVATE SECTOR NUTRITION/CHILD SURVIVAL													
HE	G	86	86	914	914	914	15	---	286	---	50	---	62
PROJECT TOTAL:				914	914	914	15	---	286	---	50	---	62
527-0309 TRAINING PHYSICIANS AND NURSES													
HE	G	86	87	161	161	150	28	11	86	---	47	---	---
PROJECT TOTAL:				161	161	150	28	11	86	---	47	---	---
527-0310 *NONTRADITIONAL AGRICULTURAL EXPORTS													
FN	G	89	92	---	1,500	---	---	---	---	---	---	---	---
SD	G	89	92	---	1,000	---	---	---	---	---	---	500	300
PROJECT TOTAL:				---	2,500	---	---	---	---	---	---	500	300
527-0311 CHILD SURVIVAL													
HE	G	86	87	980	980	358	47	622	399	---	400	---	134
PROJECT TOTAL:				980	980	358	47	622	399	---	400	---	134

*Refers to the planned project summary sheet

C Level of effort activity

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: PERU

CP 89

PROJECT NO. / PROJECT TITLE	L / * G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	-LIFE OF PROJECT- PLANNED	-THROUGH FY 86- OBLIGATIONS	-THROUGH FY 86- EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	-ACTUAL FY 87- EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	-ESTIMATED FY 88- EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	-PROPOSED FY 89- EXPENDITURES
527-0313 ANDEAN PEACE SCHOLARSHIP PROGRAM													
	EH G	87	90	5,067	5,067	---	---	400	---	1,600	400	1,500	900
	ES G	87	90	933	933	---	---	533	---	---	200	200	1,000
	HE G	87	90	400	400	---	---	100	---	100	100	---	100
PROJECT TOTAL:				6,400	6,400	---	---	1,033	---	1,700	700	1,700	2,000
527-0316 NINOS CHILD SURVIVAL JOURNAL OPG													
	HE G	87	87	213	213	---	---	213	---	---	183	---	30
PROJECT TOTAL:				213	213	---	---	213	---	---	183	---	30
527-0317 MICRO ENTERPRISE PROMOTION OPG													
	SD G	87	87	179	179	---	---	179	---	---	80	---	99
PROJECT TOTAL:				179	179	---	---	179	---	---	80	---	99
527-0326 *CONTRACEPTIVE SOCIAL MARKETING													
	PN G	89	92	---	2,000	---	---	---	---	---	---	490	300
PROJECT TOTAL:				---	2,000	---	---	---	---	---	---	490	300
527-0327 AIDS PREVENTION													
	DG G	88	91	---	500	---	---	---	---	100	50	100	100
PROJECT TOTAL:				---	500	---	---	---	---	100	50	100	100
527-0999 LOCAL COST SUPPORT													
	ES G	87	87	---	---	---	---	250	250	---	---	---	---
PROJECT TOTAL:				---	---	---	---	250	250	---	---	---	---
527-9999 *PRIVATE AND VOL ORGANIZATIONS - OPG'S													
	CS G	78	C	---	---	---	---	---	---	430	150	500	300
	FN G	78	C	---	---	---	---	---	---	210	100	350	400
PROJECT TOTAL:				---	---	---	---	---	---	640	250	850	700

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[C]Level of effort activity

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SUMMARY OF ACTIVE AND PROPOSED PROJECTS
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BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: PERU

CP 89

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COUNTRY TOTALS:				219,357	256,782	189,069	112,571	19,583	32,377	13,262	43,230	17,270	28,190
GRANTS:				102,557	139,982	72,269	38,062	19,583	19,072	13,262	30,416	17,270	24,143
LOANS:				116,800	116,800	116,800	74,509	---	13,305	---	12,814	---	4,047
---- APPROPRIATION SUMMARY ----													
AGR., RURAL DEV. & NUTRITION:				122,930	139,030	122,573	77,202	5,256	16,807	3,600	19,350	4,700	9,861
POPULATION PLANNING:				23,900	24,925	11,725	6,410	2,000	2,640	1,600	3,558	2,290	3,811
HEALTH:				26,898	26,898	28,768	16,313	1,299	6,867	433	4,757	507	2,429
CHILD SURVIVAL FUND:				2,500	18,000	---	---	2,500	---	3,427	3,650	3,175	4,300
AIDS:				---	500	---	---	---	---	100	50	100	100
EDUCATION & HUMAN RESOURCES:				12,817	14,467	4,038	301	1,150	1,443	2,600	1,879	3,090	2,600
SELECTED DEVELOP. ACTIVITIES:				16,179	17,179	14,965	12,313	2,045	2,103	1,502	1,927	1,408	1,689
ECONOMIC SUPPORT FUND:				14,133	15,783	7,000	32	5,333	2,517	---	8,059	2,000	3,400

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PROGRAM: Peru

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Non-Traditional Agricultural Export and Agribusiness Development				FY 89 500	Life of Project Funding 1,500 ARDN; 1,000 SDA

Number 527-0310	☒ NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
☒ GRANT ☐ LOAN	☐ CONTINUING			500	FY 89	FY 92	FY 93

Purpose: To expand non-traditional agricultural exports (NTA) and increase the use of improved technologies, services and managerial skills in agricultural production, processing and marketing for export.

Project Description: Peru is beginning to place an increasing emphasis on expanding the level of its non-traditional agricultural exports. However, the sector is plagued by a number of legal, technical, financial, and institutional constraints that make an increase in exports difficult. Quality control of products for export is difficult and Government of Peru bureaucratic procedures and legal impediments to the establishment of joint ventures and importation of agricultural inputs impede the exportation of Peruvian products. The project will consist of three major components: (1) improvement of the quality of farm production for export; (2) improvement of export quality in packing and processing; and (3) export and domestic marketing development. The project will provide technical assistance and training for private sector non-traditional export promotion. Implementing institutions will be private sector entities such as the National Development Foundation (FND), the National Exporters Association, and the Peruvian Private Sector Management Training Institute. The FND will be the lead institution in the execution of the project in training producers, processors and exporters, and coordinating market activities between these groups. Limited technical assistance and training may be provided to the public sector Institution de Comercio Exterior (ICE) to enhance its capability to work with the private sector in promoting non-traditional agricultural exports.

Relationship to A.I.D. Development Assistance Strategy: The project responds to the high priority that A.I.D. places on agricultural development and increasing rural incomes. It focusses on three of the central A.I.D. policies of development; private sector development, technology transfer and institutional strengthening, and is supportive of A.I.D policy dialogue goals.

Host Country and Other Donors: This project reflects renewed interest in export stimulation and is consistent with other donor efforts in the agricultural sector in Peru.

Beneficiaries: The direct beneficiaries are the agricultural producers, packagers, exporters and others who will receive the training and technical assistance. The entire nation will benefit through increased foreign exchange earnings and a decrease in the balance-of-payments deficit.

Major Outputs	All Years
Increased foreign exchange earnings	$10-$15 million
Agribusinesses expanded for export	25-50
New jobs created	3,000-5,000
Improved technologies adapted at farm or processing levels	50-75

A.I.D. Financed Inputs	All Years ($000)
Technical Assistance	1,000
Training	1,000
Institutional Strengthening	500
Total	2,500

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30,			
Estimated Fiscal Year			
Estimated Through September 30,			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year	500	2,000	2,500

Principal Contractors or Agencies

AID 370-7 (11-85)

PROGRAM: Peru

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Contraceptive Social Marketing II	DA			FY 89 490 (G)	Life of Project Funding POP 2,000 (G)

Number		Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
527-0326	☒ NEW	2,000 (G)			FY 89	FY 92	FY 93
☒ GRANT ☐ LOAN	☐ CONTINUING						

Purpose: To increase the usage of voluntary family planning (FP) services by expanding the availability of contraceptives and promoting their use through the private commercial sector.

Project Description: This four-year project is the second phase of a contraceptive social marketing effort. It intends to: increase the number of couples using modern methods; expand the number of distribution points for family planning methods; add "brand" name advertising and promotion to increase awareness of family planning methods and products; develop family planning materials for literate and non-literate consumers; sharpen understanding of specific unserved submarkets through market research; establish the commercial sector as a major promoter and distributor of family planning commodities; educate pharmacists in regard to scientific contraception and the feasibility and profitability of social marketing; demonstrate the advantages of social marketing to government officials; complement the non-commercial private and public sector family planning programs; and establish Apoyo a Programas de Poblacion (APROPO) as a capable social marketing agency in Peru.

Relationship to A.I.D. Country Strategy: The Mission population strategy calls for increasing the availability of contraception by strengthening the institutional capacity of both the public and private sectors to deliver family planning services, while at the same time, building greater awareness of the problem within the Government of Peru (GOP).

Host Country and Other Donors: A.I.D. is the largest family planning donor in Peru. The United Nations Fund for Population Activities (UNFPA) and the World Bank have also been providing funding for population activities, although almost entirely within the public sector.

Beneficiaries: Direct beneficiaries will be approximately 300,000 persons in rural and urban areas of Peru who have access to modern contraceptive methods through expanded private commercial channels.

Major Outputs	All Years
- Increased number of FP acceptors	300,000-400,000
- Trained pharmacists & distributors	4,000
- Increased number of distribution points	2,000
- Family planning materials	X
- Completed market research studies	5
- Seminars for GOP officials	4
- Media campaigns	X

A.I.D.-Financed Inputs	Life-of-Project ($000)
Training	500
Technical Assistance	1,200
Supplies	200
Contingency	100
Total	2,000 (G)

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30,			
Estimated Fiscal Year			
Estimated Through September 30,			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year 1989	490	1,510	2,000

Principal Contractors or Agencies

AID 370-7 (11-85)

PROGRAM: Peru

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Private Voluntary Organizations - Operational Program Grant		350	CSF 500	FY89 350 ARDN 500 CSF	Life of Project Funding Continuing

Number		Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
527-9999 ☒ GRANT ☐ LOAN	☐ NEW ☒ CONTINUING				FY78	FY Continuing	FY Continuing

Purpose: To strengthen the capacity of cooperating private voluntary organizations (PVOs) to plan, implement, manage, and evaluate their food assistance programs; and to provide them with resources to undertake reasonable, creative approaches in dealing with malnutrition, underemployment, inadequate income, low agricultural production and rural neglect.

Project Description: Grants will be given to at least four PVOs to carry out development programs and provide health services supplemented by food aid. Three PVOs will continue and expand activities in food production, nutrition, child survival, community development, micro-enterprise development, and natural child health supplementing feeding program. CARE will reformulate its current program to focus on self-sustaining community centers, river flooding defenses and small enterprises, in addition to the activities of the original PIBA/Basic Infrastructure Program. CARE will also continue implementation of a Reforestation Program, initiated in FY 1988, to promote the rational use of Peru's limited wood resources and prevent erosion. A.I.D. will also continue its support to CARITAS's Child Survival Program in coordination with eight diocesan CARITAS units. Finally, ADRA/OFASA will build on and expand a successful rural program with food assistance in the Southern highlands.

In FY 1989 a new grant to an umbrella PVO will expand and improve child services delivery by public and private sector agencies. The proposed project will consist of three components: (1) technical and management training for health administrators and providers; (2) operational research studies to develop new methodologies for MCH interventions; and (3) field support activities.

A second new initiative will be a PVO-managed Rural Credit and Community Development project to develop a Title II Monetization Credit Program. This program will provide food commodities to needy rural groups to increase local production, improve marketing of agricultural goods, and promote community investments in development activities.

Relationship of Project to A.I.D. Country Strategy: This program plays an important role in A.I.D.'s strategy by providing health and nutritional assistance to the most vulnerable groups of Peruvian poor, by integrating P.L. 480 resources into A.I.D.'s development program, by promoting income generation and micro-enterprise activities in unstable economic areas, and by supporting community development.

Host Country and other Donors: The Government of Peru supports PVOs working with P.L. 480 Title II food aid by handling a sizable portion of the in-country distribution, and by supporting PVO project activities through P.L. 480 Title I local currency generations and other government funds.

Beneficiaries: OPG programs continue to reach the most undernourished, needy sectors in Peruvian society, and increasingly those living in depressed rural, highland areas.

Major Outputs	FY 1989
PVOs strengthened	6
PVOs developing and expanding Child Survival activities	4
PVOs promoting income generation and micro-enterprise opportunities	5
PVOs promoting food production and community development activities	4

A.I.D. Financed Inputs	FY 1989 ($000)
Grants to Participating PVOs	850

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated
Through September 30,			
Estimated Fiscal Year			
Estimated Through September 30,			
		Future Year Obligations	Estimated Total Cost
Proposed Fiscal Year	850	Continuing	Continuing

Principal Contractors or Agencies

LAC REGIONAL

PROGRAM SUMMARY ($000)			
Category	FY 1987 (Actual)	FY 1988 (Estimated)	FY 1989 (Request)
Development Assistance	30,754 1/	29,525	24,853
Loan	0	0	0
Grant	30,754	29,525	24,853
Economic Support Fund	7,374	15,000	12,500
Loan	0	0	0
Grant	7,374	15,000	12,500
Other*			
TOTALS	38,128	44,525	37,353
P.L. 480	0	0	0
Title I	0	0	0
Title II	0	0	0
TOTALS	38,128	44,525	37,353

Footnotes:

1/ Above total includes $635,045 of prior-year deobligated funds reobligated in FY 1987.

LAC REGIONAL

Introduction

The Latin America and Caribbean (LAC) Regional Program differs from the A.I.D.'s bilateral programs in the LAC region in that management and funding are at the Washington level. Projects included in the LAC Regional program are characterized by one or more of the following:

- are implemented in more than one country;
- strengthen regional institutions;
- test and transfer innovative technologies on a pilot basis, which, if proven successful, can be introduced to bilaterial programs;
- are more effectively and efficiently managed in Washington than in the field;
- enable A.I.D. to support programs in the advanced developing countries in which A.I.D. does not maintain a regular bilateral program; and/or
- permit A.I.D. to implement on a region-wide basis activities of special concern;

The LAC Regional program concentrates on achieving three development goals which reinforce efforts at the country level: (1) accomplishing basic structural reforms leading to rapid and sustained economic growth, (2) supporting wider sharing of the benefits of growth and (3) strengthening democratic institutions.

A.I.D. Development Strategy and Accomplishments To Date

The LAC Regional program has followed closely the development strategy and objectives described in the regional overview at the beginning of this volume. All LAC Regional projects fall within one of the 14 objectives which guide the LAC program. Each project supports or supplements the bilateral programs in A.I.D.-assisted countries. They are designed to serve either all of Latin America or geographic sub-groupings in the LAC region. During the FY 1988/1989 time period this program will continue to be implemented within A.I.D.'s goals and objectives framework for the region with specific focus on supporting field mission programs.

The total budget for the LAC Regional program has remained fairly constant over the years yet has been able to respond to changing needs as they emerge. The FY 1987 budget included $30.8 million in Development Assistance (DA) and $7.4 million in Economic Support Funds (ESF). The planned budget for FY 1988 is $29.5 million for DA and $15.0 million for ESF, with a request of $24.9 million for DA and $12.5 million for ESF in FY 1989.

The LAC Regional program implements projects in all functional DA accounts and ESF. Several projects encompass a wide range of development activities and are funded from two or more accounts: Environmental Management (598-0605), Human Rights (598-0591), Andean Peace Scholarships (598-0647), Free Labor Development (598-0101), and Intercountry Technology Transfer (598-0616). This last project provides funding for A.I.D.'s development programs in the advanced developing countries (ADCs) in the region, currently Brazil, Colombia, Mexico and Paraguay. The goal of this ADC program is to facilitate the ADCs' own development efforts consistent with key U.S. foreign policy objectives. The South America overview provides background data on these programs.

Other key projects are funded from both LAC Regional and CA Regional, chief among which are Technology Development and Transfer in Health (598-0632), LAC Accelerated Immunization (598-0643), and Free Labor Development (598-0101).

A. Agriculture, Rural Development and Nutrition

This functional account shows a funding increase over previous years with the introduction of a biodiversity component and one new project in FY 1988 - Rural Development Technical Services (598-0654). Biological diversity and tropical forests are being protected through a program designed to establish and manage parks and protected areas, document valuable species and genetic resources, promote sustainable use of natural resources surrounding parks and reserves, and support public environmental education. Programs were begun in five countries in FY 1987. They are funded under the Development of Environmental Management Systems project (598-0605). Given the current problems of unwise land use and the degradation of natural resources throughout Latin America and the Caribbean, this project is designed to stimulate missions, host country governments, private voluntary organizations and other donors to better manage and preserve natural resources in the LAC region through studies, training, pilot projects and provision of high-quality, easy-to-access technical assistance. During FY 1987, four regional advisors provided technical assistance in the region, four workshop/training courses were held, five country-level marine resource assessments were completed, and two new country-level assessments were begun.

The new Rural Development Technical Services project (598-0654) will provide technical assistance in program design and analysis, evaluation, and implementation, with a particular emphasis on agribusiness. This project will restructure regional technical assistance to improve long-term planning for and monitoring of this assistance.

The Tenure Security and Land Markets Research project (598-0638) continues to provide support for assessments and studies. Land access is a long-term development issue particular to Latin America. This project is designed to improve A.I.D.'s understanding of this issue which traditionally has been addressed through coercive land reforms resulting from intense internal political pressure. By analyzing such issues as the development of commercial land markets, land titling and registration, and secondary issues growing out of traditional land reform programs, A.I.D. can better

offer alternatives to LAC governments for confronting this issue in a reasonable, equitable manner. Two studies, Regional Agriculture Development Strategy and Tenure Policy and Program Guidelines, were completed in FY 1987.

A.I.D. also plans to continue regional support for the Tropical Bont Tick Eradication project (598-0652) which will demonstrate the technical and economic feasibility of eradicating this threat to hemispheric livestock.

B. Population Planning

Assistance for population program through the LAC Regional mechanism has been relatively small compared to bilateral and central A.I.D. channels. However, it has been important for ADC programs and in financing pilot efforts using new technology approaches for improving population program management and delivery of services. This program has been successful in developing several high-payoff technology transfer and training activities for LAC family planning programs. These innovations have resulted in improved contraceptive information and service delivery, thereby improving access to voluntary family planning.

The main focus of regional assistance in FY 1989 will be in the advanced developing countries through the Intercountry Technology Transfer project (598-0616). This project provides assistance to local family planning organizations to strengthen both human and technical resources through the introduction of new population planning and communication techniques.

C. Education and Human Resources

The major elements of the education program under the LAC Regional activity are a scholarship project for private and public sector training for study in the United States, and support for labor activities through the American Institute for Free Labor Development (AIFLD).

The LAC Training Initiatives II project (598-0640), a three-year training project for the entire LAC region, was to phase out in FY 1987. However, to accommodate the training requirements for four LAC countries without bilateral missions (Brazil, Paraguay, Uruguay and Mexico), the project has been continued in FY 1988. A new project, Advanced Developing Country Training (598-0660), will begin in FY 1989. These projects cover both short- and long-term training in the United States. Similar training will be conducted under the Andean Peace Scholarship program (598-0647) for Colombia. The scholarship program includes English-language remedial training and orientation activities designed to help disadvantaged groups participate fully in the program. Training evaluation and follow-up activities for returned trainees are also included.

The AIFLD Free Labor Development project (598-0101) provides extensive training to strengthen free trade union institutions in Latin America and the Caribbean. Its activities are presently carried out through 18 national programs which seek to improve union leadership at all levels through a variety of educational and social projects. Approximately 240 senior labor leaders are trained each year at the George Meany Labor Center in Washington, D.C. In addition, several hundred labor officials are trained in-country through workshops and seminars.

Final funding for two education projects - LAC Education Information Networks (598-0635) and LAC Statistics Training Center (598-0636) - will occur in FY 1988. The information networks project seeks to build a network of education research and demonstration centers capable of contributing to the solution of educational problems in the LAC region. In particular, this network of centers will make available to the public in general and to high-level government officials information on educational systems that will be useful in making policy decisions. Ten centers have been created and are now operating.

The statistics training project is establishing within the U.S. Bureau of the Census (BUCEN) an institution capable of providing Spanish-language training in applied statistics and data processing techniques for the LAC region. To date, two seven-month modular courses and three workshops have been developed, while a third course is in the design stage.

Three new education projects will begin in FY 1988 - Narcotics Awareness (598-0656), LAC Financial Management (598-0658), and Education Technical Services (598-0659). The narcotics project will increase public awareness and knowledge of the causes and consequences of illicit drug use and the negative impact on the community and economy. The second project will improve host government institutional capacity in financial management and auditing. The third new project will provide technical assistance in program design, evaluation, and implementation with a particular emphasis on participant training, basic education, and vocational skills and management training.

In FY 1988, $1.65 million in LAC Regional EHR funds will be applied toward two training projects: (1) $650,000 for a proposal by the Consortium for Service to Latin America to establish a Center for Inter-American Leadership to acquaint future leaders of the Caribbean Basin with the American democratic system and the role private sector enterprise plays in this system (another $600,000 will be drawn from the CA Regional EHR account), and (2) $1.0 million to develop a pilot program under which individual states and the U.S. private sector would match and, therefore, maximize Federal funds applied toward scholarship diplomacy (another $1.0 million will be provided under the CA Regional Program).

D. Health and Child Survival

Three regional projects are contributing directly to our focus on improved health of children through improved private and public health delivery systems. The Accelerated Immunization project (598-0643) was initiated in FY 1986 through the Pan American Health Organization (PAHO) to improve child health through the use of vaccines to prevent the spread of communicable diseases. The project components include the interruption of indigenous transmission of the wild polio virus, the eradication of poliomyelitis in the Americas by the year 1990, the expansion of coverage for other vaccines, and the development of sustainable infrastructures for the delivery of primary health care. The program is supported by A.I.D., the Interamerican Development Bank, United Nations Children's Fund (UNICEF), the Pan American Health Organization, and Rotary International.

The Technology Development and Transfer in Health project (598-0632) was started in FY 1985 and is designed to adapt and extend existing technologies and strategies which address major organizational and financial problems in delivering health services. It involves clinical training, administrative and management training, and health services financing assistance. This support is provided through three grantees and contractors - the Association of University Programs in Health Administration, the Interamerican College of Physicians and Surgeons, and the State University of New York at Stony Brook. As this project phases out in FY 1988, a new project, Health Technical Services Support (598-0657), will begin in FY 1989 to carry on this vital support for LAC field missions.

Several innovative health activities are being carried out in the advanced developing countries under this regional program through the Intercountry Technology Transfer project (598-0616), including a Project Hope child survival program in northeast Brazil, oral rehydration therapy in Mexico, and a drug awareness activity in Colombia.

An important program to address the AIDS problem throughout the region will begin in FY 1988. Projects in the advanced developing countries will be funded under the LAC Regional Program. Specific activities will include developing high risk action programs, education campaigns, and country action programs.

E. Selected Development Activities

Significant support for private sector programs, human rights activities, and Private Voluntary Organization (PVO) projects is provided through the regional program. The Private Sector Initiatives project (598-0619) is designed to promote and develop private enterprise including production, marketing and distribution of goods and services. Its objective is to maximize A.I.D.'s leverage in increasing investment, exports and employment in the cooperating countries through substantial transfers of capital and management resources. A contract with International Science and Technology Institute (ISTI) provides A.I.D. with the resources needed to carry out this purpose. During FY 1987 in Bolivia, a privatization assessment was made under this project and is being used by A.I.D. and the Government of Bolivia to develop a program to divest inefficient or unprofitable parastatal companies. Also, the project was instrumental in assisting A.I.D. in El Salvador to draw up a plan for CODEXI, a newly created export promotion council at the cabinet level. In FY 1989 ten program evaluations will be undertaken.

The Partners of the Americas project (598-0436) is helping to strengthen grassroots private sector participation in the development process through self-help efforts, local community organizations, and by strengthening networks among the peoples of the United States and Latin America. The program includes 54 partnerships between 43 U.S. states and their counterparts in 27 LAC countries.

F. Economic Support Fund (ESF)

The regional ESF program supports programs in administration of justice and human rights. Support for democracy is now the organizing principle for U.S. policy in Latin America and the Caribbean. A fair, effective and accessible justice system is an essential component of any democratic system of government. The LAC Regional Administration of Justice project (598-0642) has as its objective to facilitate the development and implementation of local initiatives to strengthen judicial systems through the improvement of court personnel and operating procedures and enhancement of the overall stature of the judiciary as an independent third branch of government. It will continue to place heavy emphasis on training programs for judicial personnel conducted by the United Nations Latin America Institute for the Prevention of Crime and the Treatment of Offenders.

A.I.D.'s human rights strategy focuses of strengthening government legal systems through such activities as training for magistrates; supporting studies for the reform and implementation of civil and criminal codes; establishing independent regional, non-governmental human rights commissions and institutions; and supporting programs to educate citizens about their rights under the law. The LAC Regional Human Rights project (598-0591) has strengthened several regional institutions in the LAC region. It has enabled the Inter-American Institute of Human Rights (IIHR), located in San Jose, Costa Rica, to develop new regional standards on the rights and treatment of refugees, and helped the Inter-American Center for Electoral Assistance Promotion (CAPEL), a division of IIHR, to meet a growing demand for research on the electoral process, as well as making technical assistance available to countries throughout the region. With A.I.D. assistance, in FY 1988 CAPEL will be assisting a local Chilean institution, CIVITAS, to prepare the Chilean electorate for elections to be held in September 1988.

FY 1989 Program

The FY 1989 Program proposes a funding level of $37.4 million of which $12.5 is for ESF and the balance from the DA accounts. The DA funding will primarily provide for the continuation of previously approved projects, including an AIDS program begun in FY 1988. New projects will include a Health Tech Service Support project (598-0659) which will meet LAC Missions' needs for appropriate health, nutrition and child survival technical assistance, operations research, training, evaluation, monitoring and information exchange. An additional new effort will be the Advanced Developing Countries (ADCs) Training project (598-0660). This project will be funded under the EHR functional account and will increase the number of U.S. trained public and private sector ADC individuals at the administrative, managerial, planning, scientific and technical levels. The project will also counter Soviet and Eastern Bloc training by increasing the number of ADC leaders who will experience U.S. societal and cultural values.

Projects funded from ESF resources will all be projects approved in previous fiscal years, except for one training project for the ADCs. Continued emphasis will be placed on development of free labor unions through the Free Labor Development project (598-0101). Particular emphasis

will remain on projects relating to human rights and democratization initiatives. Projects in this category include Human Rights Initiatives (598-0591); Regional Administration of Justice (598-0644) and Caribbean Justice Improvement (598-0645). Two important training projects -- Andean Peace Scholarships (598-0647) and ADC Training (598-0660) -- will be funded from ESF in FY 1989.

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: LAC REGIONAL

CP 89

PROJECT NO. / PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	PLANNED	-THROUGH FY 86- OBLIGATIONS	EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	EXPENDITURES
598-0000 PROGRAM DEVELOPMENT AND SUPPORT													
	EH G	69	C	---	---	996	940	226	211	100	150	100	100
	ES G	69	C	---	---	172	90	---	77	---	5	---	---
	FN G	69	C	---	---	8,001	6,806	595	236	50	630	50	600
	HE G	69	C	---	---	1,096	948	129	144	100	200	100	50
	PN G	69	C	---	---	2,178	1,604	207	473	100	200	103	225
	SD G	69	C	---	---	2,149	1,784	1,021	493	500	800	450	600
PROJECT TOTAL:				---	---	14,592	12,172	2,178	1,634	850	1,985	803	1,575
598-0101 FREE LABOR DEVELOPMENT AIFLD (PVO)													
	EH G	62	C	---	---	90,842	85,138	6,026	5,400	6,840	7,000	5,840	5,000
	ES G	62	C	---	---	7,554	5,913	1,000	1,641	---	1,000	1,000	1,000
	FN G	62	C	---	---	27,080	26,845	---	235	---	---	---	---
PROJECT TOTAL:				---	---	125,476	117,896	7,026	7,276	6,840	8,000	6,840	6,000
598-0436 PARTNERS OF THE AMERICAS (NAPA) (PVO)													
	HE G	65	C	---	---	---	---	59	20	---	39	---	---
	SD G	65	C	---	---	9,298	8,399	794	920	610	800	720	850
PROJECT TOTAL:				---	---	9,298	8,399	353	940	610	839	720	850
598-0572 SCIENCE AND TECHNOLOGY INFO TRANSFER													
	SD G	77	86	5,473	3,773	3,773	3,552	---	220	---	1	---	---
PROJECT TOTAL:				5,473	3,773	3,773	3,552	---	220	---	1	---	---
598-0579 LATIN AMERICA CROP INSURANCE SYSTEM													
	FN G	73	84	5,189	5,189	---	---	---	---	---	1	---	---
PROJECT TOTAL:				5,189	5,189	---	---	---	---	---	1	---	---
598-0587 SOLIDARIDOS (PVO)													
	SD G	73	84	3,600	3,600	3,600	2,928	---	672	---	---	---	---
PROJECT TOTAL:				3,600	3,600	3,600	2,928	---	672	---	---	---	---
598-0591 HUMAN RIGHTS INITIATIVES													
	ES G	78	C	---	---	630	70	656	30	---	850	3,100	2,000
	SD G	78	C	---	---	7,101	6,287	300	379	1,855	1,800	690	825
PROJECT TOTAL:				---	---	7,731	6,357	956	409	1,855	2,650	3,790	2,825
598-0605 DEV OF ENVIRONMENTAL MANAGEMENT SYS													
	FN G	79	C	---	---	2,625	2,443	770	295	550	600	550	700

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1987 are based on the authorized date. For all projects with an initial obligation date after December 31, 1987 the FY of final obligation is based on a planned date.

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: LAC REGIONAL

CP 89

PROJECT NO. / PROJECT TITLE	L / G *	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	PLANNED	-THROUGH FY 86- OBLIGATIONS	EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	EXPENDITURES
	SD G	79	C	---	---	3,662	3,241	400	270	320	400	395	390
	PROJECT TOTAL:			---	---	6,287	5,684	1,170	565	870	1,000	945	1,090
593-0616	INTERCOUNTRY TECHNOLOGY TRANSFER												
	CS G	84	C	---	---	---	---	---	---	1,000	500	1,000	900
	EH G	84	C	---	---	998	565	600	473	500	700	560	600
	FN G	84	C	---	---	793	256	789	320	200	450	200	600
	HE G	84	C	---	---	1,935	343	1,470	946	470	800	470	1,200
	PN G	84	C	---	---	2,252	593	2,825	891	1,190	2,500	1,250	3,200
	SD G	84	C	---	---	2,094	791	582	700	461	800	500	900
	PROJECT TOTAL:			---	---	8,072	2,548	6,266	3,330	3,821	5,750	3,980	7,400
593-0619	PRIVATE SECTOR INITIATIVES												
	SD G	82	C	---	---	5,416	4,204	800	827	550	800	750	1,200
	PROJECT TOTAL:			---	---	5,416	4,204	800	827	550	800	750	1,200
593-0622	LAC TRAINING INITIATIVES I												
	EH G	82	85	10,511	10,400	10,400	8,995	---	730	---	675	---	---
	FN G	82	85	4,719	4,719	4,719	4,155	---	254	---	310	---	---
	PROJECT TOTAL:			15,230	15,119	15,119	13,150	---	984	---	985	---	---
593-0625	SMALL PROJECT ASSISTANCE PROGRAM												
	FN G	83	C	---	---	1,518	1,063	120	304	---	151	---	120
	SD G	83	C	---	---	45	---	---	24	---	21	---	---
	PROJECT TOTAL:			---	---	1,563	1,063	120	328	---	172	---	120
593-0626	CARIBBEAN BASIN SCHOLARSHIP FUND												
	ES G	83	33	7,500	7,476	7,476	7,146	---	85	---	245	---	---
	PROJECT TOTAL:			7,500	7,476	7,476	7,146	---	85	---	245	---	---
593-0632	TECHNOLOGY DEV AND TRANSFER IN HEALTH												
	HE G	85	88	3,240	3,240	1,350	870	700	248	1,190	1,000	---	1,000
	PROJECT TOTAL:			3,240	3,240	1,350	870	700	248	1,190	1,000	---	1,000
593-0634	PVO SECTOR POLICY AND PROGRAM DESIGN												
	SD G	85	90	450	450	---	---	---	---	---	16	50	30
	PROJECT TOTAL:			450	450	---	---	---	---	---	16	50	30

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1987 are based on the authorized date. For all projects with an initial obligation date after December 31, 1987 the FY of final obligation is based on a planned date.

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: LAC REGIONAL

CP 89

PROJECT NO. / PROJECT TITLE	L / * G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	-LIFE OF PROJECT- PLANNED	-THROUGH FY 86- OBLIGATIONS	-THROUGH FY 86- EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	-ACTUAL FY 87- EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	-ESTIMATED FY 88- EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	-PROPOSED FY 89- EXPENDITURES
598-0635 LAC EDUCATION INFORMATION NETWORK													
	EH G	85	88	1,966	1,854	400	290	200	110	267	400	---	67
PROJECT TOTAL:				1,966	1,854	400	290	200	110	267	400	---	67
598-0636 LAC STATISTICS TRAINING CTR.													
	SD G	85	89	1,000	701	447	412	---	---	254	250	---	39
PROJECT TOTAL:				1,000	701	447	412	---	---	254	250	---	39
598-0638 TENURE SECURITY AND LAND MARKET RESEARCH													
	FN G	86	89	850	900	150	40	250	93	300	250	200	400
PROJECT TOTAL:				850	900	150	40	250	93	300	250	200	400
598-0640 LAC TRAINING INITIATIVES II													
	EH G	85	90	41,511	41,511	18,085	3,102	5,007	5,536	3,167	6,000	---	10,000
	ES G	85	90	804	4,000	804	---	---	742	---	62	2,000	750
	FN G	85	90	2,446	2,136	1,236	60	---	478	250	600	300	300
PROJECT TOTAL:				44,761	47,647	20,125	3,162	5,007	6,756	3,417	6,662	2,300	11,050
598-0642 REGIONAL ADMINISTRATION OF JUSTICE													
	ES G	86	90	---	---	925	---	197	267	6,500	2,000	2,000	2,500
PROJECT TOTAL:				---	---	925	---	197	267	6,500	2,000	2,000	2,500
598-0643 LAC ACCELERATED IMMUNIZATION													
	CS G	86	89	18,540	18,540	500	75	3,500	---	3,000	2,600	3,000	2,400
	HE G	86	91	20,600	20,600	27	---	100	3	100	100	1,900	2,000
PROJECT TOTAL:				39,140	39,140	527	75	3,600	3	3,100	2,700	4,900	4,400
598-0644* INTL INVESTIGATIVE TRG ASSISTANCE PROG													
	ES G	86	C	13,350	13,350	1,350	---	2,188	1,795	5,000	2,000	2,400	2,200
PROJECT TOTAL:				13,350	13,350	1,350	---	2,188	1,795	5,000	2,000	2,400	2,200
598-0645 CARIBBEAN JUSTICE IMPROVEMENT													
	ES G	86	86	10,000	10,000	2,500	---	3,000	755	2,500	1,500	---	1,500
PROJECT TOTAL:				10,000	10,000	2,500	---	3,000	755	2,500	1,500	---	1,500
598-0647 ANDEAN PEACE SCHOLARSHIP PROGRAM													
	EH G	87	90	2,200	2,200	---	---	400	---	1,800	500	---	1,000
	ES G	87	90	3,333	3,333	---	---	333	---	---	333	2,000	1,000

*Managed by the U.S. Department of State and implemented by the U.S. Department of Justice

*Refers to the planned project summary sheet.

CLevel of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1987 are based on the authorized date.
For all projects with an initial obligation date after December 31, 1987 the FY of final obligation is based on a planned date.

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: LAC REGIONAL

CP 89

PROJECT NO. / PROJECT TITLE	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHO	-LIFE OF PROJECT- PLANNED	-THROUGH FY 86- OBLIGATIONS	-THROUGH FY 86- EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	-ACTUAL FY 87- EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	-ESTIMATED FY 88- EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	-PROPOSED FY 89- EXPENDITURES
	FN G	87	90	860	860	---	---	60	---	400	250	400	300
	HE G	87	90	400	400	---	---	100	---	100	50	100	200
	PROJECT TOTAL:			6,793	6,793	---	---	393	---	2,300	1,133	2,500	2,500
598-0649	REG NARCOTICS DEMAND REDUCTION												
	EH G	87	87	200	200	---	---	200	---	---	150	---	50
	PROJECT TOTAL:			200	200	---	---	200	---	---	150	---	50
598-0650	COLOMBIA NARCOTICS DEMAND REDUCTION												
	EH G	87	87	---	---	---	---	200	---	---	125	---	75
	PROJECT TOTAL:			---	---	---	---	200	---	---	125	---	75
598-0651	MEXICO NARCOTICS DEMAND REDUCTION												
	EH G	87	87	400	400	---	---	400	---	---	300	---	100
	PROJECT TOTAL:			400	400	---	---	400	---	---	300	---	100
598-0652	TROPICAL BONT TICK PILOT ERADICATION												
	FN G	87	89	1,924	2,324	---	---	1,924	---	---	1,200	400	600
	PROJECT TOTAL:			1,924	2,324	---	---	1,924	---	---	1,200	400	600
598-0654	RURAL DEVELOPMENT TECHNICAL SERVICES												
	FN G	88	C	---	---	---	---	---	---	500	200	475	500
	PROJECT TOTAL:			---	---	---	---	---	---	500	200	475	500
598-0656	NARCOTICS AWARENESS												
	EH G	88	92	---	4,000	---	---	---	---	800	500	800	600
	PROJECT TOTAL:			---	4,000	---	---	---	---	800	500	800	600
598-0657	*HEALTH TECHNICAL SERVICES SUPPORT												
	CS G	89	92	---	1,500	---	---	---	---	---	---	487	300
	OG G	89	92	---	300	---	---	---	---	---	---	100	25
	HE G	89	92	---	3,000	---	---	---	---	---	---	913	600
	PROJECT TOTAL:			---	4,800	---	---	---	---	---	---	1,500	925
598-0658	FINANCIAL MANAGEMENT												
	EH G	88	90	---	1,850	---	---	---	---	600	300	650	700

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column -- All projects in this column with an initial obligation date before December 31, 1987 are based on the authorized date. For all projects with an initial obligation date after December 31, 1987 the FY of final obligation is based on a planned date.

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: LAC REGIONAL

CP 89

PROJECT NO. / PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHO	PLANNED	-THROUGH FY 86- OBLIGA-TIONS	EXPEN-DITURES	-ACTUAL FY 87- OBLIGA-TIONS	EXPEN-DITURES	-ESTIMATED FY 88- OBLIGA-TIONS	EXPEN-DITURES	-PROPOSED FY 89- OBLIGA-TIONS	EXPEN-DITURES
PROJECT TOTAL:				---	1,850	---	---	---	---	600	300	650	700
598-0659 EHR TECH SERVICES	EH G	83	92	---	1,200	---	---	---	---	151	50	300	250
PROJECT TOTAL:				---	1,200	---	---	---	---	151	50	300	250
598-0662 NATIONAL ENDOWMENT FOR DEMOCRACY (NED/CH	ES G	83	88	---	1,000	---	---	---	---	1,000	900	---	100
PROJECT TOTAL:				---	1,000	---	---	---	---	1,000	900	---	100
598-0664 LAC DATA BASE	SD G	88	89	---	600	---	---	---	---	350	175	250	150
PROJECT TOTAL:				---	600	---	---	---	---	350	175	250	150
598-0665 VITAMIN A	PN G	86	90	---	1,000	---	---	---	---	250	100	---	150
PROJECT TOTAL:				---	1,000	---	---	---	---	250	100	---	150
598-0667 AIDS PROGRAM	DG G	88	89	---	1,450	---	---	---	---	650	200	800	700
PROJECT TOTAL:				---	1,450	---	---	---	---	650	200	800	700
COUNTRY TOTALS:				161,066	178,056	236,177	189,948	38,128	27,297	44,525	44,539	37,353	51,646
GRANTS:				161,066	178,056	236,177	189,948	38,128	27,297	44,525	44,539	37,353	51,646
LOANS:				---	---	---	---	---	---	---	---	---	---
---- APPROPRIATION SUMMARY ----													
AGR., RURAL DEV. & NUTRITION:				15,933	17,128	46,122	41,668	4,508	2,215	2,500	4,742	2,575	4,270
POPULATION PLANNING:				---	---	4,430	2,197	3,032	1,364	1,290	2,700	1,353	3,425
HEALTH:				24,240	27,240	4,408	2,161	2,558	1,361	1,960	2,189	3,483	5,050
CHILD SURVIVAL FUND:				18,540	20,040	500	75	3,500	---	4,000	3,100	4,487	3,600
AIDS:				---	1,750	---	---	---	---	650	200	900	725
EDUCATION & HUMAN RESOURCES:				50,788	63,615	121,721	99,030	13,259	12,460	14,225	16,850	8,250	18,542
SELECTED DEVELOP. ACTIVITIES:				10,523	9,124	37,535	31,598	3,897	4,505	4,900	5,863	3,805	4,984
ECONOMIC SUPPORT FUND:				34,937	39,159	21,411	13,219	7,374	5,392	15,000	8,895	12,500	11,050

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1987 are based on the authorized date. For all projects with an initial obligation date after December 31, 1987 the FY of final obligation is based on a planned date.

PROGRAM: LAC Regional

PLANNED PROGRAM SUMMARY SHEET

Title	Funding Source	AG, RD & N	Health	PROPOSED OBLIGATION (In thousands of dollars)	
Health Technical Services	DA		HE 913 CS 487 AIDS 100	FY 89 1,500	Life of Project Funding 4,800

Number	[X] NEW	Population	ED. & HR	Sel. Act.	Initial Obligation	Estimated Final Obligation	Estimated Completion Date of Project
598-0657 [X] GRANT [ ] LOAN	[ ] CONTINUING				FY 89	FY 92	FY 93

Project Purpose: To improve the planning, management and evaluation of cost-effective health services through the public and private sectors.

Project Description: A.I.D.'s bilateral health and nutrition projects in Latin America and the Caribbean are intended to achieve A.I.D.'s management objectives to reduce infant and child mortality and improve health in the region. The rapid growth of A.I.D.'s health and child survival programs throughout the Region has significantly increased the demand for technical assistance and operations research in order to design and manage the LAC Health and Nutrition portfolio.

The Project will permit a rapid response to the needs of LAC Missions for technical assistance to facilitate achievement of program objectives for improvement of health care and services in the Region. Technical assistance, operations research, training, evaluation and information will be provided as needed for: management, health care financing, private sector initiatives, privatization, child survival, nutrition planning, AIDS, clinical training, malaria, essential drugs, and acute respiratory infections.

Experience to date with two existing LAC/CA Regional health projects is that Missions will actively draw on the services of regional projects if the services coincide with the Mission's priority needs. This project comprises part of a broader A.I.D. program to be funded as follows:

LAC Regional	$ 4,800,000
CA Regional	$ 7,200,000
Mission Buy-ins	$ 8,000,000
	$20,000,000

(See Project No. 597-0027)

Relationship to A.I.D. Country Strategies: Reducing infant and child mortality rates and improving health and health service delivery are important objectives within most LAC Mission strategies. This project is expected to contribute significantly to attaining these objectives.

Host Country and Other Donors: All technical assistance provided under this project will be in coordination with host country and other donor activities in each country.

Beneficiaries: Direct beneficiaries are primarily children under five and individuals at risk from AIDS in the LAC region. Ministries of Health and local private institutions will also benefit indirectly.

Major Outputs (All Years):

--Completion of country child survival strategies
--Maintenance of the LAC nutrition tracking system
--Development of follow-on LAC regional nutrition activities
--Operations research

A.I.D.-Financed Inputs:	Life of Project ($000)
Technical Assistance	2,400
Training	1,600
Evaluation/Research	800
Total	4,800

U. S. FINANCING (In thousands of dollars)	Obligations	Expenditures	Unliquidated	Principal Contractors or Agencies
Through September 30, 1987				To be determined
Estimated Fiscal Year 1988				
Estimated Through September 30, 1988				
		Future Year Obligations	Estimated Total Cost	
Proposed Fiscal Year 1989	1,500	3,300	4,800	

AID 370-7 (11-85)

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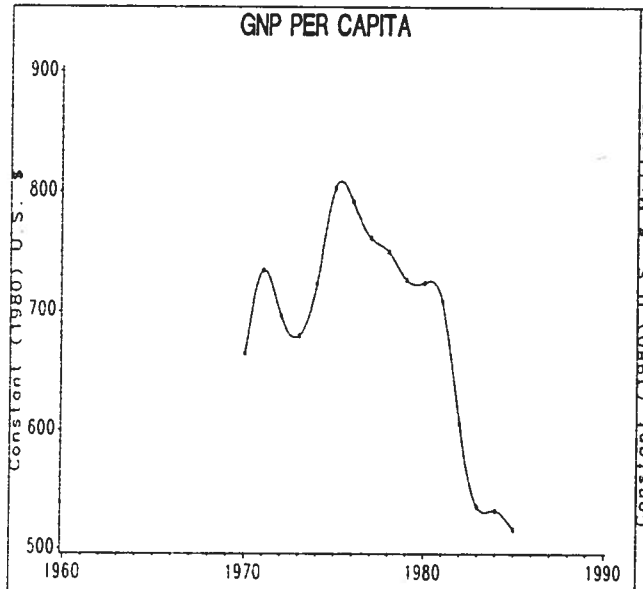
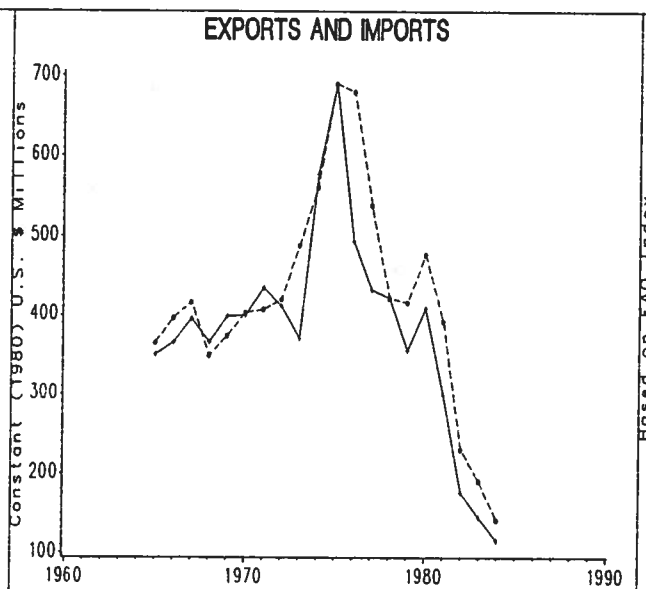
GUYANA -- Economic Indicators

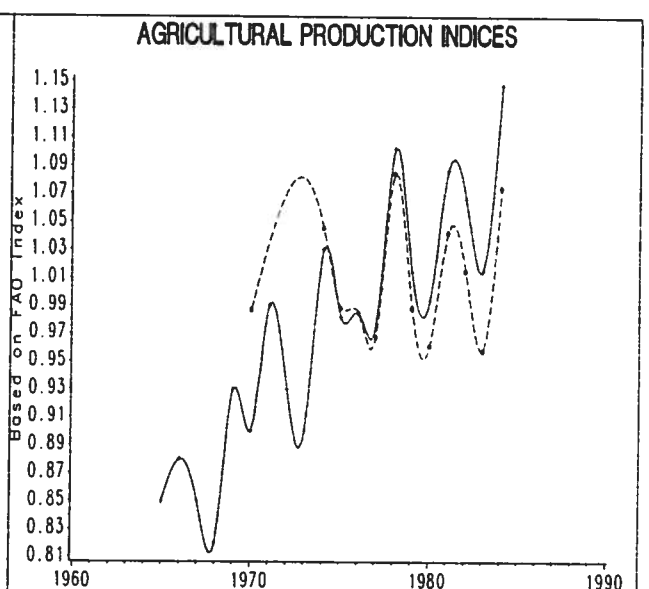
Total U.S. Aid $ 140 Million (1952-86)
Ratio of U.S. Aid To Total ODA . % (1982-85)
Yearly U.S. Aid Per Capita $ 0.72 (1982-85)



NOTE: Major changes may be related to the use of official exchange rates.



Solid: Exports
Dashes: Imports



Solid: World Bank Index
Dashes: Divided by Population Index

NATIONAL INCOME AND EXPENDITURES

Per Capita GNP .....(1985) 500

Average Annual Real Per Capita GNP Growth Rate.(1965-85) -0.2%

Government Budgetary Expenditures as a % of GNP...(1983) 81.5%

Total Expenditures and Net Lending ($ Millions, US):
(1982) 512 (1983) 380 (1984) 461

Budgetary Deficit or Surplus ($ Millions, US):
(1981) -161 (1982) -295 (1983) -155

INTERNATIONAL RESERVES AND EXTERNAL DEBT

Official International Reserves Equivalent to
0.3 Months of Imports (1985)

External Public Debt as % of GNP...(1985) 173%

Service Payments on External Public Debt,
($ Millions, US)..... (1985) 25
As % of Total Export Earnings..... (1985) 10.2%

EXTERNAL TRADE (IN 1980 CONSTANT $US)

Trade Balance($ Millions, US) (1982)	-54(83)	-46(84)	-26
Total Imports($ Millions, US) (1982)	231(83)	191(84)	141
Of Which % From U.S. .....(1985)			24%
Total Exports($ Millions, US) (1982)	176(83)	145(84)	116
Of Which % to U.S. .....(1985)			24%

Major Imports(1985)MANUFACTURES;MACHINERY;FOOD

Major Exports(1985)BUAXITE;SUGAR;RICE

Trading Partners: UNITED STATES; UNITED KINGDOM; TRINIDAD/TOBAG

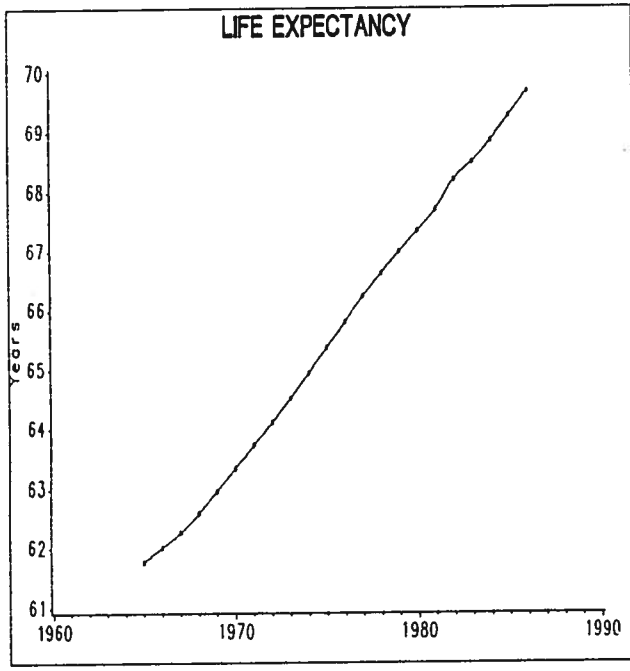
AGRICULTURE

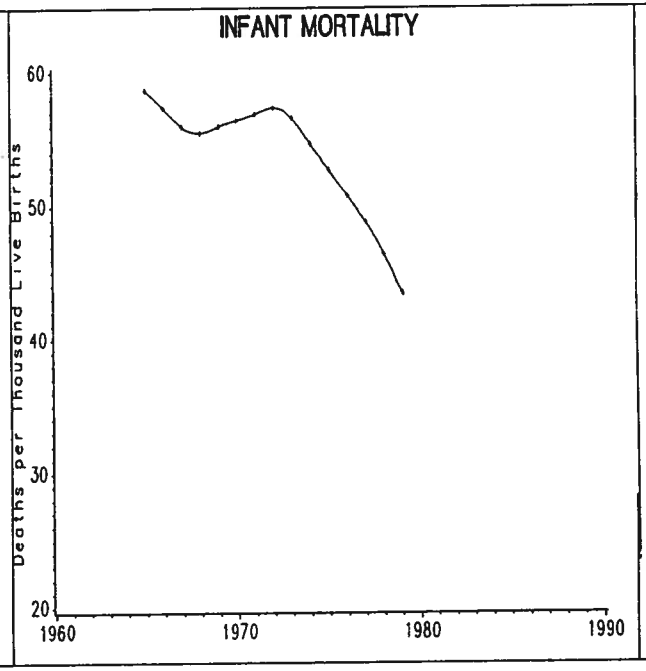
Agricultural Production as % of GDP...(1984) 20%

Major Crop(s)	As % of Arable Land	
Subsistence: RICE; ROOTS AND TUBERS; BEANS-DRY	20%	(1986)
Cash: RICE; SUGARCANE; .	70%	(1986)

Ag. Exports:(1986)RAW SUGAR; RICE;
Ag. Imports:(1986) OILCAKE; DAIRY PRODUCTS; EGGS

GUYANA -- Social Indicators





PRIMARY SCHOOL ENROLLMENT

No Data for This Indicator

POPULATION
Total Population...(Thousands, Mid 1987) 766

Population Growth Rate...(1970) 1.9% (1978) -0.3% (1987) 0.0%

Population (1987) By Age Group:
(0-14yrs) 37.7% (15-64yrs) 58.4% (65+ yrs) 3.9%

Married Women Aged 15-49 yrs. Using Contraception...(.) . %

Total Fertility Rate...(1970) 5.5 (1987) 2.9

HOUSEHOLD INCOME AND EMPLOYMENT
National Income Received by Low 20% of Population..(.) . %

% of Population Living Below Absolute Poverty Level
(.) Total . % Urban . % Rural . %

Labor Force Participation as % of Working Age Population
(.) .%

Proportion of Labor Force in Agriculture...(1977) 29%

NUTRITION AND HEALTH
Per Capita Calorie Supply as a % of Requirements...(1983) 104%

Life Expectancy at Birth, in Years
(1986) Total 69.7 Male 67.6 Female 71.8
(1970) Total 63.3 Male 61.1 Female 65.6

Infant Deaths in First Yr of Life per 1000 Live Births (1987) 44

% Of Children 12-23 Months Old Fully Immunized Against
Tuberculosos(BCG3) .% (.) Measles .% (.)
Diphtheria(DPT) .% (.) Polio(3) .% (.)

Population with Reasonable Access to Safe Water Supply
(1980) 72%

EDUCATION AND LITERACY
Total School Enrollment as Ratio of Population in Age Group:

Primary	(1981)	Total 109.0	Male 109.5	Female 108.5
Secondary	(1980)	Total .	Male .	Female 64.5
Post Secondary	(1979)	Total 2.3	Male 2.6	Female 2.0

Adult Literacy Rate (.) Total .% Male .% Female .%

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: GUYANA

CP 89

PROJECT NO. / PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	PLANNED	-THROUGH FY 86- OBLIGATIONS	EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	EXPENDITURES
504-0066 RURAL HEALTH SYSTEMS	HE L	79	79	2,900	2,900	2,900	2,378	---	---	---	---	---	---
PROJECT TOTAL:				2,900	2,900	2,900	2,378	---	---	---	---	---	---
504-0072 RICE MODERNIZATION II	FN G	78	82	1,500	1,261	1,261	1,140	---	121	---	---	---	---
PROJECT TOTAL:				1,500	1,261	1,261	1,140	---	121	---	---	---	---
COUNTRY TOTALS:				4,400	4,161	4,161	3,518	---	121	---	---	---	---
GRANTS:				1,500	1,261	1,261	1,140	---	121	---	---	---	---
LOANS:				2,900	2,900	2,900	2,378	---	---	---	---	---	---
---- APPROPRIATION SUMMARY ----													
AGR., RURAL DEV. & NUTRITION:				1,500	1,261	1,261	1,140	---	121	---	---	---	---
POPULATION PLANNING:				---	---	---	---	---	---	---	---	---	---
HEALTH:				2,900	2,900	2,900	2,378	---	---	---	---	---	---
CHILD SURVIVAL FUND:				---	---	---	---	---	---	---	---	---	---
AIDS:				---	---	---	---	---	---	---	---	---	---
EDUCATION & HUMAN RESOURCES:				---	---	---	---	---	---	---	---	---	---
SELECTED DEVELOP. ACTIVITIES:				---	---	---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND:				---	---	---	---	---	---	---	---	---	---

*Refers to the planned project summary sheet

[C]Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1987 are based on the authorized date.
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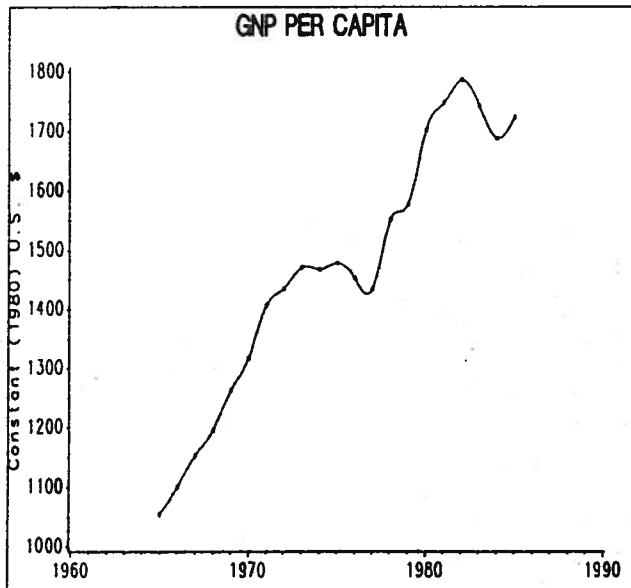
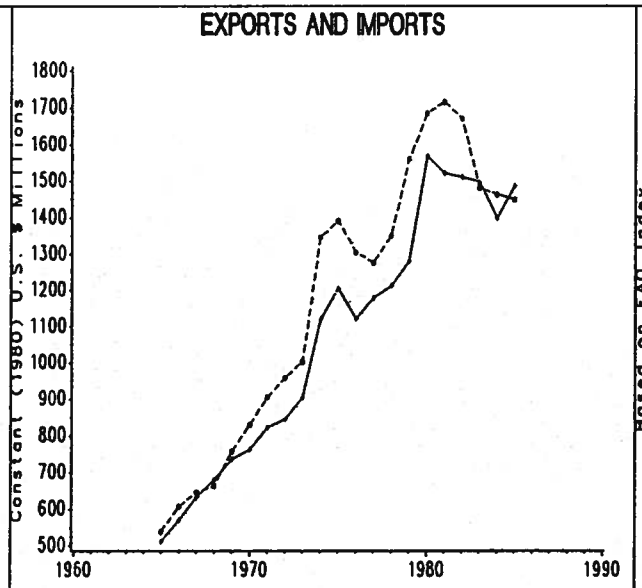
PANAMA -- Economic Indicators

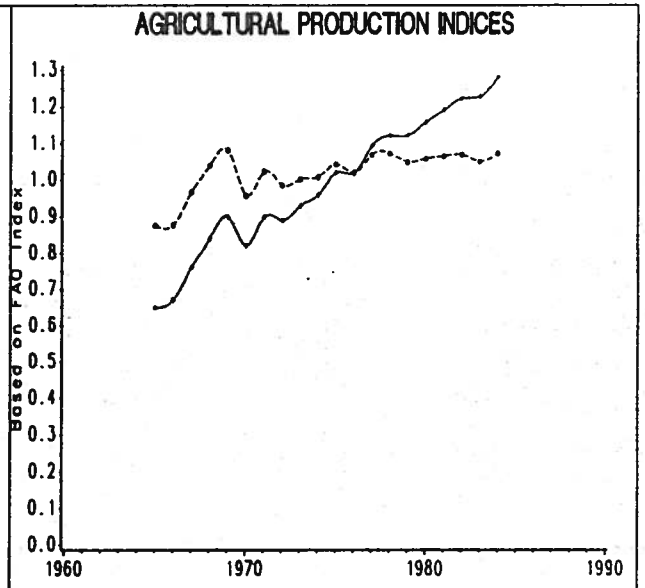
Total U.S. Aid $ 592 Million (1946-86)
Ratio of U.S. Aid To Total ODA 50.0% (1982-85)
Yearly U.S. Aid Per Capita $ 12.66 (1982-85)



NOTE: Major changes may be related to the use of official exchange rates.



Solid: Exports
Dashes: Imports



Solid: World Bank Index
Dashes: Divided by Population Index

NATIONAL INCOME AND EXPENDITURES

Per Capita GNP .....(1985) 2,100

Average Annual Real Per Capita GNP Growth Rate.(1965-85) 2.5%

Government Budgetary Expenditures as a % of GNP...(1985) 20.9%

Total Expenditures and Net Lending ($ Millions, US):
(1982) 1,148 (1983) 1,114 (1984) 1,175

Budgetary Deficit or Surplus ($ Millions, US):
(1982) -283 (1983) -228 (1984) -259

INTERNATIONAL RESERVES AND EXTERNAL DEBT

Official International Reserves Equivalent to
0.5 Months of Imports (1986)

External Public Debt as % of GNP...(1985) 76.3%

Service Payments on External Public Debt,
($ Millions, US)..... (1986) 838
As % of Total Export Earnings..... (1985) 24.8%

EXTERNAL TRADE (IN 1980 CONSTANT $US)

Trade Balance($ Millions, US) (1983) 16(84) -64(85) 36

Total Imports($ Millions, US) (1983) 1,481(84) 1,463(85) 1,449
Of Which % From U.S. .....(1986) 36%

Major Imports(1985)PETROLEUM PRODS;MFRD. GOODS;MACHINERY

Total Exports($ Millions, US) (1983) 1,497(84) 1,398(85) 1,485
Of Which % to U.S. .....(1986) 16%

Major Exports(1985)PETROLEUM PRODS;BANANAS;SHRIMP

Trading Partners: UNITED STATES; JAPAN; VENEZUELA

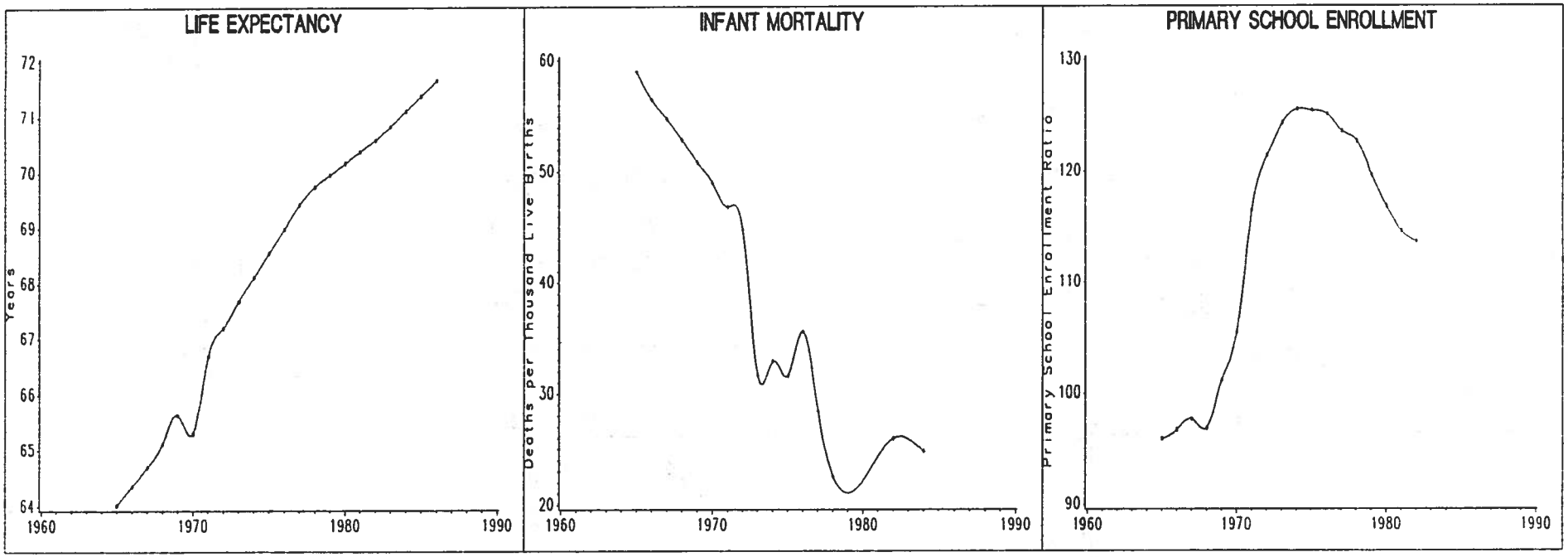
AGRICULTURE

Agricultural Production as % of GDP...(1984) 9%

Major Crop(s)	As % of Arable Land	
Subsistence: RICE; BEANS-DRY; CORN	42%	(1986)
Cash: BANANAS; COFFEE; RAW SUGAR	20%	(1986)

Ag. Exports:(1986)BANANAS; COFFEE; RAW SUGAR
Ag. Imports:(1986) WHEAT; CORN; OILSEEDS

PANAMA -- Social Indicators



POPULATION

Total Population...(Thousands, Mid 1987) 2,275

Population Growth Rate...(1970) 3.0% (1978) 2.4% (1987) 2.1%

Population (1987) By Age Group:
(0-14yrs) 36.6% (15-64yrs) 58.6% (65+ yrs) 4.8%

Married Women Aged 15-49 yrs. Using Contraception...(1984) 58.8%

Total Fertility Rate...(1970) 5.4 (1987) 3.2

HOUSEHOLD INCOME AND EMPLOYMENT

National Income Received by Low 20% of Population..( ) . %

% of Population Living Below Absolute Poverty Level
(1978) Total % Urban 21.0% Rural 30.0%

Labor Force Participation as % of Working Age Population
(1985) 57%

Proportion of Labor Force in Agriculture...(1980) 27%

NUTRITION AND HEALTH

Per Capita Calorie Supply as a % of Requirements...(1984) 100%

Life Expectancy at Birth, in Years
(1986) Total 71.6 Male 69.7 Female 73.7
(1970) Total 65.3 Male 64.0 Female 66.7

Infant Deaths in First Yr of Life per 1000 Live Births (1987) 24

% Of Children 12-23 Months Old Fully Immunized Against
Tuberculosos(BCG3) 94% (1985) Measles 83% (1985)
Diphtheria(DPT) 71% (1985) Polio(3) 73% (1985)

Population with Reasonable Access to Safe Water Supply
(1980) 82%

EDUCATION AND LITERACY

Total School Enrollment as Ratio of Population in Age Group:

Primary	(1985)	Total	89.2	Male	89.0	Female	59.5
Secondary	(1985)	Total	56.5	Male	54.8	Female	58.2
Post Secondary	(1985)	Total	22.7	Male	18.5	Female	27.0

Adult Literacy Rate (1980) Total 87% Male 87% Female 87%

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: PANAMA

CP 39

PROJECT NO. / PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	PLANNED	-THROUGH FY 86- OBLIGA-TIONS	EXPEN-DITURES	-ACTUAL FY 87- OBLIGA-TIONS	EXPEN-DITURES	-ESTIMATED FY 88- OBLIGA-TIONS	EXPEN-DITURES	-PROPOSED FY 89- OBLIGA-TIONS	EXPEN-DITURES
525-0000	PROGRAM DEVELOPMENT AND SUPPORT												
	EH G	64	C	---	---	1,821	1,132	61	621	---	159	---	---
	FN G	64	C	---	---	4,007	2,832	35	859	---	351	---	---
	PN G	81	C	---	---	192	120	---	41	---	31	---	---
	SD G	64	C	---	---	13,704	12,952	161	689	12	236	---	---
	PROJECT TOTAL:			---	---	19,724	17,006	257	2,210	12	777	---	---
525-0101	SPECIAL DEVELOPMENT ACTIVITIES												
	SD G	64	C	---	---	1,037	1,004	100	39	200	294	---	---
	PROJECT TOTAL:			---	---	1,037	1,004	100	39	200	294	---	---
525-0180	AGRICULTURAL TECHNOLOGY DEVELOPMENT												
	FN G	79	88	2,700	2,649	2,200	1,917	500	732	---	---	---	---
	FN L	79	88	9,000	6,978	9,000	5,380	---	1,260	---	338	---	---
	PROJECT TOTAL:			11,700	9,627	11,200	7,297	500	1,992	---	338	---	---
525-0186	INTEGRATED RURAL DEVELOPMENT												
	FN L	77	77	9,700	9,098	9,700	7,484	---	1,614	---	---	---	---
	PROJECT TOTAL:			9,700	9,098	9,700	7,484	---	1,614	---	---	---	---
525-0191	WATERSHED MANAGEMENT												
	FN L	79	79	9,685	9,393	9,393	9,254	---	---	---	139	---	---
	PROJECT TOTAL:			9,685	9,393	9,393	9,254	---	---	---	139	---	---
525-0222	AGRICULTURAL COOPERATIVE MARKETING												
	FN G	84	89	2,300	2,123	2,300	485	---	480	---	1,158	---	---
	FN L	84	89	5,900	1,602	5,900	211	---	1,000	---	391	---	---
	PROJECT TOTAL:			8,200	3,725	8,200	696	---	1,480	---	1,549	---	---
525-0227	AGRICULTURAL TECHNOLOGY TRANSFER												
	FN G	82	85	1,500	1,170	1,500	176	---	435	---	559	---	---
	FN L	82	85	6,000	4,001	6,000	2,624	---	1,287	---	90	---	---
	PROJECT TOTAL:			7,500	5,171	7,500	2,800	---	1,722	---	649	---	---
525-0239	CBI - NATIONAL INVESTMENT COUNCIL												
	SD G	83	83	200	131	200	131	---	---	---	---	---	---
	SD L	83	83	3,773	1,482	1,973	891	---	510	---	81	---	---

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1987 are based on the authorized date.
For all projects with an initial obligation date after December 31, 1987 the FY of final obligation is based on a planned date.

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: PANAMA

CP 89

PROJECT NO. / PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	-LIFE OF PROJECT- PLANNED	-THROUGH FY 86- OBLIGATIONS	-THROUGH FY 86- EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	-ACTUAL FY 87- EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	-ESTIMATED FY 88- EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	-PROPOSED FY 89- EXPENDITURES
PROJECT TOTAL:				3,973	1,613	2,173	1,022	---	510	---	81	---	---
525-0240 SMALL BUSINESS DEVELOPMENT													
	SD G	84	91	3,000	1,707	3,000	1,421	---	286	---	---	---	---
	SD L	84	91	5,500	1,323	5,500	271	---	977	---	75	---	---
PROJECT TOTAL:				8,500	3,030	8,500	1,692	---	1,263	---	75	---	---
525-0247 AG. POLICY FORMULATION AND MANAGEMENT													
	FN G	84	91	5,000	3,829	5,000	1,177	---	1,505	---	1,147	---	---
PROJECT TOTAL:				5,000	3,829	5,000	1,177	---	1,505	---	1,147	---	---
525-0250 DEVELOPMENT POLICY STUDIES													
	SD G	85	86	3,000	2,230	3,000	608	---	428	---	1,194	---	---
PROJECT TOTAL:				3,000	2,230	3,000	608	---	428	---	1,194	---	---
525-0257 NATURAL RESOURCES EDUCATION, OPG													
	FN G	84	85	1,000	991	1,000	504	---	187	---	300	---	---
PROJECT TOTAL:				1,000	991	1,000	504	---	187	---	300	---	---
525-0258 PRIVATE SECTOR SCHOLARSHIP FOUND., OPG													
	EH G	84	89	1,750	1,750	1,750	103	---	981	---	500	---	166
	SD G	84	87	1,250	1,250	750	750	500	---	---	250	---	250
PROJECT TOTAL:				3,000	3,000	2,500	853	500	981	---	750	---	416
525-0261 PRIVATE EXPORT FINANCE													
	FN L	86	92	5,581	---	2,081	---	---	---	---	---	---	---
	SD G	86	92	1,000	2,450	1,000	---	---	21	---	429	---	---
	SD L	86	92	12,419	---	3,924	---	---	---	---	---	---	---
PROJECT TOTAL:				19,000	2,450	7,005	---	---	21	---	429	---	---
525-0275 INDUSTRIAL RELATIONS SERVICES													
	EH G	85	86	646	646	646	230	---	232	---	184	---	---
PROJECT TOTAL:				646	646	646	230	---	232	---	184	---	---
525-0281 PANAJURU LOCAL SCHOOL - OPG													
	FN G	85	86	947	947	447	271	500	116	---	200	---	200

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1987 are based on the authorized date. For all projects with an initial obligation date after December 31, 1987 the FY of final obligation is based on a planned date.

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: PANAMA

CP 89

PROJECT NO. / PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	-LIFE OF PROJECT- PLANNED	-THROUGH FY 86- OBLIGATIONS	-THROUGH FY 86- EXPENDITURES	-ACTUAL FY 87- OBLIGATIONS	-ACTUAL FY 87- EXPENDITURES	-ESTIMATED FY 88- OBLIGATIONS	-ESTIMATED FY 88- EXPENDITURES	-PROPOSED FY 89- OBLIGATIONS	-PROPOSED FY 89- EXPENDITURES
PROJECT TOTAL:				947	947	447	271	500	116	---	200	---	200
525-0282 FINANCIAL STABILITY & ECONOMIC RECOVERY													
	ES G	85	88	25,742	25,742	25,742	20,000	---	5,742	---	---	---	---
PROJECT TOTAL:				25,742	25,742	25,742	20,000	---	5,742	---	---	---	---
525-0285 PANAJURU - ZAMORANO SCHOOL - OPG													
	PN G	85	89	1,028	1,028	300	---	728	249	---	210	---	350
PROJECT TOTAL:				1,028	1,028	300	---	728	249	---	210	---	350
525-0292 DRUG ABUSE AWARENESS OPG													
	EH G	88	88	200	200	---	---	200	---	---	125	---	75
PROJECT TOTAL:				200	200	---	---	200	---	---	125	---	75
525-1000 CENTRAL AMERICA PEACE SCHOLARSHIPS													
	EH G	87	90	6,225	6,225	---	---	4,225	---	2,000	4,225	---	2,000
	PN G	87	90	718	718	---	---	718	---	---	718	---	---
	HE G	87	90	438	438	---	---	438	---	---	438	---	---
	PN G	87	90	219	219	---	---	219	---	---	219	---	---
PROJECT TOTAL:				7,600	7,600	---	---	5,600	---	2,000	5,600	---	2,000
COUNTRY TOTALS:				126,421	90,320	123,067	71,898	8,385	20,291	2,212	14,041	---	3,041
GRANTS:				58,863	56,443	69,596	45,783	8,385	13,643	2,212	12,927	---	3,041
LOANS:				67,558	33,877	53,471	26,115	---	6,648	---	1,114	---	---

---- APPROPRIATION SUMMARY ----

AGR., RURAL DEV. & NUTRITION:	61,059	44,527	58,828	32,315	2,481	9,724	---	5,601	---	550
POPULATION PLANNING:	219	219	192	120	219	41	---	250	---	---
HEALTH:	438	438	---	---	438	---	---	438	---	---
CHILD SURVIVAL FUND:	---	---	---	---	---	---	---	---	---	---
AIDS:	---	---	---	---	---	---	---	---	---	---
EDUCATION & HUMAN RESOURCES:	3,821	3,821	4,217	1,435	4,486	1,834	2,000	5,193	---	2,241
SELECTED DEVELOP. ACTIVITIES:	30,142	10,573	34,088	18,028	761	2,950	212	2,559	---	250
ECONOMIC SUPPORT FUND:	25,742	25,742	25,742	20,000	---	5,742	---	---	---	---

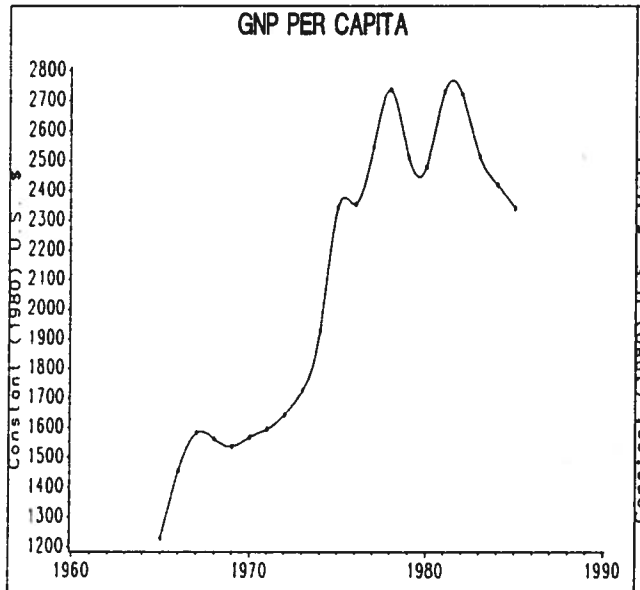
*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1987 are based on the authorized date. For all projects with an initial obligation date after December 31, 1987 the FY of final obligation is based on a planned date.

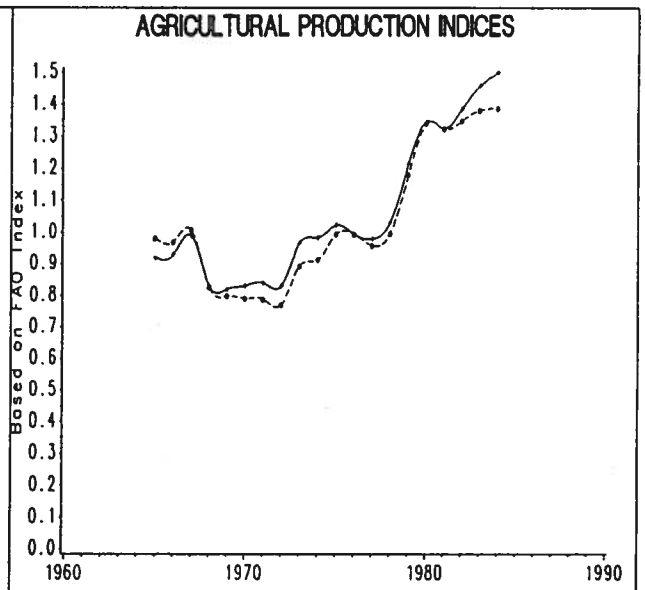
SURINAME -- Economic Indicators

Total U.S. Aid $ 7 Million (1954-83)
Ratio of U.S. Aid To Total ODA 1.5% (1982-85)
Yearly U.S. Aid Per Capita $ 0.38 (1982-85)



NOTE: Major changes may be related to the use of official exchange rates.

Solid: Exports
Dashes: Imports



Solid: World Bank Index
Dashes: Divided by Population Index

NATIONAL INCOME AND EXPENDITURES

Per Capita GNP .....(1985) 2,580

Average Annual Real Per Capita GNP Growth Rate.(1965-85) 3.4%

Government Budgetary Expenditures as a % of GNP...(1980) 31.7%

Total Expenditures and Net Lending ($ Millions, US):
(.) . (1984) 438 (1985) 471

Budgetary Deficit or Surplus ($ Millions, US):
(.) . (1984) -147 (1985) -196

INTERNATIONAL RESERVES AND EXTERNAL DEBT

Official International Reserves Equivalent to
0.7 Months of Imports (1986)

External Public Debt as % of GNP...(.) . %

Service Payments on External Public Debt,
($ Millions, US)..... (.) .
As % of Total Export Earnings ..... (.) . %

EXTERNAL TRADE (IN 1980 CONSTANT $US)

Trade Balance($ Millions, US) (1980) -48(81) -128(82) -136

Total Imports($ Millions, US) (1980) 661(81) 648(82) 573
Of Which % From U.S. .....(1986) 53%

Major Imports(1985)CAPITAL EQUIP.;PETROLEUM PRODS;IRON & STEEL

Total Exports($ Millions, US) (1980) 613(81) 520(82) 437
Of Which % to U.S. .....(1986) 19%

Major Exports(1985)ALUMINA;BAUXITE;ALUMINUM

Trading Partners: UNITED STATES; NETHERLANDS; TRINIDAD

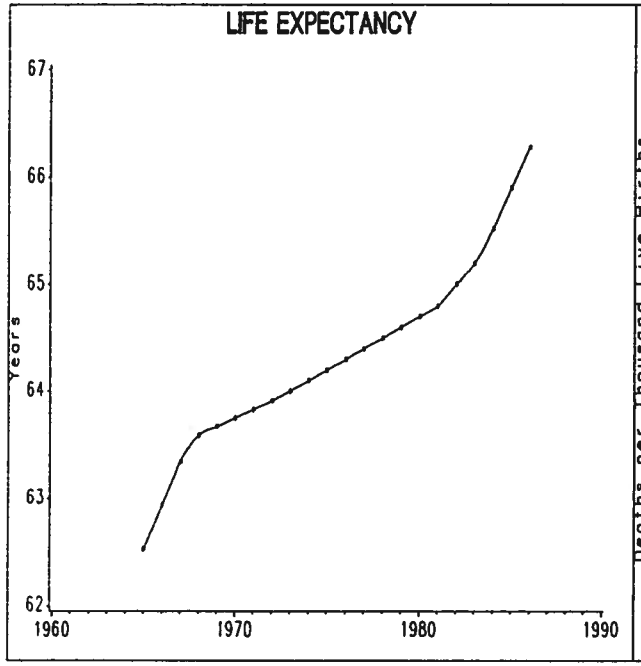
AGRICULTURE

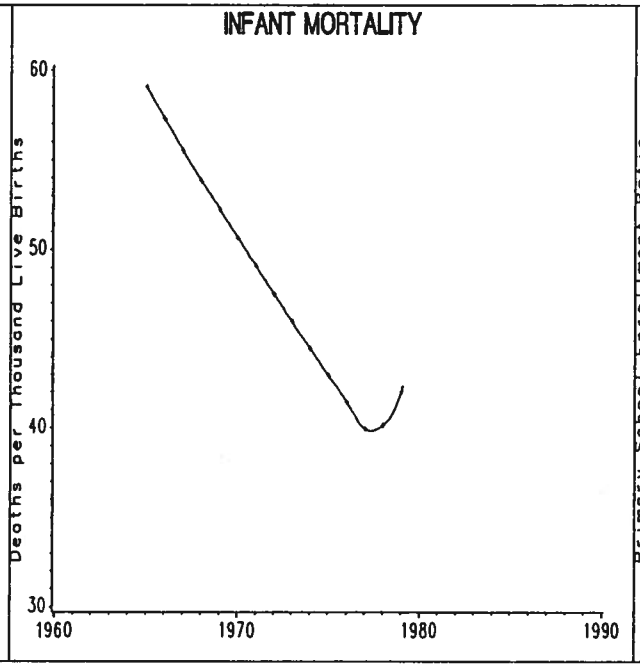
Agricultural Production as % of GDP...(1984) 7%

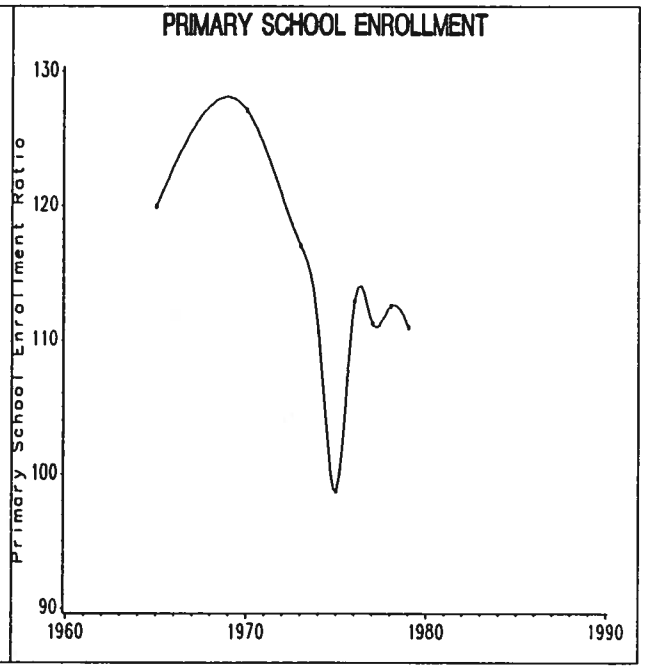
Major Crop(s)	As % of Arable Land	
Subsistence: ROOTS AND TUBERS; BANANAS; RICE	17%	(1986)
Cash: RICE; PALM OIL; BANANAS	55%	(1986)

Ag. Exports:(1986)RICE; BANANAS;
Ag. Imports:(1986) WHEAT; CORN; OILCAKE

SURINAME -- Social Indicators







POPULATION

Total Population...(Thousands, Mid 1987) 389

Population Growth Rate...(1970) 1.3% (1978) 1.4% (1987) 1.6%

Population (1987) By Age Group:
(0-14yrs) 35.5% (15-64yrs) 60.4% (65+ yrs) 4.1%

Married Women Aged 15-49 yrs. Using Contraception...(.) . %

Total Fertility Rate...(1970) 5.5 (1987) 3.1

HOUSEHOLD INCOME AND EMPLOYMENT

National Income Received by Low 20% of Population..(.) . %

% of Population Living Below Absolute Poverty Level
(.) Total . % Urban . % Rural . %

Labor Force Participation as % of Working Age Population
(1980) 31%

Proportion of Labor Force in Agriculture...(.) .%

NUTRITION AND HEALTH

Per Capita Calorie Supply as a % of Requirements...(1983) 109%

Life Expectancy at Birth, in Years
(1986) Total 66.3 Male 64.3 Female 68.3
(1970) Total 63.8 Male 61.8 Female 65.8

Infant Deaths in First Yr of Life per 1000 Live Births (1987) 42

% Of Children 12-23 Months Old Fully Immunized Against
Tuberculosos(BCG3) .% (.) Measles .% (.)
Diphtheria(DPT) .% (.) Polio(3) .% (.)

Population with Reasonable Access to Safe Water Supply
(1980) 89%

EDUCATION AND LITERACY

Total School Enrollment as Ratio of Population in Age Group:

Primary	(1979)	Total	111.0	Male	.	Female	108.0
Secondary	(1979)	Total	49.9	Male	46.1	Female	51.5
Post Secondary	(.)	Total	.	Male	.	Female	.

Adult Literacy Rate (1978) Total 65% Male 68% Female 63%

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: SURINAME

CP 89

PROJECT NO. / PROJECT TITLE	L / * G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHO	PLANNED	-THROUGH FY 86- OBLIGA-TIONS	EXPEN-DITURES	-ACTUAL FY 87- OBLIGA-TIONS	EXPEN-DITURES	-ESTIMATED FY 88- OBLIGA-TIONS	EXPEN-DITURES	-PROPOSED FY 89- OBLIGA-TIONS	EXPEN-DITURES
508-0319 TECHNICAL CONSULTANTS AND TRAINING	ES G	82	82	500	500	500	---	---	---	---	350	---	150
PROJECT TOTAL:				500	500	500	---	---	---	---	350	---	150
COUNTRY TOTALS:				500	500	500	---	---	---	---	350	---	150
GRANTS:				500	500	500	---	---	---	---	350	---	150
LOANS:				---	---	---	---	---	---	---	---	---	---
---- APPROPRIATION SUMMARY ----													
AGR., RURAL DEV. & NUTRITION:				---	---	---	---	---	---	---	---	---	---
POPULATION PLANNING:				---	---	---	---	---	---	---	---	---	---
HEALTH:				---	---	---	---	---	---	---	---	---	---
CHILD SURVIVAL FUND:				---	---	---	---	---	---	---	---	---	---
AIDS:				---	---	---	---	---	---	---	---	---	---
EDUCATION & HUMAN RESOURCES:				---	---	---	---	---	---	---	---	---	---
SELECTED DEVELOP. ACTIVITIES:				---	---	---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND:				500	500	500	---	---	---	---	350	---	150

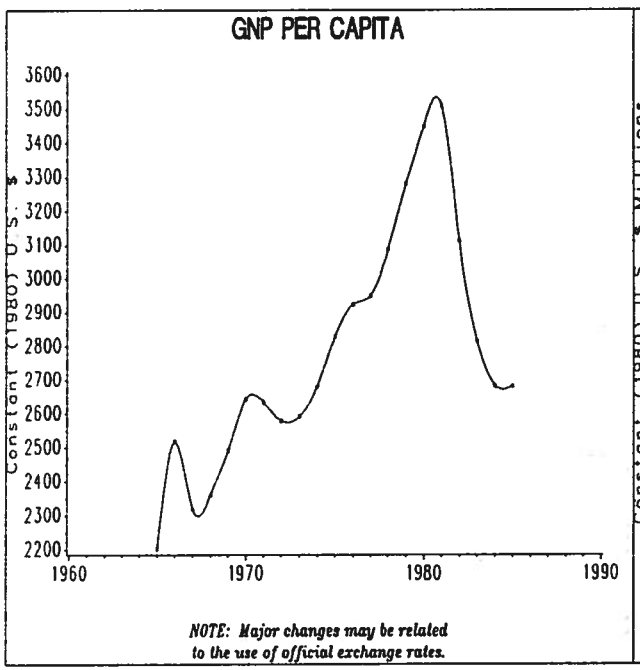
*Refers to the planned project summary sheet

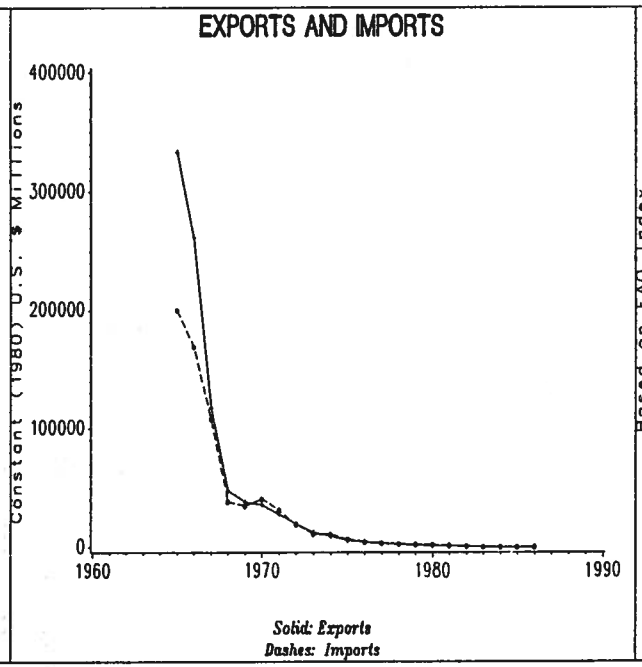
CLevel of effort activity

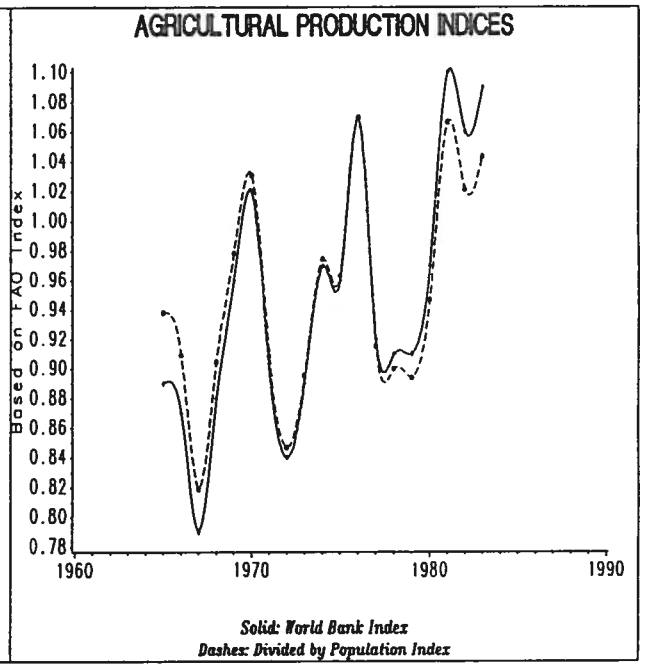
FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1987 are based on the authorized date.
For all projects with an initial obligation date after December 31, 1987 the FY of final obligation is based on a planned date.

URUGUAY -- Economic Indicators

Total U.S. Aid $ 191 Million (1946-86)
Ratio of U.S. Aid To Total ODA 2.5% (1982-85)
Yearly U.S. Aid Per Capita $ 0.21 (1982-85)







NATIONAL INCOME AND EXPENDITURES

Per Capita GNP .....(1985) 1,650

Average Annual Real Per Capita GNP Growth Rate.(1965-85) 1.4%

Government Budgetary Expenditures as a % of GNP...(.) . %

Total Expenditures and Net Lending ($ Millions; US):
(1984) 1,262 (1985) 1,193 (1986) 1,060

Budgetary Deficit or Surplus ($ Millions, US):
(1984) -273 (1985) -115 (1986) -74

INTERNATIONAL RESERVES AND EXTERNAL DEBT

Official International Reserves Equivalent to
12.2 Months of Imports (1986)

External Public Debt as % of GNP...(1985) 57.2%

Service Payments on External Public Debt,
($ Millions, US)..... (1986) 375
As % of Total Export Earnings..... (1986) 23.6%

EXTERNAL TRADE (IN 1980 CONSTANT $US)

Trade Balance($ Millions, US) (1984) 58(85) 29(86) 30

Total Imports($ Millions, US) (1984) 289(85) 160(86) 103
Of Which % From U.S. .....(1986) 19%

Major Imports(1985)FUELS & LUBRI.;METALS;MACHINERY

Total Exports($ Millions, US) (1984) 347(85) 189(86) 133
Of Which % to U.S. .....(1986) 56%

Major Exports(1985)MEAT;TEXTILES;WOOL

Trading Partners: BRAZIL; UNITED STATES; ARGENTINA

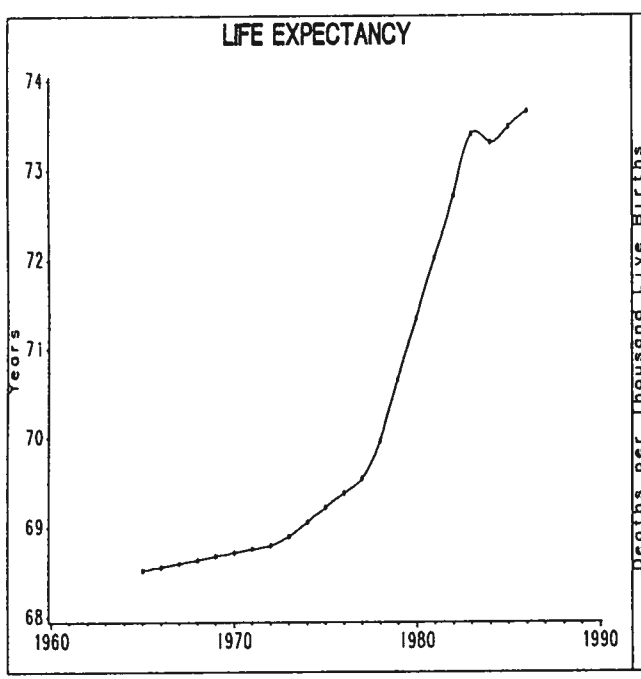
AGRICULTURE

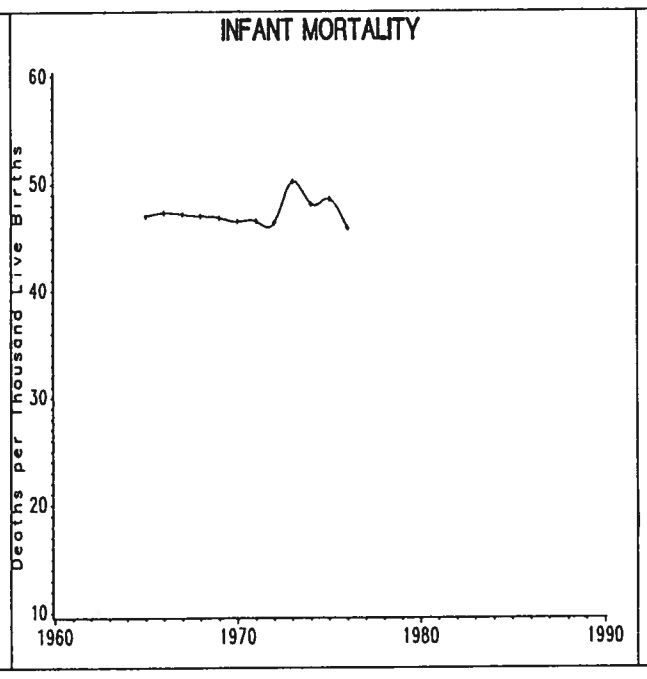
Agricultural Production as % of GDP...(1985) 10%

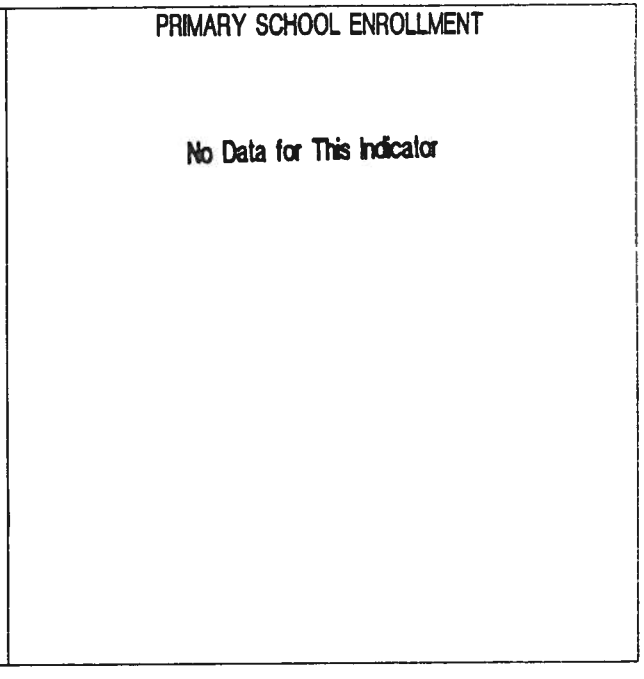
Major Crop(s)	As % of Arable Land	
Subsistence: POTATOES; .;	1%	(1986)
Cash: WHEAT; RICE; CORN	34%	(1986)

Ag. Exports:(1986)RICE; BEEF AND VEAL; WHEAT
Ag. Imports:(1986) BARLEY; RAW SUGAR; POTATOES

URUGUAY -- Social Indicators







POPULATION

Total Population...(Thousands, Mid 1987) 2,964

Population Growth Rate...(1970) 0.8% (1978) 0.3% (1987) 0.4%

Population (1987) By Age Group:
(0-14yrs) 25.8% (15-64yrs) 62.8% (65+ yrs)11.4%

Married Women Aged 15-49 yrs. Using Contraception...(.) . %

Total Fertility Rate...(1970) 2.9 (1987) 2.3

HOUSEHOLD INCOME AND EMPLOYMENT

National Income Received by Low 20% of Population..(1981) 5.6%

% of Population Living Below Absolute Poverty Level
(.) Total . % Urban . % Rural . %

Labor Force Participation as % of Working Age Population
(.) .%

Proportion of Labor Force in Agriculture...(.) .%

NUTRITION AND HEALTH

Per Capita Calorie Supply as a % of Requirements...(1983) 99%

Life Expectancy at Birth, in Years
(1986) Total 73.6 Male 71.8 Female 75.6
(1970) Total 68.7 Male 65.5 Female 72.0

Infant Deaths in First Yr of Life per 1000 Live Births (1987) 36

% Of Children 12-23 Months Old Fully Immunized Against
Tuberculosos(BCG3) 93% (1984) Measles 66% (1984)
Diphtheria(DPT) 62% (1984) Polio(3) 83% (1984)

Population with Reasonable Access to Safe Water Supply
(1980) 80%

EDUCATION AND LITERACY

Total School Enrollment as Ratio of Population in Age Group:

Primary	(1982)	Total	115.0	Male .	Female	121.5
Secondary	(1982)	Total	63.2	Male 46.0	Female	53.6
Post Secondary	(1982)	Total	16.7	Male 14.7	Female	18.8

Adult Literacy Rate (.) Total .% Male .% Female .%

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

BUREAU FOR LATIN AMERICA AND CARIBBEAN

COUNTRY: URUGUAY

CP 89

PROJECT NO. / PROJECT TITLE *	L / G	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	-LIFE OF PROJECT- AUTHD	PLANNED	-THROUGH FY 86- OBLIGA-TIONS	EXPEN-DITURES	-ACTUAL FY 87- OBLIGA-TIONS	EXPEN-DITURES	-ESTIMATED FY 88- OBLIGA-TIONS	EXPEN-DITURES	-PROPOSED FY 89- OBLIGA-TIONS	EXPEN-DITURES
523-0107 ECONOMIC RECOVERY PROGRAM	ES G	86	87	25,522	25,522	14,000	14,000	11,522	---	---	11,522	---	---
PROJECT TOTAL:				25,522	25,522	14,000	14,000	11,522	---	---	11,522	---	---
523-0108 ECONOMIC PROGRAM SUPPORT & ADMIN OF JUST	ES G	86	87	655	655	355	---	600	6	---	400	---	400
PROJECT TOTAL:				655	655	355	---	600	6	---	400	---	400
528-0999 LOCAL COST SUPPORT	ES G	87	87	30	30	---	---	30	5	---	25	---	---
PROJECT TOTAL:				30	30	---	---	30	5	---	25	---	---
COUNTRY TOTALS:				26,207	26,207	14,355	14,000	12,152	11	---	11,947	---	400
GRANTS:				26,207	26,207	14,355	14,000	12,152	11	---	11,947	---	400
LOANS:				---	---	---	---	---	---	---	---	---	---
---- APPROPRIATION SUMMARY ----													
AGR., RURAL DEV. & NUTRITION:				---	---	---	---	---	---	---	---	---	---
POPULATION PLANNING:				---	---	---	---	---	---	---	---	---	---
HEALTH:				---	---	---	---	---	---	---	---	---	---
CHILD SURVIVAL FUND:				---	---	---	---	---	---	---	---	---	---
AIDS:				---	---	---	---	---	---	---	---	---	---
EDUCATION & HUMAN RESOURCES:				---	---	---	---	---	---	---	---	---	---
SELECTED DEVELOP. ACTIVITIES:				---	---	---	---	---	---	---	---	---	---
ECONOMIC SUPPORT FUND:				26,207	26,207	14,355	14,000	12,152	11	---	11,947	---	400

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1987 are based on the authorized date. For all projects with an initial obligation date after December 31, 1987 the FY of final obligation is based on a planned date.