A REPORT ON

THE NATIONAL ASSOCIATION OF HONDURAN PEASANTS (ANACH)

By

John K. Hatch

Aquiles Lanaso Flores

April 16, 1977

Rural Development Services

1687 Broadway, Apt. 304
Ann Arbor, Michigan 48105
(313) 665-0710
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1. INTRODUCTION

The National Association of Honduran Peasants (ANACH) was founded in 1962, an agrarian branch of the Honduran labor union movement. The first and largest of the nation's three peasant federations, ANACH claims as many as 85,000 affiliates, of which about one-quarter are considered active participants in local ANACH groups known as sub-seccionales located throughout 16 of the 18 departments of Honduras. Judged within the context of peasant movements elsewhere in Latin America, ANACH can be regarded as unique for several reasons. First, it is remarkably autonomous from direction by outsiders, for top ANACH leadership is composed exclusively of campesinos. Second, the Association has played a principal role in determining the direction and pace of the Honduran Agrarian Reform; under ANACH sponsorship, hundreds of idle agricultural properties have been "invaded" and settled by groups of landless farmers and laborers. Members of top ANACH leadership participate in the Advisory Council of the nation's Chief Executive, in other advisory positions of government agencies serving the agricultural sector, and are frequently quoted in the national press. Indeed, ANACH is credited with primary responsibility for the organization and successful execution of a "hunger march" which resulted in the overthrow of President Ramon Ernesto Cruz in 1972.

The purposes of the present study are several. It represents an attempt to assess the effectiveness of ANACH and to identify its strengths and weaknesses. Additionally, the study seeks to consider strategies for improving ANACH effectiveness. These include recommendations not just to ANACH but to Honduran and international agencies providing financial or technical assistance to the agricultural sector.

The study itself is based on a two-week visit to Honduras by the authors (March 20 - April 4, 1977). During this period 10 days were spent
in the field visiting ANACH cooperatives and other farmer groups in the
departments of Cortés, Atlantida, Comayagua, Olancho, El Paraíso, and
Choluteca. The authors interviewed most of the members of the ANACH Na-
tional Executive Council, met with representatives of 8 out of 10 of
the ANACH regional cooperative centrals presently organized, spoke with
representatives of some 53 farmer groups, and held some 22 meetings at-
tended by an estimated 363 farmer-members of ANACH. A complete list of
individuals contacted and groups visited is included in the Appendix to
this report.

The authors wish to thank AID/Washington for the opportunity to
conduct this study; AID/Tegucigalpa for making available a vehicle and
driver to facilitate field travel; AIFLD/Honduras for allowing us com-
plete access to its files on ANACH; and Peace Corps/Honduras for provid-
ing the opportunity to make initial contact with ANACH national leaders.
But most critical was the excellent cooperation of ANACH personnel at
the national, regional, and local levels. On March 23 ANACH permitted
the authors to spend over two hours in discussions with 21 members of
the National Executive Council during their bi-annual meetings in Tegu-
cigalpa. Thanks to this opportunity it was possible to program our field
visits such that we were always accompanied by one or more ANACH leaders.
In all cases these individuals were cooperative, and patient informants;
they proved invaluable in "legitimating" our presence among ANACH affi-
liates, thereby encouraging a more candid flow of information and dialogue.

Because of such cooperation, and the interest shown by ANACH members
at all levels in knowing the results of the study, we have committed our-
selves to translating this document into Spanish so that—in multi-copy—
it can be distributed to ANACH regional offices for circulation and dis-
cussion among local level groups. We believe this is the most viable way
to strengthen collaborative relationships with farmer-clients of potential
development projects and to mobilize their suggestions in the project de-
sign process.
II. A BRIEF HISTORY OF ANACH

The story of the origin and growth of ANACH is bound up with the history of the Honduran trade union movement and the Agrarian Reform. Trade unionism in Honduras had its birth in 1954. In that year a general labor strike was declared against the United Fruit Company, which for many Hondurans symbolized most of the defects of their nation's political and economic systems. The strike lasted over three months and served to establish a broad sense of solidarity among landless laborers and farmers of the northern coast of Honduras. Among the concessions finally obtained by the strikers was official recognition of labor's right to organize. Following the strike, fledgling unions of agricultural laborers and railway workers of the banana industry gradually consolidated into a federation known as FESITRANH.

In 1957 the Liberal Party led by Villeda Morales won an overwhelming victory in the presidential and congressional elections of that year based on a platform of general social reforms, including land redistribution. The following year scattered campesino groups began to organize so-called "land committees" to pressure the government for redistribution programs. The initial focus of these organizational efforts was not on the north coast but in the department of Olancho; and one of the earliest organizers—Sr. Eduardo Herrera of Catacamas—was later to become the first president of ANACH.

It was not until 1962, however, that Honduras enacted its first agrarian reform law and founded the Instituto Nacional Agrario (INA). Both the law and the agency entrusted with its implementation were in those early days so modest in scope and financing as to be virtually ineffectual.

1 Interviewed by the authors on March 30, 1977.
Many ANACH leaders remember INA when it was nothing more than a small office on the sixth floor of the National Development Bank (BNF) building in Comayaguela, a striking contrast to INA's super-agency status of today.

With the creation of INA and agrarian reform legislation in 1962, FESITRANH began to organize agrarian reform discussion groups in rural areas throughout Honduras. These seminars, which were partly financed by the American Institute for Free Labor Development (AIFLD), were organized in the departments of Atlántida, Yoro, Santa Barbara, Cortés, Olancho, Choluteca, El Paraíso, and Comayagua. Upon completion of each seminar, FESITRANH promoters organized farmer-participants in local groups on a labor union model. Leaders of these groups were later invited to a constituent assembly held in Tela from September 27-29, 1962, at which time ANACH was formally organized.

The early years of ANACH were rocky ones, for its strength was sapped by external and internal factors. On the outside, the reformist direction taken by the Villeda Morales administration was abruptly halted in 1963 when the President was deposed by military intervention. He was replaced by Col. Oswaldo Lopez Arellano, a staunch conservative, who remained in office for the next eight years. From within, ANACH suffered internal dissension within its top leadership. ANACH's second president, Efrain Diaz Galeas, broke with the movement in 1964 and subsequently, with encouragement from INA, formed a second peasant federation known as FECORA. In 1965 still another peasant federation was organized, this one known as the UNC. These defections created a serious hemorrhage of ANACH affiliates.

In 1967 ANACH began to stabilize and strengthen itself as an institution. That year ANACH moved the location of its national office from
Tela to the more central San Pedro Sula. From this date too can be traced the formation of a broader range of economic and social services directed at ANACH affiliates (to be described in the next section). But most important, it was in 1967 that Reyes Rodriguez Arevalo became President of ANACH, a post he has held continuously to this day and to which he has been reelected five times. A campesino without formal education of any kind, and who learned to read while in prison for rural activist activities, Reyes Rodriguez is a charismatic public speaker and leader whose initiatives have mobilized massive campesino demonstrations on behalf of land reform in Honduras.

Under Reyes Rodriguez ANACH redoubled its efforts to organize and educate its affiliates. It divided the country into eight regions and 28 zones, each assigned a full-time activist whose salary was covered by the dues he could collect. These preparations were to reap great benefits for ANACH beginning in 1972. In that year ANACH, together with other campesino and union groups, participated in a "hunger march" on Tegucigalpa which sparked the overthrow of President Cruz by the Honduran military. Later that same year the military government issued Decree 8, which sanctioned the forced rental of idle agricultural lands by peasant groups and gave INA a huge increase in budget and power to fulfill its role as supreme manager and arbiter of agrarian reform in Honduras. When INA moved too slowly in authorizing land redistributions, ANACH pressured the agency with lists of its affiliated groups who needed land, where and how much idle land was available to them. When INA still dragged its feet, ANACH proceeded directly to organize land invasions by its affiliates on a national scale. By late 1975, ANACH was credited with as many as 370 such invasions.²

The significance of that accomplishment should not be understated.

A successful land invasion requires a high degree of planning, timing, solidarity, and nerve. Absolute secrecy must be maintained among hundreds of potential participants for many weeks preceding a so-called *operativo*, the ANACH word for a joint offensive operation, be it a land invasion or a march on the capital. Even though a group of, say, only 30 farmers are to remain permanently on an invaded property, hundreds of other farmers must also participate in an invasion to lend it strength of numbers and thereby make it harder for local police or army units to run the invaders off. For this very same reason, many operativos have been launched with the active participation of women and children—a tactic which discourages violent retaliation against the invading group. When army or police units do succeed in retaking the invaded property, they usually abandon it again at night, at which time the invasion begins all over again. Large numbers of participants are also needed to establish quickly signs of effective occupancy of a property—for example, land clearance, plowing and planting, fencing, and other operations. Moreover, since a successful invasion is inevitably followed by a process of subsequent negotiation and compromise between INA, the invaders, and the affected property owner, the more land a group can initially occupy the better its bargaining position later on.

Ironically, though, the very success of its land invasion activities has made it increasingly difficult for ANACH to grow stronger and remain relevant to its affiliates. Having acquired what they most needed—permanent access to land resources—ANACH's landed affiliates no longer need their institution the way landless affiliates still do. In effect, two classes of membership have been created, the "haves" and the "have nots", with the former in competition with the latter for the attention, energies, and resources of their institution. The requirements of the landed affiliates are now virtually limitless. They run the entire gamut of production services—including credit, input supply, mechanization, technical assistance, marketing, processing, irrigation and transport infrastructure—or an equally broad gamut of social services such as housing, utilities, education, and health facilities. To the extent that any of these services
can be supplied directly and efficiently by government or private agencies, the commitment of the beneficiaries to ANACH is potentially weakened. On the other hand, insofar as ANACH serves as the sponsor or the channel by which the delivery of these resources is facilitated, ANACH is potentially strengthened. While the loyalty of ANACH's landless affiliates (perhaps no more than 25 percent of all base groups) can be maintained to some extent by hope and necessity, that of the landed affiliates must be maintained by a reliable service delivery system. Leadership and organizational talent, the hallmark of ANACH accomplishments in the past, must now be complimented by business management and technical assistance skills of the highest order.

Just what ANACH has already attempted to do in providing a broader range of social and economic services to its members will be examined in the following section of this report.

III. CURRENT STATUS OF ANACH

A. Membership and their Location

Estimates of ANACH membership vary widely. Top ANACH leaders consistently claim a total membership of some 85,000 campesinos, as compared with 60,000 members for UNC and 50,000 for FECORA. Of course, only a fraction of ANACH's total claimed membership is considered to represent "active" members—i.e., those with whom ANACH has continuing program contact. Estimates of active ANACH groups range from 540 to 750. The most recent ANACH membership statistics, whose figures we will adopt for this report, lists 638 base groups with a total membership of 23,257 household heads.  

ANACH groups and membership are distributed into eight regions and 28 zones throughout Honduras, as follows:

**FIGURE 1: NATIONAL DISTRIBUTION OF ANACH MEMBERSHIP**

<table>
<thead>
<tr>
<th>Region</th>
<th>No. Zones</th>
<th>No. Groups</th>
<th>%</th>
<th>No. Members</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. San Pedro Sula</td>
<td>8</td>
<td>231</td>
<td>36</td>
<td>8,867</td>
<td>38</td>
</tr>
<tr>
<td>2. Sta.Rosa Copan</td>
<td>6</td>
<td>91</td>
<td>14</td>
<td>4,054</td>
<td>17</td>
</tr>
<tr>
<td>3. La Ceiba</td>
<td>4</td>
<td>129</td>
<td>20</td>
<td>4,875</td>
<td>21</td>
</tr>
<tr>
<td>4. Tegucigalpa</td>
<td>2</td>
<td>17</td>
<td>03</td>
<td>686</td>
<td>03</td>
</tr>
<tr>
<td>5. Olancho</td>
<td>2</td>
<td>37</td>
<td>06</td>
<td>846</td>
<td>04</td>
</tr>
<tr>
<td>6. El Paraiso</td>
<td>1</td>
<td>21</td>
<td>03</td>
<td>583</td>
<td>02</td>
</tr>
<tr>
<td>7. Choluteca</td>
<td>3</td>
<td>83</td>
<td>13</td>
<td>2,051</td>
<td>09</td>
</tr>
<tr>
<td>8. Comayagua</td>
<td>2</td>
<td>29</td>
<td>05</td>
<td>1,295</td>
<td>06</td>
</tr>
<tr>
<td><strong>Totales</strong></td>
<td><strong>28</strong></td>
<td><strong>638</strong></td>
<td><strong>100</strong></td>
<td><strong>23,257</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

The above figures are still generous in the sense that they do not record "active" membership in the narrow sense of dues-paying members. Supposedly all ANACH members should pay monthly dues of 1 lempira (US 50¢); if only half its members paid their dues regularly, ANACH would have an income more than sufficient to meet its monthly payroll of 1ps.8,900. The fact that ANACH is hard pressed to collect even that much in dues revenue suggests that slightly better than 1 ANACH member in 3 meets his dues commitment—or about 247 of the 638 groups listed above. As we shall see presently, this figure corresponds roughly to the number of groups which directly benefit from ANACH economic services.

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7. ANACH currently pays honorariums to 30 leaders or field activists as follows: President, @ 1ps.400/month; 6 members of ANACH Executive Committee, @ 1ps.350/mo.; 18 members of the National Executive Council, @ 1ps.300/mo.; and 5 activists @ 1ps.200/mo.
8. The average membership per group in figure 1 is 36. Dues payments of 1ps.8,900 divided by 36 gives 247 dues-paying groups.
B. Organizational Structure

1. National Convention: Maximum authority in ANACH rests with its National Convention, a body which meets every two years during the month of September and is attended by over one thousand delegates directly representing the base groups. Far from an assembly convened only to elect new executive officers or ratify executive initiatives, the National Convention is a forum where the movement's base groups can and do speak out, often vociferously, on issues which affect their interests. In the most recent (1976) convention, for example, female leaders of base groups demanded equal representation with men as delegates to the national convention and as members of the National Executive Council, a motion which was eventually adopted after heated debate.

2. National Executive Council: The National Convention elects the National Executive Council, whose 25 members serve for two years and may be indefinitely reelected. Councilmen are chosen such that one representative is included from each of the eight regions of Honduras where ANACH has active base groups. The National Executive Council has both executive and deliberative functions when it meets in ordinary session once every six months. All councilmen receive honorariums from ANACH, and between meetings (with the exception of the Executive Committee, described below) they serve as full-time field activists with responsibility for supervising, assisting, and collecting dues from some 20 base groups each. Most have been provided by ANACH with a motorcycle, which the activist must gradually purchase in monthly installments and keep in good repair at his own expense. All local transportation and lodging costs are also the individual responsibility of the activist, while those incurred while attending bi-annual sessions of the Executive Council are reimbursed only when and if funds are available. Then too, to receive his honorarium the activist must collect it himself out of the dues payments of his base groups—which is an extremely important mechanism for insuring close accountability between the movement's leaders and followers.
3. **Executive Committee:** The first seven members of the National Executive Council—namely, the President, Vice President, Secretary General, Secretary of Finance, Secretary of Acts, Secretary of Organizations, and Prosecutor (Fiscal)—comprise the National Executive Committee of ANACH. This group meets formally once a week. It acts as the supreme authority of ANACH when neither the Executive Council nor the National Convention is in session. The committee is responsible for planning, directing, and evaluating all ANACH lobbying and technical assistance activities at the national level. It coordinates all donations and other human or physical resources made available to ANACH from national and international sources. In addition, Executive Committee members serve as delegates to the Advisory Council of the Honduran Chief Executive, to the National Agrarian Reform Council (CONARA), and to sundry advisory committees established by such government agencies as the Ministry of Natural Resources (MNR), National Development Bank (BANAFOM), National Agrarian Institute (INA), Cooperative Development Agency (DIFOCOOP), and the Technical Training Institute (INFOP).

4. **Regional Offices:** In any department where ANACH has five or more active base groups it has established a regional office known as the Seccional Departamental. The office is usually staffed by a part-time secretary and is attended at specified hours or days each week by an ANACH activist. It serves as a contact point where ANACH affiliates may come to request assistance and through which liaison activities between base groups or between ANACH and outside agencies can be coordinated. The departmental office is directed by a committee which meets once a month and consists of five officers elected to represent the base groups of the region. At present ANACH has eight departmental offices.

5. **Base Groups:** ANACH calls its base groups *sub-seccionales*. Prior to 1972 ANACH statutes required a minimum of 30 farmer-members to constitute a sub-seccional. The minimum has now been lowered to 12, which
is the minimum number of members required by INA for a farmer group to qualify as an agrarian reform beneficiary. ANACH is currently engaged in a vigorous campaign to educate and organize its base groups into collective farming units called *locales cooperativos*. The word "local" is used to establish a semantic distinction between ANACH cooperatives and those formed under government auspices, on the one hand, or the traditional cooperative movement on the other. For example, INA and FECORA refer to their farmer organizations as *empresas asociativas* or *asentamientos*, terms borrowed from the socialistic agrarian reforms of Peru and Chile respectively and therefore considered by ANACH to represent "imported ideology" and therefore unacceptable. Meanwhile, the term *cooperativa* alone implies groups of producers who farm individually, a mode of organization which ANACH seeks to discourage.

Exactly how many ANACH base groups have chosen the collective farming or local cooperativo form of organization is open to speculation. The most recent (and lowest) estimate is 135, while the statistics from which membership figures were quoted earlier list 143. This would represent about 22 percent of the total active ANACH base groups. In any event, locales cooperativos are not homogeneous farming structures. During field visits the authors identified at least three different kinds of group farming models: (1) all collective, where no individual land use is permitted; (2) mixed collective-individual, where in addition to land farmed in common (sometimes called "the Bank's plot") each participating household manages an individual plot; and (3) individual, where certain tasks, like plowing, are done collectively, but planting, cultivation, and harvesting are done individually. Whether or not a group actually farms collectively, what is important is that it appear to be a collective undertaking, because such groups are not only given preferential attention by ANACH but also by INA and BANAFOM.

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9. Datos Estadisticos de las Centrales Cooperativas de Produccion y Servicios, San Pedro Sula, February 10, 1977. ANACH's Technical Department maintains these figures represent a sample, not a census, of existing locales cooperativos.
6. Technical Department and Cooperative Plan: At the national level ANACH has established a Departamento Tecnico and a Plan Cooperativo, which on the ANACH organizational chart appear as two appendages of the National Executive Council. The Technical Department is currently staffed by five professionals, most of them accountants. Although they are considered to be ANACH employees, their salaries and benefits are fully paid by AIFLD. Among the responsibilities of the Technical Department are the following:

- ANACH and Cooperative Plan bookkeeping/accounting
- Preparation of credit plans for affiliates and liaison with Bank personnel to approve such plans
- Supervision of credit use and repayment
- Administration of ANACH Revolving Loan Fund
- Administration of ANACH social projects
- Administration of ANACH transport and tractor services
- Technical assistance to affiliates in bookkeeping and business management
- Preparation of feasibility studies, special statistical reports, and related information-gathering tasks

As for the Cooperative Plan, while it fits conveniently as a separate appendage of the Executive Council in the organizational chart, in reality it is impossible to distinguish its day-to-day operations from those of the Technical Department. Nor is it easy to distinguish which ANACH base groups are considered members of the Plan and which are not; for it would appear that all locales cooperativos are regarded as Plan participants by definition, even though they may not have paid the statutory entrance fee of 1 lempira per member, the capital subscription of lps.600 ($US 300) per group per year, or the annual cuota of lps.10 ($US 5) per member to cover the Plan's administrative expenses.

On paper, ANACH's Cooperative Plan has organized nine regional second-level cooperatives or centrales. Each has a functioning administrative committee and holds monthly meetings with delegates from affiliated base

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10 The President of the Plan Cooperativo is currently the Secretary General of the National Executive Council of ANACH; likewise the Vice President of the Plan as well as the Council is one and the same individual.
groups. Some centrales have received donations of land from member groups upon which they plan to build a cooperative office, grain storage facilities, a machinery garage, or a collective nursery. All dream of someday planning global credit packages for their affiliates, centralizing their accounting, and managing collective mechanization, transport, processing, and marketing services. But to date no ANACH central has advanced such ideas beyond the talking-planning stage. In the meantime, all ANACH-sponsored technical assistance to its base groups continues to be administered by its AIFLD-subsidized Technical Department. To avoid possible confusion, then, the Plan Cooperativo will not be treated in this report as a separate ANACH undertaking but rather as the name given by ANACH to describe the economic services it currently offers its affiliates.

C. Economic Services

1. Credit Intermediation: Perhaps the single most important service which ANACH offers its base groups is that of assisting them to prepare production and investment plans for obtaining credit from the National Development Bank (BANAFOM). In 1976 ANACH affiliates received a total of 1ps. 2,901,466 (US$ 1,450,733) in BANAFOM credit, predominantly for the production of basic grains. A total of 221 ANACH groups received credit, which represents a coverage of about 35 percent of all ANACH affiliates (638), and closely approximates the figure of 247 estimated as the number of base groups who pay their dues regularly (see page 8). The distribution of BANAFOM credit among ANACH groups on a national basis is presented in figure 2. Here we see that the degree of coverage varied widely from one region to another, from 24 to 81 percent. Some 61 percent of the groups receiving credit were from the three northern regions—San Pedro Sula, La Ceiba, and Santa Rosa de Copan—which are located with preferential access to the headquarters of the ANACH Technical Department in San Pedro;

however, these three regions also account for 70 percent of ANACH affiliates. In contrast, two of the most distant regions—Olancho and El Paraiso—which together account for only 9 percent of ANACH affiliates, actually accounted for 17 percent of the groups who received credit.

FIGURE 2: ANACH GROUPS RECEIVING BANAFOM CREDIT IN 1976, BY REGIONS AND RELATIVE SHARES

<table>
<thead>
<tr>
<th>Region</th>
<th>Total No. Groups in Region</th>
<th>No. Groups Receiving Credit</th>
<th>As % of Groups in Region</th>
<th>As % of Groups w. Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. San Pedro Sula</td>
<td>231</td>
<td>56</td>
<td>24.2</td>
<td>25.3</td>
</tr>
<tr>
<td>2. Sta. Rosa de Copan</td>
<td>91</td>
<td>30</td>
<td>33.0</td>
<td>13.6</td>
</tr>
<tr>
<td>3. La Ceiba</td>
<td>129</td>
<td>48</td>
<td>37.2</td>
<td>21.7</td>
</tr>
<tr>
<td>4. Tegucigalpa</td>
<td>17</td>
<td>8</td>
<td>47.0</td>
<td>03.6</td>
</tr>
<tr>
<td>5. Olancho</td>
<td>37</td>
<td>20</td>
<td>54.0</td>
<td>09.1</td>
</tr>
<tr>
<td>6. El Paraiso</td>
<td>21</td>
<td>17</td>
<td>81.0</td>
<td>07.7</td>
</tr>
<tr>
<td>7. Choluteca</td>
<td>83</td>
<td>30</td>
<td>36.1</td>
<td>13.6</td>
</tr>
<tr>
<td>8. Comayagua</td>
<td>29</td>
<td>12</td>
<td>41.4</td>
<td>05.4</td>
</tr>
<tr>
<td>Totals</td>
<td>638</td>
<td>221</td>
<td>34.6</td>
<td>100.0</td>
</tr>
</tbody>
</table>

It is not known to what extent the ANACH Technical Department was directly involved in the preparation of credit plans and loan requests for all 221 groups cited above. Nor is it known how many loan requests from ANACH groups were turned down by the Bank. As will be discussed later in this report, the current BANAFOM policy is to disqualify from further credit or refinancing any campesino group which has a delinquent loan balance with the Bank. Notwithstanding these limitations in the data available, it would seem that the statistics in Figure 2 support the following conclusion:

-First, that ANACH has made a diligent effort to service the credit needs of its affiliates as equitably as possible, perhaps favoring the more remote groups slightly.
-Second, provided that the ANACH Technical Department has played a central role in preparing all or most of the credit requests of ANACH affiliates to BANAFOM, then the approval of loans to 221 groups represents an outstanding accomplishment for a Department staffed by only five professionals with a nation-wide coverage responsibility.

-Third, assuming that at least 400 or more of ANACH's total affiliates have land, and therefore need production and investment credit, then the short-fall in BANAFOM credit supply (including refinancing) is extremely serious—possibly on the order of at least 2-3 million lempiras.\(^\text{12}\)

-Fourth, to substantially increase the number of ANACH groups receiving BANAFOM loans, the credit intermediation responsibilities of the Technical Department should be decentralized to the regional level, with a corresponding increase in technical staff posted to regional offices or centrals.

2. ANACH Revolving Loan Fund: In 1967 AID/Honduras made a grant of US$ 3,000 to ANACH to establish a Revolving Loan Fund to finance agricultural production loans for affiliates. Subsequent donations from AID, the Honduran Government, and other sources raised the size of the Fund to US$30,000 by early 1970. Initially the fund was administered by AIFLD/Honduras, but as the program grew AIFLD financed the creation of the ANACH Technical Department to administrate the Fund, and by 1973 the administrative responsibility had been completely transferred to ANACH. The records necessary to document the growth and performance of the Fund over the last 4-5 years were not available for this study and may not, perhaps, exist at all. What is known are the following facts: (1) through September 1972 the Fund had made 81 loans to 35 ANACH groups for a total value of 1ps.151,360 (US$ 75,680);\(^\text{13}\) (2) the impact of Hurricane Fifi in 1974 was disastrous, and in that year some 1ps.40,000 (US$20,000) in unrecoverable loans were incurred by the Fund; (3) further external donations to the Fund were received from international labor organizations in 1975, such that today the Fund is now capitalized at 1ps.143,069 (US$74,035).\(^\text{14}\)

\(^{12}\) The average sized loan per group in 1976 was 1ps.13,128. Assuming 150-200 creditless groups gives a potential shortfall of between 1.9 million and 2.6 million lempiras.

\(^{13}\) Informe Contable del Plan Cooperativo de ANACH, 1970-1974.

\(^{14}\) Balance General Fondo Rotativo ANACH al 5 de Febrero, 1977.
During 1976 the Fund approved loans to 29 base groups.\textsuperscript{15} Outstanding loan balances as of February 1977 total Lps.122,195 (US$61,097), of which 70 percent are for agricultural credit, 19 percent is invested in a cooperative housing project (see Social Services), and 11 percent has been lent to ANACH, apparently to cover operating expenses.\textsuperscript{16} The records do not permit a determination of how much of the loan balances outstanding can be considered delinquent.

ANACH management of its Revolving Loan Fund displays a combination of good and bad features. On the positive side, the loan approval and disbursement process is quite rapid. Upon completing a credit application, an ANACH group can expect a decision and a first installment within 1-2 weeks. Second, loans are supervised. Credit is disbursed in several installments, and usually a member of the ANACH Technical Department visits the recipient group to certify the installment was used properly. The Technical Department keeps careful track of estimated harvesting dates so as to visit each group as harvest sales are beginning and make sure its loan obligation is repaid before income is distributed among the members. Another particularly sensible feature of Fund management is that loans are often used to correct inefficiencies or gaps in BANAFOM credit. For example, many BANAFOM loans arrive 1-2 months late; some groups expecting late BANAFOM credit simply take an "advance" from the Fund to tide them through land preparation and planting tasks, then repay the Fund when their BANAFOM credit arrives. Or another example: BANAFOM turns down a credit request because a group has a delinquent loan balance; so the group borrows from ANACH to pay off part or all of its delinquent balance, thereby re-establishing its credit rating with BANAFOM.

On the negative side, the ANACH Revolving Fund's interest rate of six percent (as compared with 9-11 percent on BANAFOM credit) is too low; considering the speed and quality of the services provided, an interest rate of 12 percent would still be a bargain for the client group. Obviously,

\textsuperscript{15} Detalle de Grupos con Credito ANACH por Regiones, October 13, 1976.  
\textsuperscript{16} Balance General Fondo Rotativo ANACH al 5 de Febrero, 1977.
the Fund's six percent rate reflects the fact that ANACH does not have to pay the costs of loan administration because its Technical Department is completely financed by AIFLD. Including salaries, benefits, travel, per-diem, rent and utilities, the Technical Department costs about lps. 66,790 (US$33,395) per year. To cover such costs ANACH would have to earn in interest charges almost 3 percent of all loans—BANAFOM and Rotating Fund—extended to its affiliates. By not charging the full costs of credit administration or technical assistance services to member groups, ANACH is (1) wasting an opportunity to convert outside human resource donations in capital contributions to its Revolving Fund, (2) becoming over-dependent on outside donations to finance its entire technical assistance program, and (3) creating a credit experience for many groups which is unrealistic, and ill-prepares them to graduate to other sources of financing.

In fairness to ANACH leadership, it must be said that they are quite aware of these problems and have taken steps to solve them. By virtue of a 1974 agreement with BANAFOM, ANACH should receive a 3 percent interest rebate on BANAFOM credit to its affiliates—this to cover ANACH technical assistance expenses. To date, however, such a rebate has never materialized (see BANAFOM Agreement, below). On the other hand, at its last National Convention, ANACH approved a new policy which authorizes the Technical Department to deduct in advance from loans to ANACH credit recipients the estimated interest charges due ANACH, any technical assistance service charges, and even unpaid dues. These reforms are of critical importance, and ANACH's demonstrated willingness and ability to implement them should be considered a precondition for receipt of further outside donations.

3. Technical Assistance Agreements: Since 1973, ANACH has actively pursued a policy of formalizing support agreements between itself and government agencies. At this time agreements are in effect with BANAFOM, MRN,

INFOP, DIFOCOOP, and Peace Corps, the details of which are briefly mentioned below:

**BANAFOM AGREEMENT (1974)**\(^{19}\) This document commits the Bank to open a special fund of $2 million to finance agricultural and livestock loans to ANACH affiliates. These loans are to be jointly prepared and supervised by BANAFOM staff and the ANACH Technical Department. The annual interest rate on loans is 9 percent, of which 6 is designated for the Bank and 3 percent to ANACH to cover its technical assistance costs. Unfortunately, the agreement has not prospered. On the one hand, many ANACH groups who received BANAFOM credit have been unable to repay their loans. This delinquency was caused, in part, by extensive crop and infrastructure damages resulting from Hurricane Fifi in 1974; it has been compounded by additional natural disasters—flooding and drought—in 1975-6 as well as by severe marketing problems in basic grains to be documented elsewhere (see IV Profile of ANACH Affiliates). Given this delinquency—estimated to be about 5 percent of the Bank's delinquent balances—BANAFOM has simply taken the position that it will pay no interest rebate to ANACH as long as its affiliates have not met their obligations to the Bank.

**MRN AGREEMENT (1975-1978)**\(^{20}\) Under the terms of this accord, the Ministry of Natural Resources is committed to provide ANACH affiliates with agronomic assistance intended to raise crop and livestock productivity. Additionally, MRN offers to provide some formal training of ANACH membership in technical subjects, provide market price information, commit its extension agents to meet monthly with ANACH leaders on a regional basis, and to meet annually with ANACH's Executive Committee to evaluate the results of the program and to plan future activities. The MRN agreement has largely been a disappointment to ANACH except for limited exceptions (for example, Comayagua). Affiliates complain they rarely see MRN agents, or they never arrive when they are needed, and their expertise is often considered questionable ("They come to learn, not to teach").

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19. Programa del Banco Nacional de Fomento (BANAFOM) y La ANACH para el Financiamiento de Creditos al Campesinado Hondureno; Convenio para Poner en Vigencia el Programa BANAFOM-ANACH, November 15, 1974.

INFOPOP AGREEMENT (1976-7)\textsuperscript{21} This agreement commits the National Technical Training Institute to provide ANACH members with 4,333 trainee-days of preparation in technical subjects, predominantly in business management or machinery maintenance and operating skills. As of the end of 1976, INFOPOP had held 43 courses attended by 645 ANACH participants; and in its report to the VII National Convention, the Executive Committee of ANACH described the INFOPOP Agreement as having achieved "excellent results". A Cooperative Plan report of early 1977 claims that among the 135 locales cooperativos affiliated to the nine existing regional centrales, there are 162 members with tractor experience, or an average of 18 per central.\textsuperscript{22}

DIFOCOOP AGREEMENT (1976-9)\textsuperscript{23} This agreement commits the Cooperative Development Agency to assist ANACH in developing its Plan Cooperativo by helping to organize cooperative centrals; training leaders and members of base groups in accounting, bookkeeping, and business management skills; creating a standardized accounting system; assisting with marketing plans and the establishment of a national/international marketing strategy; and preparing feasibility studies for agricultural production and processing projects. Recent figures reported by DIFOCOOP claim that in the three regions of El Paraíso, Olancho, and Choluteca it has given business management and accounting courses to 122 ANACH groups, which represents 57 percent of all courses given to campesino federations and other organizations in Honduras. (Compare with 10 percent for UNC, 12 percent for FECORA, and 20 percent for Others).\textsuperscript{24} Conversations by the authors with DIFOCOOP instructors in El Paraíso revealed that courses needed to be given on a group-by-group basis rather than bringing farm leaders to a centralized location for training. The attitude of ANACH top leadership towards the effectiveness of DIFOCOOP training remains noncommittal: "It's still too early to tell".

\textsuperscript{21} Convenio INFOPOP-ANACH, June 25, 1976.
\textsuperscript{22} Datos Estadisticos de las Centrales Cooperativas de Produccion y Servicios, February 10, 1977.
\textsuperscript{23} Convenio de Asistencia Tecnica entre ANACH y DIFOCOOP, September 7, 1976.
\textsuperscript{24} Cuadro Demonstrativo de los Cursos Impartidos en Gerencia y Contabilidad a Grupos Campesinos Beneficiarios de la Reforma Agraria Bajo el Programa ACDI-DIFOCOOP y los Auspicios de la AID, no date.
PEACE CORPS AGREEMENT (1977)  

Signed March 21, 1977, this agreement commits Peace Corps to assign to ANACH's Technical Department, beginning in late 1977, 4 Volunteers with agronomic training and 4 with expertise in small business management. Two-man teams will be posted to the cooperative centrals of Olancho, Choluteca, Comayagua, and La Ceiba. Among the stated objectives of the volunteers are (1) to train 50 campesino leaders and (2) provide technical assistance to 50 base groups in modern agricultural technology, grain storage, and marketing practices.

4. Special Projects: From time to time ANACH has sponsored the development of special development projects. The earliest was a scheme to build a beehive construction industry and promote the installation of apiaries among ANACH members. Financed by a BANAFOM fund of lps.500,000 in 1973, ANACH succeeded in starting projects in 25 communities with a total of 1,200 hives. Hurricane Fifi virtually obliterated the program in 1974; today 370 hives remain. BANAFOM discontinued the apiary fund, when some lps.60,000 in delinquent balances could not be repaid. For its part, ANACH lost about lps.14,100 in raw materials and equipment which had been invested in the beehive factory.

Currently, ANACH has organized five cattle raising projects which have received a total of lps.280,000 in BANAFOM credit. The authors visited one of them—Hicaques, in Atlantida Department—a dairy cooperative with 120 cows, 250 manzanas of pasture, and 12 participating families. The Hicaques group was up-to-date in its Bank payments, and we were told the net income per member workday was lps.6, not counting the lps.2.50 per day received by each member as a family subsistence advance.

Another special project, developed by ANACH in conjunction with MNR, is that of Las Cañas in Comayagua—an irrigation scheme to pump river water 2,000 meters to a central reservoir for distribution over 115 manzanas.

planted to rice and tomatoes. Las Canas is an ANACH local cooperative with 69 members. Its combined production and infrastructure credit package totals 1ps.82,350 (US$41,175), and was only approved by BANAFOM in November 1976, so it is still too early to evaluate the project's success.  

5. **Transport and Machinery Service:** ANACH administers out of its central office in San Pedro Sula a fledgling transport and machinery service. The transport side of the operation consists of 2 Dodge trucks of 10 ton capacity. Detailed information on how these vehicles were used was not requested by the authors during our brief visit to ANACH headquarters. While visiting other regions, however, we did learn that there exists some resentment among the more remote ANACH affiliates over the fact that ANACH's trucks only serve the northern coastal regions. In addition to the trucks, ANACH recently acquired a tractor from one of its affiliates who could not meet their payments. The Technical Department estimates that by renting out the tractor at 1ps.45 per manzana plowed, it will work about 300 manzanas in 1977 and earn gross income of 1ps.13,500. The two trucks are expected to bring in an additional 1ps.9,000.  

In 1975 the United Nations donated 25 motorcycles to ANACH's Cooperative Plan. As mentioned previously, these are used by the organization's field activists. The point to be stressed here, however, is that ANACH requires its activists to purchase these machines in monthly installments spread over two years. In 1978 ANACH expects to be able to buy 30 new cycles with its own resources. Here is an example of how an external donation can be capitalized, while strengthening the autonomy of the recipient institution.

27. Informe del Departamento Tecnico, Noviembre, 1976.  
D. Social Services

1. Female Community Development Groups: Over the last two years ANACH has actively promoted the organization of female base groups known as Juntas Femeninas de Desarrollo Comunal (JUFEDECO). As of late 1976 ANACH claimed the formation of 175 of these groups. The program has a National Coordinator and 10 regional activists—all women. Each activist receives lps.100 (US$50) per month in honorarium. Her duties consist of organizing women’s groups at the community level, training female volunteers to lead these groups, supervising group project activities, and providing liaison between the groups and outside institutions.

The effectiveness of the JUFEDECO groups has been mixed. Because of their organization, women are beginning to attend local and regional meetings of ANACH, including sessions of the cooperative centrals. At the most recent National Convention, JUFEDECO groups petitioned for representation in the Convention and the National Executive Council. In January 1977 ANACH sponsored 8 courses on rural development techniques attended by 208 women.29 And that same month ANACH and FESITRANH jointly financed a 5-day Central American Woman's Conference. However important these accomplishments may be in a symbolic sense, it would appear they are largely cosmetic, for judged in terms of tangible project activity at the community level, the effectiveness of JUFEDECO groups have been negligible. In the opinion of Ana Ruth Zuñiga, recently appointed to become Director of ANACH's Technical Department, the female activists are undertrained and over-extended, while their organizational efforts have not been backed-up by adequate flows of resources or services. It may be concluded that ANACH's female base groups, like its cooperative centrals, are more rhetoric than reality. Both have high potential as mechanisms for promoting rural development, but to become effective they will need considerable outside assistance—both in training and education, and in grant or loan financing.

2. **Impact Projects**: Through the sponsorship of both AFL-CIO and AIFLD, many so-called "impact projects" have been promoted by ANACH since the early 1960's. These undertakings have covered a wide variety of self-help community construction projects such as schools, community centers, community access roads, crop storage facilities, potable water systems, and so on. A community in need of outside assistance in the form of equipment, materials, or other resources to top-off or complement its own resource contributions will make a request to ANACH. The request will be converted into a project proposal by the Technical Department and submitted to AFL-CIO Impact Project Committee headquartered in Washington D.C. When and if approved, the Committee makes a grant to ANACH, which is passed on to the community. Grants are relatively small, ranging in value from about US$300 to 1,500. About 15-20 grants are approved each year. In 1976, for example, grants were made for the construction of 9 schools, 2 community centers, 4 water systems, and 5 access roads.  

3. **Housing**: ANACH has undertaken two housing projects, one small undertaking financed out of its Revolving Fund and one large one with outside supervision and financing by the National Housing Agency (INVA). The first project is a 20-dwelling cooperative community in the rural district of Cedros, Department of Atlantida. Each house costs 1ps. 1,201 (US$600), payable in 20 semestral installments over a 10 year period. These loans are interest free. Upon recuperating its investment, ANACH plans to begin a second urbanization, and so on. Unfortunately, even with a moderate rate of inflation, ANACH will lose most of the real value of its 1ps. 24,020 investment in the project by 1987—which amounts to freezing some 19 percent of the capital of the Revolving Loan Fund.

The INVA project is for the construction of 520 rural homes in some 21 locales cooperativos, most of them in northern Honduras where

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many ANACH members still live in makeshift dwellings following the destruction wreaked by Hurricane Fifi. An INVA house is a do-it-yourself structure, where INVA provides the materials and some technical assistance while the homebuyer provides the labor. Built with a concrete floor, concrete and wood walls, and a metal roof, the INVA house is rather small (about 12 feet by 12 feet) and costs a surprisingly high 1ps.950 (US$475), payable in bi-annual installments over 12 years at an interest rate of 9 percent. Although an INVA house is a questionable investment for an individual ANACH household, it offers dramatic potential as a community undertaking. For INVA homes are built as 12-30 unit urbanizations, permitting the entire membership of an ANACH local co- operativo to live side-by-side and within shouting distance of their collectively-farmed property. Such urbanizations greatly expedite the base group's ability to work and manage itself as a cohesive unit. At present, most ANACH groups contain members who are widely scattered; and it is not uncommon to find members who face a 5-10 mile round trip to their daily work.

4. Education and Literacy Training: One of the hallmarks of the ANACH movement is its emphasis on constant education of its members. Under FESITRANH auspices, ANACH educated campesinos about agrarian reform and group organization. With AIFLD funding, ANACH has trained its members in sindicalism, community development, and cooperativism. Through its agreement with INFOP, hundreds of ANACH members have received training in agricultural machinery, horticulture, marketing, and bookkeeping. And now DIFOCOOP is training ANACH members in accounting and business management. Everywhere one goes visiting ANACH base groups, he will encounter leaders in whose homes hang several certificates of special training; among members in general he will find a widely generalized attitude that lack of education is what most holds them back—this plus a desire to learn, from each other and from outsiders. Particularly noteworthy is the fact that some ANACH base groups have organized literacy classes for their members. For example, in some regions a group of illiterate adults will
pay a literate member of their local cooperativo 1ps.15-20 per month to teach reading and writing for 2 hours every afternoon after work, 5-6 days per week.

In our visits to base groups, the authors were surprised to learn how well informed ANACH membership was. For example, they knew that AID had given millions to BANAFOM for relending to campesinos, and were resentful that only a small fraction of these funds had reached ANACH affiliates. They were familiar with the statement by Rigoberto Sandoval Correa, ex-Director of INA, asserting that 82 percent of BANAFOM delinquency was assignable to large agricultural and livestock borrowers, and only 18 percent to Agrarian Reform groups. They knew that ANACH had two trucks based in San Pedro, that INVA housing had largely benefitted groups of the north coast, and that Rotating Fund loans were mostly approved to groups in the same region. And in almost every group meeting, the authors were asked the same questions: Who paid us? Why were they interested in our report? What use would be made of it?

5. Other Social Services: In the past ANACH has sponsored other services which are no longer continued. One was a "Medical Brigades" program conducted in the years 1968-70. It consisted of 10 volunteer doctors from San Pedro Sula who donated one or more sundays a month to make rural health visits, for which they charged 1 lempira per consultation. It is estimated that some 25 rural communities and over 3,000 persons benefitted from the program. Another ANACH social undertaking was an emergency food distribution program to assist families in the disaster area caused by Hurricane Fifi. In the 12 months following this tragic storm, ANACH distributed some 174,000 lbs. of food to 7,500 families. Additionally, tools were distributed to 64 ANACH villages and emergency planting credit to 2,385 ANACH households.31

IV. PROFILE OF ANACH AFFILIATES: THEIR PROBLEMS AND NEEDS

As a prelude to the final recommendations given in this report, it is appropriate to describe in some detail some of the major problems currently faced by the majority of ANACH affiliates, and what kinds of assistance they most need. The problems described in this section are based on field visits to six ANACH regions and discussions with representatives of 53 ANACH base groups. It is significant that every problem area described below—credit, marketing, land tenure, irrigation infrastructure, and business management—was cited repeatedly as seriously effecting ANACH groups in all regions visited.

A. Credit Problems

Viewed from the perspective of ANACH base groups, their credit experience with the National Development Bank constitutes a collective disaster which possibly surpasses Hurricane Fifi, or the frequency of droughts and floods, as the most frequently cited explanation for their inability to progress. Many different kinds of problems with the Bank have become apparent. First of all, there is the delinquency problem. Reacting to the pressure from AID and other international agencies that it take strong steps to reduce its delinquency—which has run in the 18-25 percent range since the late 1960's—BANAFOM has cracked down hardest on its small farmer clients, who are responsible for only about 18 percent of delinquent balances, while going easy on its large clients, who owe about 82 percent of the portfolio in arrears. At present, the Bank is strictly enforcing a policy of no credit to any delinquent small farmer group—irrespective of the causes for delinquency or the amount of delinquency involved. This draconian measure weighs heaviest on ANACH groups in northern coastal Honduras, who not only suffered heavy losses due to Hurricane Fifi, but in subsequent crop cycles due to flooding. However, even in good years, the

Bank's failure to buy the basic grains production of small farmer groups at guaranteed support prices (see Marketing Problems) has itself caused many cases of delinquency throughout the country.

Without credit, many ANACH groups are reverting to subsistence production, and collective farming arrangements are breaking down into individual plots because of (1) departure of members and (2) the necessity of working outside the group as cash laborers. As one ANACH member put it, "Only those groups with credit can afford to work collectively". What is urgently needed is a joint commission—composed of BANAFOM technicians and several members of the ANACH Technical Department—to review the delinquency status of ANACH groups on a region-by-region basis. The commission's task would be to ascertain the causes of delinquency for each group; take inventory of the group's productive assets, land, and labor resources; and prepare a refinancing plan tailored to the situation of each group.

Those ANACH affiliates who do qualify for credit complain of a host of obstacles encountered in obtaining and using BANAFOM loans beneficially. The range of available credit has been largely limited to basic grains, which has hindered groups from diversifying their production and thereby spreading their risks. Although many groups only farm a fraction of their available land because much of it remains uncleared, BANAFOM has steadfastly resisted approving credit for land clearance to ANACH affiliates. To obtain any credit at all, groups have been confronted with multiple bureaucratic requirements which are applied differentially from one BANAFOM regional office to another and whose intent is clearly to hinder rather than help the client. For example, some offices require a legal certification that the group is not indebted, submission of tarjetas tributarias for all group members, a certification from INA clarifying the group's land tenure status, completion of soil samples, and the preparation by a lawyer of a document of repayment guarantee or fianza (as distinct from the credit contract itself). From a variety of cases reported to the authors, it can be estimated that many ANACH groups pay an average of 1ps.44 (US$2.22) in legal fees for every 1ps.1,000 (US$500) in credit obtained—which alone amounts to a 4 per-
cent increase in the cost of credit.

If and when approved, the majority of BANAFOM loans to ANACH affiliates arrive 4-8 weeks late, usually after land preparation and planting tasks have been completed. The consequences of late credit can severely jeopardize the viability of farm plans. For example, planting may be delayed past the appropriate dates, thereby predisposing crops to higher drought and harvesting risks. If a group plants on time, it may have to forgo its investment in certified seed for lack of available cash to purchase it. Many groups have taken a large risk contracting private tractor services for land preparation, not knowing if the loan they need to pay for this task will be approved or not. This dilemma has induced a good many groups to make premature purchases of tractors from commercial machinery suppliers. And once loans are disbursed, BANAFOM supervision of credit use has been widely reported as either non-existent or abusively meddlesome. For example, one group reported "We haven't seen a BANAFOM supervisor (perito) in the last three years", while another complained "We get visited several times a week. Why can't they leave us in peace?"

B. Marketing Problems

While it is possible to understand why BANAFOM is not an efficient or committed supplier of small farmer credit, it is impossible to justify why this institution actually makes it difficult for its small farmer clients to repay the loans they receive. Presently, BANAFOM administers a network of granaries in some eight agricultural regions throughout Honduras. The Bank establishes guaranteed support prices for corn, beans, sorghum, and rice. It would seem only reasonable that the Bank would give priority attention to buying the production of its own credit clients at support prices, thereby controlling harvest deliveries and deducting client obligations from harvest sales income. While this may be the case with large clients, it does not describe BANAFOM treatment of small farmer groups. After questioning representatives of 53 ANACH groups in six
regions of Honduras, the authors did not encounter a single case of a group which was able to sell its 1975 grain harvest to a BANAFOM granary at the support price.

The stories told of grain marketing difficulties experienced by ANACH groups might be discounted as gross exagerations were it not for the fact that their details were reported so consistently the same from one region to another, and from so many groups. To begin with, most groups did not simply haul their produce to the nearest BANAFOM granary; they took the precaution of going to the regional Bank offices and obtaining a delivery order. Even with the order, granary personnel would not receive their production, explaining that their storage facilities were already full. Several groups (in Olancho and El Paraiso) were told to take their grain to Tegucigalpa; in Tegucigalpa it was suggested they take it to the granary in San Pedro, where again they were told there was no room; and many groups waited outside BANAFOM granaries for days and in a few instances as long as two weeks. Waiting outside the granaries were also the coyotes, the term given by farmers to market middlemen. Sometimes within 200 feet of the granary itself the coyotes passed among the waiting farmers, offering to buy up their available grain at prices 25-30 percent below the BANAFOM guaranteed price. These middlemen would eventually load their trucks, drive to the granary gate, and be permitted to unload. ANACH leaders in Olancho took the trouble of documenting this process, naming the intermediaries and the license numbers of their trucks, and presented their information to BANAFOM's top administrators, but no corrective action was taken.

On the one hand, solutions to such problems must be initiated from the top down, both within and outside BANAFOM. Construction of additional granary space or creation of an autonomous marketing agency, as has already been proposed, are in no way likely to alleviate the marketing problems of small farmers without the simultaneous creation of mechanisms for in-
vestigating and sanctioning marketing abuses such as those cited. Moreover, a BANAFOM granary storage order is meaningless if the Bank itself will not enforce it. And every credit contract should obligate BANAFOM to buy the amount of grain specified in the credit plan at a price at least equal to that listed in the plan or the guaranteed price offered by its granaries. On the other hand, given the inevitable difficulties of implementing such reforms, it is necessary for ANACH's base groups to take independent action to protect themselves from marketing abuses. The construction of grain storage facilities at the level of individual locales cooperativos or regional centrals has become an imperative. Two storage alternatives have already been discussed widely among ANACH affiliates. The first would consist of building sheds for storing corn in the husk, each shed having a capacity for holding the yield of about 100 manzanas (70 hectares). The second alternative would be to construct grain silos at the cooperative centrals, initially depending on sun drying methods rather than expensive mechanized dryers. If BANAFOM credit for financing storage inventories is not made available, however, such structures would be rendered useless, for ANACH's Revolving Fund is presently much too small to sponsor this type of investment on a large-scale basis. In such an event it would seem appropriate for AID and other outside donors to consider the placement of special funds directly to ANACH centrals for marketing purposes, or to channel them through a government agency such as INFOP or DIFOCCOP, which already have agreements with ANACH to train and assist its affiliates to solve their marketing problems.

C. Land Tenure Problems

In many ANACH base groups the average number of manzanas per member is less than 3. In El Paraiso, for example, out of 14 groups affiliated to the central of Jamastran, the average is 1.7 manzanas per member.33 Under such circumstances it is virtually impossible for a group to pros-

per growing conventional grain crops under dryland farming conditions. To intensify productivity and value per unit of land, a combination of new crops and irrigation investments would seem appropriate. However, farmer-members of these groups are understandably reluctant to risk making land improvements, and BANAFOM is likewise reluctant to finance them, in the absence of a group’s holding clear title to its land. Both problems—inadequate land resources and absence of title—are within the responsibility of the National Agrarian Reform Agency to resolve. Unfortunately, the INA bureaucracy is a large and cumbersome one whose response time to ANACH petitions is slow even in the best of circumstances; at worst it has simply failed to listen. INA prefers to concentrate its energies in launching showpiece special projects in different regions of the country, with the result that the slow, hard work of legitimating possession by hundreds of farmer groups who took over land on their own initiative is severely neglected.

Similar to the case of delinquency, what is urgently needed is a joint commission composed of INA and ANACH Technical Department personnel who would systematically review the tenure problems of base groups and recommend appropriate actions to INA for their resolution.

D. Irrigation Infrastructure Problems

Most ANACH groups who obtain credit only qualify for short-term production credit and/or loans for machinery acquisition. While this would seem more than adequate to many observers, including ANACH members, there are solid reasons why this kind of partial support will, in the long run, condemn many base groups to eventual delinquency and economic disintegration.

Honduras is an especially high-risk agricultural setting. Major ecological disasters in the form of hurricanes, floods, and droughts
have visited the country in seven of the last ten years, occasioning severe crop losses in virtually all regions. Considering climate alone, the probability of a bad year exceeds that of a good year. This means that sooner or later all producers, large or small, stand to bear serious losses which prevent them from meeting their credit repayment obligations. Even given the availability of refinancing, two bad years in a row could easily create a sufficient accumulated debt burden to drive many small farmer groups out of business (which, in fact, appears to be happening in many ANACH groups of the north coast). Clearly, the long-run challenge facing Honduran farmers is to reduce the risks of draught or flood absolutely. This requires investments in irrigation facilities and equipment as well as river defences and draining structures. Some of these investments are so large and expensive they can only be sponsored by the government; others can be undertaken by farmer groups individually, but in either case such projects merit the highest possible priority in Honduran agricultural planning.

Irrigation infrastructure projects were repeatedly mentioned by representatives of ANACH groups as urgently needed investments. Many groups claimed that over the years the government had sponsored frequent studies of watershed irrigation opportunities, but implementation of recommended projects had languished for lack of follow-up, changes in government staff, and so on. It would seem prudent that ANACH pursue such assertions, and that with a combination of outside financing and contributions from interested groups on a regional basis, a hydraulic engineer be contracted to take an inventory of existing project proposals, ascertain their degree of preparation and competence, recommend which are worth implementing, and suggest what steps would be necessary to advance them to the financing-implementation stage.
E. Business Management Problems

In all regions visited the authors asked ANACH members to answer the following hypothetical question: "If your central was to hire a professional to provide its members with technical assistance, whom would you need most—an agricultural extension agent or an accountant?"

There was considerable support for the view that both professionals were needed, but when required to pick the most important the vote was unanimous in all regions: the accountant. This result is due, in part, to the very fine work of ANACH's Technical Department. Although understaffed and overextended, the Department has traveled as far as Olancho to assist affiliates to up-date their books, determine net income, and distribute dividends among their members on a days-worked basis. Wherever this kind of close attention to business management problems at the group level has occurred, ANACH membership has clearly learned to value its importance. DIFOCOOP instructors have reported a similar conclusion: to teach bookkeeping and business management skills to ANACH members, it is necessary to abandon regional training exercises and go to the base group level to show farmers what to do with their money and how to record their transactions on their books.

The need for such training is acute. In all regions the authors encountered evidence that despite Hurricane Fifi or BANAFOM or the coyotes, the primary reason why some ANACH groups had fallen delinquent was their own administrative negligence, ineptitude, or even corruption. Stories abound of base group leaders who, for example, misused agricultural machinery, or misappropriated money, or rallied forth on too many so-called business errands, or cheated other members of their dividend at year's end, and so on. It must be remembered that illiteracy remains high in ANACH base groups, and this not only limits the ability of members to learn business skills but, more importantly, their ability to control other members who have been entrusted with business management responsi-
bilities. For this reason it is imperative that the widest possible number of members in each ANACH base group have an opportunity to attend business training sessions; that they become familiar with the kinds of business records, information requirements, and day-to-day management decisions that are most relevant to their specific enterprise. The best way to achieve this objective is to post accountants or other business professionals to the cooperative centrals in each region, where they are close enough to visit ANACH base groups one by one on a monthly basis to train and supervise their members. Such professionals should be hired for strictly temporary assignments not to exceed periods of 1-2 years, because their job is not to become business managers but to train others in business management skills. Furthermore, their salary and operating costs should be shared by all ANACH groups which benefit from their services.

V. RECOMMENDATIONS

It is expected that this report will primarily interest two different kinds of readers: (1) "outsiders"—especially staff of the Agency for International Development (AID) or its contractors, like AIFLD—and (2) "insiders"—leaders, members, and employees of ANACH. For this reason the final recommendations of this report have been divided into two sections. The first section presents a recommended technical assistance strategy whereby AID could support ANACH's efforts to promote the economic development of its members. The second section contains recommendations to ANACH for improving the administration and effectiveness of the services currently offered its affiliates. It is the sincere hope of the authors that these recommendations, once translated into Spanish, will be distributed to each of ANACH's cooperative centrals for discussion among their respective affiliates; and that these recommendations will thereby serve as a basis for planning and implementing future ANACH initiatives.
A. Recommended Technical Assistance Strategy by AID to ANACH

It is proposed that AID provide decisive support to the Cooperative Plan of ANACH, providing human and financial resources to nine regional cooperative centrals over a three year period. The estimated cost of this assistance is US$ 68,000 per central, or a total of US$ 612,000, covering the following components:

<table>
<thead>
<tr>
<th>Type of Assistance</th>
<th>Per Central</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Management</td>
<td>$18,000</td>
<td>$162,000</td>
</tr>
<tr>
<td>Grain Storage/Marketing</td>
<td>$35,000</td>
<td>$315,000</td>
</tr>
<tr>
<td>Irrigation Structures</td>
<td>$10,000</td>
<td>$90,000</td>
</tr>
<tr>
<td>Contingency Support</td>
<td>$5,000</td>
<td>$45,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$68,000</strong></td>
<td><strong>$612,000</strong></td>
</tr>
</tbody>
</table>

1. Selection of Centrals

ANACH has presently organized nine centrals representing 135 group affiliates, 3,950 members, and about 24,000 manzanas, as follows:

<table>
<thead>
<tr>
<th>Name of Central</th>
<th>Location</th>
<th>No.</th>
<th>Members</th>
<th>Arable Land</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Guaymas</td>
<td>El Negrito, Yoro</td>
<td>9</td>
<td>492</td>
<td>1,969</td>
</tr>
<tr>
<td>2. Puerto Arturo</td>
<td>Tela, Atlantida</td>
<td>7</td>
<td>110</td>
<td>335</td>
</tr>
<tr>
<td>3. Valle de Lean</td>
<td>Esparta, Atlant.</td>
<td>21</td>
<td>462</td>
<td>3,003</td>
</tr>
<tr>
<td>4. La Masica</td>
<td>La Masica, Atlant.</td>
<td>18</td>
<td>412</td>
<td>3,185</td>
</tr>
<tr>
<td>5. Jamastran</td>
<td>Danli, El Paraiso</td>
<td>14</td>
<td>435</td>
<td>756</td>
</tr>
<tr>
<td>6. Catacamas</td>
<td>Catacamas, Olancho</td>
<td>9</td>
<td>562</td>
<td>7,944</td>
</tr>
<tr>
<td>7. Jutiquile</td>
<td>Jutiquile, Olancho</td>
<td>14</td>
<td>310</td>
<td>1,686</td>
</tr>
<tr>
<td>8. Comayagua</td>
<td>Comayagua, Comay.</td>
<td>21</td>
<td>647</td>
<td>2,468</td>
</tr>
<tr>
<td>9. Choluteca</td>
<td>Choluteca, Chol.</td>
<td>22</td>
<td>526</td>
<td>1,919</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>135</strong></td>
<td><strong>3,956</strong></td>
<td><strong>23,738</strong></td>
</tr>
</tbody>
</table>

34. Datos Estadisticos de los Centrales Cooperativas de Produccion y Servicios, ANACH Technical Department, February 10, 1977.
It is recommended that five centrals be supported during the first year, and four centrals during the second year of the project period. The following candidates are suggested for first-year support: (1) Choluteca, (2) Comayagua, (3) Catacamas, (4) Jamastran, and (5) Valle de León. This would include the four largest centrals in terms of affiliated groups, members or land. Jamastran, while statistically weak, represents an important agricultural region with great potential; the authors were also impressed with the apparent unity of its ANACH affiliates and the quality of its leadership. The above selections would likewise permit an overlap with the planned assignment of Peace Corps volunteers specified in the recent project agreement signed by ANACH.

2. Business Management Assistance

ANACH would recruit and AID would finance the services of a Honduran accountant or business management specialist for each cooperative central. During the first year of the project five accountants would be hired, followed by four more the following year. Each would be contracted for a two-year assignment. ANACH's Technical Department would train and supervise these professionals; they would receive additional assistance and supervision from short-term outside consultants contracted by AID. Each accountant would be expected to complete the following tasks within his contract period:

**First Year**

- To conduct an initial survey of the management problems and needs of each ANACH group affiliated to the central.

- To elaborate a strategy of supervisory visits and training activities which will eliminate detected deficiencies in each group; a schedule of routine monthly visits will be required.

- To train at least three members in each base group to keep up-to-date business records appropriate to that enterprise, and compatible with the accounting requirements of the central.

- To establish an accounting system for the central, which is compatible with the accounting requirements of the Plan Cooperativo.

- To establish instruments for the routine collection of socio-economic data which permits measurement over time of changes in the income, productivity, and welfare of the central's affiliated groups.
To assist in the preparation of credit plans and feasibility studies of individual groups or of the central as a whole.

To supervise the management of outside resource grants for marketing, irrigation structures, and contingencies.

**Second Year**

-To select from the most promising management trainees of the base groups candidates for advanced business training at the level of the central.

-To train at least three central leaders in the administration and analysis of the following documents: (1) Balance Sheet, (2) Profit and Loss Statement, (3) Daily Cash Journal, (4) General Ledger, and (5) auxiliary books, as appropriate.

-To train central leaders in the preparation of credit plans and feasibility studies.

-To train any business management personnel hired by the central to replace the accountant.

-To teach any additional management skills appropriate to the administration of services/investments sponsored by the central.

Although the salaries, operating expenses, and other costs of the central's accountant would constitute a donation, the actual costs of his services would be financed by interest charges on all credit, grants, or other resources administered by the central in favor of its affiliated groups plus, if necessary, quotas levied directly on affiliates on a per-member or per-manzana basis. Such charges would be deducted from credit installments to member groups or applied against harvest sales income. In this way, by the end of the accountant's two-year contract, the central will be expected to have capitalized the equivalent of his costs for either (1) a local revolving fund or (2) the financing of continuing business management services.

The total salary and other costs of the AID-donated accountant are budgeted at US$ 18,000, which includes the services of a secretary or clerical assistant, as follows:
COSTS OF AID-DONATED ACCOUNTANT
Per Regional Cooperative Central

<table>
<thead>
<tr>
<th></th>
<th>Per Month</th>
<th>Per Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accountant</td>
<td>$250</td>
<td>$3,000</td>
</tr>
<tr>
<td>Secretary</td>
<td>100</td>
<td>1,200</td>
</tr>
<tr>
<td>Benefits</td>
<td>-</td>
<td>400</td>
</tr>
<tr>
<td>Transportation</td>
<td>200</td>
<td>2,400</td>
</tr>
<tr>
<td>Operating Costs</td>
<td>100</td>
<td>1,200</td>
</tr>
<tr>
<td>Contingencies</td>
<td>-</td>
<td>800</td>
</tr>
<tr>
<td>Total for 1 year</td>
<td></td>
<td>$9,000</td>
</tr>
<tr>
<td>Total for 2 years</td>
<td></td>
<td>$18,000</td>
</tr>
</tbody>
</table>

3. Marketing Assistance

For each of the nine cooperative centrals, AID would authorize a donation of US$ 35,000 for marketing assistance, to be spent for (1) construction of grain storage facilities and (2) financing grain inventories. These funds would be administered by the ANACH Technical Department. They would be loaned to the cooperative centrals at 3 percent interest and reloaned by the central to its affiliates at 9 percent. The 6 percent margin would, in part, cover the costs of the accountant as described above and permit capitalization of a local revolving fund. Grain storage funds would be authorized for two kinds of construction:

STORAGE FACILITIES FOR COOPERATIVE CENTRAL: Up to US$15,000 would be authorized for construction of grain silos or other appropriate structures. To qualify, the Central would show certification of INFOP training or other expertise in grain storage technology. Also, a construction plan and contractor's proposal acceptable to the ANACH Technical Department would be required.

SHED STORAGE FACILITIES (GALERAS): Up to $2,500 for shed construction would be approved at the level of an affiliate (local cooperativo). Group would donate land, labor, and appropriate materials available locally. A construction plan, budget, and contractor's proposal acceptable to the ANACH Technical Department would be required.

Grain inventory financing would be available up to a maximum of US$10,000 per central. Additional requirements would have to be financed.
from local revolving funds, BANAFOM, or commercial credit sources. Loans would only be made to groups with completed storage facilities. Cooperative centrals would be expected to capitalize a minimum of 20 percent of net income on marketing operations for investment in their local revolving funds.

4. **Irrigation Structures**

For each of the nine cooperative centrals AID would authorize a donation of US$ 10,000 for (1) investments in small-scale irrigation facilities, river defences, drainage structures, and related infrastructure projects, and (2) to assist in financing irrigation project feasibility studies. Funds would be administered by the ANACH Technical Department, to be loaned to cooperative centrals at 3 percent interest and reloaned to its affiliates at 9 percent—the 6 percent margin to be applied against the costs of management services or to capitalize local revolving funds.

**SMALL SCALE IRRIGATION INVESTMENTS:** These would include loans to base groups for the purchase of small pumps, hoses, plastic tubing, or construction materials for building irrigation or drainage structures. Recipients would be expected to contribute labor resources, to submit a project plan, budget, and contractor's proposal acceptable to the ANACH Technical Department.

**FEASIBILITY STUDIES:** Where it was the opinion of the ANACH Technical Department that significant irrigation project potential existed at the regional level, funds from the irrigation account would be authorized for pre-feasibility and final feasibility studies on a matching basis, i.e., half contributed by interested local ANACH groups who would potentially benefit from the project.

5. **Contingency Assistance**

For each of the nine cooperative centrals, AID would authorize a donation of US$ 5,000 for a variety of contingency assistance expenditures. These might include (1) cancelation of delinquent balances of ANACH groups with BANAFOM where such balances are relatively small but
nonetheless disqualify these groups from further credit; (2) advances to ANACH groups for land preparation and planting costs when these can not be met due to the late arrival of BANAFOM credit; and (3) other possible contingencies caused by inefficiencies in the credit delivery system.

6. Administration and Supervision of AID Donations

It is the considered opinion of the authors that the Technical Department of ANACH is the appropriate institutional structure for administration and supervision of the AID donations mentioned above. As shown in the following schedule of estimated expenditures over the project period, the Department would be administering US$245,000 in the first year, US$536,000 in the second, and US$612,000 by the end of the third year. Subtracting the US$162,000 for business management assistance, which would be capitalized exclusively at the level of the regional centers, ANACH would be managing from US$200,000 to US$576,000 in new Revolving Loan funds, which at 3 percent interest would generate income of US$6,000 in Year 1, US$13,650 in Year 2, and US$17,280 in Year 3. This would be sufficient to increase the staff of the Technical Department by 2, then 3, then 4 new professionals over the three years of the project.

<table>
<thead>
<tr>
<th>Component</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Management</td>
<td>45,000</td>
<td>45,000</td>
<td>36,000</td>
<td>162,000</td>
</tr>
<tr>
<td>Marketing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-Construction</td>
<td>125,000</td>
<td>100,000</td>
<td>40,000</td>
<td>315,000</td>
</tr>
<tr>
<td>-Inventories</td>
<td>50,000</td>
<td>50,000</td>
<td>50,000</td>
<td>150,000</td>
</tr>
<tr>
<td>Irrigation</td>
<td>25,000</td>
<td>20,000</td>
<td>20,000</td>
<td>65,000</td>
</tr>
<tr>
<td>Contingencies</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>245,000</td>
<td>291,000</td>
<td>76,000</td>
<td>612,000</td>
</tr>
<tr>
<td>Cumulative Total</td>
<td>245,000</td>
<td>536,000</td>
<td>612,000</td>
<td></td>
</tr>
<tr>
<td>Interest Income(3%)</td>
<td>6,000</td>
<td>13,650</td>
<td>17,280</td>
<td></td>
</tr>
</tbody>
</table>
With 2-4 new professionals at the national level and 5-9 accountants at the level of the regional cooperative centrals, ANACH would have an adequate supervisory capability. It is recommended that staff increments to the Technical Department would include the following professionals: (1) a civil engineer to supervise construction of grain storage and irrigation infrastructure projects; (2) a grain storage specialist to supervise and train personnel of regional centrals in proper storage techniques; and (3) one or more credit supervisors. It would be appropriate that these staff members be based in Tegucigalpa, where they would have greater access to the more remote ANACH regions, and where they would have direct access to government agencies at the national level, with whom close liaison and communications will need to be maintained.

7. Anticipated Results and Benefits

The assistance strategy outlined above would directly address the principal resource bottlenecks and constraints presently faced by most ANACH affiliates. It would squarely place project administration responsibilities directly upon personnel entirely accountable to small farmers. It would channel resources through institutions exclusively controlled by small farmers. Thus, project decision-making will be in the sole hands of those who must bear the full consequences of those decisions.

This proposal in no way seeks to displace the National Development Bank or other government agencies from their primary agricultural development responsibilities. Rather, it seeks to up-grade the financial and managerial resources of farmer groups so that they are not completely dependent on these institutions—which are controlled by non-farmers and respond to vested interests that are often antagonistic to those of farmers. By strengthening farmers groups directly, it becomes possible for them to relate to government bureaucrats as co-equals in a development undertaking, not as helpless clients dependent on a benevolent patron.
B. Recommendations to ANACH

Regardless of whether the previously described technical assistance strategy to the Plan Cooperativo is approved by AID in its entirety, in part, or not at all, there remain a number of areas in which ANACH—given its currently available resources—can continue to improve the quality of services offered its members.

1. Coverage

It is recommended that ANACH discontinue its efforts to increase the number of its affiliates and farmer-members until the welfare of its present members has been substantially improved. ANACH gains nothing by forming more sub-seccionales than can be supported with needed credit and technical assistance services, or by expanding the number of regional co-operative centrals when those which already exist remain weak and ineffectual. As noted in this report, only one ANACH member in three pays his dues regularly. Dues payments are closely related to the receipt of necessary services by ANACH groups. A group without credit is unlikely to pay dues when it does not even have the resources to pay its own members a humble subsidio familiar for their labor contributions. ANACH energies currently directed at recruiting new members should be redirected to increasing the number of existing groups who receive credit, who have their own land, who receive periodic technical assistance, and who pay their dues regularly.

2. Specific Proposals, not Rhetoric

ANACH as a movement has tremendous potential for petitioning social and economic reforms from the Honduran Government. Whenever the strength and unity of ANACH has been focused on specific, well-planned initiatives—such as the operativos—their outcomes have been consistently successful. However, much too frequently ANACH makes demands on government
agencies which are too general for these institutions to respond to in an effective manner. For example, ANACH gains momentary newspaper publicity, but little result, by demanding that the Honduran Agrarian Reform be enforced, that government take strong steps to control the abuses of market intermediaries against small farmers, that credit programs be made more agile, or that technical assistance to campesinos be substantially increased. Such demands, in our opinion, are irresponsible, for they leave the entire responsibility for planning subsequent initiatives in the hands of government bureaucrats, not campesinos. Planning appropriate assistance programs for agriculture is a difficult and time consuming task; there is no inherent reason why bureaucrats should know more about what farmers need, or have more time to think about how to help them, than farmers themselves. It is therefore that ANACH leaders, with the professional assistance of their Technical Department, actually plan specific recommendations for government to follow. In other words, instead of simply demanding "Do it!" ANACH would also be demanding: "Do it this way!"

3. Revolving Fund

A variety of improvements in the administration of the ANACH Revolving Fund are necessary. Fund record keeping is incomplete because the following variables—of great importance to the Fund's administrative decision-making—have not been included in the information system: DATE LOANS MADE, DATE LOANS CANCELLED, and the classification of loans in categories of LOANS CANCELLED, LOANS PENDING, and LOANS DELINQUENT. In the opinion of the authors, all Revolving Fund loans to affiliates should carry a minimum interest rate of 9 percent, at least as long as they are administered by the Technical Department of ANACH. In the future, when and if loans are made to regional cooperative centrals for relending to their affiliates, an interest rebate of 3-6 percent should go to the central, to cover loan administration expenses.
4. **Formation of Commissions to Investigate Delinquency**

In each ANACH region it is recommended that an ANACH leader, for example the President of the Seccional Departamental, should integrate a commission which includes representatives of the regional offices of BANAFOM and MRN to study the situation of ANACH groups with delinquent credit balances on BANAFOM loans. The object of the commission will be to make a physical inspection of the land and assets of each group, discuss the causes of delinquency with group members, determine how much of the delinquent balance might be repaid and over what period of time, and elaborate a refinancing plan.

It would likewise be appropriate for the ANACH Technical Department to review Revolving Fund records and determine the extent of delinquency that presently exists among Fund borrowers. This review should include not just those groups who are listed as present borrowers, but also those which contributed to the $40,000 loss written off in 1974. This write-off, incidentally, was made by an ANACH-hired consultant, Mr. Scoto, without official authorization in writing by the National Executive Committee or the directors of the Cooperative Plan. It is necessary to inquire if any of the groups which contributed to that loss are in a position to repay some of their previous obligations to the Fund. Indeed, it is also of critical importance to determine whether any effort was made to collect from said groups, and if not, whether the group itself was informed that its debt had been forgiven.

5. **Land Problems**

It is recommended that ANACH assign one member of its Technical Department to work full-time on land tenure problems of ANACH affiliates, giving first priority to investigating opportunities for increasing the land resources of those groups with less than 3 arable manzanas per member.
With the assistance of ANACH regional leaders, this professional would prepare a statistical report, by cooperative central or by zone, which classifies affiliates with land problems into (1) GROUPS WITH LAND and (2) GROUPS WITHOUT LAND, as follows:

**With Land**
- Groups with 3 Mz. or more potential arable land (after appropriate land clearance or other improvements). The report would estimate the cost of increasing the land base for each group.
- Groups with less than 3 Mz. of potential arable land. The report would appraise opportunities existing locally for acquisitions to the land base.

**Without Land**
- The report would appraise the availability of idle lands in the region and estimate the minimum land requirements of the landless groups.

Such a study would provide regional ANACH leaders and groups with a prioritized list of land requirements on which to base their planning of operativos and with which to document negotiations with INA or to focus that agency's attention on specific land problems of interest to ANACH affiliates.
APPENDIX

INDIVIDUALS CONTACTED IN THE PREPARATION OF THE REPORT

AGENCY FOR INTERNATIONAL DEVELOPMENT/HONDURAS (AID)

John Robinson, Director
Fred Zumwalt, Assistant General Development Officer
James Bleidner, Agricultural Officer
John Loveas, Program Officer
Peter Davis, Program Economist
Aaron Williams, Marketing Advisor
Jim Leo, Contract Officer
Barry Burnett, Assistant Capital Development Officer
Clem Neber, Agricultural Economist
Sarita Cardona, Administrative Officer
Normita de Zuniga, Executive Secretary
Jorge Carias, Driver *

U.S. EMBASSY

Ferris Jameson, Labor Attache

PEACE CORPS

Frank Almaguer, Director
Marco Fonseca, Associate Director for Agricultural Programs
Armando Voto, Program Manager, Multi-Sector Programs
Denia Maria Alvarado, Executive Secretary
John Elliott, Peace Corps Volunteer, Tela

AMERICAN INSTITUTE FOR FREE LABOR DEVELOPMENT/HONDURAS (AIFLD)

Rolando Leonard, Director
Aida Jimenez, Executive Secretary
Salvador Ramos, Coordinator, AIFLD Office/Tegucigalpa

TECHNICAL DEPARTMENT OF ANACH

Ana Ruth Zuñiga, Director
Angel Velasquez, Accountant and Cooperatives Specialist *
Blanca Daisy Guevara Castañeda, Accountant and Administrative Assistant
Hector Solano, FITPAS Activist

NATIONAL EXECUTIVE COUNCIL OF ANACH

Reyes Rodriguez Arevalo, President
Santos Valeriano Ordoñez, Vice President *
Antonio Juin Mendez, Secretary General *

* Accompanied the authors on field visits
NATIONAL EXECUTIVE COUNCIL OF ANACH (Continued)

Ramiro Diaz Murillo, Secretary of Finance
Antonio Gonzalez, Secretary of Acts
Pedro Ortiz Lagos, Fiscal*
Raymundo Hernandez, Secretary of Statistics*
Luís Alberto Castro, Secretary of Legal Matters
Eusebio Peña Martínez, Cultural Secretary
Manuel de Jesús Lopez, Secretary of Internal Relations
Benjamín Castro Alberto, Secretary of Social Assistance
Orlando Rivera, Secretary of Sports
Santos Inocente Martínez, Secretary of External Relations
Horacio Rivera Franco, Secretary of Health
Juan Padilla Cruz, Secretary of Education*
Matilde Manuales Alvarado, Secretary of Supplies and Marketing*
Absalom Molina Rosa, Secretary of Cooperatives
Raul Jerezano, Secretary of Housing
Ramon Sanchez Hernandez, Secretary of Youth Affairs
Santos Camilo Padilla, Secretary of Social Security*
Macario Suazo Hernandez, Secretary of Technical Assistance

ANACH GROUPS AND LEADERS INTERVIEWED, BY REGION

ATLANTIDA

Local Cooperativo 3 de Octubre; attendance: 14 members
- Cupertino Mejía, President
- Rafael Escobar, Treasurer
Meeting with Representatives of 17 Sub-Seccionales of Valle de Lean;
  attendance: 41 members
Local Cooperativo Hicaques; attendance: 5 members
- Juan Orellana, President
- Eduardo Martínez, President of Vigilance Committee
Meeting with Central Cooperativo Valle de Lean; attendance: 22 members
  representing 17 Sub-Seccionales
- Braulio Ayala Nendoza, President
- Rafael Escobar, Treasurer
- Ramon Rosas Suazo, President Central Cooperativa La Masica
Local Cooperativo Brisas de America; attendance: 1 member
- Ramon Rosas Suazo, President

COMAYAGUA

Local Cooperativo Las Cañas; attendance: 25 members
- Felipe Salera, Secretario General
Sub-Seccional Palmerola No. 1; attendance: 32 members
- Angel Escobar, President

OIJANCHO

Jose Leonidas, Presidente, Seccional Departamental ANACH*
OLANCHO (Continued)

Local Cooperativo La Pusunca No.2; attendance: 15 members
  -Marco Auralio Bueso, President
Local Cooperativo La Pusuna No.1; attendance: 10 members
  -Daniel Miraída Montijo, President
  -Miguel Antonio Miraída, Treasurer
Meeting with Central Cooperativo Jutique; attendance: 30 members representing 3 locales cooperativas
  -Juan Artigas, President of Central
  -Rufino Guerero, President of Local Cooperativo San Roque
  -Miguel Martinez, President of Local Cooperativo San Diego
  -Jose Sanchez, President of Vigilance Committee, San Diego
Colonia Agricola Catacamas; attendance: 72 members
  -Luis Alberto Banegas, President
  -Julio Caesar Figueroa, Secretary
Local Cooperativa La Nueva Esperanza; attendance: 18 members
  -Fausto Aplicano, President
  -Julio Caesar Martinez, Secretary

EL PARAISO

Meeting with Central Cooperativo Jamestran; attendance: 78 members representing 14 groups
  -Patrocinio Mendoza Rivera, President of Central
  -Nepolito Garcia, Secretario Regional ANACH
  -Rigoberto Vallecillos, President of Local Cooperativo Matazanos
  -Vicente Sosa, President of Local Cooperativo Los Naranjos
  -Amilcar Padilla, Vice President, Local Cooperativo Puente de Aguila
  -Adan Castellanos, Secretario, Local Cooperativo Aguas Cristalinas
  -Simon Lopez, Tesorero, Local Cooperativo El Samorano

CHOLUTECA

Local Cooperativo San Luis; attendance: 8 members
  -Bitberto Ordóñez, President
Local Cooperativo El Naranjal; attendance: 4 members
  -Hilario Rivas, President
Local Cooperativo Istoca ANACH; attendance: 3 members
  -Margarito Sierra, President
Local Cooperativo Los Conicos; attendance: 4 members
  -Amado Varela, President
Local Cooperativo Chauite; attendance: 5 members
  -Genaro Dominguez, President
Local Cooperativo Tapius; attendance: 3 members
  -Julian Godiel, President, and President of Central Cooperativo Choluteca
Local Cooperativo Santa Lucia-ANACH 1; attendance: 14 members
  -Maximo Espinal, President
Local Cooperativo Santa Lucia-ANACH 2; attendance: 2 members
  -Fernando Espinal, President
Local Cooperativo Jose Ines Carranza; attendance: 6 members
  -Benigno Aguílara, President
OTHERS

Felix Cardenas, Market Intermediary, Jutiquile (Olancho)
Eduardo Herrera, ex-President of ANACH, Catacama (Olancho)
Ines d’ Molina, DIFOCOOP Instructor, El Paraiso
Idelfonso Jimenez, DIFOCOOP Agronomist, El Paraiso
Jose Aderly Mirotalla, INFOP Instructor, Atlantida
Roberto Rodriguez, MRN Extensionist, Atlantida