May 24, 1968

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DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington, D.C. 20523

CAPITAL ASSISTANCE PAPER

Proposal and Recommendations
For the Review of the
Development Loan Committee

ETHIOPIA -- HAILE SELASSIE I UNIVERSITY EXPANSION

663-22-660-143
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5/24/68

AID-DLC/P-714

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington, D.C. 20523

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AID-DLC/P-714
May 24, 1968

MEMORANDUM FOR THE DEVELOPMENT LOAN COMMITTEE

SUBJECT: Ethiopia - Haile Selassie I University Expansion

Attached for your review are the recommendations for authorization of a loan in an amount not to exceed $1,000,000 to the Imperial Ethiopian Government to assist in financing the foreign exchange costs of architectural and engineering services for new buildings and of books and equipment (including procurement services) for Haile Selassie I University.

Please advise us as early as possible but in no event later than close of business on Monday, June 3, 1968, if you have a basic policy issue arising out of this proposal.

Rachel C. Rogers
Assistant Secretary
Development Loan Committee

Attachments:
Summary and Recommendations
Project Analysis
ANNEXES I-IV

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ETHIOPIA - HAILE SELASSIE I UNIVERSITY EXPANSION

TABLE OF CONTENTS

	Page
SUMMARY AND RECOMMENDATIONS	i-ii
I. INTRODUCTION	1
A Background	1
B A.I.D. Objectives in Ethiopia and This Project's Relationship to those Objectives	1-2
II. BORROWER	2
III. REQUIREMENTS ANALYSIS	2
A. Project Description	2
B. Ethiopian Education	2-4
C. Need for Additional Buildings, Equipment and Books	5
1. Addis Ababa Campus	5
a. Multi-Purpose Building	5
b. Site Work	5
c. Equipment	5
d. Books	5
2. Gondar Campus (Public Health College)	5
a. Dormitories	5
b. Multi-Purpose Building	6
c. Library	6
d. Faculty Office Building	6
e. Equipment	6
f. Books	6
g. Staff Housing	6
h. Site Work	6
3. Alemaya Campus (College of Agriculture)	7
Equipment	7
IV. TECHNICAL SOUNDNESS	7

	Page
V. FINANCIAL ANALYSIS	8
A. Capital Expenditures	8
1. Total Cost of Project (in U.S. dollars)	8
2. Financial Plan	8
a. Phase I	8
b. Phase II (Probable Future Proposal)	8
B. Recurrent Costs	9
C. Characteristics of Ethiopia's Economy	9
D. Budgetary Profile	9-11
E. Balance of Payments Position	11
1. Current Account	11
2. Capital Account	11-12
F. Ability of the Ethiopian Government to Repay the Loan	12-13
G. Other Sources of Assistance	13-14
VI. ECONOMIC BENEFITS OF THE LOAN	15
A. Impact on U.S Economy	15
B. Effect on U.S. Balance of Payments	15
C. Effect on Private Enterprise	15

ANNEXES

ANNEX I - Statutory Criteria
ANNEX II - Authorization
ANNEX III - Illustrative Equipment List
ANNEX IV - Certification Pursuant to Section 611(e) of the Foreign Assistance Act of 1961, As Amended

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May 24, 1968

SUMMARY AND RECOMMENDATIONS

ETHIOPIA - HAILE SELASSIE I UNIVERSITY EXPANSION

1. APPLICANT: Imperial Ethiopian Government (IEG)

2. AMOUNT OF LOAN: U.S. $1.0 million

3. TERMS: A. Maturity - 40 years, including a 10-year grace period.

   B. Interest - 2% per annum during the grace period; 2½% per annum thereafter.

   C. Currency - Interest and principal payable in U.S. dollars.

4. DESCRIPTION OF THE PROJECT: The project will provide (i) design for new buildings and (ii) substantial inputs of equipment and books required by the University to satisfy partially its present need for student housing and boarding facilities, staff housing, faculty office space, research materials, and instructional and administrative equipment.

5. PURPOSE OF THIS LOAN: To finance the U.S. costs of design services and procurement of materials and equipment required for the project. A.I.D. will consider a subsequent request for assistance in the construction, construction supervision, and equipping of the buildings to be designed under the loan presently being proposed.

6. BACKGROUND OF THE PROJECT: The need for additional facilities at the University has been the subject of discussions between the Ethiopian and U.S. Governments since the school's inception in 1961. Its first formal expression was contained in an HSIU request for assistance in financing capital expansion, submitted in 1964, which led to the performance of a preliminary requirements analysis and, subsequently, the preparation of a grant-financed preliminary design for additional facilities by an American architectural/engineering firm. On the basis of this design, the Ethiopian Government has now requested a loan to finance the additional design work required and the procurement of library books and essential equipment items of a capital nature.

7. EX-IM BANK CLEARANCE: May 27, 1968

8. STATUTORY CRITERIA: Satisfied. Except for Section 620(s) of the FAA which is under review. Loan will not be authorized until a favorable decision has been made. See Annex I.

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9. COUNTRY TEAM VIEWS: The CT strongly endorses this project.

10. ISSUES: None.

11. RECOMMENDATION: Authorization of a loan for an amount not to exceed $1,000,000 in accordance with the draft authorization attached as Annex II.

CAPITAL ASSISTANCE COMMITTEE:

Capital Development Officer:	T. W. Curran
Counsel:	W. Jourdin
Desk Officer:	A. Matthews
Engineer:	F. J. Maiolo

AFR/CDF, TWCurran:lmg 5/15/68

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CAPITAL ASSISTANCE PAPER

May 24, 1968

ETHIOPIA - HAILE SELASSIE I UNIVERISTY EXPANSION

I. INTRODUCTION

A. Background. Haile Selassie I University (HSIU) was created in 1961 when a number of then independent centers of higher education were grouped into a single system. It is structured organizationally in accordance with recommendations contained in an A.I.D.-financed study performed by a University of Utah contract team in 1959-60, and is similar in its operations to a typical U.S. land-grant university. A.I.D. has provided large amounts of grant-financed assistance, valued at over $13,000,000, for construction, advisory and operational personnel, and materials. Despite the substantial level of assistance provided by the U.S. and other Free World donors, the physical plant has not kept pace with the expansion of enrollment, a disparity which was recognized by the IEG in 1964, when it submitted a request for assistance in the design and construction of additional facilities. A schematic design covering mutually acceptable items was prepared by a U.S. architect, and has been accepted by HSIU representatives, conditional only on the redesign of a minor portion of one building. The IEG submitted a formal request on October 9, 1967 for assistance in financing the follow-on final design work and subsequent construction, for the procurement of badly needed books and equipment, and for preliminary and final designs of staff housing units planned for construction at the Public Health College located at Gondar. Dormitories which had been planned for construction at the Addis Ababa campus have been deleted from the final design scope of work. This paper proposes financing the book and equipment items and the engineering services required for the preparation of the designs for those buildings which make up the project; these items are referred to collectively in subsequent sections of this paper as "Phase I". At the same time, this paper presents the requirements analysis applicable to a construction loan (Phase II). Assuming the approval and subsequent execution of the present Phase I loan, it is probable that A.I.D will be considering a second loan for Phase II financing.

B. A.I.D. Objectives in Ethiopia and This Project's Relationship to those Objectives. The objective of the U.S. assistance program is to assist the Ethiopian Government in making discernible economic, social, and political progress by encouraging and assisting the IEG in the pursuit of a sound and systematic course of economic development. The emphasis of the A.I.D. effort is directed toward the following areas: (i) increase in agricultural output; (ii) expansion and improvement of the education system; and (iii) expansion of commerce and industry.

This project relates directly to the Agency's most fundamental sector goals, which state in part, "A.I.D. selectively will support the development of expanded and improved higher education opportunities in Africa. Building on existing facilities when possible, or cooperating in the development of

additional resources when necessary, A.I.D. will give sympathetic attention to programs designed to serve national and regional needs for higher education in specific priority fields (e.g., science, engineering, mathematics, education, public administration, economics, and agriculture), rather than the proliferation of university departments offering subjects in limited demand or of limited relevance to development."

In the area of health, A.I.D.'s focus is to "concentrate on preventive activities, health manpower development, and improvement of organization and operation of health services".

II. BORROWER

The Borrower will be the Imperial Ethiopian Government (IEG), with HSIU to be responsible for operational implementation of the loan.

The University's management capabilities have been strengthened since its inception by the presence of key expatriate personnel, many of whom have been A.I.D.-financed. For example, the present Vice-President for Academic Affairs is a highly competent American who served as Dean of the University's law school for four years prior to assuming his present position. Another case in point is that of the University's Controller, a position which was staffed by an imaginative, practical American accountant during the years 1965-1967. These and numerous other key expatriate personnel have added an element of sophistication to the University's approach to management problems, and have contributed to the shaping of a system which A.I.D. believes to be up to the job of implementing this loan intelligently.

III. REQUIREMENTS ANALYSIS

A. Project Description. The project consists of the preparation of plans, specifications, cost estimates, and bid documents for: a multi-purpose (kitchen-cafeteria-auditorium) building to be constructed at Addis Ababa; two dormitories, a multi-purpose building, a small library, staff housing units, and a faculty office building to be constructed at the Public Health College at Gondar. It also provides for the acquisition of books for use throughout the University's library system and for the procurement of capital equipment items for use at each of the three campuses, Addis Ababa, Gondar, and Alemaya.

B. Ethiopian Education. The organization and administration of education are centralized under the Ministry of Education. Two Assistant Ministers are responsible for educational administration and policy, respectively. Separate departments, each under a director, are responsible for elementary, general secondary, technical and specialized education, and teacher training, each department having its own sub-divisions for inspection, research, and statistics.

The system of education is in the process of changing from one of eight years of primary education followed by four years of secondary education to a system requiring six years of primary, two years of junior secondary and four years of senior secondary education. Primary enrollment has increased substantially since 1960, with a substantial part of the increase coming from the expanding role of non-government schools. Nevertheless, in 1967 only about 10% of the primary school age population was enrolled, representing one of the lowest percentages in the world. Planned developments are expected to increase the number of children in primary schools to 900,000 by the early 1970s, representing 28% of the estimated primary-age population at that time. This will still be a very narrow base on which to build.

General secondary education provides for only about 1% of the appropriate school age population, a proportion which is lower than that found in almost any other country, as shown in the following table:

Country	Enrollment in Secondary School Expressed as a Percentage of the Total Secondary School Age Population
Ethiopia	1.0%
Nigeria	3.6%
Tunisia	14.1%
Turkey	14.4%
Ghana	16.3%
Pakistan	18.6%
Canada	48.7%
U.S.A.	68.9%

The curriculum of all secondary schools was limited until recently to academic subjects. However, three years ago the curriculum of two government schools was modified to include practical subjects on an experimental basis. This curriculum revision has since been expanded to include other government schools, using A.I.D.-financed equipment and operational technicians, and is now proposed for use in all secondary schools.

The drop out rate in the secondary schools is high, with only about 35% of those starting grade 7 continuing to complete grade 12. The performance of secondary school students is particularly weak in mathematics and science subjects, due to a shortage of skilled teachers and a general lack of equipment.

Post secondary school educational opportunities are extremely limited, the result being that less than 0.1% of the university-age population attends the university.

In an attempt to meet both the country's growing need for university-trained manpower and the secondary school graduate's demand for admission, HSIU is forecasting an increase in enrollment in excess of 40% between 1968 and 1972, as reflected in the following projection:

Haile Selassie I University
Enrollment Projections (Full-time Students)

Addis Ababa	1968	1969	1970	1971	1972
Year of Study					
First	1,147	1,296	1,375	1,461	1,546
Second	724	814	879	1,053	1,004
Third	568	627	722	781	882
Fourth	390	472	523	604	652
Fifth (Law and Engineering only)	66	100	105	114	113
Sub-total	2,895	3,309	3,604	4,013	4,197
Gondar					
First	143	165	174	181	188
Second	110	123	128	133	139
Third	107	103	120	119	156
Fourth	31	38	42	45	49
Sub-total	391	429	464	478	532
Alemaya					
First	86	85	87	93	98
Second	38	70	73	36	81
Third	40	42	58	60	66
Fourth	38	33	40	56	59
Sub-total	202	230	258	245	304
Grand Total All Campuses	3,488	3,968	4,326	4,736	5,033

This sharp rate of growth will stress still further the limits of the university's physical plant, a problem which will be ameliorated somewhat by the provision of the items proposed for financing hereunder. In view of the high priority that the university commands in both IEG and A.I.D. planning, it is in A.I.D.'s interest to provide general support to HSIU to prevent its faltering at this stage of its development.

6. Need for Additional Buildings, Equipment, and Books.

1. Addis Ababa Campus

a. Multi-Purpose Building. (Kitchen-Cafeteria-Auditorium). This building will be designed to seat 1,000 when used as an auditorium, and 750 when used as a dining area. The kitchen area will incorporate a design capacity sufficient for the preparation of 2,250 servings per meal, reflecting a 1:3 ratio of seats to servings. The total output of 2,250 servings per meal will enable the university to serve all students presently housed on the Addis Ababa Campus. Utilizing the dining facilities as an auditorium will satisfy the need for a space in which large group functions may be held.

b. Site Work. This item includes provision of electric service, drainage, and grading attendent on the construction of the multi-purpose building.

c. Equipment. Equipment will be provided for use by the central administration in support of A.I.D.'s efforts to assist in the development of an efficient administration. (See Annex III).

d. Books. A most successful development on the campus is the central library, the administration of which is improving steadily. The new A.I.D. grant-financed library building is under construction and it is important that a proper number of prudently selected titles be acquired to augment the presently inadequate inventory. The funds provided under this loan should prove adequate to finance the procurement of approximately 10 reference volumes per full time student enrolled at the Addis Ababa Campus, or approximately 29,000 volumes in the aggregate.

2. Gondar Campus (Public Health College)

a. Dormitories. A total of 216 students will be housed in two new dormitories, replacing a collection of totally inadequate facilities presently being used. This new student housing will have a capacity equal to approximately 50% of the present enrollment at Gondar. Male students are now occupying a converted warehouse and a converted store, sharing bay-like areas holding 12 students each. The female nursing students live in a converted hospital ward which is ill-suited for use as a living/student area.

b. Multi-Purpose Building (Kitchen-Cafeteria-Auditorium). The requirements for this building are similar to those at Addis Ababa except that the campus population to be served is appreciably smaller. It will accommodate 400 students when used as an auditorium and 250 (slightly more than 50% of the enrollment), when functioning as a cafeteria. The kitchen will be capable of preparing 450 servings per meal for student consumption, reflecting a 1:1.8 ratio of seats to servings, and an additional 200 servings per meal to be served to hospital patients. The more generous ratio of seats to servings to be used for the design of this building in relation to the ratio to be used in the design of the similar building at Addis Ababa is dictated by the relative scheduling inflexibility at Gondar imposed by the smaller curriculum offered at this campus compared to the relatively high scheduling flexibility afforded by the broad range of courses offered at the Addis Ababa Campus.

c. Library. The library will have a design capacity sufficient to house 40,000 volumes initially, with provision for further expansion to accommodate an additional 30,000 volumes.

d. Faculty Office Building. This building will provide space for the college's 60 faculty members, alleviating the crowding which requires as many as six instructors to share a single office space.

e. Equipment. The bulk of the equipment would be used to strengthen the hospital's training facilities and work shop.

f. Books. Library development, which has been inhibited by the lack of adequate space, will become possible with the construction of the library building. The books to be purchased under this loan will provide an excellent starter collection; it is estimated that the funds will be sufficient to finance the procurement of approximately 15 reference volumes for each full time student, or approximately 6,000 volumes in the aggregate.

g. Staff Housing. The need for staff housing is critical in two respects: (i) the community surrounding the campus contains very little housing of adequate standards; and (ii) adequate housing is an essential inducement to attract and retain competent staff members, both Ethiopian and expatriate. This loan will finance the required preliminary and final design work for 20 staff housing units.

h. Site Work. This will include a water supply, distribution system, and sewerage facility. The supply will utilize two wells as a source of water and a sewerage tank to develop the necessary head for distribution. The sewerage system will incorporate a network of collection lines to gather waste from all existing septic tanks and from all new buildings. Waste will be conducted to a treatment plant for processing.

3. Alemaya Campus. (College of Agriculture)

Equipment. This campus, like the others, is badly under-equipped, and the items designated for procurement under this loan will be those deemed absolutely essential to the college's effective operation.

IV. TECHNICAL SOUNDNESS

The Technical Study and Report, prepared by the American firm of Dalton-Dalton Associates, and submitted on December 1, 1966, contains designs, plans, and specifications which are practical in form and which are consistent with sound engineering practices. Each building treated in that study is deemed by A.I.D. to be well suited to HSIU's requirements. The structural designs are simple and economical; all buildings incorporate reinforced concrete foundations; concrete floors and walls; structural columns; and roofs constructed of wood rafters, wood purline and corrugated metal roofing material. Dalton-Dalton's cost estimates indicate an expected average building cost of U.S. $9.50 per square foot. The preliminary design work and the per unit cost estimates are consistent with A.I.D.'s experience in designing and constructing other similar buildings in Ethiopia (e.g., the John F. Kennedy Memorial Library, presently nearing completion, costing approximately U.S. $10 per square foot for design and construction, inclusive).

Dalton-Dalton prepared and submitted to the borrower a proposal for the performance of the final design to be financed under this loan. While actual negotiation of a contract based on the Dalton-Dalton proposal has been deferred pending the resolution of certain non-technical matters, A.I.D. considers that, on the basis of its time-rate computation and the relationship to the time-rate factors involved, a suitable contract, including provision for contingencies, merits the earmarking of U.S. $125,000 under the loan to finance the required final design services.

To insure the orderly procurement of the equipment and books, financing of non-university procurement services will be eligible under the proposed loan. The planning for the procurement of the items to be financed under the proposed loan has been reviewed by the competent departmental personnel of HSIU in conjunction with the appropriate A.I.D.-financed university consultants and other external organizations assisting the university. As a result of this review, we consider the technical requirements of Section 611 have been met. In addition, the cost for this equipment will not exceed the amount to be provided under the proposed loan.

V. FINANCIAL ANALYSIS

A. Capital Expenditures

1. Total Cost of Project (in U.S. dollars)

	U.S. Costs	Local Costs	Total
Phase I (Present Proposal)			
Final A&E Design	$ 125,000	$ 10,000	$ 135,000
Equipment	500,000	-	500,000
Books	375,000	-	375,000
Total Phase I	$1,000,000	$ 10,000	$1,010,000
Phase II (Probable Future Proposal)			
Supervision of Construction	$ 180,000	$ 20,000	$ 200,000
Equipment & Furnishings for new buildings	224,000	-	224,000
Construction	295,000	825,000	1,120,000
Total Phase II	$ 699,000	$ 845,000	$1,544,000
Total	1,699,000	855,000	2,554,000
Contingency	101,000	45,000	146,000
Grand Total	$1,800,000	$ 900,000	$2,700,000

2. Financial Plan

a. Phase I

IEG	-	$ 10,000	$ 10,000
A.I.D.	$1,000,000	-	1,000,000
	$1,000,000	$ 10,000	$1,010,000

b. Phase II (Probable Future Proposal)

IEG	-	$ 890,000	$ 890,000
A.I.D.	$ 800,000	-	$ 800,000
	$ 800,000 (47%)	$ 890,000 (53%)	$1,690,000 (100%)

B. Recurrent Costs. The construction and procurement to be financed under this project will create a requirement for salaries for cafeteria personnel, additional building maintenance funds, and a budgetary provision for depreciation and eventual replacement of the equipment procured under this loan. However, it will not generate any additive budget demand for instructional staff members as the University is already staffed to instruct 4,000 students without any increases in personnel.

C. Characteristics of Ethiopia's Economy. Ethiopia's economy is dominated to an almost unique degree by traditional agriculture. Sixty-two per cent of the GNP is derived from agriculture (largely subsistence farms) compared with about 35% for LDC's on the average, and less than 5% of the Ethiopian population lives in towns over 20,000 compared with a 25% average for LDC's generally. Industrial production, while rising, accounts for approximately 3% of the GNP or about the same as that contributed by handicrafts. Mining production accounts for less than 1% of the GNP. Fifty to 60% of total export earnings are from coffee, of which some 70% of that total (by value) is shipped to the United States. The small, mono-product trade and the proportionally small urban population contributes little to customs collections, and tax collections are among the lowest in Africa on a per capita basis. The small tax base, combined with Ethiopia's security requirements, which are greater than for most other African countries, contributes to the scarcity of resources available for development purposes.

There is an interlinked relationship between Ethiopia's especially low level of economic development and its unusual severe shortage of educated people. It is, therefore, expected that increased educational opportunities will provide one important means by which economic advance can take place.

D. Budgetary Profile. Revenues are low, both in relation to GNP and on a per capita basis. Revenues from domestic sources in FY 1967 were only 10% of the GNP, compared with an average of about 17% for 16 other Tropical African countries for which data are available, and per capita revenues in Ethiopia were only about one-third the average for the 16 other countries. Domestic revenues in Ethiopia during FY 1967 averaged only about U.S. $6.75 per capita.

Budgetary Structure (IEG Classification System)

	FY 65 (Actual)	FY 66 (Actual)	FY 67 (Actual)
Receipts			
Foreign Assistance	25%	30%	25%
Land Tax	7%	6%	6%
Income Tax	8%	8%	10%
Customs	25%	22%	21%
Other	35%	35%	38%
Total Receipts	100%(US $159 million)	100$(US $189 million)	100%(US $196 million)
Expenditures			
Security (Military and Police)	33%	32%	28%
Agriculture	2%	1%	2%
Education	13%	13%	13%
Other Current	41%	37%	41%
Capital	11%	17%	15%
Total Expenditures	100%(US $160 million)	100%(US $191.1 million)	100%(US $201 million)
Deficit	US $1 million	US. $1.8 million	US $5.5 million
Deficit as % of Total Revenues	0.6%	1.0%	2.7%

Ethiopia's budgetary receipts profile differs from that of most African countries in the following respects: (i) greater dependence on foreign assistance; (ii) smaller proportion of direct taxation receipts to total receipts; and (iii) smaller proportion of customs revenues to total receipts. Expenditures also differ from those of most other African countries in that: (i) a larger proportion is financed by foreign assistance; and (ii) a larger proportion is expended for security purposes. The budgetary deficits as shown in the Table above are small and this has been achieved by a severe curtailment of non-security expenditures to the approximate level of government receipts.

Under the present budgetary situation in which receipts and expenditures are in approximate balance, IEG financial outlays during FY 1967 on agriculture, education, and health totalled only about U.S. $2.20 per capita; and education expenditures, including those for the University, totalled only some U.S. $3.00 per capita for the population in the 6 to 21 years age group.

It is assumed in the IEG FY 1968 budget that foreign grant and loan assistance will finance approximately 19% of current expenditures and 43% of capital expenditures.

E. Balance of Payments Position.

1. Current Account.

(Millions of U.S. Dollars)

	1964	1965	1966	1967(Est.)	1968(Est.)
Merchandise Exports FOB	$105	$117	$108	$102	$112
Merchandise Imports FOB	-109	-132	-145	-140	-145
Trade Balance	$ -4	$-15	$-37	$-38	$-33
Invisible Items	-14	-18	-20	-23	-20
Transfer Receipts, Net	7	16	19	15	18
Balance in Current Account	$-11	$-17	$-38	$-46	$-35

2. Capital Account.

Direct Private Investment	$ 12	$ 14	$ 14	$ 12	$ 14
Central Government Loan Recepits (Net)	4	17	20	16	20
Other Receipts, Net	4	1	1	..	1
Balance in Capital Account	$ 20	$ 32	$ 35	$ 28	$ 35
Errors and Omissions	+2	-1	0	0	0
Change in Official Gold and Foreign Exchange Holdings and other Monetary Assets, Net	+11	+14	-3	-18	0
Gold and Foreign Exchange Holdings, end of period	$ 76	$ 92	$ 91	$ 73	$ 73

As shown in the Table above, Ethiopia's gold and foreign exchange reserves fell by about 20% during 1967 after a smaller decline during 1966. Export earnings declined during 1967 for the second consecutive year, due principally to the downward trend in coffee prices, amounting to 13% during the past year. Long-term coffee price prospects continue to be unfavorable to producers. Ethiopia's net international liquidity reserves, including currency cover, are now down to about five months import requirements (cif). While this is probably still above the average for African countries, it compares with a level of seven months import requirements at the end of 1965. It is expected that prevention of further decline of reserves during 1968 will require some use of existing foreign exchange control machinery to restrain foreign exchange outlays. Such controls began to be imposed (on foreign travel) during 1967 for the first time in several years.

As indicated in the Table above, sizable foreign grant and loan receipts as well as inflow of private investment capital will continue to be required in 1968 to prevent a further significant drawdown in foreign exchange reserves. If the expected foreign loans and grants (anticipated in the Third Five-Year Plan now in final stages of preparation by an expatriate staff) should not materialize, the country would likely experience either a slow-down in its prevailing modest rate of development or a sharp reduction in international liquidity reserves. A further reduction could bring these reserves below a level required for famine or other contingencies and below a level which would be reassuring to prospective donors that Ethiopia would be able to service the additional loans needed to permit continued economic growth.

Ethiopia's budgetary and balance of payments prospects point to the need for increasing external loans on concessionary terms in order to sustain the present modest rate of economic and social development, and, therefore, strengthen the argument for external financing of the project covered by this loan paper.

F. Ability of the Ethiopian Government to Repay the Loan. Ethiopia's external debt and debt servicing burden have increased significantly in recent years but are still proportionally lower than in most LDC's. The external debt as of June 30, 1967 (latest data available) totalled U.S. $130.33 million, distributed by creditors as follows:

U.S.	U.S. $43.33 million	
IBRD/IDA	48.04	
USSR	12.57	
Yugoslavia	5.07	
Netherlands	9.73	(Merchant ship construction loans)
West Germany	2.72	
Other	8.36	
	U.S.$130.33 million	

External debt servicing outlays (principal and interest) during the past two fiscal years and estimated for FY 1968 are as follows:

FY 66	U.S. $10.86 million
FY 67	15.61
FY 68	18.00 (Est)

Debt servicing in FY 1967 constituted 11% of the total domestic revenues and 15% of export earnings. Debt servicing on loans now outstanding is estimated to reach approximately 17% of export earnings in 1970. Loans to be contracted for in the future may raise this proportion. However, built-in obstacles to development, such as the socio/political structure, administrative limitations,

the limited IEG funds available to cover local costs of development projects, and slow progress in developing finalized project proposals ready for implementation within a meaningful national development plan, can be expected to limit additional loans, if made on concessionary terms, to a total amount consistent with debt management capacity at least over the next several years.

The IEG has two "cushions" on which it could rely to continue payments on its external debt, including the loan covered in this loan paper. The first of these is the net official holding of gold and foreign exchange, which is still proportionally larger than in most LDC's, and which totalled U.S. $72.5 million at the end of December 1967 (most recent data available), equivalent as stated above to approximately five months imports (cif) at the estimated 1967 rate. The second "cushion" is the authority of the IEG Treasury to borrow from local banks. As of December 31, 1967, it was about U.S. $20 million below the prescribed ceiling. The exceptional concern of the IEG for maintaining Ethiopia's traditionally high international credit standing suggests strongly that the IEG would use these sources of financing if necessary rather than default on foreign debt payments.

G. Other Sources of Assistance. Approximately half of the operating budget of Haile Selassie I University has come from foreign assistance over the years. The proportion of total University expenditures financed by loan and grant assistance during FY 1967 was 55%.

The Ford Foundation has provided or committed funds for physical facilities and books for the library at the College of Agriculture, books for the Addis Ababa campus library, research funds for the Debre Zeit Experiment Station, and assistance to the Law Faculty in the amount of U.S. $866,000 for the period 1963-1970.

This year, three Fulbright professors and 31 Peace Corps Volunteers are serving on the University faculty.

The United Nations (UNDP) has committee itself to provide technical assistance in the amount of U.S. $1,576,287 to the College of Education for the period 1964-71.

UNICEF has provided U.S. $5,000 each year for the past 16 years to the Public Health College at Gondar. UNICEF provided U.S. $8,400 in FY 1967/68 and has committed U.S. $8,000 for FY 1968-69 to the School of Social Work.

Great Britain has provided assistance to a number of HSIU Colleges as follows:

Arts Faculty	1965-66 through 1967-68	U.S. $102,000
Education	1966-67 through 1967-68	U.S. $ 21,500
Law	1966-67 through 1967-68	U.S. $ 4,680
Medicine	1965-66 through 1967-68	U.S. $186,000
Public Health	1967-68 - two staff members	
University Library	1965-66-67-68 - one staff member plus	U.S. $ 1,640
		U.S. $315,820

West Germany is constructing a new building for the College of Engineering at a cost of U.S. $1,258,000.

Beginning in August 1968, West Germany will supply a Dean, three Department Heads and two Professors to the College of Engineering. They are presently providing an Assistant Librarian, one Museum Specialist, and two Professors of German Language.

Sweden has provided U.S. $2,876,000 toward the development of the Building College from 1961 through 1968 and the sum of U.S. $836,000 to the Medical Faculty (Department of Pediatrics) during the period 1964 through 1968.

Belgium has provided assistance to the Law Faculty in the amount of U.S. $41,000.

France has provided assistance valued at U.S. $64,800 to the Faculty of Arts during the period 1963-68 in the form of teachers, books, and equipment.

Italy, Israel, and Netherlands are providing small amounts of assistance to HSIU.

The foregoing summary of the substantial assistance being provided to the University by a large number of disparate donors reflects HSIU's continuing efforts to obtain the large amounts of outside assistance necessary to conduct its operations. The loan being considered in this paper must be viewed as one more essential input needed to complement the efforts of other donors. Accordingly, there is no practical prospect of finding other sources of funding for this project insofar as each of the other donors is already deeply involved.

VI. ECONOMIC EFFECTS OF THE LOAN

A. Impact on U.S. Economy. This loan does not conflict with any U.S. business interests. The loan will assist the U.S. economy by financing $125,000 in U.S. engineering services, and goods of U.S. origin valued at $875,000.

B. Effect on U.S. Balance of Payments. The loan will have no adverse impact on the U.S. balance of payments, as the entire loan will finance the costs of U.S. goods and engineering services which would not otherwise, in the absence of A.I.D. financing, be procured from the U.S.

C. Effect on Private Enterprise. The loan will finance contracts with private U.S. firms.

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AID-DLC/P-714
ANNEX I

May 24, 1968

CHECKLIST OF STATUTORY CRITERIA

Development Loan Fund

The following abbreviations are used:

FAA - Foreign Assistance Act of 1961, as amended by the Foreign Assistance Act of 1967

App. - Foreign Assistance and Related Agencies Appropriations Act, 1968

1. FAA 8.102. Assistance wherever practicable consists of U. S. commodities and services furnished consistent with efforts to improve the U. S. balance of payments.	Loan authorization will permit only U.S. procurement of goods and services.
2. FAA 8.201(b)(1). Information and conclusion on availability of financing from other free-world sources, including private sources within the United States.	See Section V,G. of the Capital Assistance Paper.
3. FAA 8.201(b)(2). Information and conclusion on activity's economic and technical soundness, including the capacity of the recipient country to repay the loan at a reasonable rate of interest.	See Section V,F. of the Capital Assistance Paper.
4. FAA 8.201(b)(3). Information and conclusion on existence of reasonable promise activity will contribute to development of economic resources or increase of productive capacities.	See Section I,B. of the Capital Assistance Paper.
5. FAA 8.201(b)(4). Information and conclusion on activity's relationship to other development activities, and its contribution to realizable long-range objectives.	See Section I,B. of the Capital Assistance Paper.
6. FAA 8.201(b)(5). Country's self-help measures. See Items 23 through 29 re new FAA 8 208.	See below, Items 23-29.

7. *FAA §.201(b)(6). Information and conclusion on possible effects on U. S. economy, with special reference to areas of substantial labor surplus.*	See Section VI A of the Capital Assistance Paper.
8. *FAA §.201(b)(7). Information and conclusion on the degree to which the country is making progress toward respect for the rule of law, freedom of expression and of the press, and recognition of the importance of individual freedom, initiative, and private enterprise.*	There is more open discussion in the Parliament; and the local radio has been granted autonomy.
9. *FAA §.201(b)(8). Information and conclusion on the degree to which the country is taking steps to improve its climate for private investment.*	The IEG has signed an Investment Guarantee Agreement with the U.S.
10. *FAA §.201(b)(9). Information and conclusion on whether or not the activity to be financed will contribute to the achievement of self-sustaining growth.*	See Section I B of the Capital Assistance Paper.
11. *FAA §.201(b). Compliance with requirement that funds not be used to make loans to more than twenty countries in any fiscal year.*	The IEG is one of the 20 countries.
12. *FAA §.201(b). Information and conclusion on reasonable prospects of repayment.*	See Sections V. D, E and F.
13. *FAA §.201(d). Information and conclusion on legality (under laws of the country and the U. S.) and reasonableness of lending and relending terms.*	Loan Agreement will require opinion from IEG counsel that Agreement is legal. Rates are lowest permissible under FAA.
14. *FAA §.201(e). Information and conclusion on availability of an application together with sufficient information and assurances to indicate reasonably that funds will be used in an economically and technically sound manner.*	Application received dated October 9, 1967, and Sections III and IV Capital Assistance Paper.

15. FAA §.201(f). *If a project, information and conclusion whether it will promote the economic development of the requesting country, taking into account the country's human and material resource requirements and the relationship between the ultimate objectives of the project and the country's overall economic development.*	See Section I B of the Capital Assistance Paper.
16. FAA §.201(f). *If a project, information and conclusion whether it specifically provides for appropriate participation by private enterprise.*	See Section VI C of the Capital Assistance Paper.
17. FAA §.202(a). *Total amount of money under loan which is going directly to private enterprise, is going to intermediate credit institutions or other borrowers for use by private enterprise, is being used to finance imports from private sources, or is otherwise being used to finance procurements from private sources.*	Entire amount of loan going to finance procurement from private enterprise.
*18. FAA §.207(a). *Information that U. S. assistance places appropriate emphasis on encouraging strong economic, political, and social institutions needed for a progressive democratic society.*	See Section I B of the Capital Assistance Paper.
*19. FAA §.207(b). *Information that U. S. assistance places appropriate emphasis on programs directed at enabling the country to meet the food needs of its people from its own resources.*	See Section I B of the Capital Assistance Paper.
*20. FAA §.207(c). *Information that U. S. assistance places appropriate emphasis on improving availability in the country of educated manpower by improving education planning and research, training teachers and administrators, developing and constructing educational institutions, and using modern educational technology.*	See Section I B of the Capital Assistance Paper.

21. FAA §.207(d). Information that U. S. assistance places appropriate emphasis on programs aimed at malnutrition, disease eradication, slum clearance, water purification, sewage disposal, health education, maternal and child care (including family planning), and other public health assistance.	See Section I B of the Capital Assistance Paper.
22. FAA §.207(e). Information that U. S. assistance places appropriate emphasis on other development activities including industrial development; growth of free labor unions, cooperatives and voluntary agencies; improvement of transportation and communication systems; development of capabilities for economic planning and public administration; urban development; and modernization of laws to facilitate economic development.	See Section I B of the Capital Assistance Paper.
23. FAA §.208(a). Information and conclusion on the extent to which the country is taking measures to increase food production and food storage and distribution facilities.	The Development Bank of Ethiopia and the Ethiopian Investment Corporation are actively engaged in this field of activity.
24. FAA §.208(b). Information and conclusion on the extent to which the country is creating a favorable climate for foreign and domestic private enterprise and investment.	The IEG has signed an Investment Guarantee Agreement.
25. FAA §.208(c). Information and conclusion on the extent to which the country is increasing the role of the people in the developmental process.	The IEG Parliament is becoming a more effective voice of the people.
26. FAA §.208(d). Information and conclusion on the extent to which the country is allocating expenditures to development rather than to unnecessary military purposes or intervention in other free and independent nations. See also Items 64 and 76.	Under review.
27. FAA §.208(e). Information and conclusion on the extent to which the country is willing to make contributions of its own to the projects and programs for which assistance is provided.	See Section V A 2 of the Capital Assistance Paper for IEG contribution.

*28. FAA §.208(f). *Information and conclusion on the extent to which the country is making economic, social, and political reforms such as tax collection improvements and changes in land tenure arrangements that will enable it to achieve developmental objectives more efficiently and justly.*	The IEG has recenlty enacted various tax reforms, and has established a new Ministry for Lands to review and implement more equitable land reform.
*29. FAA §.208(g). *Information and conclusion (other than above) on the extent to which the country is responding to the economic, political, and social concerns of its people and showing a clear determination to take effective self-help measures.*	In addtion to the local cost contribution on this and other AID-financed projects, the IEG has developed a new Third Year Plan which calls for more IEG resources for development.
*30. FAA §.209. *Information on multilateral assistance and regional programs, including the extent to which U. S. assistance will encourage regional development programs.*	Students from other countriw will be taught at HSIU.
31. FAA §.281. *Extent to which the loan will contribute to the objective of assuring maximum participation in the task of economic development on the part of the people of the developing countries, through the encouragement of democratic private and local governmental institutions.*	HSIU students and graduates who are notoriously democratic, will encourage such developments.
32. FAA §.601(a). *Information and conclusions whether loan will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry agriculture, and commerce; (f) strengthen free labor unions.*	The loan will neither encourage nor discourage (a), (b), (c), (d) or (f). It should improve (e).
33. FAA §.601(b). *Information and conclusion on how the loan will encourage U. S. private trade and investment abroad, and how it will encourage private U. S. participation in foreign assistance programs (including use of private trade channels and the services of U. S. private enterprise).*	U.S. private firms will supply the goods and services to be financed under the loan.
34. FAA §.601(d). *Conclusion and supporting information on compliance with the Congressional policy that engineering and professional services of U. S. firms and their affiliates are to be used in connection with capital projects to the maximum extent consistent with the national interest.*	Only U.S. engineering firms will be used.

35. FAA §.602. *Information and conclusions whether loan will permit American small business to participate equitably in the furnishing of goods and services financed by it.*	Will be covered in the Loan Agreement and the Implementation Letter(s).
36. FAA §.604(a); App. §.108. *Compliance with restriction of commodity procurement to U. S. except as otherwise determined by the President and subject to statutory reporting requirements.*	Procurement is limited to the U.S.
37. FAA §.604(b). *Compliance with restriction that no funds be used to procure bulk commodities at prices higher than the market price prevailing in the U. S. at time of purchase.*	Not applicable.
38. FAA §.604(d). *Compliance with requirement that marine insurance on commodities be purchased on competitive basis or, if the participating country discriminates against any marine insurance company authorized to do business in any State of the United States, that insurance be placed in the U. S.*	Will be covered in the Loan Agreement.
39. FAA §.608(a). *Information as to the utilization of excess personal property in lieu of procurement of new items.*	Will be covered in the Loan Agreement.
40. FAA §.611(a)(1). *Information and conclusion on availability of engineering, financial, and other plans necessary to carry out the assistance and of a reasonably firm estimate of the cost of the assistance to the United States.*	See Section IV of the Capital Assistance Paper.
41. FAA §.611(a)(2). *Necessary legislative action required within recipient country and basis for reasonable anticipation such action will be completed in time to permit orderly accomplishment of purposes of loan.*	None known to be required except for Parliamentary ratification of the Loan Agreement. The IEG Parliament has always ratified all A.I.D. loans.

42. *FAA §.611(b); App.§.101. If water or water-related land resource construction project or program, information and conclusion on a benefit-cost computation.*	Not applicable.
43. *FAA §.611(c). Compliance with requirement that contracts for construction be let on competitive basis to maximum extent practicable.*	Not applicable.
*44. *FAA §.611(e). Compliance with the requirement that for all projects estimated to cost in excess of $1,000,000, the principal officer of AID in the country in which the project is located certify as to the capability of the country (both financial and human resources) to effectively maintain and utilize the project taking into account among other things the maintenance and utilization of projects in the country previously financed or assisted by the U. S. (Such certifications are to be approved by the Administrator or appropriate assistant administrator per Delegation of Authority #75 before assistance is authorized.)*	See Annex IV.
45. *FAA §.612(b) and 636(h). Appropriate steps that have been taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services and foreign currencies owned by the U. S. are utilized to meet the cost of contractual and other services.*	The IEG is paying all local costs.
46. *FAA §.619. Compliance with requirement that assistance to newly independent countries be furnished through multilateral organizations or in accordance with multilateral plans to the maximum extent appropriate.*	See Section V G.
47. *FAA §.620(a); App.§.107(a) and (b). Compliance with prohibitions against assistance to Cuba and any country (a) which furnishes assistance to Cuba or failed to take appropriate steps by February 14, 1964, to prevent ships or aircraft under its registry from carrying equipment, materials, or supplies from or to Cuba; or (b) which sells, furnishes, or permits any ships under its registry from carrying items of primary strategic significance, or items of economic assistance.*	The IEG is not known to be in violation of this requirement.

48. FAA §.620(b). *If assistance to the government of a country, existence of determination it is not controlled by the international Communist movement.*	The Secretary of State so determined on October 11, 1961.
49. FAA §.620(c). *If assistance to the government of a country, existence of indebtedness to a U. S. citizen for goods or services furnished or ordered where such citizen has exhausted available legal remedies or where the debt is not denied or contested by such government or the indebtedness arises under an unconditional guaranty of payment given by such government.*	No such incident is known to have taken place.
50. FAA §.620(d). *If assistance for any productive enterprise which will compete with U. S. recipient country to prevent export to the U. S. of more than 20% of the enterprise's annual production during the life of the loan.*	Not applicable.
51. FAA §.620(e)(1). *If assistance to the government of a country, extent to which it (including government agencies or subdivisions) has, after January 1, 1962, taken steps to repudiate or nullify contracts or taken any action which has the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property of U. S. citizens or entities beneficially owned by them without taking appropriate steps to discharge its obligations.*	No such incident is know to have taken place.
52. FAA §.620(f); App.§.109. *Compliance with prohibitions against assistance to any Communist country.*	Ethiopia is not a Communist Country.
53. FAA §.620(g). *Compliance with prohibition against use of assistance to compensate owners for expropriated or nationalized property.*	Loan Agreement will not permit this.
54. FAA §.620(h). *Compliance with regulations and procedures adopted to ensure against use of assistance in a manner which, contrary to the best interests of the U. S., promotes or assists the foreign aid projects or activities of the Communist-bloc countries.*	Loan Agreement will not permit this.

55. FAA §.620(i). *Existence of determination that the country is engaging in or preparing for aggressive military efforts.*	No such determination exists.
56. FAA §.620(i). *Information on representation of the country at any international conference when that representation includes the planning of activities involving insurrection of subversion against the U. S. or countries receiving U. S. assistance.*	The IEG is not known to have taken such actions against the United States at any international conference.
57. FAA §.620(j). *Existence of a determination that the country has permitted or failed to prevent destruction of U. S. property by mob action or has failed to take steps to prevent a recurrence and to pay compensation.*	Although such mob action has occurre we have billed the IEG for the damag We expect that they will pay for the damage. The IEG is taking steps to prevent a recurrence.
58. FAA §.620(k). *If construction of productive enterprise where aggregate value of assistance to be furnished by U. S. will exceed $100 million, identification of statutory authority.*	Not applicable.
59. FAA §.620(l). *Consideration which has been given to denying assistance to the government of a country which after December 31, 1966, has failed to institute the investment guaranty program for the specific risks of inconvertibility and expropriation or confiscation.*	The IEG had previously signed an Investment Guarantee Program.
60. FAA §.620(n); App.§.107(b); App.§.116. *Compliance with prohibitions against assistance to countries which traffic or permit trafficking with North Viet-Nam.*	No such trafficking is known.
61. FAA §.620(o). *If country has seized, or imposed any penalty or sanction against, any U. S. fishing vessel on account of its fishing activities in international waters, information on the consideration which has been given to excluding the country from assistance.*	No such incident is known.
62. FAA §.620(p); App.§.117. *U. A. R. restriction.*	Not applicable.
63. FAA §.620(q). *Existence of default in payment under any Foreign Assistance Act loan to the country.*	The IEG is not in default in any of it FAA Loans.

*64. FAA §.620(s). *Consideration of whether the country is diverting U. S. assistance to military expenditures, or is devoting an unnecessary percentage of its budget for military purposes, or using foreign exchange for military equipment to a degree which materially interferes with its development so as to warrant termination of assistance until such diversion no longer takes place.*	Under review.
*65. FAA §.620(t). *Compliance with prohibition on aid if country has severed diplomatic relations with U. S. unless agreements have been negotiated after resumption of relations.*	The IEG has not severed diplomatic relations with the U.S.
*66. FAA §.620(u). *Status of the country with respect to its dues, assessments, and other obligations to the United Nations.*	The IEG is not known to be in default on its U.N. obligations.
*67. FAA §.636(i). *Compliance with prohibition on financing non-U. S.-manufactured motor vehicles (except where special circumstances exist and a waiver is authorized).*	Procurement is limited to the U.S.
68. App.§.102. *Compliance with requirement that payments in excess of $25,000 for architectural and engineering services on any one project be reported to Congress.*	Will be reported.
69. App.§.104. *Compliance with bar against funds to pay pensions, etc., for military personnel.*	Loan Agreement will not permit this.
70. App.§.106. *If country attempts to create distinctions because of their race or religion among Americans in granting personal or commercial access or other rights otherwise available to U. S. citizens generally, application which will be made in negotiations of contrary principles as expressed by Congress.*	Ethiopia is not known to so discriminate.
71. App.§.111. *Compliance with existing requirements for security clearance of personnel.*	Will be covered as appropriate in A.I.D approval of contracts.
72. App.§.112. *Compliance with requirement for approval of contractors and contract terms for capital projects.*	To be covered in Loan Agreement.

73.	App.§.114. *Compliance with bar against use of funds to pay assessments, etc., of U. N. member.*	Loan Agreement will not permit this.
74.	App.§.115. *Compliance with regulations on employment of U. S. and local personnel for funds obligated after April 30, 1964 (AID Regulation 7).*	Not applicable.
75.	App.§.118. *Viet-Nam iron and steel restrictions.*	Not applicable.
*76.	App.§.119. *Compliance with reducing assistance by amounts spent for the purchase of sophisticated military equipment in countries other than Greece, Turkey, Iran, Israel, Republic of China, Philippines, or Korea.*	It has been deterimined the IEG is not purchasing sophisticated weapons.
77.	App.§.401. *Compliance with bar against use of funds for publicity or propaganda purposes within U. S. not heretofore authorized by Congress.*	Loan Agreement will not permit this.

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ANNEX II

CAPITAL ASSISTANCE LOAN AUTHORIZATION

Provided from: Development Loan Funds
(Ethiopia -- Haile Selassie I University Expansion)

Pursuant to the authority vested in the Assistant Administrator for Africa of the Agency for International Development ("A.I.D.") by the Foreign Assistance Act of 1961, as amended, and the delegations of authority issued thereunder, I have received and taken into consideration a certification from the Director of USAID/Ethiopia as to the financial and human resources capability of Ethiopia to effectively utilize the Haile Selassie I University Expansion Project taking into account, among other things, the maintenance and utilization of projects in Ethiopia previously financed or assisted by the United States, and I hereby authorize the establishment of a loan pursuant to Part I, Chapter 2, Title I, the Development Loan Fund, to the Imperial Ethiopian Government ("Borrower") of not to exceed one million dollars ($1,000,000) to assist in financing the foreign exchange costs of architectural and engineering services for new buildings and of books and equipment (including procurement services) for Haile Selassie I University subject to the following terms and conditions:

1. Interest Rate and Terms of Repayment. Borrower shall repay the loan in forty (40) years, including a grace period of not to exceed ten (10) years. Borrower shall pay interest on the unrepaid principal and any interest accrued thereon at the rate of (a) two percent (2%) per annum during the grace period and (b) two and one-half percent (2½%) per annum thereafter.

2. Currency of Repayment. Repayment of the loan and payment of interest shall be made in United States dollars.

3. Other Terms and Conditions.

   (a) Goods and services financed under the loan shall have their source and origin in the United States.

   (b) Such other terms and conditions as A.I.D. may deem advisable.

_____
Assistant Administrator for Africa

_____
Date

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I. ILLUSTRATIVE SUMMARY OF THE VALUE OF EQUIPMENT TO BE FINANCED UNDER THIS LOAN

A.	College of Agriculture	$ 58,000
B.	Public Health College, Gondar	225,000
C.	Faculty of Education	9,000
D.	College of Business Administration	21,000
E.	Faculty of Law	7,000
F.	Faculty of Arts	3,000
G.	Faculty of Science	20,000
H.	Extension Division	17,000
I.	John F. Kennedy Memorial Library	18,000
J.	General Administrative Services	122,000
		$500,000

II. PROPOSED END-USE OF EQUIPMENT TO BE PROCURED FOR USE AT THE VARIOUS UNIVERSITY LOCATIONS

A. College of Agriculture ($ 58,000)

1. Library
2. Arts and Sciences
3. Plant Science
4. Agricultural Economics
5. Animal Science
6. Agricultural Engineering
7. Physical Plant
8. Audio-Visual Instructional Materials
9. Agricultural Experiment Station

B. Public Health College, Gondar ($225,000)

1. Clinical Laboratory
2. Nursing Division
3. Hospital
4. Training Health Centers
5. Health Education
6. Sanitary Science
7. Biology
8. Chemistry
9. Physics
10. Library
11. Office Equipment
12. Cafeteria
13. Physical Education
14. Carpentry Shop and Maintenance
15. X-Ray Equipment

C. Faculty of Education ($ 9,000)

1. Office Equipment

D. College of Business Administration ($ 21,000)

1. Office Equipment and Instructional Equipment

E. Faculty of Law ($ 7,000)

F. Faculty of Arts ($ 3,000)

G. Faculty of Science ($ 20,000)

1. Laboratory Equipment

H. Extension Division ($ 17,000)

1. Equipment

I. John F. Kennedy Memorial Library ($ 18,000)

1. Library, Office and Audio Equipment

J. General Administrative Services ($122,000)

1. Academic Vice-President's Office
2. Financial Affairs Vice-President's Office
3. Registrar's Office
4. Dean of Students' Office
5. Financial Information Center
6. Purchasing and Stores Office
7. Cafeterias (Three)
8. Bookstore
9. University Press
10. Bookbindery
11. University Workshop
12. Maintenance
13. Cash and Property Control Department

CERTIFICATION PURSUANT TO SECTION 611(e) OF THE
FOREIGN ASSISTANCE ACT OF 1961, AS AMENDED

I, John R. Mossler, the principal officer of the Agency for International Development in Ethiopia, having taken into account, among other things, the maintenance and utilization of projects in Ethiopia previously financed or assisted by the United States, do hereby certify that in my judgment Ethiopia has both the financial capability and the human resources capability to effectively maintain and utilize the capital assistance project, University Facilities, 663-22-660-143.

/s/ John R. Mossler

February 7, 1968
Date