AGENCY FOR INTERNATIONAL DEVELOPMENT

UNITED STATES OF AMERICA

Congressional Presentation
Fiscal Year 1984

ANNEX II

Asia

ASIA

Responsible Officer:

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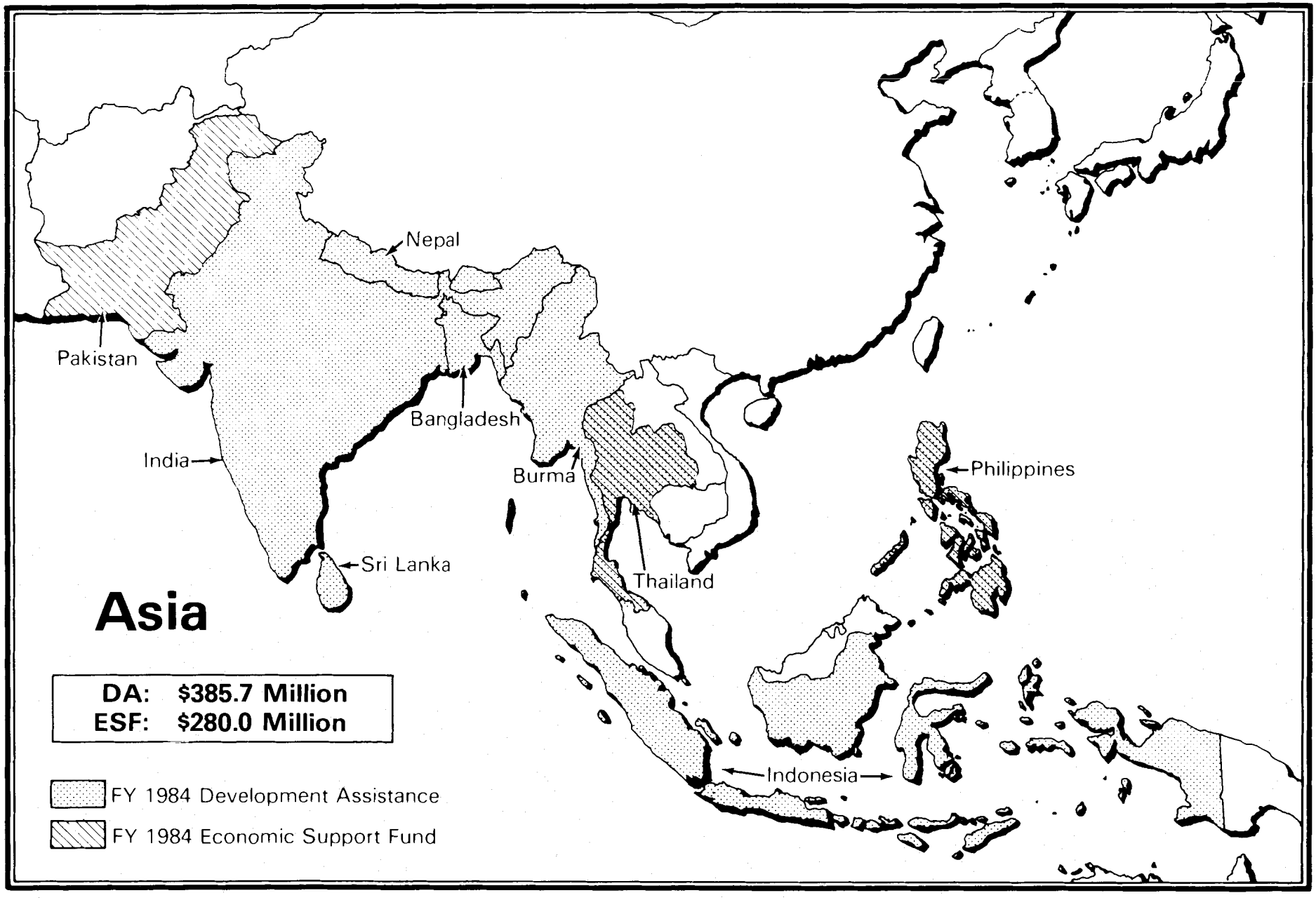
Nepal
Pakistan
Bangladesh
India
Burma
Philippines
Sri Lanka
Thailand
Asia
DA: $385.7 Million
ESF: $280.0 Million
Indonesia
FY 1984 Development Assistance
FY 1984 Economic Support Fund

ANNEX II

Annex II presents to the Congress all Development Assistance (DA) and Economic Support Fund (ESF) programs proposed for Asia for which A.I.D. is requesting funds for FY 1984.

The annex begins with a summary table which provides a breakout by country and appropriation account of the Asia region's funding requirements from FY 1981 to FY 1984. There is also a regional summary table of economic and social data for countries in Asia that receive A.I.D. assistance. Following these tables is the Asia narrative which provides a summary overview of the Agency's programs in the Asia area. Immediately following the overview are country narratives, listed alphabetically, which describe the total A.I.D. program including those projects for which funds are being requested for FY 1984 in the nine recipient countries and two regional programs. These narratives are followed by planned project summary sheets which present in detail requests for proposed new projects in FY 1984. For the Philippines and Thailand the request for DA and ESF funds are shown together. The ESF budget request is shown under the heading "Other Programs, ESF" on both the planned project summary sheets and the summary tables of active and proposed projects. The Pakistan program request is for ESF only in FY 1984.

Following the country narratives and project descriptions are the planned project summary sheets for the Asia-wide regionally funded projects. Note that the regional projects presented in this annex are different from the centrally funded activities described in Annex V.

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*Receives both Development Assistance Funds and Economic Support Funds.

**Receives just Economic Support Funds.

Summary of Programs by Country and Appropriation

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

CP-84

REGION: BUREAU FOR ASIA

COUNTRY	TOTAL	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	ECONOMIC SUPPORT FUND	OTHER PROGRAMS
BANGLADESH								
1981	80,000	65,700	11,000	1,800	400	1,100	---	---
1982	74,421	49,860	22,931	1,630	---	---	---	---
1983	78,900	54,100	24,800	---	---	---	---	---
1984	77,000	51,800	25,000	---	200	---	---	---
BURMA								
1981	3,000	---	---	3,000	---	---	---	---
1982	7,600	7,550	---	---	50	---	---	---
1983	13,800	8,650	---	5,100	50	---	---	---
1984	12,500	9,000	---	3,000	---	500	---	---
INDIA								
1981	104,499	95,099	---	9,400	---	---	---	---
1982	98,450	90,600	---	4,350	---	3,500	---	---
1983	87,000	66,400	16,600	2,900	1,100	---	---	---
1984	86,000	74,400	9,000	---	2,600	---	---	---
INDONESIA								
1981	68,836	32,390	18,300	14,022	4,100	---	---	24
1982	67,403	27,560	21,250	5,750	6,250	6,593	---	---
1983	65,000	34,500	6,000	6,600	11,900	6,000	---	---
1984	64,000	37,000	9,500	---	9,000	8,500	---	---
NEPAL								
1981	13,950	10,400	1,200	2,100	250	---	---	---
1982	15,513	8,230	3,139	4,144	---	---	---	---
1983	13,500	8,500	2,400	2,500	100	---	---	---
1984	13,500	8,500	2,300	1,750	950	---	---	---
PAKISTAN								
1981	---	---	---	---	---	---	---	---
1982	100,000	---	---	---	---	---	100,000	---
1983	200,000	---	---	---	---	---	200,000	---
1984	225,000	---	---	---	---	---	225,000	---
PHILIPPINES								
1981	68,543	14,324	11,700	9,500	1,899	1,100	30,000	20
1982	89,395	16,620	16,685	4,850	590	650	50,000	---
1983	88,800	19,045	6,053	12,502	1,100	100	50,000	---
1984	90,000	22,600	11,000	5,700	300	400	50,000	---
SRI LANKA								
1981	46,100	46,000	---	---	---	100	---	---
1982	48,500	46,000	---	2,300	100	100	---	---
1983	44,843	42,543	---	200	100	2,000	---	---
1984	40,300	31,000	---	9,100	100	100	---	---

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

CP-94

REGION: BUREAU FOR ASIA

COUNTRY	TOTAL	AGRICULTURE, RURAL DEVELOPMENT AND NUTRITION	POPULATION PLANNING	HEALTH	EDUCATION AND HUMAN RESOURCES DEVELOPMENT	SELECTED DEVELOPMENT ACTIVITIES	ECONOMIC SUPPORT FUND	OTHER PROGRAMS
THAILAND								
1981	26,180	17,600	1,900	---	1,500	3,180	2,000	---
1982	31,164	21,663	4,000	437	---	---	5,000	64
1983	32,500	15,400	5,100	5,000	---	2,000	5,000	---
1984	34,000	17,500	6,500	---	---	5,000	5,000	---
SO PACIFIC REGIONAL								
1981	4,214	1,350	---	200	2,364	300	---	---
1982	5,073	2,160	---	760	1,913	200	---	38
1983	5,100	2,500	---	220	1,680	700	---	---
1984	5,100	2,400	---	155	2,245	300	---	---
ASIA REGIONAL								
1981	13,878	4,962	181	949	6,059	1,727	---	---
1982	17,885	7,044	134	2,863	5,346	2,498	---	---
1983	17,560	9,585	150	1,550	5,075	1,200	---	---
1984	18,300	8,010	150	1,550	5,630	2,960	---	---
TOTAL								
1981	429,200	287,825	44,281	40,971	16,572	7,507	32,000	44
1982	555,404	277,287	68,139	27,084	14,251	13,541	155,000	102
1983	647,003	261,223	61,103	36,572	21,105	12,000	255,000	---
1984	665,700	262,210	63,450	21,255	21,025	17,760	280,000	---

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Economic and Social
Data (Regional Summary)

ECONOMIC AND SOCIAL DATA
REGIONAL SUMMARY

REGION: ASIA

COUNTRY	ECONOMY: GNP PER CAPITA (DOLLARS)	EDUCATION: LITERACY RATE (PERCENT)	POPULATION: TOTAL (THOUSANDS)	POPULATION: ANNUAL GROWTH RATE (PERCENT)	POPULATION: DENSITY (PERSONS / SQUARE MILE) POP/AGR LAND	POPULATION: DENSITY (PERSONS / SQUARE MILE) POP/TOTAL LAND	POPULATION: % IN URBAN AREAS	POPULATION: LABOR FORCE IN AGRICULTURE (PERCENT)	HEALTH: PEOPLE PER DOCTOR	HEALTH: LIFE EXPECTANCY (YEARS)	HEALTH: INFANT DEATHS PER 1,000 BIRTHS
ASIA DEVELOPMENT ASSISTANCE RECIPIENTS											
BANGLADESH	140	26	92,200	2.5	2,462	1,658	13	74	12,797	46.7	140
BURMA	180	70	36,166	2.5	901	138	26	67	5,165	54.1	107
INDIA	250	36	723,762	2.2	1,028	570	22	69	3,629	52.2	134
INDONESIA	520	64	157,595	2.1	1,398	201	18	58	14,918	53.5	99
NEPAL	160	19	15,715	2.4	1,018	288	4	93	34,915	44.5	156
PAKISTAN	350	24	90,406	2.9	926	291	27	57	3,741	50.2	131
PHILIPPINES	790	75	51,574	2.4	1,468	445	32	50	2,789	63.9	59
SRI LANKA	300	85	15,398	1.8	1,534	604	22	54	6,232	66.0	37
THAILAND	770	84	49,097	2.0	706	247	13	76	8,227	63.0	59
ASIA DEVELOPMENT ASSISTANCE RECIPIENT SUMMARY (1)	324	43	1,231,913	2.3	1,098	400	21	67	4,467	52.9	122

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

ECONOMIC AND SOCIAL DATA
REGIONAL SUMMARY

REGION: ASIA

COUNTRY	ECONOMY: GNP PER CAPITA (DOLLARS)	EDUCATION: LITERACY RATE (PERCENT)	POPULATION: TOTAL (THOUSANDS)	POPULATION: ANNUAL GROWTH RATE (PERCENT)	POPULATION: DENSITY (PERSONS / SQUARE MILE) POP/AGR LAND	POPULATION: DENSITY (PERSONS / SQUARE MILE) POP/TOTAL LAND	POPULATION: % IN URBAN AREAS	POPULATION: LABOR FORCE IN AGRICULTURE (PERCENT)	HEALTH: PEOPLE PER DOCTOR	HEALTH: LIFE EXPECTANCY (YEARS)	HEALTH: INFANT DEATHS PER 1,000 BIRTHS
ASIA ECONOMIC SUPPORT FUND RECIPIENTS											
PAKISTAN	350	24	90,406	2.9	926	291	27	57	3,741	50.2	131
PHILIPPINES	790	75	51,574	2.4	1,468	445	32	50	2,789	63.9	59
THAILAND	770	84	49,097	2.0	706	247	13	76	8,227	63.0	59
ASIA ECONOMIC SUPPORT FUND RECIPIENT SUMMARY (1)	577	53	191,077	2.5	941	305	25	60	3,929	57.2	93
REGIONAL SUMMARY (1)	324	43	1,231,913	2.3	1,098	400	21	67	4,467	52.9	122

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

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OVERVIEW OF ASIA

CP 84-13 (8-82)

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1982								
Loans	241,553	164,160	29,150	2,900	5,250	6,093	34,000	-
Grants	313,851	113,127	38,989	24184	9,001	7,448	121000	102
Total	555,404	277,287	68,139	27084	14,251	13,541	155000	102
1983								
Loans	260,045	138,543	20,000	18602	10,900	5,000	67000	-
Grants	386,958	122,680	41,103	17970	10,205	7,000	188000	-
Total	647,003	261,223	61,103	36572	21,105	12,000	255000	-
1984								
Loans	261,000	140,500	17,100	12400	6,000	10,000	75,000	-
Grants	404,700	121,710	46,350	8855	15,025	7,760	205000	-
Total	665,700	262,210	63,450	21255	21,025	17,760	280000	-

FY 84 PROGRAM HIGHLIGHTS

-- Development Assistance funds totaling $386 million are requested, two-thirds for programs to increase agricultural productivity, rural employment and incomes, nutrition, and the private sector's contribution to the development process.
-- Economic Support Funds in the amount of $280 million are requested for developmental activities in Pakistan, Philippines, and Thailand.
-- P.L. 480 assistance totaling $353 million will be integrated with other programs to help achieve agricultural policy changes and productivity increases, balance of payments stability, and employment and nutritional gains.

U.S. Interests

This year marks the sesquicentennial of the first diplomatic mission to and commercial treaties with Asia. Over the ensuing 150 years, our political, economic, and humanitarian stake in the condition of that immense region has become a central element in U.S. foreign policy. Our trade with Asia now exceeds that with Europe. We are India's largest non-petroleum trading partner, and second-largest private investor. Indonesia supplies us with over half our rubber imports, 13% of tin and 6% of crude petroleum imports. On the darker side of trade, the region is the major source of heroin entering this country. In strategic terms, the Philippines hosts to major U.S. air and naval installations in the Pacific, while Pakistan is looking across its border at 100,000 Soviet troops and advisors in Afghanistan. Our security is involved in relationships with other countries of the region as well by reason of their political role, stability, or sheer size. The A.I.D. program is designed to help cooperating countries eliminate the causes of pervasive poverty in order to increase individual well-being, to facilitate national and regional political stability, to reduce international traffic in narcotics, to enhance U.S. security, to preserve U.S. access to strategic imports and to promote U.S. exports and investments.

Development Overview

Three-fourths of world poverty continues to be Asian poverty. Per capita GNP in 1981 ranges from a low of $140 for Bangladesh to a high of $790 for the Philippines. Even the three "low-middle" income countries fall at the low end of the scale; Thailand, with a per capita GNP of $670 in 1980, was considerably below the average for all low-middle income countries of $1,400. The average crude birth rate for the Asian low-income countries is over 38 per thousand population, compared to 31 for all low-income countries; average life expectancy at birth is

52, compared to an average for low-income countries of 57 years; the average Asian low-income literacy rate is 43%, compared to a worldwide low-income average of 50%.

Yet progress is indisputable. Twenty years ago Korea and Taiwan received more development assistance than is being requested for the entire region this year; they have long since graduated. Indian food grain production grew at 2.8% a year during the last decade; over the last three decades life expectancy rose from 32 to 52 years, and primary school enrollment went from 32% to 80%. In Bangladesh, contraceptive prevalence rates rose from 7.7% in 1975 to 12.7% in 1979 to 18.6% in 1981. Agricultural surpluses have been achieved in Burma, Thailand, and the Philippines.

Program Directions

As the program description that follows makes clear, the A.I.D. program in Asia continues the evolution described in the FY 1983 Congressional Presentation. Our efforts to improve the lives of the poor majority are being carried out with decreasing use of resource transfers as a means, and increasing reliance upon the private sector, transfer of technologies, institution building, and policy dialogue with host countries as instrumentalities of development. The shift in India from agricultural credit to irrigation institutions and technologies, and in Bangladesh from public towards private fertilizer distribution, are good examples of this evolution; many others pervade the program throughout the region.

Food Production and Consumption

A.I.D. continues to concentrate in Asia on agriculture, rural development, and nutrition. This is because most of the people and most of the poverty are rural; and because the greatest impact we can make on development is to help increase the production of food, and the availability of jobs and income with which to buy food. Our programs build on some impressive, if far from universal, successes of the past.

Per capita food production in six of the Asian countries in 1978-80 exceeded the levels prevailing in 1969-71, although a few countries still were not able to reach the earlier levels. For example, Indonesia, the Philippines, Sri Lanka and Thailand increased their food production per capita above the earlier levels. Yet, Bangladesh, Burma and Nepal had still not reached 1969-71 levels; India and Pakistan only slightly exceeded these levels.

Assistance in this area consists of programs to build development institutions, to adapt and transfer technologies, and to identify and encourage the pursuit of more rational development policies. In this latter category, a major focus is the effort to increase the contribution that the private sector can make to the development process, ranging from supply of agricultural inputs to creation of off-farm employment.

-- In Bangladesh, the Agricultural Research Project II is strengthening the institutional capacity necessary to introduce technological advances in crop varieties and cultivation practices. A.I.D. is also developing a large rural credit program to strengthen the institutional banking structure in this sector. Additionally, A.I.D. has been working with the Government to increase private sector participation in the supply and distribution of hand pumps for irrigation, fertilizer and other inputs, and more rational food grain and input marketing policies. Concurrently, the PL 480 Title III program deals with food grain price support levels, rationalization of the public food grain distribution system and expansion of the role of the private sector in food grain management.

-- In Indonesia, where self-sufficiency in rice has nearly been achieved, the United States is helping to carry out research on secondary crops in order to diversify food production, reduce reliance on rice, and improve nutrition. The USAID is also strengthening the government's institutional capacity in agricultural planning, programming and policy analysis. The Applied Agricultural Research project will provide three major research facilities that will be able to transfer technical im-

provements to the farm level in the form of new farm practices and procedures.

-- Rural private enterprise programs are being undertaken in Indonesia, the Philippines, and Bangladesh, which should create considerable employment opportunities, and particularly expand income possibilities for women.

-- In Thailand, the new Seeds Development II project is directly oriented towards fostering private sector involvement in improved seed multiplication and distribution, especially in cash crops.

Irrigation: Evaluation and Lessons Learned

In recent years, A.I.D. has concentrated a large part of its agricultural insitution-building and technology transfer efforts on the irrigation sub-sector. In 1980-81, A.I.D. initiated a series of evaluations of irrigation projects in Asia. Based on projects in India, Pakistan, Thailand, Bangladesh, the Philippines and Sri Lanka, this effort reflects the recognition that irrigation in most of Asia is a central element in the overall regional agricultural strategy, and that there are important lessons to be learned for future design purposes.

One major lesson is that the emphasis in irrigation projects should not be primarily on infrastructure. Attention to water management issues must equal that devoted to structural design. Other specifically, success in irrigation is linked to the development of complementary components such as extension services, training, water users associations, local contributions in kind or cash, and monitoring and evaluation systems to provide empirical information for decisionmaking. In sum, what is required is the development of institutional and human resources capabilities to manage water resources more effectively on a long-term, sustainable basis.

-- In India, a 1980 evaluation recommended that "A.I.D. support an appropriate training program" to improve analysis of the "agronomic, economic, engineering and social aspects of irrigation systems starting at the farm level." Accordingly, A.I.D. has undertaken the Water Management and Training project which will be the centerpiece of our multi-project assistance in the irrigation sub-sector. The project will help establish a central water management institute and several state level institutes. Similarly, the FY 1984 Hill Area Land and Water Development project, in addition to financing construction of minor irrigation systems, will include grant funding for pilot studies of appropriate management systems, involvement of farmer organizations and appropriate technology.

-- In Pakistan, the FY 1982 redesign of the On-Farm Water Management Project reflected the findings of several evaluations. A 1981 evaluation noted that design standards for all areas were based on a model developed for the Punjab, tending to ignore the varying climatic and topographical conditions of other areas. As a result, the new project provides for the development of province-specific models for watercourse improvement. Another evaluation finding was that maintenance is a serious problem on the majority of watercourses. Accordingly, this problem will begin to be addressed by a pilot study of the effectiveness of Local Councils as a project implementation mechanism and by training 80 water user associations in effective watercourse and drain maintenance procedures.

-- In Thailand, a 1980 evaluation noted that, "monitoring and evaluation of most existing irrigation systems and projects are missing", and encouraged training in monitoring and assessing total system performance. To address these problems, A.I.D. has sponsored monitoring and evaluation workshops for project staff of the Northeast Small-Scale Irrigation project (NESSI) and is developing a system to improve project monitoring. Similarly, a 1981 evaluation of the Lam Nam Oon irrigation project refocused the project away from integrated rural development and onto solving problems of water management, cooperative farmer/government system operation, and applied research in irrigation crop development.

Population

Despite impressive family planning successes in Indonesia and Thailand, Asian population growth continues to nullify much of the progress being made in food production, GNP, and provision of social services. A.I.D. is helping Asian societies to deal with this problem through a combination of programs to reduce the population growth rate, increase efficiency of current and future programs by involving the private sector in this effort, and assist and improve the public and private institutional capacity to deal with these problems. A.I.D. efforts aim at both the demand and supply aspects of population programs.

-- In Bangladesh, the A.I.D. program includes participant training, commodities, and operations research. In addition, A.I.D. is assisting non-governmental organizations to enable them to develop family planning activities, including private sector marketing of contraceptives.

-- In Thailand, fertility control continues to be an area of high priority, and considerable success. Contraceptive prevalence has increased almost four-fold since 1970 to nearly 60% of married Thai couples. The reduction in the population growth rate from 3% in the 1960's to about 1.9% today is phenomenal. A.I.D.'s new Population Planning II project supports the institutional strengthening of the family planning service network.

-- Additional private sector initiatives in family planning are being undertaken on an expanded pilot basis in Indonesia and on a larger scale in Pakistan and India. Also in Indonesia, past assistance has established local capacity to produce enough oral contraceptives to meet national needs completely, and the government has now assumed full responsibility for procurement.

Health

Health programs in Asia concentrate primarily on efforts to reduce infant and child mortality. In Bangladesh, infant mortality is 136 per 1,000 live births; in Nepal, 150; in India, 123; in Pakistan, 126; and in Burma, 101. These rates are considerably above the average of 94 per 1,000 for all low income countries. The child death rate for all low income countries, 12 per 1,000 live births, was exceeded by Bangladesh, Nepal, Burma, India, and Pakistan.

-- In Indonesia, A.I.D. assistance in this sector includes support to a program including low-cost delivery of health services, construction of village-level health and training center facilities, and assessment of the need for para-medical and medical personnel. Programs in nutrition planning and village level nutritional interventions are also being mounted, as well as efforts in communicable disease control. At the same time assistance is being provided to increase the private and voluntary sector capacity to implement cost-effective rural health care delivery services.

-- In Pakistan, the FY 1982 Primary Health Care project builds upon the previous A.I.D.-assisted Basic Health Sevices project in order to provide a more rational delivery system for health care in the rural areas. The Malaria Control II project is an outgrowth of an earlier highly successful A.I.D.-assisted project, and will help prevent a resurgence of this debilitating disease through improved malaria program management, training, research and commodity support.

Energy

Energy shortages and prices are an increasingly serious limitation on Asian development. Energy prices and availability restrict agricultural production and private enterprise development alike. In most countries, wood is the primary household fuel. Deforestation not only results in soil erosion, but also creates an increased burden on women, whose traditional task of gathering fuelwood involves ever-longer journeys. The cost of petroleum imports has grown to one-fifth of Bangladesh's total import bill; one-third of Thailand's; and nearly half of India's. It represents over 50% of total export

earnings of all countries except Indonesia and Burma.

A.I.D.'s programs in this area consist of building local institutional capacity to analyze problems, identify technological and policy solutions, and implement programs to develop indigenous energy sources.

-- In India, development of alternative energy resources has included solar grain drying, solar process heat for rural industries, mini-hydropower for village electrification and solar thermal/electric power for village use, e.g. irrigation pumping. Collaboration is beginning in the areas of coal conversion technology, biomass production and conversion, and energy efficiency. An Indo-American blue-ribbon panel of scientists, arising from President Reagan's discussions with Prime Minister Gandhi, will be participating in this process.

-- As Thailand relies considerably on foreign petroleum sources, it is essential to develop alternative sources of power so that its economic progress will continue. A.I.D. is assisting the Thai Government to develop the analytical and empirical data necessary for planning of major long-run investments in alternative energy sources, particularly small-scale hydro electric power.

-- In Bangladesh, A.I.D. is developing a rural energy sector project to develop domestic conventional and non-conventional energy sources, which will include strengthening institutional capabilities to analyze the situation and recommend action programs.

-- An Energy Planning and Development Project in Pakistan will assist in energy policy formulation, development of Pakistan's coal reserves, and expansion of renewable energy technologies in Pakistan's rural areas.

-- In India, A.I.D. is involved in two major forestry programs that address local need for fuelwood and other forest products through village woodlot development and strengthening of state service forestry extension service will be undertaken. The projects are designed to have a particular impact on women. A project in forestry education and research will provide overall technical support for these programs, and help train Indian foresters in community forestry approaches.

-- A project in Sri Lanka will protect the watersheds and natural resources of the Mahaweli Basin and ensure the sustainability of the large current and planned development investments in the region.

-- A rural energy project in the Philippines will support a major program to produce wood from fast-growing trees for combustion in small power plants, gasification systems coupled with diesel irrigation pumps, and charcoal production. Significant benefits are expected to accrue to rural areas as a result of fuel substitution as well as income and employment generation.

Private Enterprise

The major part of A.I.D.'s private enterprise emphasis has been integrated into the mainstream of development programming as described above: improving distribution of agricultural inputs through the private sector, increasing rural employment and incomes through encouragement of rural private enterprises; increasing reliance on the private sector for distribution of family planning supplies and services. Substantial funding is also made available for private voluntary organization activities both regionally and through bilateral programs in Indonesia, Philippines, Nepal, Thailand, South Pacific, Bangladesh, and Sri Lanka. Additional initiatives have a more general private sector focus:

-- In Pakistan, A.I.D. is planning a $50 million Private Sector Mobilization Fund project to finance technical assistance, training, feasibility and other studies, and productive investments needed to assist and expand the private sector.

-- In Thailand, a project has been designed to 1)promote and facilitate domestic and foreign investment in export-oriented, labor-intensive industries and 2) introduce scientific and technological knowledge to

industry in Thailand to make it more competitive in world markets, and to strengthen private sector research and training organizations.

-- Other programs explicitly designed to foster private sector activity and investment are being planned for Sri Lanka, Philippines, and Indonesia.

Policy Dialogue

Over the years, A.I.D. has found that some of the major constraints on development have been embodied in host government policies, and that major impact can be made by convincing governments to change them. Some examples would include politically difficult but economically necessary decisions in many countries to raise agricultural procurement (and thus urban food) prices, to provide incentive for producers; to raise agricultural credit interest rates near or to market rates (in order to increase credit supply distribution); or to consider sensitive family planning programs and give them financial and political support. A.I.D.'s ability to influence policy of course varies, but the interest in policy reform is a continuing effort.

-- In Bangladesh, the PL 480 Title III program deals with major policy issues including: food grain price supports, rationalization of the public food distribution system and acquisition and management of grain reserves. The fertilizer import project has resulted in the beginning of deregulation of fertilizer prices at the retail level and the transfer of much of the distribution and marketing of fertilizer from the government to the private sector. Similarly, the FY 1983 Rural Finance Project will build on systems established in an earlier project and will emphasize policy reforms aimed at savings mobilization, changes in the interest rate structure, loan administration reform including better management of overdue accounts, improved collection efforts and institutional strengthening of participating banks.

-- A.I.D. programs have supported decisions in Indonesia to form an interministerial coordination mechanism for the Citanduy irrigation project; in the Philippines to focus non-conventional energy technology research; in Sri Lanka to prepare a national food/agriculture/nutrition strategy, and to develop a comprehensive environmental assessment of the Mahaweli program area. Additional policy changes are in process in Pakistan on electricity rates and coal utilization, in India on irrigation strategy, and in the Philippines on local government roles.

-- Projects are proposed in the policy research area in Indonesia, where consultants will be provided to the government to help analyze a mutually selected list of policy problems; and in Thailand, where an extra-governmental institutional capability to perform policy research and development will be created.

PL 480 Title II: Evaluation and Lessons Learned

The effort to maximize the development impact of PL 480 Titles I and III is referred to in the Bangladesh policy dialogue discussion above, and further documented in the several country narratives. The process of maximizing the impact of Title II, which runs at an annual level near $150 million in Asia, has been guided by a series of evaluations initiated in 1981, which continues to provide information to improve the integration of food assistance resources with the overall development assistance effort. As noted in the FY 1983 Congressional Presentation, a 1979 evaluation of the India program provided redesign information leading to enhanced nutritional impact. A 1981 evaluation of the Philippines Title II program provided information which led to the decision to allocate resources to those parts of the program which were most cost-effective and had most nutritional impact, and to agreement on an orderly phaseout of the entire program. Other recent evaluations of other Title II programs have influenced program direction in the following ways:

-- In Sri Lanka, a 1982 evaluation of the Maternal Child Health Program found that "the amount of nutritional improvement surpasses that seen in any other food supplementation program that has been subjected to the rigorous

statistical tests applied to this data." The same evaluation of the School Feeding program, however, found no measurable nutritional impact on school children. As a result, the latter program will be phased down over a five-year period. In the interim, important changes have been made to improve program impact. These changes include: (1) eliminating from the program older children who are in less nutritional need and targeting on younger children; (2) lowering the cost of the ration to improve cost-effectiveness; and (3) targeting the program to poorer schools.

-- In Bangladesh, as a result of a series of evaluations, the Food for Work program is shifting from relief to a development orientation. Changes made in program design to achieve this objective include: (1) revision of project selection criteria to focus on long-term development impact; (2) improvement of local cost funding procedures to insure more timely availability of funds; and (3) clarification of CARE's monitoring responsibilities giving them more authority to take corrective action to insure proper use of wheat for project implementation.

FY 1984 Program

A.I.D. requests for its 1984 Asia program $385.7 million in Development Assistance (DA) and $280 million in Economic Support Funds (ESF). We plan again to allocate the majority of DA funds -- 68% -- to programs in agriculture, rural development, and nutrition; 16% to population; 6% to health; 5% to education and human resources; and 5% to selected development activities. Largest recipients of DA are India, 22%; Bangladesh, 20%; and Indonesia, 17%. The ESF program continues its strong developmental orientation with $225 million in Pakistan, $50 million in Philippines, and $5 million in Thailand.

Within the DA total, $18.3 million is requested for the Asia Regional program. This includes $4.5 million for assistance to the Association of Southeast Asian Nations (ASEAN), $5.7 million for Program Development and Support to fund project design and evaluation work, $4.1 million for the Asian-American Free Labor Institute, and other regionally funded projects.

FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: BANGLADESH

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1982) 92,200

PER CAPITA GNP..... (DOLLARS,1981) 140

AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-79) -0.1%

AVERAGE ANNUAL RATE OF INFLATION (1960-70) 3.7% (1970-80) 16.9%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. (1974) 6.9%

LIFE EXPECTANCY AT BIRTH, IN YEARS

(1981)	TOTAL 46.7	MALE 45.3	FEMALE 48.1
(1968)	TOTAL 43.3	MALE 43.5	FEMALE 43.0

ADULT LITERACY RATE

(1974)	TOTAL 26%	MALE 37%	FEMALE 13%
(1961)	TOTAL 22%	MALE 33%	FEMALE 9%

AGRICULTURE

AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (1970-1981) -0.3%

AGRICULTURAL PRODUCTION AS % OF GDP..... (1980) 54%

POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982) 2,463

MAJOR CROPS)		ARABLE LAND	YEAR
SUBSISTENCE:	RICE WHEAT	84%	(1981)
CASH:	JUTE	6%	(1981)

MAJOR AGRICULTURAL EXPORTS:(1981) JUTE

MAJOR AGRICULTURAL IMPORTS:(1981) WHEAT RICE

PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1980) 74%

CENTRAL GOVERNMENT FINANCES

TOTAL DOMESTIC REVENUES ($ MILLIONS, U.S.)
(1978) 805 (79) 972 (80) 1,173

TOTAL EXPENDITURES ($ MILLIONS U.S.)
(1978) 1,481 (79) 1,796 (80) 2,439

DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
(1978) -676 (79) -824 (80) -1,266

DEFENSE EXPENDITURES,
AS % OF TOTAL EXPENDITURES.. (1978) 8.6% (79) 7.5% (80) 6.4%
AS % OF GNP..... (1978) 1.5% (79) 1.4% (80) 1.4%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD, ($MILLIONS, U.S.) (1978) 402 (80) 321 (81) 155
EQUIVALENT TO 2.0 MONTHS OF IMPORTS (1980)

FOREIGN TRADE

MAJOR EXPORTS... (1981) JUTE LEATHER TEA

EXPORTS TO U.S.
($ MILLIONS, US. FOB) (1979) 87 (1980) 73 (1981) 80
AS % OF TOTAL EXPORTS (1979) 13% (1980) 10% (1981) N.A.

MAJOR IMPORTS... (1981) CEREALS FUELS COTTON

IMPORTS FROM U.S.
($ MILLIONS, US. CIF) (1979) 212 (1980) 360 (1981) 156
AS % OF TOTAL IMPORTS (1979) 11% (1980) 15% (1981) N.A.

TRADE BALANCE($ MILLIONS. U.S.)(1978) -992(79) -1,270(80) -1,666

MAIN TRADING PARTNERS: UNITED STATES JAPAN SAUDI ARABIA

EXTERNAL PUBLIC DEBT AS % OF GNP (1980) 30.8%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
($ MILLIONS, U.S.)..... .... (1980) 77
AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO) ... (1980) 5.6%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 2.4% (1975) 2.7% (1982) 2.5%

POPULATION IN URBAN AREAS..... ..... (1968) 6% (1981) 13%

LIVE BIRTHS PER 1,000 POPULATION.....(1970) 48 (1982) 42

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1981) 19%

POPULATION (1981) IN AGE GROUP:
(0-14YRS) 42.7% (15-64YRS) 54.6% (65+ YRS) 2.6%

INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982) 140

PEOPLE PER PHYSICIAN..... ..... (1977) 12,797

MAJOR CAUSES OF
DISEASE (1979)DYSENTERY FLU & PNEUMONIA ENTERIC DISEASE
DEATH.. (1975)CHOLERA ENTERIC DISEASE TUBERCULOSIS

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS . (1977) 91%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975) 56%

TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:

PRIMARY..... (1979)	TOTAL 65.0%	MALE 79.0%	FEMALE 49.0%
SECONDARY..... (1979)	TOTAL 25.0%	MALE 38.0%	FEMALE 11.0%
POST SECONDARY.. (1978)	TOTAL 2.1%	MALE 3.5%	FEMALE .6%

ENERGY PRODUCTION AS % OF CONSUMPTION..... . (1980) 44%

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

COUNTRY

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1977	1978	1979	1980	1981	TOTAL LOANS AND GRANTS 1946-81	REPAYMENTS AND INTEREST 1946-81	TOTAL LESS REPAYMENTS AND INTEREST 1946-81
I. ECONOMIC ASSISTANCE – TOTAL	145.3	193.6	207.5	157.3	152.1	1615.1	86.0	1529.1
Loans	81.2	102.4	96.6	124.4	50.5	749.9	86.0	663.9
Grants	64.1	91.4	110.9	32.9	101.6	865.2	–	865.2
a. A.I.D. and Predecessor Agencies	62.2	95.3	90.4	80.3	80.0	829.9	20.2	809.7
Loans	17.4	24.4	8.5	50.0	–	213.9	20.2	193.7
Grants	44.8	70.9	81.9	30.3	80.0	616.0	–	616.0
(Economic Support Fund)	–	–	–	–	–	–		
b. Food for Peace (PL 480)	83.1	96.5	117.1	77.0	72.1	785.2	65.8	719.4
Loans	63.8	78.0	88.1	74.4	50.5	536.0	65.8	470.2
Grants	19.3	20.5	29.0	2.6	21.6	249.2	–	249.2
Title I - Total Sales Agreements	63.8	78.0	88.1	74.4	50.5	536.0	65.8	470.2
Payable in U.S. Dollars - Loans	63.8	78.0	88.1	74.4	50.5	536.0	65.8	470.2
Payable in Foreign Currency - Planned for Country Use	–	–	–	–	–	–	–	–
Title II - Total Grants	19.3	20.5	29.0	2.6	21.6	249.2	–	249.2
Emerg. Relief, Econ. Develop. & World Food Program	9.5	8.5	6.6	0.7	1.2	182.8	–	182.8
Voluntary Relief Agencies	9.8	12.0	22.4	1.9	20.4	66.4	–	66.4
c. Other Economic Assistance	–	–	–	–	–	–	–	–
Loans	–	–	–	–	–	–	–	–
Grants	–	–	–	–	–	–	–	–
Peace Corps	–	–	–	–	–	–	–	–
Narcotics	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–
II. MILITARY ASSISTANCE – TOTAL	*	0.2	0.2	0.1	0.1	0.7	–	0.7
Credits or Loans	–	–	–	–	–	–	–	–
Grants	*	0.2	0.2	0.1	0.1	0.7	–	0.7
a. MAP Grants	–	–	–	–	–	*	–	*
b. Credit Financing - FMS	–	–	–	–	–	–	–	–
c. Military Assistance Service-Funded (MASF) Grants	*	0.2	0.2	0.1	0.1	0.7	–	0.7
d. Transfers from Excess Stocks	–	–	–	–	–	–	–	–
e. Other Grants	–	–	–	–	–	–	–	–
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	145.3	194.0	207.7	157.4	152.2	1615.8	86.0	1529.8
Loans	81.2	102.4	96.6	124.4	50.5	749.9	86.0	663.9
Grants	64.1	91.6	111.1	33.0	101.7	865.9	–	865.9
Other U.S. Government Loans and Grants	–	–	–	–	74.3	78.3	75.1	3.2
a. Export-Import Bank Loans	–	–	–	–	–	4.0	5.3	1.3–
b. All Other Loans	–	–	–	–	74.3	74.3	69.8	4.5

* LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1980	FY 1981	FY 1982	FY 1946–82
TOTAL	477.0	174.6	197.4	2627.8
IBRD	0.0	0.0	0.0	54.9
IFC	1.1	2.3	0.0	4.9
IDA	267.0	0.0	0.0	1465.4
IDB	0.0	0.0	0.0	0.0
ADB	156.9	158.2	147.4	890.3
AFDB	0.0	0.0	0.0	0.0
UNDP	17.2	14.3	0.0	63.1
OTHER-UN	34.8	0.0	50.0	149.2
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

Donor	CY 1980	CY 1981	CY 1977–81
U.S.	174.0	128.0	706.0
Japan	215.1	145.0	751.9
Germany	485.6	96.0	794.8
U.K.	154.1	68.4	417.4
Canada	57.1	58.0	309.6
Other	192.5	197.6	927.5
Total	1278.4	693.0	3907.2

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

CY 1980	CY 1981	CY 1976–81
51.2	-	256.3

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1980	CY 1981	CY 1954–81
USSR	-	70	375
Eastern Europe	-	250	320
China	35	-	105
Total	35	320	800

CP 84-13 (8-82)

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1982								
Loans	-	-	-	-	-	-	-	-
Grants	74421	49860	22931	1630	-	-	-	-
Total	74421	49860	22931	1630	-	-	-	-
1983								
Loans	-	-	-	-	-	-	-	-
Grants	78900	54100	24800	-	-	-	-	-
Total	78900	54100	24800	-	-	-	-	-
1984								
Loans	-	-	-	-	-	-	-	-
Grants	77000	51800	25000	-	200	-	-	-
Total	77000	51800	25000	-	200	-	-	-

FY 84 PROGRAM HIGHLIGHTS

The FY 84 program emphasizes

-- efforts to reduce human fertility through improved delivery of family planning services, $25 million;

-- support for increased foodgrain production through provision of key agricultural inputs, $13 million;

-- improved input/output policies through a P.L. 480 Title I/III program, $65 million;

-- promotion of off-farm employment through a P.L. 480 Title II program, $27.8 million;

-- institutional and infrastructure building for rural development, $38.4 million.

Development Overview

Nowhere does the developing world exhibit its many problems more starkly than in Bangladesh. The country suffers from chronic food shortages. Although the long-term food production trend is positive, harvests continue to vary greatly with the weather, and domestic food production, particularly that of foodgrains, has failed to fill the food gap created by the population growth rate. The mid-1982 population figure is estimated at 92.2 million people, growing at the rate of 2.5% per year. With an estimated $130 GNP per capita in 1980, Bangladesh is one of the world's poorest countries. It is also one of the most densely populated with over 1,600 people per square mile.

Rapid population growth, an agricultural sector as yet unable to match that growth, severe landlessness and rural unemployment combine with other structural problems (e.g., balance of payments deficits, a weak industrial sector, low per capita energy consumption and widespread adult illiteracy) to characterize the development challenge Bangladesh faces.

The bleakness of this overview is relieved by the Government's efforts to make major economic policy reforms to encourage increased food production, rationalize pricing and use of imported commodities, and mobilize domestic resources.

Total Resources

Bangladesh's natural resources are a fertile deltaic land with excellent water resources well suited to the production of foodgrains and jute, and a moderate quantity of natural gas. Foodgrain production, while expanding at a reasonable rate, will remain insufficient to feed the country's population for several years at best. The natural gas resources are largely untapped. Jute and jute goods account for two thirds of Bangladesh's ex-

CP 84-06 (8-82)

RESOURCE FLOWS
(In thousands of dollars)

Program	FY 1982 (Actual)	FY 1983 (Estimated	FY 1984 (Proposed)
Aid*			
Loans	16,933	25,917	11,000
Grants	45,615	122,937	103,925
Total AID	62,548	148,854	114,925
P.L. 480**			
Title I	64,000	60,000	65 000
(of which Title III is)	(64,000)	(60,000)	(55,000)
Title II	34,070	29,739	27,816
Total P.L. 480	98,070	80,739	92,816
Total AID and P.L. 480	160,618	229,593	207,741

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

CP 84-17 (8-82)

PERSONNEL/PARTICIPANTS DATA

Category	FY 1982 (Actual)	FY 1983 (Estimated	FY 1984 (Proposed)
AID Personnel [a]			
Direct Hire [b]	34	39	37
PASA[c]	1	1	1
Contract	2	2	2
Total	37	42	40
Participants [d]			
Noncontract	120	297	330
Contract	15	62	78
Total	135	359	408

[a]U.S. nationals on duty at the end of the fiscal year.
[b]FY 1983 and FY 1984 position levels.
[c]Participating agency technicians.
[d]Programmed during the fiscal year.

CP 84-14 (8-82)

Program	FY 1982 (Actual)		FY 1983 (Estimated		FY 1984 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	175	26,100	172	28,900	179	31,000
Rice	55	15,400	37	10,000	46	15,000
Feedgrains	–	–	–	–	–	–
Vegoil	30	13,300	23	10,900	17	9,000
Non-food	28	9,200	31	10,200	28	10,000
Title I Total		64,000		60,000		65,000
(of which Title III is)		(64,000)		(60,000)		(55,000)
Title II						
Voluntary Agencies		17,672		17,086		22,859
World Food Programs		5,353		3,653		5,227
Gov't-to-Gov't		11,045		–		–
Title II Total		34,070		20,739		27,816
Total P.L. 480		98,070		80,739		92,816

ports. The world jute market has been in a severe slump under the recessionary conditions of the past few years. Export earnings accordingly declined by 15% during Bangladesh Government (BDG) fiscal years 1980 and 1981. They amounted to $615 million in FY 1983, or about $6.60 per capita, probably the lowest per capita level in the world.

Remittances from Bangladeshis working abroad have begun to level off, reflecting a slowdown in the flow of workers to the Middle East. Export earnings and wage earner remittances combined fell from $1.1 billion in FY 1981 to about $1.0 billion in FY 1982. The gap between these figures and Bangladesh's import requirement of about $2.5 billion must be covered mainly by foreign aid. Total new aid commitments to Bangladesh have risen from $1.6 billion in FY 1981 to $2.0 billion in FY 1982 and perhaps slightly more in FY 1983. Net aid disbursements, however, have levelled off owing mainly to an increasing preference on the part of donors for project as opposed to commodity aid, depriving the BDG of needed local currency resources generated from sales of commodities.

In FY 1982, Bangladesh augmented its foreign assistance with $200 million of commercial bank borrowings and drawings on exchange reserves. Imports nevertheless declined by seven percent. Bank borrowings cannot be further extended in FY 1983 and reserves cannot be drawn siginficantly below their end-82 levels of $130 million. As a result, imports will fall by another 8 to 12% in FY 1983, and even more in real terms. Imports are crucial to the country's growth prospects. They provide fertilizer, fuel for irrigation pumps, and raw materials and parts for manufacturing. Imports are also crucial for increasing domestic tax revenues. This arises from the fact that 75% of tax revenues derive, directly or indirectly, from duties on imports.

The BDG decreed major increases in foodgrain ration, fertilizer, electricity and petroleum prices during FY 1982. With the price of rationed foodgrain above procurement prices for the first time, the food subsidy has been substantially eliminated. The power and petroleum budgetary subsidies have also been eliminated and the fertilizer subsidy, while not eliminated, has declined as a share of the development budget. The new martial law government is encouraging private investment, through new and more liberal investment policies and a broad process of disinvestment of public sector corporations.

Despite these commendable actions on the budgetary front, overall resource availabilities have remained extremely tight. In real terms Annual Development Plan (ADP) expenditures will show a decline of close to 20% from FY 1981 to 1983. The level and mix of external resources will be a prime factor in Bangladesh's development over the next two years.

Aid disbursements to Bangladesh in FY 1982 amounted to $1,235 million, equivalent to 53% of the country's imports in that year. DAC country bilateral aid accounted for 58.3% of the total, the major multilateral donors (IDA, ADB, the U.N. system and the EEC) for 24.5 %, OPEC sources for 8.1%, and others (mainly unidentified suppliers credits and Bloc countries) for the remaining 9.1%. Japan was the largest single aid source with $191.9 million of aid disbursements followed by IDA (World Bank) with $162 million, and the United States with $118.4 million. In all, 34 separate donor sources were identified by the Bangladesh Planning Ministry.

The programs of the major donors are complementary. Viewed in FY 1983 commitment terms, 34% of IDA aid was earmarked for the energy/power sectors with major contributions in agriculture and program lending. Over 60% of ADB assistance was for the agriculture sector, with small amounts for energy/power, transportation and education; Japanese aid was primarily for industry and agriculture; U.N. and EEC aid for foodgrains; and U.S. aid for family planning and agriculture. Other donors provide a broad mix of project, commodity and food assistance.

United States Interests and Objectives

U.S. economic assistance to Bangladesh is the U.S. Government's principal means of supporting the interrelated Bangladesh objectives of orderly economic growth and stability. Stability is a necessary condition for equitable development. Political turmoil and economic distress could, as in 1971, introduce severe strains into South Asian regional relationships, with unpredictable consequences for broader U.S. interests.

The Martial Law Administration (MLA) assumed power in a bloodless coup on March 24, 1982, proclaiming its intention of cleansing the government of pervasive corruption. While the MLA regulations severely restrict the political and legal rights of individuals, the government has proved restrained in its actions. The current leadership, in fact, has expressed its intention to carry out a gradual return to representative procedures. The significant macroeconomic reforms which have been announced by the MLA indicate that it is genuinely interested in the country's economic development. Sustained U.S. assistance is a critical element in supporting the BDG's development policies and its efforts to move toward representative political institutions.

The U.S. Government values its cooperative relations with Bangladesh on international questions. Bangladesh has played a moderate and pragmatic role in Islamic and nonaligned movements and in the Group of 77 which it now chairs. A moderate Bangladesh government will continue to maintain its opposition to the Soviet invasion of Afghanistan and the Vietnamese invasion of Kampuchea and its pragmatic positions on north-south issues.

America's historic humanitarian concern requires our engagement in meeting the most basic needs of one of the world's poorest nations. Beyond the humanitarian interest is the challenge to American global leadership in the north-south context, to demonstrate that the United States is prepared to work effectively with those countries, of which Bangladesh is perhaps the preeminent example, which are not yet full participating members of the international economic system.

A.I.D. Assistance Strategy

The strategy gives first priority to the goal of reducing human fertility in recognition of the simple fact that food production gains, let alone employment, cannot win a race with unchecked population growth. Secondly, foodgrain production must be increased if Bangladesh is to provide adequate food for its people and the BDG's development efforts are not to be burdened with the need to finance increased foodgrain imports. Finally, A.I.D. provides support to rural industries and energy development in ways which facilitate agricultural production and employment for the growing population. Overlying the basic strategy is a multi-faceted policy dialogue with emphasis on private sector participation, including transfer of provision of goods and services from public sector control where appropriate. This strategy is responsible for successfully moving the distribution of needed goods from public to private dealers in the areas of food, fertilizer, contraceptives and handpumps for irrigation. Under a FY 1982 PL 480 Section 206 program, proceeds from the sale of wheat are being placed in private commercial banks, rather than with government entities, as a means of fostering the growth of these institutions. Significant levels of assistance, combined with economic planning and technical expertise acquired over the years, have created an atmosphere of mutual confidence which permits A.I.D. to advise and consult with the government on the most critical economic policy issues it faces. Thus current efforts allow for the maintenance of the policy dialogue and the development process which accompanies it.

A.I.D. Program (FY's 1982-1983)

The current A.I.D. program addresses the Mission's strategy objectives in the following ways:

Reducing Fertility

The Family Planning Services Project (388-0050) addresses the Mission's top program priority through grants to governmental and non-governmental population sector activities. A.I.D. financing for the government program includes participant training, commodities (contraceptives, surgical supplies and equipment), operations research, maternal and child health training materials, contraceptive prevalence surveys, community-based family planning projects, and the local cost financing of the voluntary sterilization program. As conditions of A.I.D.'s support to the voluntary sterilization program, a national surveillance system to ensure high quality services is being established and procedures to ensure informed consent are strictly enforced. A.I.D. financing of non-governmental organizations enables them to develop family planning projects. These include voluntary sterilization clinics and community-based distribution programs, maternal and child health/family planning clinics, and private sector marketing of contraceptives. The project recognizes that higher contraceptive prevalence rates will be contingent eventually on measures to stimulate and sustain demand for fertility reduction. The project explores new social measures to reduce the economic need for children and to enhance acceptance of the small family norm, as well as ways to broaden the

market for family planning services. A late FY 1982 evaluation found that although the general direction of the project is quite good, greater attention should be paid to institution building with particular respect to logistics. Accordingly, the project will focus on this area in FY 1983.

Increasing Agricultural Productivity

The Mission's agriculture program strives to increase land and labor productivity through promotion of agricultural research, increased farmer access to agricultural inputs, and improved public policies affecting foodgrain production and marketing. The Fertilizer Distribution Improvement Project (388-0024) provides critical fertilizer imports, increased fertilizer warehousing capacity, and technical assistance to improve the distribution and marketing systems, in order to make fertilizer available to farmers on an equitable basis. In the course of the project the BDG has implemented policies to remove constraints on private wholesalers and retailers, to eliminate officially administered retail fertilizer prices, and to close 240 public fertilizer sales centers to leave local marketing to the private dealers.

The PL 480 Title III program provides Bangladesh with essential food and the opportunity for policy reforms to encourage increased domestic food production. Past Title III agreements addressed foodgrain price supports, rationalization of the Public Foodgrain Distribution System, and acquisition and management of grain reserves. The three year FY 1982 agreement provides greater commodity flexibility and moves in new policy directions, including greater private sector participation in foodgrain management. Under the multiyear agreement, the BDG has increased ration price levels above the procurement price for the first time ever. Other measures which will allow greater commercialization of the grain security system and further reduction of subsidies are being pursued. Local proceeds generated through Title III sales provide funding for projects essential to the increase of agricultural production.

Credit availability is vital to growth in use of agricultural inputs. A.I.D.'s only new project start for FY 1983, the Rural Finance Project, (388-0037) incorporates components of successful banking models developed under the predecessor Rural Finance Experimental Project (388-0025). The FY 1982 evaluation of that project established that interest rates of 25 to 35% were attractive to small farmers. Such interest rates serve to make the system financially viable but do not attract wealthier farmers who normally have other institutional sources of credit. The new project builds on the systems established in the earlier project and emphasizes policy reforms aimed at savings mobilization, changes in the interest rate structure, loan administration reform including better management of overdue accounts, improved collection efforts and institutional strengthening of participating banks.

The Agricultural Research II Project (388-0051) develops more productive crop varieties and cultivation practices by strengthening the institutional capacity necessary for these technological advances. A 1982 multi-donor evaluation found that successful implementation depends upon strengthening the Bangladesh Agricultural Research Council's capacity to coordinate high quality collaborative research activities. The contract research mechanism, financed by the World Bank and A.I.D., was identified by the evaluation to utilize the extensive inter-disciplinary network of research institutes in Bangladesh according to their resources and capabilities. The project gives direct support to rice as well as non-rice crops and provides research support for on-farm water management.

Lack of managerial and administrative talent is a key constraint in all sectors. To address this problem, the strategy includes the Technical Resources Project (388-0027) which addresses the Government's need for improved project development, management and implementation. A special component gives management training to women.

Improved systems of transport and communications linking farms with markets and government services are necessary for effective development of the rural areas. The Zilla Roads Maintenance Project (388-0056) provides technical assistance to develop the local capacity to maintain feeder roads and provides some maintenance equipment. Of equal importance, the project seeks new ways of increasing government revenue-generating capability, thereby strengthening the institutional capacity of local government. The aim is to make local governments financially self-sufficient in the construction and maintenance of rural roads, removing the need for central government and donor financing.

In association with the Zilla Roads Project the PL 480 Title II Food for Work program builds and maintains a significant portion of the national rural road inventory. A recent audit of the Food for Work Project found certain administrative weaknesses which have been corrected and recommended that the project emphasize development, as opposed to relief goals. The project is being redesigned to reflect this emphasis, with a continued focus on road building.

The PVO Co-Financing Project (388-0045) supports private and voluntary activities in furtherance of A.I.D.'s strategy. In the agricultural sector, the project supports a CARE deep tubewell irrigation project which has demonstrated large increases in coverage of pumps and crop production through improved management of irrigation facilities.

Increasing Rural Employment

The Food for Work Project (388-0052) provides seasonal employment to the landless and near landless rural poor, including women, through development oriented projects which build roads, irrigation and drainage canals, and flood control and reclamation embankments. The Rural Industries Project (388-0042) provides technical assistance, credit, training and other inputs to agencies involved in the development of private sector rural industries. Women's entrepreneurship is emphasized.

Increasing Rural Energy Resources

Continued development of energy resources remains critical for the growth of agriculture and industry. The Rural Electrification Phase II Project (388-0054) requires the BDG to adopt a viable power tariff structure to account for the real cost of power. It also requires the rehabilitation and improved maintenance of electrical transmission facilities that feed rural electric cooperatives and restructuring of import duties to facilitate imports of small single phase motors for use in electrified irrigation and rural industries. The project funds technical assistance to the BDG's Rural Electrification Board and commodities for expansion of the rural electric grid.

Under the PVO Co-Financing Project, a small engine powered by renewable energy sources for use in small industry and irrigation is being designed and tested.

Supporting Activities

A significant amount of A.I.D. resources is given to PVOs and other non-governmental organizations, primarily in support of population programs, but also in support of small scale industries development and improved small farm technologies.

In 1982, project development and support funds were granted to the International Center for Diarrhoeal Disease Research for a study on the mortality of children suffering from diarrhoeal disease. In 1983, project development and support funds are being used for the following activities: an industries sector study to assist in identifying appropriate A.I.D. interventions for that sector; feasibility studies for potential forestry and non-governmental energy activities; the design of a new fertilizer distribution system; an impact study on the Food for Work Project; and, in cooperation with the centrally financed Technical Support to Missions activity, studies identified in the agriculture sector assessment.

Requested Year Program (FY 1984)

With the exception of two new projects due to start in FY 1984, the program will consist of incremental funding for on-going activities described under the current program.

Reducing Fertility

The Family Planning Services Project will continue support for governmental and non-governmental programs providing a wide range of family planning services. Increased emphasis will be placed on improving the distribution system for contraceptives.

Increasing Agricultural Productivity

Ongoing activities in Rural Finance, Technical Resources, Agriculture Research II and PVO Co-Financing will receive FY 1983 funds to support continuing growth in the agriculture sector.

In addition, FY 1984 will complete the current multi-year Title III program.

The process of opening fertilizer distribution and marketing to the private sector at the national level will be continued under the Fertilizer Distribution Improvement II Project (388-0060). The project will support a completely revised distribution and marketing system through fertilizer imports, minor infrastructural improvements and technical assistance and training.

Increasing Rural Employment

The Rural Industries and PL 480 Title II Food for Work projects will continue to promote off-farm employment opportunities for surplus, landless labor.

Increasing Rural Energy Resources

The Rural Electrification II Project will complete its support of the BDG's rural electrification program which emphasizes the productive uses of the power being generated.

The new Rural Energy Sector Project (388-0057) will explore ways to develop the most promising domestic conventional and non-conventional energy sources, to include strengthened institutional capabilities and improved energy policies and planning.

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

PROGRAM: BANGLADESH

CP 84

PROJECT TITLE	• L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY82- OBLIG ATIONS	-THROUGH FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	-ESTIMATED FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	-PROPOSED FY84- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
AGRICULTURAL RESEARCH	G	388-0003	76	80	4,224	4,224	4,222	3,789	---	433	---	---
AGRICULTURAL RESEARCH	L	388-0003	76	76	4,000	4,000	-25	-200	---	---	---	---
RURAL ELECTRIFICATION	G	388-0021	78	80	35,300	35,300	35,300	31,994	---	3,306	---	---
RURAL ELECTRIFICATION	L	388-0021	78	80	34,000	34,000	34,000	22,123	---	9,877	---	---
FERTILIZER DISTRIBUTION IMPROVEMENT	G	388-0024	78	83	203,000	197,410	187,410	111,088	8,800	43,000	---	26,000
FERTILIZER DISTRIBUTION IMPROVEMENT	L	388-0024	78	83	32,000	32,000	32,000	---	---	16,000	---	11,000
RURAL FINANCE EXPERIMENTAL PROJECT	G	388-0025	77	77	7,000	7,000	7,000	6,527	---	---	---	---
TECHNICAL RESOURCES	G	388-0027	79	86	9,650	9,650	6,150	1,981	---	1,600	1,000	1,500
RURAL FINANCE	G	388-0037	83	85	---	75,000	---	---	25,000	15,000	25,000	20,000
RURAL INDUSTRIES	G	388-0042	81	86	5,000	5,000	2,450	385	---	700	1,000	700
PVO CO-FINANCING II	G	388-0045	80	84	2,050	2,050	1,250	1,109	400	450	400	400
AGRO-CLIMATIC ENVIRONMENT MONITOR	G	388-0046	81	81	5,900	5,900	5,900	181	---	3,000	---	1,500
AGRICULTURAL RESEARCH II	G	388-0051	81	86	25,500	25,500	6,700	1,355	6,200	6,400	4,700	4,500
FOOD FOR WORK II	G	388-0052	81	85	2,650	2,650	1,100	566	700	500	700	500
RURAL ELECTRIFICATION II	G	388-0054	81	85	50,000	40,000	20,000	---	10,000	20,000	5,000	8,000
ZILLA ROADS MAINTENANCE AND IMPROVEMENT	G	388-0056	81	83	9,200	9,200	6,200	---	3,000	3,600	---	2,800
RURAL ENERGY SECTOR PROJECT	* G	388-0057	84	88	---	20,000	---	---	---	---	1,000	300
FERTILIZER DISTRIBUTION IMPROVEMENT II	* G	388-0060	84	88	---	100,000	---	---	---	---	13,000	12,000
TOTAL FOR ACCOUNT					429,474	608,884	349,657	180,898	54,100	123,866	51,800	89,200
GRANTS					359,474	538,884	283,682	158,975	54,100	97,989	51,800	78,200
LOANS					70,000	70,000	65,975	21,923	---	25,877	---	11,000

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

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

PROGRAM: BANGLADESH

CP 84

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY82- OBLIG ATIONS	-THROUGH FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	-ESTIMATED FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	-PROPOSED FY84- EXPENDI TURES
POPULATION PLANNING												
POPULATION/FAMILY PLANNING	G	388-0001	73	80	39,376	31,059	29,997	29,322	---	675	---	---
FAMILY PLANNING SERVICES	G	388-0050	81	85	63,336	111,900	33,803	16,632	24,800	22,253	25,000	24,469
TOTAL FOR ACCOUNT					102,712	142,959	63,800	45,954	24,800	22,928	25,000	24,469
GRANTS					102,712	142,959	63,800	45,954	24,800	22,928	25,000	24,469
LOANS					---	---	---	---	---	---	---	---
HEALTH												
PVO CO-FINANCING II	G	388-0045	80	82	950	500	500	200	---	150	---	150
FAMILY PLANNING SERVICES	G	388-0050	81	85	1,530	1,530	1,530	99	---	500	---	600
TOTAL FOR ACCOUNT					2,480	2,030	2,030	299	---	650	---	750
GRANTS					2,480	2,030	2,030	299	---	650	---	750
LOANS					---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES												
TECHNICAL RESOURCES	G	388-0027	79	86	1,350	1,350	750	123	---	200	200	250
TOTAL FOR ACCOUNT					1,350	1,350	750	123	---	200	200	250
GRANTS					1,350	1,350	750	123	---	200	200	250
LOANS					---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES												
KARNAPHULI THIRD UNIT	G	388-0018	76	81	700	700	700	357	---	323	---	---
PVO CO-FINANCING II	G	388-0045	80	82	2,000	871	871	405	---	200	---	256
TOTAL FOR ACCOUNT					2,700	1,571	1,571	762	---	523	---	256
GRANTS					2,700	1,571	1,571	762	---	523	---	256
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					538,716	756,794	417,808	228,036	78,900	148,167	77,000	114,925
GRANTS					468,716	686,794	351,833	206,113	78,900	122,290	77,000	103,925
LOANS					70,000	70,000	65,975	21,923	---	25,877	---	11,000

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

PROGRAM: Bangladesh

PLANNED PROGRAM SUMMARY SHEET

CP 84-05 (8-82)

TITLE	FUNDING SOURCE:	AG. RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)		
Rural Energy Sector		1,000		FY 84 1,000		LIFE OF PROJECT FUNDING: 20,000
NUMBER 388-0057 GRANT ☒ LOAN ☐ / NEW ☒ CONTINUING ☐	POPULATION:	ED. & HR:	SEL. ACT.:	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 88	ESTIMATED COMPLETION DATE OF PROJECT FY 90

Purpose: To develop conventional and non-conventional energy sources, and to strengthen institutional capabilities and policies to improve energy production and utilization.

Project Description: Bangladesh is a dual energy society in which traditional fuels account for close to three-fourths of energy usage. As population has outstripped available resources, poor rural people have begun to rely almost entirely on cowdung, rice husks, and other agricultural wastes, which constitute two-thirds of all energy used. Most traditional fuel (over 80 %) is consumed in cooking. Many items formerly available by scavenging are now being sold, and some Bangladeshis are now being forced to reduce food intake below already marginal levels to pay for needed fuels.

Concurrently, although imported petroleum (POL) provides only half of the country's conventional energy and just 13 % of total energy, Bangladesh uses three-fourths of its export earnings to pay for POL. All of the country's export earnings may soon be required to cover petroleum costs unless rapid conversion to use of domestic gas is effected.

The Rural Energy Sector Project (RESP) will provide technical assistance to agencies and private sector groups involved in development of petroleum and natural gas. Bangladesh has sufficient low cost, easily recoverable gas reserves to cover up to two-thirds of total hydorcarbon demand by 1985, instead of the one-third level presently obtained. These reserves are sufficient to last for decades of domestic use. A.I.D. expects that some preliminary technical assistance work, financed by a centrally funded A.I.D. project, will influence Government of Bangladesh (BDG) energy decisions, set the stage for further A.I.D. technical assistance, and lead to full analysis of capital investments which would make more of the domestic gas energy available to rural areas and small industry.

To increase the supply of traditional fuels, and, where possible, improve the efficiency of traditional fuel use, the RESP will finance technical assistance activities which will enhance the availability of fuelwood, twigs and leaves which currently constitute about 12.5% of available traditional energy. For the moment, supplies of other traditional fuels would be exceedingly difficult to increase. On the demand side, the RESP will support efforts to improve traditional implements (e.g., in cooking) or to introduce modest appropriate technology devices to conserve fuel and preserve food.

Host Country and Other Donors: Formation of a local steering group has increased donor-BDG coordination and understanding in the energy sector. A.I.D. is active in this group and will assure that its future investments in both conventional and traditional energy activities fit within overall BDG objectives and do not compete with other project activities.

BDG and other donor energy sector activities show a preponderance of investments in capital intensive conventional energy. A.I.D. will concentrate on technical assistance in the conventional sector and on particular areas in the traditional sector not covered by other donors.

Relation of Project to A.I.D. Country Strategy: Developing rural energy resources is one of A.I.D.'s four basic program goals in Bangladesh. As A.I.D. nears completion of other long term projects in the energy area (rural electrification, hydro-power), this project will become the sole activity in the sector.

Beneficiaries: The primary beneficiaries of this project will be farmer and artisan families who can increase production or otherwise improve their standard of life through lowered energy costs or more efficient energy use.

PROGRAM: Bangladesh

PLANNED PROGRAM SUMMARY SHEET

CP 84-05 (8-82)

TITLE	FUNDING SOURCE:	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION *(In thousands of dollars)*		
Fertilizer Distribution Improvement II		13,000		FY 84 13,000		LIFE OF PROJECT FUNDING: 100,000
NUMBER 388-0060 GRANT ☒ LOAN ☐ / NEW ☒ CONTINUING ☐	POPULATION:	ED. & HR:	SEL. ACT.:	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 88	ESTIMATED COMPLETION DATE OF PROJECT FY 89

Purpose: To increase fertilizer use, on an equitable basis, through private sector distribution and marketing.

Project Description: This project will broaden the activities begun under the ongoing Fertilizer Distribution Improvement Project, i.e., improving the efficiency and effectiveness of fertilizer distribution and marketing by increasing the role of the private sector. With the Fertilizer Distribution Improvement Project, the Government of Bangladesh (BDG) introduced a new marketing system (NMS) for fertilizer, which transferred the distribution function from the Bangladesh Agricultural Development Corporation (BADC) to private dealers at the local level. Under the NMS, BADC has reduced the public sales outlets from 475 to fewer than 200 and plans to eliminate at least 100 more during the project. Evaluations have found that farmers' access to fertilizer has improved through private dealers. Dealers are competing, supply is following demand, and a new class of wholesalers has emerged. A significant policy reform has been the elimination of officially administered retail prices. A joint BDG-A.I.D. project evaluation in the fall of 1982 has set general parameters for the successor project. The new project will aim at phased reduction of BADC involvement in fertilizer distribution and marketing. Instead, private companies will distribute fertilizer from the ports and factories and market it through their own network of dealers. Since the profit-oriented private companies will compete for sales, they will avoid costly inefficiencies still associated with BADC.

Project inputs will consist of import of fertilizer and other inputs as needed, small infrastructural improvements to facilitate the handling and movement of fertilizer, and technical assistance to an association of fertilizer companies in marketing, advertising, distribution and handling, inventory control, financial accounting and dealer training to the member companies. The project may also provide short-term technical assistance to a national fertilizer development board, which will be established by the project, in the areas of procurement, industry regulation, planning, and/or setting and enforcing standards. Short-term participant training will be available to staff of the association and the board. A.I.D., the BDG and the donor community have raised the following questions regarding the new project: Is the private sector in Bangladesh capable of distributing and marketing fertilizer at the national level; what will be the fate of BADC employees; and how will the BDG maintain its commitment to ensuring that farmers in all regions of the country pay similar prices for the same fertilizer product? These and other issues will be addressed by a system design team early in CY 1983.

Relation of Project to A.I.D. Country Strategy: The FY 1984 Country Development Strategy Statement listed access to agricultural inputs as one of the five principal constraints to agricultural growth and specifically identified fertilizer distribution as an area of program emphasis.

Host Country and Other Donors: The BDG's foremost development goal is achievement of foodgrain self-sufficiency, primarily through improving irrigation and water management, increasing the use of chemical fertilizer, and increasing the use of high yielding varieties. The reforms embodied in this project will require the cooperation of other donor/lender agencies. Several donors have informally expressed support for the project purpose and preliminary interest in participating in the project design.

Beneficiaries: The targeted beneficiaries are Bangladesh's 12 million farm families. A recent A.I.D.-funded study of four crop seasons in 1979 and 1980 shows that per acre net benefits of fertilizer use are higher for small farmers than for larger landowners, primarily because they use more fertilizer per acre.

FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: BURMA

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1982) 36,166

PER CAPITA GNP..... (DOLLARS,1981) 180

AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-80) 1.2%

AVERAGE ANNUAL RATE OF INFLATION (1960-70) 2.7% (1970-80) 11.2%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. N.A.

LIFE EXPECTANCY AT BIRTH, IN YEARS
(1981) TOTAL 54.1 MALE 52.5 FEMALE 55.8
(1968) TOTAL 47.5 MALE 46.1 FEMALE 49.0

ADULT LITERACY RATE (1980) TOTAL 70% MALE 81% FEMALE 59%
(1962) TOTAL 60% MALE 80% FEMALE 40%

AGRICULTURE

AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
(1970-1981) 1.1%

AGRICULTURAL PRODUCTION AS % OF GDP..... (1980) 46%

POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982) 901

MAJOR CROP(S)	ARABLE LAND	YEAR
SUBSISTENCE: RICE	60%	(1981)
CASH: GROUNDNUTS	9%	(1981)

MAJOR AGRICULTURAL EXPORTS:(1981) RICE PULSES OILCAKE

MAJOR AGRICULTURAL IMPORTS: N.A.

PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1980) 67%

CENTRAL GOVERNMENT FINANCES

TOTAL DOMESTIC REVENUES ($ MILLIONS, U.S.)
(1977) 633 (78) 713 (79) 849

TOTAL EXPENDITURES ($ MILLIONS, U.S.)
(1977) 580 (78) 683 (79) 770

DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
(1977) 53 (78) 30 (79) 79

DEFENSE EXPENDITURES,
AS % OF TOTAL EXPENDITURES.. (1978) 24.9% (79) 24.4% (80) 22.1%
AS % OF GNP..... (1978) 3.7% (79) 3.8% (80) 3.6%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
($MILLIONS, U.S.) (1979) 215 (80) 272 (81) 239
EQUIVALENT TO 5.0 MONTHS OF IMPORTS (1980)

FOREIGN TRADE

MAJOR EXPORTS... (1981) RICE WOOD

EXPORTS TO U.S.
($ MILLIONS, US FOB) (1979) 12 (1980) 8 (1981) 15
AS % OF TOTAL EXPORTS (1979) 3% (1980) 2% (1981) N.A.

MAJOR IMPORTS... (1981) MACHINERY TRANSPORT EQ TEXTILES

IMPORTS FROM U.S.
($ MILLIONS, US. CIF) (1979) 35 (1980) 32 (1981) 37
AS % OF TOTAL IMPORTS (1979) 11% (1980) 9% (1981) N.A.

TRADE BALANCE($ MILLIONS. U.S.)(1978) -91(79) 65(80) 118

MAIN TRADING PARTNERS: JAPAN SINGAPORE GERMANY FED

EXTERNAL PUBLIC DEBT AS % OF GNP (1980) 26.1%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
($ MILLIONS, U.S.)..... .... (1980) 109
AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO) ... (1980) 22.2%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 2.2% (1975) 2.2% (1982) 2.5%

POPULATION IN URBAN AREAS..... ..... (1960) 19% (1978) 26%

LIVE BIRTHS PER 1,000 POPULATION.... (1970) 40 (1982) 37

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. N.A.

POPULATION (1981) IN AGE GROUP:
(0-14YRS) 41.1% (15-64YRS) 55.2% (65+ YRS) 3.7%

INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982) 107

PEOPLE PER PHYSICIAN..... ..... (1977) 5,165

MAJOR CAUSES OF
DISEASE (1978)MALARIA ENTERIC DISEASE TUBERCULOSIS
DEATH.. N.A.

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS . (1977) 103%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1976) 17%

TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:
PRIMARY..... ... (1977) TOTAL 84.0% MALE 87.0% FEMALE 81.0%
SECONDARY... ... (1977) TOTAL 20.0% MALE 22.0% FEMALE 18.0%
POST SECONDARY.. (1978) TOTAL 4.2% MALE 4.2% FEMALE 4.3%

ENERGY PRODUCTION AS % OF CONSUMPTION..... . (1980) 134%

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

COUNTRY BURMA

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1977	1978	1979	1980	1981	TOTAL LOANS AND GRANTS 1946-81	REPAYMENTS AND INTEREST 1946-81	TOTAL LESS REPAYMENTS AND INTEREST 1946-81
I. ECONOMIC ASSISTANCE – TOTAL	4.7	4.8	4.8	6.8	7.6	115.9	49.8	66.1
Loans	–	–	–	–	–	40.4	49.8	9.4–
Grants	4.7	4.8	4.8	6.8	7.6	75.5	–	75.5
a. A.I.D. and Predecessor Agencies	–	–	–	2.0	3.0	65.0	28.1	36.9
Loans	–	–	–	–	–	33.5	28.1	5.4
Grants	–	–	–	2.0	3.0	31.5	–	31.5
(Economic Support Fund)	–	–	–	–	–	9.0		
b. Food for Peace (PL 480)	–	–	0.1	0.2	–	22.6	15.4	7.2
Loans	–	–	–	–	–	1.9	15.4	13.5–
Grants	–	–	0.1	0.2	–	20.7	–	20.7
Title I - Total Sales Agreements	–	–	–	–	–	14.7	15.4	0.7–
Repayable in U.S. Dollars - Loans	–	–	–	–	–	–	–	–
Payable in Foreign Currency - Planned for Country Use	–	–	–	–	–	14.7	15.4	0.7–
Title II - Total Grants	–	–	0.1	0.2	–	7.9	–	7.9
Emerg. Relief, Econ. Develop. & World Food Program	–	–	0.1	0.2	–	0.3	–	0.3
Voluntary Relief Agencies	–	–	–	–	–	7.6	–	7.6
c. Other Economic Assistance	4.7	4.8	4.7	4.6	4.6	28.3	6.3	22.0
Loans	–	–	–	–	–	5.0	6.3	1.3–
Grants	4.7	4.8	4.7	4.6	4.6	23.3	–	23.3
Peace Corps	–	–	–	–	–	–	–	–
Narcotics	4.7	4.8	4.7	4.6	4.6	23.3	–	23.3
Other	–	–	–	–	–	–	–	–
II. MILITARY ASSISTANCE – TOTAL	–	–	–	*	*	88.7	–	88.7
Credits or Loans	–	–	–	–	–	–	–	–
Grants	–	–	–	*	*	88.7	–	88.7
a. MAP Grants	–	–	–	–	–	72.1	–	72.1
b. Credit Financing - FMS	–	–	–	–	–	–	–	–
c. Military Assistance Service-Funded (MASF) Grants	–	–	–	*	*	4.3	–	4.3
d. Transfers from Excess Stocks	–	–	–	–	–	12.3	–	12.3
e. Other Grants	–	–	–	–	–	–	–	–
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	4.7	4.8	4.8	6.8	7.6	204.6	49.8	154.8
Loans	–	–	–	–	–	40.4	49.8	9.4–
Grants	4.7	4.8	4.8	6.8	7.6	164.2	–	164.2
Other U.S. Government Loans and Grants	–	–	–	–	–	3.4	4.3	0.9–
a. Export-Import Bank Loans	–	–	–	–	–	3.4	4.3	0.9–
b. All Other Loans	–	–	–	–	–	–	–	–

* LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1980	FY 1981	FY 1982	FY 1946–82
TOTAL	172.8	86.2	106.7	949.5
IBRD	0.0	0.0	0.0	33.1
IFC	0.0	0.0	0.0	0.0
IDA	125.0	0.0	0.0	362.1
IDB	0.0	0.0	0.0	0.0
ADB	40.7	71.0	79.7	426.3
AFDB	0.0	0.0	0.0	.0.0
UNDP	7.1	8.7	0.0	55.3
OTHER-UN	0.0	6.5	27.0	72.7
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

Donor	CY 1980	CY 1981	CY 1977–81
U.S.	-	1.0	12.0
Japan	159.6	133.3	604.9
Germany	30.9	33.9	150.1
U.K.	15.1	10.8	38.8
Australia	14.4	6.2	36.8
Other	23.5	29.9	105.0
Total	243.5	215.1	947.6

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

CY 1980	CY 1981	CY 1976–81
-	-	-

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1980	CY 1981	CY 1954–81
USSR	-	-	15
Eastern Europe	40	-	215
China	-	-	105
Total	40	-	335

CP 84-13 (8-82)

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1982								
Loans	-	-	-	-	-	-	-	-
Grants	7,600	7,550	-	-	50	-	-	-
Total	7,600	7,550	-	-	50	-	-	-
1983								
Loans	-	-	-	-	-	-	-	-
Grants	13,800	8,650	-	5,100	50	-	-	-
Total	13,800	8,650	-	5,100	50	-	-	-
1984								
Loans	-	-	-	-	-	-	-	-
Grants	12,500	9,000	-	3,000	-	500	-	-
Total	12,500	9,000	-	3,000	-	500	-	-

FY 84 PROGRAM HIGHLIGHTS

- continued assistance to a long-term effort to increase production of maize and oilseeds $7 million;
- a new project to transfer oilseeds extraction technology, $2 million;
- continued support to expand the coverage of primary health care services, $3 million; and,
- development training activities $500,000

Development Overview:

With a per capita income of only $170 per year, Burma is the world's ninth-poorest country, yet it is potentially one of the richest in South and Southeast Asia. Burma is the largest country in mainland Southeast Asia and has vast but largely unexploited mineral, marine, forest, land, and hydro-energy resources. It possesses unknown amounts of petroleum and natural gas and an estimated 80% of the world's teak. Its population density is low and its literacy rate high (70%). Only one-half of Burma's available arable land is cultivated, only 12% of that is irrigated, and double cropping is rare. As Burma has only recently begun programs making use of high-yielding seed varieties, fertilizer, and irrigation, its potential for agricultural production increases in the medium term is extremely high - perhaps the highest in East Asia. Burma's poverty is spread widely and evenly. The gap between rich and poor and between urban and rural standards of living is unusally small. As Burma is, on the whole, self-sufficient in both food and energy, it has been relatively untouched by international inflation. A consumer-oriented price policy also keeps domestic prices low and stable. The delivery of services to rural areas is, however, inadequate. Only 6.6% of the population has access to electricity, only 17% has access to safe water, and there is only one doctor for every 5,165 people. Malaria, diarrheal diseases, tuberculosis, and many other ailments are widespread, and the infant mortality rate is high.

After a lengthy period of stagnation, Burma's economic growth rate has started to accelerate. In the 1960's, Burma tended to emphasize social service programs at the expense of economic growth. During the 1970's, however, the government began to accord increasing priority to economic growth and performance. A tax reform program expanded government revenues and slowed the rate of monetary expansion; interest rates were raised and government enterprises placed on a commercial basis; and, some agri-

CP 84-08 (8-82)

RESOURCE FLOWS
(In thousands of dollars)

Program	FY 1982 (Actual)	FY 1983 (Estimated	FY 1984 (Proposed)
Aid*			
Loans	–	–	–
Grants	5,948	8,434	11,700
Total AID	5,948	8,434	11,700
P.L. 480**			
Title I			
(of which Title III is)	( )	( )	( )
Title II			
Total P.L. 480			
Total AID and P.L. 480	5,948	8,434	11,700

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

CP 84-17 (8-82)

PERSONNEL/PARTICIPANTS DATA

Category	FY 1982 (Actual)	FY 1983 (Estimated	FY 1984 (Proposed)
AID Personnel [a]			
Direct Hire [b]	5	5	6
PASA[c]	–	–	–
Contract	–	–	–
Total	5	5	6
Participants [d]			
Noncontract	30	40	50
Contract	–	20	35
Total	30	60	85

[a]U.S. nationals on duty at the end of the fiscal year.
[b]FY 1983 and FY 1984 position levels.
[c]Participating agency technicians.
[d]Programmed during the fiscal year.

CP 84-14 (8-82)

Program	FY 1982 (Actual)		FY 1983 (Estimated		FY 1984 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat						
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total						
(of which Title III is)		( )		( )		( )
Title II						
Voluntary Agencies						
World Food Programs Gov't-to-Gov't						
Title II Total						
Total P.L. 480						

cultural procurement prices were increased. Primarily as a result of such efforts, GDP rose at an average annual rate of 6.8% in real terms over the past four years - one of the highest growth rates in Asia in recent years. Along with economic growth, Burma's purchases of U. S. products have been rising, reaching $80 million in 1981-82.

The agriculture sector, which accounts for 46% of gross domestic product, receives special emphasis. Burma's rice productivity, using high-yielding varieties, improved cultivation practices, and fertilizer has increased by over 80% since 1975, from 1.65 metric ton/hectare to almost 3 metric ton/hectare in 1982. Burma's 13.9 million-ton rice crop in 1981 was the largest in its history and, combined with the 1982 crop, should result in an exportable surplus of 1.7 million tons.

Despite these encouraging signs, many factors continue to restrict Burma's economic progress, including high rates of rural and urban unemployment and underemployment, dual systems of administered and market prices for several

goods, shortages of goods and skilled presonnel, and inadequate infrastructure in nearly every sector.

Total Resources:

Burma's gross domestic product (GDP) is about 5.9 billion dollars in 1981 prices and is growing at 6.8% a year in real terms. Government revenues are about 15% of GDP. The debt service ratio in 1981-82 was about 29% of exports and is growing. External assistance is needed to supplement domestic resource mobilization and to provide foreign exchange for development programs on concessional terms.

The donor community commits over $500 million in grants and loans to Burma annually. The major international agency donors are the World Bank/International Development Association (IDA) and the Asian Development Bank. Others include the United Nations Development Program (UNDP) and related United Nations (U.N.) agencies, Organization of Petroleum Exporting Countries (OPEC), and the European Economic Community (EEC). Among bilateral donors, Japan is the largest by far, with an annual program of over $200 million. Other bilateral donors include the Federal Republic of Germany, France, Australia, the United Kingdom, China, Denmark, Norway, and Czechoslovakia. No assistance is accepted from the USSR. The International Bank for Reconstruction and Development (IBRD) regularly chairs an aid group for Burma, comprising most donors.

U. S. Interests and Objectives:

Burma, the largest country in mainland Southeast Asia, borders India, China, Bangladesh, Thailand, and Laos. The United States is interested in the stability and progress of Burma as an independant nation in Southeast Asia. U. S. development interests in Burma stem from a recognition of Burma's unusually high and long-term potential among the poorer nations for economic growth, for satisfying the development aspirations of its own people, and for contributing to the world's food supplies. U. S. economic interests are assuming significance; with increased growth, Burma purchased $80 million of U.S. products in 1981-1982. The United States is also interested in helping Burma in its efforts to curtail the production and export of illicit narcotics and has an active program of cooperation in narcotics supression and crop substitution. A.I.D.'s current and prospective programs in Burma, directly or indirectly, support all of these U. S. interests.

A.I.D. Development Assistance Strategy:

A.I.D. strategy in Burma is to select a few sound Burmese development efforts in key sectors that show the greatest promise, with A.I.D. assistance, of contributing to Burma's economic growth or progress and to concentrate A.I.D. support on these programs for a sufficient period of time to show measurable results.

The A.I.D. program concentrates on two key sectors: agricultural and health. Within the health and agricultural sectors, A.I.D. supports high-priority Burmese programs of national scope - primary health care in the health sector and maize and oilseed production and extraction in the agricultural sector. The objective of A.I.D.'s health sector support is the reduction, over time, of mortality and morbidity, especially among infants and children. A.I.D.'s contribution to Burma's primary health care program enables Burma to train and equip village volunteers as community health workers and as auxiliary midwives who provide basic preventive and curative services in health and nutrition at the village level. A.I.D. also supports the development of Burma's human resources through training programs in the United States.

Because of Burma's high potential for agricultural production increases, A.I.D. is engaging in a long-range strategy to raise Burma's production of selected food crops. By mutual agreement with the Burmese, A.I.D. is supporting the maize and oilseeds crop group first. A.I.D.'s provision of U.S. technology, training, and material resources for production as well as oilseeds

extraction will help make Burma self-sufficient in edible oils (the most important food crop in Burma after rice, and the only staple food now being imported). It will also increase rural incomes and will support A.I.D.'s nutrition objectives in the health sector.

AID Program (FY 1981-1983):

In FY 1981, A.I.D. provided $3 million for the Primary Health Care I Project, 482-0002, (initiated in FY 1980). This first project covered 55% of rural Burma. A.I.D. support increased auxiliary midwife coverage to all of the villages in the project area, and community health worker coverage to 46% of the villages in the project area.

In FY 1982, A.I.D. signed a project agreement to provide $30 million to support the Maize and Oilseeds Production Project (482-0005). The FY 1982 A.I.D. contribution of $7.5 million coincided with a contribution of the equivalent of $21.0 million from the Burmese government. Yields per acre of maize, sesamum, sunflower, and groundnuts in the 25 project Townships met all project targets during the first year of implementation.

In FY 1983, A.I.D. conducted a mid-term evaluation for the primary health care project and it confirmed that A.I.D. financed resources and training are reaching Burma's rural poor in the form of improved health services and resulted in a Burmese government policy to give increased emphasis to preventive health care. A.I.D. will continue support to Burma's successful primary health care program with a second project, Primary Health Care II (482-0004), to be funded in fiscal years 1983-1986. A.I.D.'s contribution to Primary Health Care II, combined with other donor and Burmese contributions, will enable Burma to provide primary health care coverage in all 287 rural townships in Burma.

In FY 1983 AID will obligate $100,000 of $200,000 authorized in FY 1982 for Development Training (482-0003). Such training in technical skills is very much needed, is cost effective, and is in the interest of both governments.

In FY 1983, A.I.D. also expects to provide $8.6 million as the second year's contribution to the Maize and Oilseeds Production Project initiated in FY 1982. A.I.D.'s contribution will finance technical assistance (through a contract with an American university consortium), participant training, and agricultural inputs. Yields per acre of maize, sesamum, sunflower and groundnuts in the 25 project townships met all project targets during the first year of implementation.

Requested Year Program FY-1984:

In FY 1984, A.I.D. will obligate $3 million for the continuing costs of establishing a rural health care network under the Primary Health Care (PHC) II Project. Besides increasing emphasis on preventive health activities, the project is aiming to reduce malnutrition in rural areas. FY 84 funds will continue the extension of PHC coverage to an additional 140 rural townships.

A.I.D. will provide $7.0 million in FY 1984 for the critical Maize and Oilseeds Production Project. FY 1984 funds will allow A.I.D. to finance the continuation of the U. S. university technical assistance contract; to complete procurement of major agricultural equipment for project seed farms and high-technology sites; and, to finance other agricultural inputs. By FY 1984, 36 project-funded agricultural specialists will be enrolled in graduate study programs in the United States, thereby increasing Burma's capabilities in applied research, agricultural production, and the management of agricultural projects.

In FY 1984 A.I.D. will begin a new project, Oilseeds Extraction Technology (482-0006). The new project will provide an essential complement to the Maize and Oilseeds Production Project by increasing the present low rates of recovery of oils through the use of more efficient technologies. The project will link the U.S. and Burmese

cooperative sectors in a comprehensive program of technology enhancement and will include oilseeds extraction, processing, packaging, and distribution. In FY 1984, A.I.D. will provide $2.0 million for the first year's inputs of technical assistance and participant training.

In addition, $500,000 is needed in FY 1984 for the Development Training Project (482-0003) which will allow A.I.D. to sponsor Burmese participants for United States and third-country training in the design and management of agriculture, health, and energy programs and in national planning, finance, and labor statistics. Since its inception in FY 1980, this program has been very successful in transferring U. S. managerial and technical skills to Burma and in providing a human resource base for future economic development.

PROGRAM: BURMA

CP 84

PROJECT TITLE	• L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY82- OBLIG ATIONS	-THROUGH FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	-ESTIMATED FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	-PROPOSED FY84- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
DEVELOPMENT TRAINING	G	482-0003	82	86	100	100	50	---	50	100	---	---
MAIZE AND OILSEEDS PRODUCTION	G	482-0005	82	86	30,000	30,000	7,500	3,400	8,600	5,500	7,000	9,000
OILSEEDS EXTRACTION TECHNOLOGY	* G	482-0006	84	85	---	10,000	---	---	---	---	2,000	500
TOTAL FOR ACCOUNT					30,100	40,100	7,550	3,400	8,650	5,600	9,000	9,500
GRANTS					30,100	40,100	7,550	3,400	8,650	5,600	9,000	9,500
LOANS					---	---	---	---	---	---	---	---
HEALTH												
PRIMARY HEALTH CARE	G	482-0002	80	81	5,000	5,000	5,000	4,266	---	734	---	---
PRIMARY HEALTH CARE II	G	482-0004	83	86	---	10,000	---	---	5,100	2,000	3,000	2,000
TOTAL FOR ACCOUNT					5,000	15,000	5,000	4,266	5,100	2,734	3,000	2,000
GRANTS					5,000	15,000	5,000	4,266	5,100	2,734	3,000	2,000
LOANS					---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES												
DEVELOPMENT TRAINING	G	482-0003	82	86	100	100	50	---	50	100	---	---
TOTAL FOR ACCOUNT					100	100	50	---	50	100	---	---
GRANTS					100	100	50	---	50	100	---	---
LOANS					---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES												
DEVELOPMENT TRAINING	G	482-0003	82	86	---	2,000	---	---	---	---	500	200
TOTAL FOR ACCOUNT					---	2,000	---	---	---	---	500	200
GRANTS					---	2,000	---	---	---	---	500	200
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					35,200	57,200	12,600	7,666	13,800	8,434	12,500	11,700
GRANTS					35,200	57,200	12,600	7,666	13,800	8,434	12,500	11,700
LOANS					---	---	---	---	---	---	---	---

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

PROGRAM: Burma

PLANNED PROGRAM SUMMARY SHEET

CP 84-05 (8-82)

TITLE	FUNDING SOURCE:	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)	
Oilseeds Extraction Technology		2,000		FY 84 2,000	LIFE OF PROJECT FUNDING: 10,000

NUMBER 482-0006 GRANT ☐x LOAN ☐x	NEW ☐x CONTINUING ☐	POPULATION:	ED. & HR:	SEL. ACT.:	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 86	ESTIMATED COMPLETION DATE OF PROJECT FY 87

Purpose: Oilseeds Extraction Technology will upgrade the oilseeds extraction and edible oils distribution and marketing system of Burma resulting in:

-- an increase in the supply of quality cooking oil available to the consumer through a network of cooperatives outlets;
-- an increase in the supply and quality of oilseed cake available for infant weaning food preparation, domestic livestock consumption and for export;
-- an improvement in the nutritional status of the average Burmese family, especially such vulnerable groups as young children and lactating mothers.

Project Description: Oilseeds are Burma's most important crop group after rice. Burma cannot produce sufficient cooking oil to satisfy consumer demand or nutritional requirements, however, and is forced to import $10-20 million of cooking oil from other countries in the region annually. Oilseeds extraction technology and equipment are outmoded with some inefficient expeller mills as much as 75 years old still in use, and Burma as yet has no oilseeds solvent extraction capability. Owing to the lack of modern extraction technology and equipment, the residual oil content left over in the oil cake after milling is as high as 20%. Such high residual oil content renders the cake difficult to sell or ship and means that much needed cooking oil is needlessly lost.

This project is an essential complement to the ongoing Maize and Oilseeds Production Project which was initiated in October 1981 and is expected to increase dramatically the nationwide production of maize, sesamum, ground-nuts, and sunflower. With the expected increase in oilseeds production, the need of upgraded oilseeds extraction technology and equipment becomes acute. The project will have two segments of A.I.D. funding:

-- a grant of $2 million to fund project start-up including overseas and domestic participant training, and long-term technical assistance in cooperatives oilseeds management and solvent extraction plant operations;

-- a grant/loan combination of an estimated $8 million, as part of a multi-donor project, to finance the construction of extraction and edible oils processing and distribution centers, using technology appropriate for Burma, and to upgrade selected township-level expeller oil mills.

Relationship of Project to A.I.D. Development Strategy: Health and agriculture are A.I.D.'s two sectors of concentration in Burma. Within the agriculture sector, A.I.D.'s primary strategy is to assist Burma in becoming self-sufficient in edible oils. In FY 1982, A.I.D. began a long-term program to help Burma increase production of such oilseeds crops as sesamum, groundnuts, and sunflower. This project will help Burma become more efficient in the extraction of these edible oils from the increased crop.

Host Country and Other Donors: The A.I.D. combined grant/loan combination of $10 million represents part of a package to which the Burmese Ministry of Cooperatives will be committing a significant amount of both foreign exchange and local currency costs. Additional parallel financing of the capital costs is expected to be obtained from the Asian Deelopment Bank or from other interested bilateral or multi-lateral donors. A.I.D. will provide the technical assistance and training components of this multi-donor effort on a grant basis.

Beneficiaries: This project will have a direct and positive impact on several million consumers of cooking oil throughout Burma.

FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: INDIA

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1982) 723,762

PER CAPITA GNP..... (DOLLARS,1981) 250

AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-80) 1.4%

AVERAGE ANNUAL RATE OF INFLATION (1960-70) 1.8% (1970-80) 8.5%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. (1975) 7.0%

LIFE EXPECTANCY AT BIRTH, IN YEARS

(1981)	TOTAL 52.2	MALE 52.0	FEMALE 52.4
(1968)	TOTAL 47.2	MALE 47.8	FEMALE 46.5

ADULT LITERACY RATE

(1971)	TOTAL 33%	MALE 47%	FEMALE 19%
(1961)	TOTAL 28%	MALE 41%	FEMALE 13%

AGRICULTURE

AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (1970-1981) 0.3%

AGRICULTURAL PRODUCTION AS % OF GDP..... (1980) 37%

POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982) 1,028

MAJOR CROP(S)		ARABLE LAND	YEAR
SUBSISTENCE:	RICE WHEAT MILLET	47%	(1981)
CASH:	COTTON GROUNDNUTS	11%	(1981)

MAJOR AGRICULTURAL EXPORTS:(1981) TEA COFFEE RICE

MAJOR AGRICULTURAL IMPORTS:(1981) VEG. OIL WHEAT SUGAR

PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1980) 69%

CENTRAL GOVERNMENT FINANCES

TOTAL DOMESTIC REVENUES ($ MILLIONS, U.S.)
(1978) 16,943 (79) 16,280 (80) 16,702

TOTAL EXPENDITURES ($ MILLIONS, U.S.)
(1978) 24,203 (79) 24,411 (80) 30,748

DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
(1978) -7,260 (79) -8,131 (80) -14,046

DEFENSE EXPENDITURES,
AS % OF TOTAL EXPENDITURES.. (1978) 15.1% (79) 17.5% (80) 16.0%
AS % OF GNP..... (1978) 3.0% (79) 3.3% (80) 3.1%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
($MILLIONS, U.S.) (1979) 7,716 (80) 7,228 (81) 4,941
EQUIVALENT TO 4.0 MONTHS OF IMPORTS (1981)

FOREIGN TRADE

MAJOR EXPORTS... (1981) ENGINEER EQU TEXTILES TEA

EXPORTS TO U.S.
($ MILLIONS, US, FOB) (1979) 923 (1980) 1085 (1981) 1204
AS % OF TOTAL EXPORTS (1979) 12% (1980) 13% (1981) 16%

MAJOR IMPORTS... (1981) MACHINERY PETROLEUM OILS AND FAT

IMPORTS FROM U.S.
($ MILLIONS, US, CIF) (1979) 982 (1980) 1624 (1981) 1922
AS % OF TOTAL IMPORTS (1979) 10% (1980) 11% (1981) 14%

TRADE BALANCE($ MILLIONS, U.S.)(1979) -2,022(80) -6,099(81) -6,607

MAIN TRADING PARTNERS: UNITED STATES JAPAN UNITED KINGDO

EXTERNAL PUBLIC DEBT AS % OF GNP (1980) 10.0%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
($ MILLIONS, U.S.)..... (1980) 998
AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1980) 8.9%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 2.3% (1975) 2.3% (1982) 2.2%

POPULATION IN URBAN AREAS..... (1969) 20% (1979) 22%

LIVE BIRTHS PER 1,000 POPULATION.....(1970) 37 (1982) 35

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1981) 23%

POPULATION (1981) IN AGE GROUP:
(0-14YRS) 39.7% (15-64YRS) 57.2% (65+ YRS) 3.0%

INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982) 134

PEOPLE PER PHYSICIAN..... (1978) 3,629

MAJOR CAUSES OF
DISEASE (1979)DYSENTERY MALARIA FLU & PNEUMONIA
DEATH.. (1969)DYSENTERY RESPIRATORY ENTERIC DISEASE

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS . (1977) 89%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975) 31%

TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:

PRIMARY..... (1977)	TOTAL 78.0%	MALE 92.0%	FEMALE 63.0%
SECONDARY..... (1977)	TOTAL 27.0%	MALE 36.0%	FEMALE 17.0%
POST SECONDARY.. (1977)	TOTAL 8.4%	MALE 12.5%	FEMALE 4.0%

ENERGY PRODUCTION AS % OF CONSUMPTION..... (1980) 80%

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

COUNTRY INDIA

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1977	1978	1979	1980	1981	TOTAL LOANS AND GRANTS 1946-81	REPAYMENTS AND INTEREST 1946-81	TOTAL LESS REPAYMENTS AND INTEREST 1946-81
I. ECONOMIC ASSISTANCE – TOTAL	126.0	196.2	228.3	221.5	275.1	10397.2	4835.4	5561.8
Loans	24.7	84.4	90.0	79.0	93.6	7347.1	4835.4	2511.7
Grants	101.3	111.8	138.3	142.5	181.5	3050.1	-	3050.1
a. A.I.D. and Predecessor Agencies	-	60.0	90.7	103.2	104.5	4165.8	1974.1	2191.7
Loans	-	58.0	90.0	79.0	93.6	3663.4	1974.1	1689.3
Grants	-	2.0	0.7	24.2	10.9	502.4	-	502.4
(Economic Support Fund)	-	-	-	-	-	-		
b. Food for Peace (PL 480)	125.0	136.2	137.6	118.3	170.6	5884.7	2656.1	3228.6
Loans	24.7	26.4	-	-	-	3362.8	2656.1	706.7
Grants	101.3	109.8	137.6	118.3	170.6	2501.9	-	2501.9
Title I - Total Sales Agreements	24.7	26.4	-	-	-	4174.5	2656.1	1518.4
Repayable in U.S. Dollars - Loans	24.7	26.4	-	-	-	657.7	141.1	516.6
Payable in Foreign Currency - Planned for Country Use	-	-	-	-	-	3516.8	2515.0	1001.8
Title II - Total Grants	101.3	109.8	137.6	118.3	170.6	1710.2	-	1710.2
Emerg. Relief, Econ. Develop. & World Food Program	8.5	16.8	37.3	44.3	14.6	352.7	-	352.7
Voluntary Relief Agencies	92.8	93.0	100.3	74.0	156.0	1357.5	-	1357.5
c. Other Economic Assistance	-	-	-	-	-	346.7	205.2	141.5
Loans	-	-	-	-	-	300.9	205.2	95.7
Grants	-	-	-	-	-	45.8	-	45.8
Peace Corps	-	-	-	-	-	45.2	-	45.2
Narcotics	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	0.6	-	0.6
II. MILITARY ASSISTANCE – TOTAL	0.2	0.3	0.5	0.3	*	146.3	56.7	89.6
Credits or Loans	-	-	-	-	-	27.3	56.7	29.4-
Grants	0.2	0.3	0.5	0.3	*	119.0	-	119.0
a. MAP Grants	-	*	*	-	-	90.4	-	90.4
b. Credit Financing - FMS	-	-	-	-	-	27.3	56.7	29.4-
c. Military Assistance Service-Funded (MASF) Grants	0.2	0.3	0.5	0.3	*	6.6	-	6.6
d. Transfers from Excess Stocks	-	-	-	-	-	22.0	-	22.0
e. Other Grants	-	-	-	-	-	-	-	-
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	126.2	196.5	228.8	221.8	275.1	10543.5	4892.1	5651.4
Loans	24.7	84.4	90.0	79.0	93.6	7374.4	4892.1	2482.3
Grants	101.5	112.1	138.8	142.8	181.5	3169.1	-	3169.1
Other U.S. Government Loans and Grants	-	-	50.0	35.0	79.5	707.4	734.7	27.3-
a. Export-Import Bank Loans	-	-	50.0	35.0	79.5	702.2	726.8	26.0-
b. All Other Loans	-	-	-	-	-	5.2	5.9	0.7-

* LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1980	FY 1981	FY 1982	FY 1946-82
TOTAL	1486.0	718.1	1254.0	13335.0
IBRD	155.0	500.0	1164.8	4095.3
IFC	8.6	76.1	89.2	231.0
IDA	1285.0	0.0	0.0	8511.6
IDB	0.0	0.0	0.0	0.0
ADB	0.0	0.0	0.0	0.0
AFDB	0.0	0.0	0.0	0.0
UNDP	20.4	18.7	0.0	175.5
OTHER-UN	17.0	123.3	0.0	321.6
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. O.A.C. COUNTRIES (Gross Disbursements)

Donor	CY 1980	CY 1981	CY 1977-81
U.S.	169.0	298.0	936.0
U.K.	200.0	341.8	1234.7
Germany	140.1	205.9	827.1
Netherlands	152.9	158.9	568.7
Japan	97.2	58.7	430.9
Other	217.5	213.9	1189.3
Total	976.7	1277.2	5186.7

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

CY 1980	CY 1981	CY 1976-81
151.5	-	549.2

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1980	CY 1981	CY 1954-81
USSR	800	-	3,080
Eastern Europe	-	-	455
China	-	-	-
Total	800	-	3,535

INDIA

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PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1982								
Loans	79,000	79,000	-	-	-	-	-	-
Grants	19,450	11,600	-	4,350	-	3,500	-	-
Total	98,450	90,600	-	4,350	-	3,500		
1983								
Loans	62,400	52,400	10,000	-	-	-	-	-
Grants	24,600	14,000	6,600	2,900	1,100	-	-	-
Total	87,000	66,400	16,600	2,900	1,100	-	-	-
1984								
Loans	59,000	59,000	-	-	-	-	-	-
Grants	27,000	15,400	9,000	-	2,600	-	-	-
Total	86,000	74,400	9,000	-	2,600	-	-	-

FY 84 PROGRAM HIGHLIGHTS

The FY 1984 program emphasizes:

-- improving management of irrigation systems, supporting development of water management institutions and agricultural research, $69.4 million
-- expansion of rural energy supplies and strengthening of forestry institutions, $2.0 million
-- marketing and commercial dissemination of family planning supplies, $9 million
-- upgrading nutrition programs, $5 million
-- P.L. 480 Title II commodities to PVO's to increase food supplies to children, and other vulnerable groups, $93.4 million
-- P.L. 480 Title II commodities to PVO's for oilseed cooperative development, $12 million

Development Overview

India is the most populous low-income country assisted by A.I.D. Its population reached 700 million in mid-1981, second only to China's. Per-capita GNP in 1980 was $240, among the lowest in the world. With the exception of a period of "emergency rule" in 1975-77, India has maintained an open, democratic political system.

India has made impressive progress in a number of areas in the past three decades. Domestic savings and investment have increased from 10% of GNP in 1950-51 to 22% at present, and industry's share of GNP has risen from 15% to 23%. Manufactures now account for 60% of exports, as compared to the low-income country average of 30%. Enrollment in grades 1-8 has jumped from 32% of the relevant age group in 1950-51 to about 80% at present. Life expectancy has increased from 32 years to 52 years. A national family planning program was created with A.I.D.'s help, through which India achieved a reduction in crude birth rate from 43 per 1000 in the mid 1960's to 36 per 1000 at present. Nevertheless, poverty is still widespread. The Government of India (GOI) estimates that over 48% of the population was below its nutrition-based poverty line as of 1977-78. One reason is the intense pressure of population resources - India accounts for one-sixth of the world's population but has only one-fortieth of its land area. Another reason is poor accessibility to basic services by the population, which is 76% rural, spread among 576,000 villages. The major factor, however, has been slow growth from a very low base. Since 1950-51, GNP has grown at only 3.6% per year, or 1.5% on a per-capita basis. This relatively poor growth performance is partially attributable to past polices emphasizing development of heavy industry, rapid expansion of public sector investment, inadequate incentives for exports, and over-reliance on administrative controls.

The GOI has been gradually moving away from these

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RESOURCE FLOWS
(In thousands of dollars)

Program	FY 1982 (Actual)	FY 1983 (Estimated	FY 1984 (Proposed)
AID*			
Loans	48,820	82,125	82,983
Grants	1,690	17,325	26,122
Total AID	50,510	99,450	109,105
P.L. 480**			
Title I	–	–	–
(of which Title III is)	(–)	(–)	(–)
Title II	123,318	116,190	123,022
Total P.L. 480	123,318	116,190	123,022
Total AID and P.L. 480	173,828	215,640	232,127

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

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PERSONNEL/PARTICIPANTS DATA

Category	FY 1982 (Actual)	FY 1983 (Estimated	FY 1984 (Proposed)
AID Personnel [a]			
Direct Hire [b]	17	25	25
PASA[c]	–	–	–
Contract	8	9	9
Total	25	34	34
Participants [d]			
Noncontract	20	82	122
Contract	–	24	48
Total	20	106	170

[a]U.S. nationals on duty at the end of the fiscal year.
[b]FY 1983 and FY 1984 position levels.
[c]Participating agency technicians.
[d]Programmed during the fiscal year.

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Program	FY 1982 (Actual)		FY 1983 (Estimated		FY 1984 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat						
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total		–		–		–
(of which Title III is)		(–)		(–)		(–)
Title II						
Voluntary Agencies		112,720		102,351		105,412
World Food Programs		10,598		13,839		17,610
Gov't-to-Gov't		–		–		–
Title II Total		123,318		116,190		123,022
Total P.L. 480		123,318		116,190		123,022

"industry-first" policies since the mid-1960's. The introduction of high-yielding rice varieties (HYV) in 1966 was supported by strong research efforts, expansion of fertilizer supplies and irrigation, and appropiate pricing policies. This agricultural growth strategy paid off in the 1970's in foodgrain production growth of 2.8% per year, exceeding the population growth rate of 2.2%, although calorie supplies are still inadequate. Improved agricultural performance, coupled with more realistic exchange and interest rates, added export incentives and increased freedom for the private sector, boosted GNP growth to nearly 6.1% per year between 1974-75 and 1978-79. A.I.D. assistance prior to its interruption in 1972 was a key factor in the success of the agricultural growth strategy. It gave the United States a major voice in encouraging policy reforms for greater economic growth. A.I.D. contributed technical assistance in high yielding variety rice research, organization of fertilizer cooperatives, establishment of nine agricultural education and research universities, institution of the irrigation command area for efficient use of water, development of fertilizer extension systems, and other innovations in agriculture.

India's worst drought since 1915 and bottlenecks in coal, power and transport halted this growth spurt in 1979-80, when GNP fell by 5.4%. Rainfall was normal in 1980-81, but below normal rains in 1981-82 and 1982-83 are resulting in agricultural production below what the GOI requires to rebuild buffer stocks depleted by the 1979-80 drought. Thus, wheat imports have been resumed, with a purchase of 2.3 million tons in 1981 and 2.5 million tons in 1982, most from the United States Poor agricultural performance is likely to hold GNP growth to 2-3% in 1982-83.

The GOI's Sixth Five Year Plan for the period 1980-81 to 1984-85 sets a GNP growth target of 5.2%, agricultural and industrial growth targets of 3.8% and 6.5% respectively, and a foodgrain production growth target of 3.1%. The key elements of the agricultural growth strategy are an 80% expansion of fertilizer consumption, an increase in the coverage of high-yielding varieties from 20% of total cropped area in 1979-80 to 30% in 1984-85, and expansion by almost 3 million hectares per year in the area under irrigation. This agricultural production strategy is complemented by programs to increase rural employment and incomes and to expand the access of the poor to basic services. The GOI has also set targets for access to family planning, health and nutrition services, water supply and sanitation and education. During the Plan period, the GOI hopes to increase the percentage of couples using contraceptives to 35% (from less than 25% now), reduce infant mortality from 125 to 106 per 1,000, and increase primary school enrollments to 95%.

Total Resources

The GOI estimates public and private sector investment requirements during the Plan period at $215 billion (1979-80 prices). Public sector development expenditures total $122 billion. To mobilize resources on this scale, the Plan projects a further increase in the savings ratio to 25%, and an improvement in the financial performance of public sector enterprises. Additional taxation cannot make a major contribution, since India's tax ratio of 16% of GNP is already high for a low-income country. The GOI projects the contribution of external resources net of debt repayments at about $14 billion, including $7.4 billion in net concessional aid.

Gross aid disbursements were $2.5 billion ($1.4 billion net) in 1981-82 including $2.2 billion from the members of the India Consortium, and the rest from Eastern European and OPEC countries. The World Bank is by far the largest single donor with disbursements of $1.16 billion in 1981-82. The largest bilateral donors are the United States and U.K. The programs of the IBRD and other donors in India are complementary. The IBRD provides financing for industrial and infrastructure development and agriculture, while other donors concentrate on health and agriculture; many bilateral donors also provide commodity assistance.

As part of its effort to adjust to the combined effects of 1979-80 oil price increases and decreased export performance, India is receiving $5.6 billion in balance of payments assistance from the International Monetary Fund. The key stabilization measures under the program are increased public sector savings, inflation control, strengthening of policies to encourage exports, reducing regulation and pricing constraints on industry, and continued import liberalization. This should provide a strong impetus to the private sector, which accounts for 80% of the economy's output and 93% of employment.

U.S. Interests and Objectives

U.S. interests in India reflect this country's importance as a major economic and political force in South Asia -- a critical factor to peace and stability in the region, its leadership of the non-aligned movement and its role as a major spokesman on North-South issues. India can have a significant impact on the effectiveness of U.S. policies in the region, particularly as they relate to Pakistan. The United States, as India's major non-petroleum trading partner and second largest foreign pri-

vate investor, has substantial and increasing interests in a growing Indian economy, already the world's tenth largest. Our overall policy toward India, reinforced by Mrs. Gandhi's recent trip to the United States is to conduct a cordial high-level dialogue on issues of regional and global concern, with a view to enhancing mutual understanding in areas where our views differ, and to accelerate and enhance cooperation in areas such as economics and commerce, science and technology, and education and culture where mutually beneficial exchange is possible.

In this context, the A.I.D. program is the direct U.S. commitment to India's growing economy and continuing stability -- the conditions necessary for the successful pursuit of U.S. economic and political interests in the country, in the region and in international organizations.

A.I.D. Assistance Strategy

Given the pressure of population on resources in India, the most urgent requirement is to expand India's capacity to improve the balance between food, energy and population. Consequently, A.I.D.'s sector goals are expanded food production and rural employment, increased availability of energy, and reduced fertility and mortality. Taking into account the U.S. comparative advantage in certain technical fields and current staffing and funding constraints, A.I.D. has determined that the United States can have the greatest long-term impact on these goals by concentrating on expanding India's agricultural research capacities, improving the management of irrigation systems, developing institutions for local management of forest resources, and expanding and improving the quality of rural family planning, nutrition and health programs. These objectives require major institution-building efforts over an extended period, drawing upon U.S. expertise in predominantly private American institutions.

A.I.D. Program (FYs 1982-83)

The present program consists of ten projects begun during FY 1978 to FY 1981, nine projects started in FY 1982-1983, plus a large PL 480 Title II program and a Housing Guarantee (HG) program.

Food Production and Rural Employment

A.I.D. is assisting programs in four major areas: agricultural research and education, irrigation efficiency, and two PL 480 Title II-supported efforts in rural works and cooperatives development in oilseeds. The Agricultural Research project (386-0470) will begin in FY 1983. This project will support specific research priorities and training needs identified and endorsed by the Indo-U.S. Agricultural Subcommission meetings in 1980 and 1982. These research and training priorities span a number of crop-specific technical problems as well as post-harvest technology and water management.

A.I.D. support to the irrigation sector encompasses assistance to state-specific irrigation programs testing different approaches to system construction and water-use efficiency. The mechanism for transfer of technology is actual construction and operation of irrigation systems under various agro-climatic and socio-cultural conditions. The center-piece effort is the FY 1983 Water Management and Training project (386-0484) which will establish a central water management institute and several state level institutes. These organizations will be the focus for research, demonstration and training aimed at the problem of improving water management at all levels of India's irrigation systems. This project is the direct outgrowth of the irrigation sector evaluation undertaken by the Asia Bureau in 1980, which drew heavily on lessons learned from earlier on-farm water management projects in Pakistan and Egypt. The applicability of these lessons to India has been confirmed by U.S. and Indian experience with ongoing medium irrigation projects in Gujarat and Rajasthan, and collaboration on the design of two other irrigation projects beginning in FYs 1982-83. The Maharashtra Irrigation Technology and Management project (386-0481), begun in FY 1982,will finance 13 subprojects over five years. With a sub-

stantial U.S. technical assistance component, it will construct prototype systems using improved methods as well as demonstrate ways to increase the efficiency of water delivery and application to farmer's fields. The resulting institutional development will enable the state's irrigation department to adapt and disseminate this technology to already operating systems in Maharashtra. The first three irrigation subprojects will be under construction in FY 1983, covering an area of 5,000 farms. In Madhya Pradesh, where both physical and institutional infrastructure is only beginning to develop, Madhya Pradesh Minor Irrigation project (386-0483), starting in FY 1983, will adapt technologies from previous activities in Gujarat and Rajasthan on smaller scale systems (less than 2,000 hectare area). Construction of irrigation systems will begin in late FY 1983.

The first two A.I.D.-assisted Medium Irrigation projects, in Gujarat (386-0464) and Rajasthan (386-0467), will continue with their emphasis on system construction and training of staff in state irrigation departments. In Gujarat, 27 irrigation systems will be completed or under construction, covering 20,000 farms by the end of FY 1983. In Rajasthan, 13 systems will be in various stages of construction.

Monitoring and evaluation of these programs will figure prominently in implementation of the newer irrigation schemes. A.I.D. is also monitoring the completion of several large, primarily resource transfer, programs: Rural Electrification (386-0462), Agricultural Development Credit (386-0466), and Fertilizer Promotion (386-0471). The PL 480 Title II program also supports increased food production and rural employment through two distinct activities. The Oilseed Growers' Cooperative Project represents a vertically integrated approach to establishing a private cooperative structure for increasing production and marketing of oilseeds and edible oils. By FY 1983, almost 2,000 villages will have been organized into cooperatives with 73,000 members. Oilseed processing plants have been put into operation, increasing seed crushing capacity by 150,000 tons annually. Funds for investment in production technology, processing and marketing are raised by local sale of Title II vegetable oil. An A.I.D. Operational Program Grant (OPG) to the Cooperative League of the U.S.A. (CLUSA) serves to disseminate U.S. technology in this sector through the National Dairy Development Board. The Food for Work program managed by Catholic Relief Services (CRS) provides employment to about 70,000 workers, mostly in very poor areas inadequately reached by other government services and infrastructure, for construction of simple roads, well construction and land leveling. A comprehensive evaluation to be completed in FY 1983 will provide guidance for restructuring program priorities and setting up a monitoring and evaluation system.

A.I.D. is sponsoring a comprehensive study by India's National Council of Applied Economic Research to assess the impact of agricultural and rural development policies and programs. The Rural Household Survey (386-0486) is a unique study comparing 1982 data with 1968-71 data on the original sample. It will show trends in rural income levels and disparities, employment, extent of poverty, household spending and saving, woman's involvement in economic activity, and factors influencing attitudes on desired family size. Data collection will be finished in FY 1983.

Energy and Forestry

A.I.D.'s support in the energy sector emphasizes conservation and development of more appropriate and economical ways to meet rural and urban consumer needs. Development of alternative energy resources under the Technologies for the Rural Poor project (386-0465) will involve collaborative research and demonstration activities in FY 1983, including solar grain drying, solar process heat for rural industries, mini-hydro power for village electrification and solar thermal power for village use such as irrigation pumps. The Alternative Energy Resources project (386-0474) emphasizes technical collaboration on larger-scale energy consumption in the areas

of coal technology, transport efficiency and biomass conversion.

A.I.D. has initiated two major forestry projects, one in FY 1981 and another in FY 1982. Madhya Pradesh Social Forestry project (386-0475) addresses local needs for fuelwood and other forest products through village woodlot development. The approach of community-based forestry will increase employment, especially among women, producing both domestic and commercial fuelwood with income accruing to the village itself. This project will draw upon U.S. expertise in forestry research and in forestry training and extension methods through a collaborative arrangement with U.S. forestry institutions. With a goal of reaching 5,000 villages at the end of the 6-year project, by FY 1983 woodlots will be established in the first 500 villages covering 5,000 hectares of land. Drawing upon design and initial implementation experience in Madhya Pradesh, A.I.D. initiated the Maharashtra Social Forestry project (386-0478) which will involve strengthening of the state's social forestry extension services and a more systematic approach to village woodlot organization and management, including a program of training for woodlot farm managers themselves. Over its 8-year life, the project will cover 4,300 villages and plant 81,000 hectares of trees. In FY 1982-1983, 270 village plantations will be completed and an additional 540 will be started.

Fertility and Mortality

A.I.D.'s approach to fertility and mortality reduction recognizes the synergistic relationship between these two objectives. In India, it involves improvement of both village level health infrastructure and manpower to increase the effectiveness of basic services delivery, better targeting and monitoring of nutrition activities, and increased emphasis on reversible methods of family planning through improved marketing and communications techniques. The Integrated Rural Health and Population project (386-0468) supports the GOI's model plan for low-cost delivery of health and family planning services. It is providing the GOI with its first system-wide assessments of local service management and logistics, training of field workers, and health communications. By the end of FY 1983, the project expects to complete 75% of construction of village-level health and training center facilities serving two million people and an assessment of training and communication needs for para-medical and medical personnel, leading to appropriate changes in training for all relevant personnel.

A.I.D. is supporting with U.S.-owned rupees an effort to strengthen the private and voluntary sector's capacity to implement cost-effective rural health care delivery. Under the Private Voluntary Organizations for Health project (386-0469), institution-building constitutes one dimension of an integrated approach to broaden access to basic preventive health, family planning and nutrition services. Multi-year rupee grants will enable indigenous agencies to reduce mortality and fertility by applying a number of institutional and technical approaches to specific geographic areas. Five subgrants to local voluntary agencies will be approved by the end of FY 1983. A.I.D. is also complementing this integrated approach with a program to enhance private marketing and production of contraceptives. The Social Marketing and Communications for Family Planning project (386-0485) will begin in FY 1983 to improve marketing technologies for the GOI's existing condom program, and support tests and commercial sales of a wider range of contraceptives through private channels. Local private sector advertising and marketing firms will be involved in information and communication activities to disseminate knowledge among couples of reproductive age about the small family norm.

In FY 1983, A.I.D. and the GOI will initiate the Integrated Maternal and Child Nutrition project (386-0476). This project is the outgrowth of an evaluation which recommended improved targeting of PL 480 Title II food under the CARE Maternal/Child Health program, and the inclusion of nutrition education and health services. The program's chief objective is to improve the nutri-

tional impact of U.S. PL 480 Title II food supplied through CARE, which currently reaches 5.5 million children under six years of age in 14 Indian states, by providing a package of maternal/child health services along with food. The project will do this by building upon the GOI's Integrated Child Development Scheme launched in 1976 by improving the skills of female village workers and their supervisors in recruiting and monitoring the progress of severely malnourished children and expectant mothers. Operating in tandem with an on going UNICEF effort, A.I.D. will cover 10,000 villages over a six-year period. The CRS Title II Maternal/Child Health program also began its own targeted nutrition activity in FY 1982 covering 650,000 beneficiaries, supported by an A.I.D. Operational Program Grant in FY 1983.

As A.I.D. increases its involvement in improving the Title II Maternal/Child Health Program, there will be a reduction of 10% every year in support for School Feeding through FY 1986. From FY 1982 to FY 1983, total School Feeding recipients are decreasing from approximately 8.8 million children to 7.9 million, as the GOI gradually assumes responsibility for a larger share of the program. A.I.D. is presently collaborating on a study of the relationship between school feeding and enrollment and retention of primary school students.

Training and Private Sector Initiatives

The Development and Management Training project (386-0487), begun in FY 1982, addresses the need to improve skills in critical areas relevant to A.I.D. activities in India, both at technical and managerial levels. These are areas generally not included in more narrowly focused bilateral projects. The project permits A.I.D. to develop institutional capacity to absorb new technologies within counterpart organizations. The project is oriented primarily toward in-service training for up to 1,300 public and private sector personnel, most of whom will be trained in India, by U.S. consultant teams.

During FY 1983, A.I.D. will be undertaking an assessment of the Indian private sector and outlining options for potential project development.

Requested Year Program (FY 1984)

While implementing fifteen development projects and the on-going PL 480 Title II and HIG activities, A.I.D. proposes three new starts in FY 1984. Two of these will test new designs in irrigation management, flood and erosion control in two Indian states. The third activity will round out A.I.D.'s first two social forestry projects with a long-term institution-building and training effort at both the Central and State level forestry research and training entities.

Food Production and Rural Employment

Eighty-one percent of the FY 1984 program, or $69.4 million requested, is for activities addressing food production and rural employment. The two new irrigation projects proposed for FY 1984 funding will permit A.I.D. to test fresh approaches to water management problems. The first, Maharashtra Minor Irrigation project (386-0490), will focus on smaller scale systems in relatively remote areas in a state where considerable work is already being done in major and medium-level irrigation. The second, Hill Areas Land and Water Development (386-0489), will work in a relatively hilly region where little has been done to develop effective water use schemes. Both projects contain significant training, research and institution-building efforts aimed at the development and efficient operation of irrigation projects in states that have not traditionally received attention in this area, and focussed on special problems associated with these types of small schemes. Additional funding will be provided for Rajasthan Command Area Development (386-0482), which complements the ongoing Rajasthan Medium Irrigation project and emphasizes farmer participation, on-farm water delivery and drainage, extension and marketing. Funding will be completed for the Madhya Pradesh Minor Irrigation project, (386-0483) as work proceeds on construction of systems, training of ex-

tension specialists expands and U.S. technical assistance increases its on-the-ground advisory services in water management. The Water Management and Training project (386-0484) will also receive a second year of funding, as it continues to strengthen water managment institutes at the central and state levels, and plans initial demonstration and training programs. The Agricultural Research project (386-0470) will receive its second year of funding to start additional research sub-projects and provide for an increased level of U.S. short-term technical assistance during that year.

Energy and Forestry

An initial grant of $2.0 million is requested to strengthen the technical and administrative capacity of India's national and state-level forestry institutions. The Forestry Research, Training and Extension project (386-0488) will provide technical, financial and training assistance to India's major forestry research institute and assist selected state-level colleges to develop long-term programs for training in extension forestry. The GOI and A.I.D. identified limited capacity for extension training as a major constraint during the design of the FY 1980 and FY 1982 social forestry projects. Development of curriculum materials and collaborative research with U.S. institutions to adapt and demonstrate relevant technologies will also be part of this effort.

Fertility and Mortality Reduction

Second year funding of $4.0 million is requested for the Social Marketing and Communications project (386-0485) to expand media campaigns in family planning and development of advertising materials for development of new contraceptives.

The on-going Integrated Maternal and Child Nutrition project (386-0476) will complete expansion to 10,000 villages in three states and begin monitoring and evaluation activities on nutritional rehabilitation. Also, research activity on the determinants and effects of low birth weights among newborns will begin, and development of training curricula for village workers will be completed. The project will continue to utilize PL 480 Title II foods through CARE, reaching 1 million beneficiaries. CRS will continue its targeted feeding and nutrition education program, with a second year of funding support under an A.I.D. OPG. Further, under PL 480 Title II, additional vegetable oil will support continuation of the cooperative project with CLUSA. The Food for Work program will continue, implementing the recommendations for modifying its monitoring and evaluation systems developed out of workshops to be held in FY 1983. The phase down of School Feeding will continue with approximately 10% cuts in both the CARE and CRS programs.

Development Training

$2.55 million is requested to complete funding for the Development and Management Training project (386-0487). It is expected that 40-50 participants will be in the United States receiving training, while 6-8 U.S. training teams will be brought to India to conduct training workshops and develop curriculum materials in specialized fields.

PROGRAM: INDIA

CP 84

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY82- OBLIG ATIONS	-THROUGH FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	-ESTIMATED FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	-PROPOSED FY84- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
RURAL ELECTRIFICATION	L	386-0462	79	79	58,000	58,000	58,000	15,994	---	16,206	---	25,800
GUJARAT MEDIUM IRRIGATION	L	386-0464	78	78	30,000	30,000	30,000	12,617	---	9,000	---	8,383
RAJASTHAN MEDIUM IRRIGATION	G	386-0467	80	83	500	1,500	500	130	1,000	400	---	500
RAJASTHAN MEDIUM IRRIGATION	L	386-0467	80	81	35,000	35,000	35,000	1,022	---	9,000	---	10,000
AGRICULTURAL RESEARCH	G	386-0470	83	86	20,000	20,000	---	---	6,500	1,500	4,000	3,000
FERTILIZER PROMOTION	L	386-0471	79	81	---	---	101,000	66,335	---	---	---	---
ALTERNATIVE ENERGY RESOURCES DEVELOP.	G	386-0474	82	82	1,500	1,500	1,500	---	---	360	---	420
MADHYA PRADESH SOCIAL FORESTRY	G	386-0475	81	81	1,000	1,000	1,000	-1,000	---	360	---	220
MADHYA PRADESH SOCIAL FORESTRY	L	386-0475	81	83	24,000	24,000	13,000	---	11,000	4,800	---	4,800
INTEGRATED MATERNAL/CHILD NUTRITION	G	386-0476	83	85	---	7,000	---	---	2,000	200	2,000	1,000
INTEGRATED MATERNAL/CHILD NUTRITION	L	386-0476	83	84	---	8,000	---	---	4,400	300	3,000	2,000
MAHARASHTRA SOCIAL FORESTRY	G	386-0478	82	82	5,000	5,000	5,000	---	---	600	---	900
MAHARASHTRA SOCIAL FORESTRY	L	386-0478	82	82	25,000	25,000	25,000	---	---	2,000	---	3,000
MAHARASHTRA IRRIGATION TECHNOLOGY MGMT	G	386-0481	82	82	3,000	3,000	3,000	---	---	1,500	---	500
MAHARASHTRA IRRIGATION TECHNOLOGY MGMT	L	386-0481	82	82	44,000	44,000	44,000	---	---	5,000	---	9,000
RAJASTHAN COMMAND AREA DEVELOPMENT	G	386-0482	83	85	---	3,000	---	---	1,000	---	1,000	---
RAJASTHAN COMMAND AREA DEVELOPMENT	L	386-0482	83	86	---	24,000	---	---	10,000	---	10,000	---
MADHYA PRADESH MINOR IRRIGATION	G	386-0483	83	85	---	3,000	---	---	1,500	---	1,000	900

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

PROGRAM: INDIA

CP 84

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY82- OBLIGATIONS	-THROUGH FY82- EXPENDITURES	-ESTIMATED FY83- OBLIGATIONS	-ESTIMATED FY83- EXPENDITURES	-PROPOSED FY84- OBLIGATIONS	-PROPOSED FY84- EXPENDITURES
MADHYA PRADESH MINOR IRRIGATION	L	386-0483	83	85	---	40,000	---	---	17,000	---	8,000	5,000
WATER MANAGEMENT AND TRAINING	G	386-0484	83	87	---	17,000	---	---	2,000	200	3,000	1,000
WATER MANAGEMENT AND TRAINING	L	386-0484	83	84	---	23,000	---	---	10,000	1,000	13,000	5,000
NCAER RURAL HOUSEHOLD SURVEY	G	386-0486	81	81	499	499	499	219	---	193	---	87
DEVELOPMENT AND MANAGEMENT TRAINING	G	386-0487	82	82	2,100	2,100	2,100	---	---	600	---	1,100
FORESTRY RESEARCH, TRAINING & EXTENSION	* G	386-0488	84	86	---	6,000	---	---	---	---	2,000	500
HILL AREAS LAND AND WATER DEVELOPMENT	* G	386-0489	84	85	---	4,000	---	---	---	---	1,400	400
HILL AREAS LAND AND WATER DEVELOPMENT	* L	386-0489	84	85	---	30,000	---	---	---	---	14,000	3,000
MAHARASHTRA MINOR IRRIGATION	* G	386-0490	84	86	---	4,000	---	---	---	---	1,000	200
MAHARASHTRA MINOR IRRIGATION	* L	386-0490	84	85	---	40,000	---	---	---	---	11,000	3,000
TOTAL FOR ACCOUNT					249,599	459,599	319,599	95,317	66,400	53,219	74,400	89,710
GRANTS					33,599	78,599	13,599	-651	14,000	5,913	15,400	10,727
LOANS					216,000	381,000	306,000	95,968	52,400	47,306	59,000	78,983
POPULATION PLANNING												
INTEGRATED RURAL HEALTH AND POPULATION	G	386-0468	80	82	13,800	13,800	13,800	1,060	---	3,000	---	4,000
SOCIAL MARKETING AND COMMUNICATIONS (FP)	G	386-0485	83	87	---	25,000	---	---	6,600	---	9,000	3,000
SOCIAL MARKETING AND COMMUNICATIONS (FP)	L	386-0485	83	83	---	10,000	---	---	10,000	---	---	4,000
TOTAL FOR ACCOUNT					13,800	48,800	13,800	1,060	16,600	3,000	9,000	11,000
GRANTS					13,800	38,800	13,800	1,060	6,600	3,000	9,000	7,000
LOANS					---	10,000	---	---	10,000	---	---	4,000
HEALTH												

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

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

PROGRAM: INDIA

CP 84

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY82- OBLIGATIONS	-THROUGH FY82- EXPENDITURES	-ESTIMATED FY83- OBLIGATIONS	-ESTIMATED FY83- EXPENDITURES	-PROPOSED FY84- OBLIGATIONS	-PROPOSED FY84- EXPENDITURES
INTEGRATED RURAL HEALTH AND POPULATION	G	386-0468	80	83	26,200	26,200	23,350	---	2,850	6,000	---	6,000
DEVELOPMENT AND MANAGEMENT TRAINING	G	386-0487	82	84	350	350	300	---	50	150	---	200
TOTAL FOR ACCOUNT					26,550	26,550	23,650	---	2,900	6,150	---	6,200
GRANTS					26,550	26,550	23,650	---	2,900	6,150	---	6,200
LOANS					---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES												
DEVELOPMENT AND MANAGEMENT TRAINING	G	386-0487	82	84	3,650	3,700	---	---	1,100	400	2,600	700
TOTAL FOR ACCOUNT					3,650	3,700	---	---	1,100	400	2,600	700
GRANTS					3,650	3,700	---	---	1,100	400	2,600	700
LOANS					---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES												
TECHNOLOGIES FOR THE RURAL POOR	G	386-0465	78	78	2,000	2,000	2,000	463	---	1,022	---	515
ALTERNATIVE ENERGY RESOURCES DEVELOP.	G	386-0474	82	82	3,500	3,500	3,500	---	---	840	---	980
TOTAL FOR ACCOUNT					5,500	5,500	5,500	463	---	1,862	---	1,495
GRANTS					5,500	5,500	5,500	463	---	1,862	---	1,495
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					299,099	544,149	362,549	96,840	87,000	64,631	86,000	109,105
GRANTS					83,099	153,149	56,549	872	24,600	17,325	27,000	26,122
LOANS					216,000	391,000	306,000	95,968	62,400	47,306	59,000	82,983

*Refers to the planned project summary sheet

[C] Level of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

PROGRAM: India

PLANNED PROGRAM SUMMARY SHEET

CP 84-05 (8-82)

TITLE	FUNDING SOURCE:	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (in thousands of dollars)	
Forestry Research, Training and Extension		2,000		FY 84 2,000	LIFE OF PROJECT FUNDING: 6,000

NUMBER 386-0488 GRANT ☒ LOAN ☐	NEW ☒ CONTINUING ☐	POPULATION:	ED. & HR:	SEL. ACT.:	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 86	ESTIMATED COMPLETION DATE OF PROJECT FY 89

Purpose: To strengthen the capacity of India's forestry institutions to prepare forest development strategies, generate appropriate technologies, train research and extension staff, and carry out extension programs.

Project Description: India's rapidly expanding forestry programs are placing demands on India's national and state-level forestry institutions which exceed their current capacity. This is particularly true in the case of social or village forestry programs, which require major education and extension efforts for their successful implementation. A recent survey indicates that the number of forest officers trained each year should be doubled and that of range officers tripled if projected needs for foresters are to be met in five years. Some training in extension methods is now being provided by the forestry schools. However, the perennial and long-term nature of forest crops, complicated by the unique place of forests in the social structure (i.e. free access and public ownership), require special modification of extension techniques and methods.

This project will strengthen the capabilities of India's forestry institutions at the national and at the state level in extension, training, research, and planning. The project's extension component will provide assistance to the Forestry Research Institute and Colleges at Dehra Dun and selected state-level colleges, by providing expanded training of extension instructors, curriculum development, and introduction of new instructional materials. A third project component will support training in forestry research as well as pilot-scale collaborative research to adapt and demonstrate relevant technologies. A final component will support training and exchange of experts to establish a strategic planning cell under the Inspector General of Forests.

Given the diversity of forest types and the complexities of social and economic conditions in India, the opportunity exists to assist in developing new extension methodologies through research. Total project cost is estimated at $8 million, $2 million from the GOI and $6 million from A.I.D.

Relationship of Project to A.I.D Country Strategy: A.I.D. is evolving a program in energy, forestry and conservation, reflecting the needs identified by Indian policy statements. Five current projects focus on the well-documented needs for energy development and reforestation. Now, to facilitate further sector development, there is a need for additional assistance for forestry research and training to provide more trained personnel and to extend the capacity of various institutions to assimilate new technology more rapidly.

Host Country and Other Donors: This project will help develop the institutional and professional framework in which social forestry projects throughout India are conducted. At present, ten states have ongoing social forestry programs. Donor support is provided by the World Bank (West Bengal, Uttar Pradesh, Gujarat), A.I.D. (Madhya Pradesh and Maharashtra), Canada (Andhra Pradesh), and Sweden (Tamil Nadu, Orissa and Bihar).

Donor resources totaling over $250 million are now committed or planned in forestry and social forestry activities in India; GOI resources totaling over $200 million equivalent are programmed under the Sixth Five Year Plan.

Beneficiaries: The ultimate beneficiaries will be the rural population who will gain from more effectively planned and administered programs, particularly in village-level social forestry. Students enrolled in forestry programs will benefit from improved course offerings. The participation of women and members of scheduled castes and tribes in these programs is fully endorsed by the GOI. Courses in tribal welfare are now being included in course offerings at some forestry institution.

PROGRAM: India

PLANNED PROGRAM SUMMARY SHEET

CP 84-05 (8-82)

TITLE	FUNDING SOURCE:	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)	
Hill Areas Land and Water Development		G 1,400 L 14,000		FY 84 G 1,400/L 14,000	LIFE OF PROJECT FUNDING: G 4,000/L 30,000

NUMBER 386-0489 GRANT ☒ LOAN ☒	NEW ☐x CONTINUING ☐	POPULATION:	ED. & HR:	SEL. ACT.:	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 85	ESTIMATED COMPLETION DATE OF PROJECT FY 88

Purpose: To improve the capability of institutions responsible for irrigated agricultural development and watershed management in the hill areas of Himachal Pradesh to plan, design, construct, manage, operate and maintain efficient and economical irrigation and watershed management systems.

Project Description: The Project will strengthen the technical and administrative capabilities of, the separate Himachal Pradesh state Departments of Irrigation, Agriculture and Forestry to establish and support systems for maximizing hill area agricultural production. With a primary focus on irrigation, the systems will also incorporate flood and erosion control, afforestation and watershed management along the Upper Gangetic Watershed. Approximately 100 experimental demonstration systems will be installed in the sub-Himalayan hills of the state. The project will provide technical inputs and financing for approximately 60 water development subprojects and 40 land development subprojects from the loan of $30 million. The project will be carried out by a combination of farmers' organizations, private sector firms and state institutions.

New technologies to be tested and demonstrated include closed water distribution systems and drip irrigation to minimize seepage and evaporation losses; gully control to reduce erosion; and introduction of new tree species to reforest hillsides. If successful, the experimental schemes will lead to fundamental changes in how farmers, user organizations, private engineering and construction firms are involved in the design, construction and operation of watershed management infrastructure, and in how the resulting water is managed by its beneficiaries.

The major components funded from the grant of $4 million include technical assistance, special studies of problems affecting hill area irrigation and watershed management, and a training center for professional development in Himachal Pradesh, Punjab, and Haryana.

Relationship of Project to A.I.D. Country Strategy: A.I.D.'s development strategy calls for long-term support for improving irrigation efficiency. The Mission has projects to provide technical assistance, training, institutional and financial support for medium irrigation systems in Gujarat, Rajasthan and Maharashtra. Parallel efforts will be under way in minor irrigation in Madhya Pradesh and Maharashtra. A.I.D.'s irrigation portfolio has enabled it to build productive linkages, not only to the state irrigation and agriculture departments, but also to the Ministries of Irrigation and Agriculture and the Central Water Commission of the Central Government. These entities are increasingly receptive to U.S. collaboration in developing ways to improve the efficiency of irrigation. This project, building upon and expanding A.I.D.'s irrigation portfolio, will concentrate on the smaller systems and steeper topography characteristic of the hill areas of Himachal Pradesh.

Host Country and Other Donors: The total cost is estimated at $50 million, of which A.I.D's contribution is $30 million loan and $4 million grant. Himachal Pradesh will provide the balance in local currency. No other donors are active in this field in hill areas.

Beneficiaries: The project will directly benefit 20,000 small and marginal farm families through additional irrigation development in 20,000 hectares, increased rural productivity, employment and income. In the longer term, an estimated 6.5 million hectares of hill area land, supporting 35 million people, will potentially benefit from the spread effect of this project.

PROGRAM: India

PLANNED PROGRAM SUMMARY SHEET

CP 84-05 (8-82)

TITLE	FUNDING SOURCE:	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION *(In thousands of dollars)*	
Maharashtra Minor Irrigation		G 1,000 L 11,000		FY 84 G 1,000/ L 11,000	LIFE OF PROJECT FUNDING: G 4,000/ L 40,000

NUMBER 386-0490 GRANT ☒ LOAN ☒	NEW ☒ CONTINUING ☐	POPULATION:	ED. & HR:	SEL. ACT.:	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 86	ESTIMATED COMPLETION DATE OF PROJECT FY 89

Purpose: To improve the capability of institutions responsible for planning, design, construction, operation and management of minor irrigation systems in Maharashtra to increase irrigation efficiency and consequently rural productivity and employment.

Project Description: The project will strengthen the technical and administrative capabilities of the Irrigation Department to establish and support small irrigation systems in remote areas of Maharashtra. Minor irrigation schemes, covering 2,000 hectares or less, are suited to smaller watersheds generally inhabited by less privileged small farmers, tribal and scheduled caste populations. Approximately 75 minor irrigation schemes will be supported with loan funds of $40 million. Each will test design innovations, new methods of organizing farmers and increasing their participation in the design process, and serve as demonstrations of successful designs and workable organization modes. These subprojects, ranging between 100 and 500 hectares, are at the lower end of the range of schemes categorized as "minor". Small schemes have lagged behind larger schemes both in design state of the art and in pace of construction. This is because they tend generally to be in more remote areas.

Grant funds of $4 million will finance training, primarily in-country, for departmental technicians, construction contractors, villagers and farmers. Technical assistance will be provided in integrated planning, design, construction techniques and in mobilization and organization of private resources for operation and maintenance of functioning systems. The project will also support special studies of problems or design aspects of minor irrigation systems.

Relationship of Project to AID Country Strategy: USAID/India's development strategy calls for major long term support for improving irrigation efficiency. The Mission has projects providing technical assistance, training, institutional and financial support for the construction of prototype and demonstration medium irrigation systems in Gujarat, Rajasthan and Maharashtra. Also, a major project to provide training and technical assistance in water management throughout several states will be initiated by the time this project is obligated. A parallel effort in minor irrigation will start in Madhya Pradesh in FY 1983. A companion project in integrated irrigation, flood and erosion control and watershed management is proposed for obligation in FY 1984 in Himachal Pradesh and other sub-Himalayan hill areas. USAID/India's irrigation strategy has evolved from mere support of construction to technology development and transfer to institutions to improve irrigation efficiency. The Maharashtra Irrigation Technology and Management Project, focusing on medium irrigation systems, introduced successful developments for replication elsewhere. This approach is likewise used in Madhya Pradesh Minor Irrigation to be obligated in fiscal year 1983, and is further refined in this project.

Host Country and Other Donors: The total cost is estimated at $74 million of which A.I.D.'s contribution will be $40 million in loan funds and $4 million grant. Maharashtra will provide the remaining $30 million in local currency. No other donor is supporting minor irrigation in Maharashtra. The World Bank has major irrigation projects, and agricultural extension activities throughout Maharashtra totaling $330 million.

Beneficiaries: The scheme will directly benefit about 25,000 small farmers and their families currently living near or below subsistence level. An estimated area of 28,000 hectares now under rainfed cultivation or lying fallow will benefit from irrigation, increasing income of farm families and rural production. The institutional capacity developed through this project will eventually benefit the 300,000 farm families in Maharashtra - 1,500,000 people - who live in areas actually irrigated or potentially irrigable by minor irrigation schemes.

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FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: INDONESIA

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1982) 157,595

PER CAPITA GNP..... (DOLLARS,1981) 520

AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-80) 4.0%

AVERAGE ANNUAL RATE OF INFLATION (1970-80) 20.5%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. (1976) 6.6%

LIFE EXPECTANCY AT BIRTH, IN YEARS

(1981)	TOTAL 53.5	MALE 52.0	FEMALE 55.2
(1968)	TOTAL 45.0	MALE 44.1	FEMALE 46.1

ADULT LITERACY RATE

(1978)	TOTAL 64%	MALE 54%	FEMALE 76%
(1961)	TOTAL 39%	MALE 53%	FEMALE 26%

AGRICULTURE

AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (1970-1981) 2.2%

AGRICULTURAL PRODUCTION AS % OF GDP..... (1980) 25%

POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982) 1,398

MAJOR CROP(S)		ARABLE LAND	YEAR
SUBSISTENCE:	RICE CORN CASSAVA	70%	(1961)
CASH:	RUBBER COFFEE PALM OIL	24%	(1981)

MAJOR AGRICULTURAL EXPORTS:(1981) RUBBER COFFEE PALM OIL

MAJOR AGRICULTURAL IMPORTS:(1981) SUGAR COTTON WHEAT

PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1980) 58%

CENTRAL GOVERNMENT FINANCES

TOTAL DOMESTIC REVENUES ($ MILLIONS, U.S.)			
(1977)	5,595 (78)	6,804 (79)	10,681
TOTAL EXPENDITURES ($ MILLIONS, U.S.)			
(1977)	6,656 (78)	7,978 (79)	12,456
DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)			
(1977)	-1,061 (78)	-1,174 (79)	-1,775

DEFENSE EXPENDITURES,
AS % OF TOTAL EXPENDITURES.. (1978) 13.4% (79) 14.2% (80) 10.2%
AS % OF GNP..... (1978) 3.1% (79) 3.8% (80) 2.8%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
($MILLIONS, U.S.) (1979) 4,167 (80) 6,500 (81) 6,076
EQUIVALENT TO 5.0 MONTHS OF IMPORTS (1981)

FOREIGN TRADE

MAJOR EXPORTS... (1981) PETROLEUM WOOD RUBBER

EXPORTS TO U.S.
($ MILLIONS, US. FOB) (1979) 3171 (1980) 4303 (1981) 4084
AS % OF TOTAL EXPORTS (1979) 20% (1980) 20% (1981) 18%

MAJOR IMPORTS... (1981) RICE WHEAT TEXTILES

IMPORTS FROM U.S.
($ MILLIONS, US. CIF) (1979) 1053 (1980) 1409 (1981) 1795
AS % OF TOTAL IMPORTS (1979) 15% (1980) 13% (1981) 14%

TRADE BALANCE($ MILLIONS. U.S.)(1979) 8,388(80) 11,074(81) 8,988

MAIN TRADING PARTNERS: JAPAN UNITED STATES SINGAPORE

EXTERNAL PUBLIC DEBT AS % OF GNP (1980) 22.5%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
($ MILLIONS, U.S.)..... (1980) 1777
AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1980) 8.0%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 2.2% (1975) 2.0% (1982) 2.1%

POPULATION IN URBAN AREAS..... (1965) 12% (1974) 18%

LIVE BIRTHS PER 1,000 POPULATION.....(1970) 43 (1982) 31

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1981) 36%

POPULATION (1981) IN AGE GROUP:
(0-14YRS) 39.8% (15-64YRS) 57.1% (65+ YRS) 3.1%

INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982) 99

PEOPLE PER PHYSICIAN..... (1976) 14,918

MAJOR CAUSES OF
DISEASE (1979)FLU & PNEUMONIA ENTERIC DISEASE MALARIA
DEATH.. (1973)RESPIRATORY ENTERIC DISEASE GASTROINTESTINAL

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 102%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975) 11%

TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:

PRIMARY.....	(1978)	TOTAL 94.0%	MALE 100.0%	FEMALE 89.0%
SECONDARY.....	(1978)	TOTAL 22.0%	MALE 27.0%	FEMALE 18.0%
POST SECONDARY..	(1976)	TOTAL 2.5%	MALE 3.6%	FEMALE 1.4%

ENERGY PRODUCTION AS % OF CONSUMPTION..... (1980) 403%

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

COUNTRY **INDONESIA**

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-81	REPAY-MENTS AND INTEREST 1946-81	TOTAL LESS REPAY-MENTS AND INTEREST 1946-81
	1977	1978	1979	1980	1981			
I. ECONOMIC ASSISTANCE – TOTAL	134.2	196.6	191.3	196.4	130.0	2889.3	530.4	2358.9
Loans	114.2	173.2	160.4	150.9	76.9	2272.9	530.4	1742.5
Grants	20.0	23.4	30.9	45.5	51.1	616.4	–	616.4
a. A.I.D. and Predecessor Agencies	42.4	73.9	95.0	82.7	68.8	1304.6	168.9	1135.7
Loans	28.9	57.8	71.7	54.6	33.9	904.1	168.9	735.2
Grants	13.5	16.1	23.3	28.1	34.9	400.5	–	400.5
(Economic Support Fund)	–	–	–	–	–	63.0		
b. Food for Peace (PL 480)	91.7	122.7	96.2	113.7	61.2	1513.2	305.3	1207.9
Loans	85.3	115.4	88.7	95.3	45.0	1302.6	305.3	997.3
Grants	6.4	7.3	7.5	17.4	16.2	210.6	–	210.6
Title I - Total Sales Agreements	85.3	115.4	88.7	96.3	45.0	1347.6	305.3	1042.3
Repayable in U.S. Dollars - Loans	85.3	115.4	88.7	96.3	45.0	1251.5	286.3	965.2
Payable in Foreign Currency - Planned for Country Use	–	–	–	–	–	96.1	19.0	77.1
Title II - Total Grants	6.4	7.3	7.5	17.4	16.2	165.6	–	165.6
Emerg. Relief, Econ. Develop. & World Food Program	3.7	3.0	2.4	0.0	7.7	88.6	–	88.6
Voluntary Relief Agencies	2.7	4.3	5.1	11.4	8.5	77.0	–	77.0
c. Other Economic Assistance	0.1	–	0.1	–	–	71.5	56.2	15.3
Loans	–	–	–	–	–	66.2	56.2	10.0
Grants	0.1	–	0.1	–	–	5.3	–	5.3
Peace Corps	–	–	–	–	–	0.7	–	0.7
Narcotics	0.1	–	0.1	–	–	0.5	–	0.5
Other	–	–	–	–	–	4.1	–	4.1
II. MILITARY ASSISTANCE – TOTAL	40.8	58.1	34.8	33.1	32.2	468.6	68.6	400.0
Credits or Loans	23.1	40.0	32.0	30.0	30.0	186.7	68.6	118.1
Grants	17.7	18.1	2.8	3.1	2.2	281.9	–	281.9
a. MAP Grants	15.0	15.0	0.8	1.5	0.4	190.5	–	190.5
b. Credit Financing - FMS	23.1	40.0	32.0	30.0	30.0	186.7	68.6	118.1
c. Military Assistance Service-Funded (MASF) Grants	2.7	3.1	2.0	1.6	1.8	31.4	–	31.4
d. Transfers from Excess Stocks	–	–	–	–	–	33.9	–	33.9
e. Other Grants	–	–	–	–	–	20.1	–	20.1
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	175.0	254.7	226.1	229.5	162.2	3357.9	599.0	2758.9
Loans	137.3	213.2	192.4	180.9	108.9	2459.6	599.0	1860.6
Grants	37.7	41.5	33.7	48.6	53.3	898.3	–	898.3
Other U.S. Government Loans and Grants	12.1	4.5	10.9	97.5	–	629.5	418.0	211.5
a. Export-Import Bank Loans	8.3	4.5	8.7	97.5	–	565.3	346.7	218.6
b. All Other Loans	3.8	–	2.2	–	–	64.2	71.3	7.1–

* LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1980	FY 1981	FY 1982	FY 1946–82
TOTAL	1040.9	1013.2	1302.7	7706.8
IBRD	572.0	667.0	846.6	4635.2
IFC	70.3	0.0	4.3	135.0
IDA	162.0	0.0	0.0	941.6
IDB	0.0	0.0	0.0	0.0
ADB	230.8	334.7	451.8	1807.0
AFDB	0.0	0.0	0.0	0.0
UNDP	5.8	11.5	0.0	92.5
OTHER–UN	0.0	0.0	0.0	95.5
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

Donor	CY 1980	CY 1981	CY 1977–81
U.S.	146.0	141.0	769.0
Japan	426.1	381.8	1547.9
Germany	86.7	180.4	400.2
Netherlands	92.1	75.4	343.5
France	48.9	49.1	179.9
Other	193.6	119.1	573.6
Total	993.4	946.8	3814.1

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

CY 1980	CY 1981	CY 1976–81
16.0	-	77.0

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1980	CY 1981	CY 1954–81
USSR	-	-	215
Eastern Europe	-	-	365
China	-	-	45
Total	-	-	625

CP 84-13 (8-82)

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1982								
Loans	43,253	14,660	17,250	-	5,250	6,093	-	-
Grants	24,150	12,900	4,000	5,750	1,000	500	-	-
Total	67,403	27,560	21,250	5,750	6,250	6,593	-	-
1983								
Loans	48,000	26,000	3,000	5,100	9,900	4,000	-	-
Grants	17,000	8,500	3,000	1,500	2,000	2,000	-	-
Total	65,000	34,500	6,000	6,600	11,900	6,000	-	-
1984								
Loans	43,000	25,500	6,500	-	6,000	5,000	-	-
Grants	21,000	11,500	3,000	-	3,000	3,500	-	-
Total	64,000	37,000	9,500	-	9,000	8,500	-	-

FY 84 PROGRAM HIGHLIGHTS

A.I.D.'s Program will support:
- Area development and local governemt institutions - $14.2 million
- Agriculture education, research, policy and planning - $12.9 million.
- Private enterprise, credit institutions and voluntary organizations - $18.5 million.
- Family planning delivery systems - $9.5 million.
- General and Management Training - $9 million.

Development Overview

Despite substantial oil, mineral, timber and other resources, Indonesia is a poor country with a per capita GDP in 1981 of $520, and upwards of 65 million people classified as poor out of a total population of over 150 million. A large, growing and maldistributed population - 80% of the people live on 7% of the land - inadequate social, physical and technological infrastructure, and an insufficient cadre of skilled entrepreneurial and managerial talent all contribute to the country's widespread poverty. The Indonesian socio-economic milieu is characterized by:

- infant mortality of about 100 per 1,000 live births (1982), the highest among ASEAN countries;
- life expectancy at birth of about 53 years;
- physician to population ratio of one to 13,670 (1977);
- access to safe water for only 12% of the population;
- adult literacy rate of 64% (1981);
- effective under and unemployment rate of 30-40%;
- electric power for less than five percent of households.

Three-quarters of the population live in rural areas. Most agriculturists own the land they farm, but these holdings are generally under half a hectare. Thus the agriculture sector has limited capacity to absorb additional labor productively. Nearly 2 million annual entrants into the labor force must be accommodated elsewhere.

For the first time, education outranks all other Indonesian fiscal allocations. With primary school enrollment of 85%, the emphasis now is on improving the quality of education and widening access at the secondary level. Realizing that unskilled labor and scarce and poorly trained managerial talent block development, the Government of Indonesia (GOI) has placed heavy emphasis on vocational education and management training. In agriculture, the emphasis is on crop diversification to achieve

CP 84-08 (8-82)

RESOURCE FLOWS
(In thousands of dollars)

Program	FY 1982 (Actual)	FY 1983 (Estimated	FY 1984 (Proposed)
Aid*			
Loans	54,619	61,913	62,954
Grants	21,062	28,450	27,887
Total AID	75,681	90,363	90,841
P.L. 480**			
Title I	17,500	20,000	30,000
(of which Title III is)	(–)	(–)	(–)
Title II	7,796	8,657	9,246
Total P.L. 480	25,296	28,657	39,246
Total AID and P.L. 480	100,977	119,020	130,087

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

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PERSONNEL/PARTICIPANTS DATA

Category	FY 1982 (Actual)	FY 1983 (Estimated	FY 1984 (Proposed)
AID Personnel [a]			
Direct Hire [b]	58	56	53
PASA[c]	13	14	14
Contract	77	80	80
Total	148	150	147
Participants [d]			
Noncontract	128	241	323
Contract	203	241	187
Total	331	482	510

[a]U.S. nationals on duty at the end of the fiscal year.
[b]FY 1983 and FY 1984 position levels.
[c]Participating agency technicians.
[d]Programmed during the fiscal year.

CP 84-14 (8-82)

Program	FY 1982 (Actual)		FY 1983 (Estimated		FY 1984 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	104	17,500	117	20,000	87	15,000
Rice					46	15,000
Feedgrains						
Vegoil						
Non-food						
Title I Total		17,500		20,000		30,000
(of which Title III is)		(–)		(–)		(–)
Title II						
Voluntary Agencies		4,655		4,002		4,351
World Food Programs		3,141		4,655		4,895
Gov't-to-Gov't		–		–		–
Title II Total		7,796		8,657		9,246
Total P.L. 480		25,296		28,657		39,246

food self-sufficiency. The high priority accorded regional development reflects the GOI's desire to decentralize. GOI energy policy seeks to reduce reliance on oil.

Total Resources

During 1971-81, Indonesia sustained a 4% and higher annual real per capita GDP growth rate. A fall to 2% per capita this year and possibly next is currently anticipated. Real GDP growth in 1982 will slow to 4-4.5% from the 7.6% estimated for 1981. The chief cause of this decline is lowered export earnings. Both oil and non-oil exports fell by 30% in 1981, and by an estimated 10-15% in 1982. Thus the current account surplus in prior years turned to a deficit of $2.5 billion in 1981/82, with a further sharp downturn of $7-8 billion projected in 1982/83. A similar deficit is expected in 1983/84.

The Indonesian Government devotes a high level of resources to development. In FY 1982/83, routine budget expenditures are estimated at $10.8 billion while the development budget is $13.2 billion, an increase of $3.0

billion over the development budget of 1981/82 despite the economic downturn. Seventy percent of the development budget is derived from oil revenues. The Government is instituting policies that will lessen this dependence on oil through internal resource mobilization by reducing subsidies and improving tax administration and collection.

The 1982/83 development budget represents more than six times the $1.9 billion committed by major donors for that period. The major bilateral donor is Japan ($270 million) followed (in millions) by the United States ($95, including PL 480), West Germany ($70), Holland ($60), France ($70) and Australia ($40).

The World Bank (IBRD) has been the largest donor with an annual commitment in FY 82/83 of about $925 million. The Asian Development Bank (ADB) committed about $345 million in FY 1983. Both banks plan to continue at about this level for several years. The United Nations Development Program's five year program (1978-1983) is budgeted at $76 million.

U S. Interests and Objectives

Indonesia stretches across the strategic region between Southeast Asia and Australia. It is a source of essential raw materials for the United States and Japan, supplying in 1980 52% of U.S. rubber imports, 13% of tin, and 6% of crude petroleum. The large population and growing economy provide an attractive market for imported goods and services, and offer good opportunities for U.S. investments. Indonesia is a major and growing market for U.S. agricultural goods. As a leading member of ASEAN, Indonesia actively supports regional cooperation in commercial, economic and cultural fields. Indonesia exerts a moderating influence in the Islamic world and within OPEC, and has been a leader in seeking reasonable North-South accommodation. Indonesia values its ties with the West and strongly desires to maintain cooperative programs.

Indonesia is a country where development is progressing, and which has the potential to address its poverty in the coming years. With continued good economic management, investment liberalization, attention to important development constraints, and continued commitment to growth and equity-oriented policies and programs, Indonesia has the opportunity to achieve major improvement in its economy and in the living conditions of its poor. The continuation of external assistance at recent levels will help Indonesia to strengthen institutions; introduce, use and manage new technology; and assist in formation of appropriate policies.

A.I.D. Assistance Strategy.

The A.I.D. assistance strategy focuses on institution building in the important development sectors. The strategy also involves greater policy discussion with the Government, implementation of demonstration projects to facilitate the transfer of technology and the promotion of private enterprise. A heavy emphasis on management training and manpower development flows throughout these objectives.

To implement this strategy, A.I.D. has chosen four objectives on which to concentrate over the next four years:

A. Food Diversification

With a strong contribution from focused agricultural research, Indonesia has nearly achieved self-sufficiency in rice. The long-range goal is now to achieve food self-sufficiency and reach poorer segments of the community. Diversification of food production is necessary to meet the overall nutritional requirements of a growing population. U.S. assistance is targeted at three important constraints to the achievement of this goal.

a) Agricultural Research: A.I.D. is currently assisting Indonesia to increase its capacity to carry out research on secondary crops to diversify food production and reduce reliance on rice and promote the economic welfare of the women who are often the principal cultivators of

these crops.

b) Agricultural Planning Policy: Certain aspects of the agricultural sector interact inefficiently, lowering production and causing non-economic investments. A.I.D. will strive to strengthen agricultural planning, programming and policy analysis. Major issues include constraints to secondary crops development, subsidy policies, pricing mechanisms and distribution networks.

c) Water Management: The increased use of marginal slopes for agricultural production has created soil erosion on upper watersheds with resulting loss of topsoil, low yields and increased farm unemployment. Evaluation of A.I.D. pilot projects has shown that agricultural productivity and incomes can be increased with modern practices and proper water management. A.I.D. and the IBRD are testing new water management systems under several projects. Concentration in this area over the next five years should result in crop diversification and multi-cropping in several watersheds on Java.

B. Increasing Non-Farm Employment and Private Enterprise Development

A.I.D. is attempting to speed off-farm employment creation and strengthen the Indonesian private sector through efforts in the following areas:

a) Rural Credit: The rural credit component of a current A.I.D. project is demonstrating the techniques of managing private, market rate, small-credit operations. Building on this experience, rural credit schemes will be tried in other locations. The successes will be institutionalized over the next few years.

b) Policy Environment and Constraints to Small Enterprise Development: Established policies which hamper the expansion of enterprises, both public and private, are being analyzed. A new project under design will foster policy dialogue with the Government, test constraints and provide alternatives so that policies which have a negative impact on private enterprise can be revised.

c) Management Training: A.I.D. will assist in the creation of formal and informal management training programs to increase productivity.

d) Increasing U.S. and Foreign Investment: A.I.D. is identifying opportunities of mutual benefit to U.S. and Indonesian investors.

C. Health and Family Planning

a) The Health and Nutrition Strategy: Health efforts will concentrate on three areas which can most directly reduce infant/child mortality and morbidity: maternal and child health delivery systems; nutrition policy and village-level nutrition intervention mechanisms; and communicable disease control, especially vaccine-preventable diseases of childhood and diarrheal diseases.

b) Family Planning: Family planning has strong national support and is now institutionalized in Indonesia. The character of A.I.D.'s efforts, therefore, is changing and the scale of support will be diminishing. In coming years, assistance will concentrate on program management in poor performance areas, voluntary sterilization, and research and development.

D. Education and Training

The lack of trained manpower in all sectors and at all levels is one of the major impediments to rapid development in Indonesia. An internal, self-sustaining ability to produce trained manpower and managers in Indonesia is top priority. A.I.D. is working with the government to overcome this problem by strengthening selected university facilities in agriculture, management and economics; encouraging policies of increased resource allocation and improved program management related to training and education; and expanding the general participant training program to include private sector participants.

A.I.D. Program: (FYs 1982-1983)

Agriculture, Rural Development and Nutrition

After evaluating progress to date, A.I.D.'s agriculture sector strategy has shifted from large-scale area development and infrastructure projects to the productivity, institutionalization and policy endeavors as outlined above.

Based on extensive evaluation, our efforts to improve decentralized administration will be expanded, and replicated. Indonesians trained in the United States have returned to have a significant impact on Indonesian development. We are now trying to spread these benefits to more distant parts of this extremely far-flung country.

Our past agricultural research endeavors have contributed to the successes of Indonesian agriculture, and will be amplified to attack remaining food production problems. We also continue to work on productivity and marketing contraints.

The Private Sector Development project in FY 1982 launched our new initiative to involve the Indonesian private sector in the development process and to encourage U.S. investments in Indonesia. It will fund joint agribusiness ventures, light manufacturing and training of senior and mid-career management personnel from private enterprises.

Our Private Voluntary Organization (PVO) program has been broadened to include Indonesian as well as U.S. entities.

Family Planning

A.I.D. has been long, intensively and successfully involved in Indonesia's family planning effort. The character of that involvement is now changing. We have worked ourselves out of a job in oral contraceptives. Indonesia is now able to provide most of its own needs. We are continuing assistance to the National Family Planning Coordinating Board, with an added focus on provinces with low acceptor rates, urban programs and voluntary sterilization. We are concentrating on the remaining hard problems.

Health

The Health and Nutrition Strategy focuses on reducing infant/child mortality, health delivery services and village nutrition. To implement this strategy, we will attempt to strengthen provincial capabilities to deliver health services. Initial field planning and survey work as well as some training has begun. We are also attempting to integrate simple health nutrition and income-generating activities with the village family planning network, and to assist Ministry of Health research institutes which produce critical, practical information for decision-makers, particularly in rural health services delivery and nutrition surveillance.

PVO's are also active in the health area.

Education

While we continue to train Indonesian educators both in Indonesia and the U.S., a new effort was started in FY 1983 to work at the policy level of the Ministry of Education as well. We will attempt to improve that institution's capacity to collect and analyze data, plan education and training programs, and develop research and experimentation.

Selected Development Activities

The portion of the Private Sector Development project (497-0329) funded in this account focuses on light manufacturing enterprises.

We are working on energy modeling and analysis, and policy studies that will increase the information base and capability of the Directorate General for Power in national energy planning. An energy research and develop-

ment center will also be established.

We are also funding analysis of issues and problems related to Indonesian development policies under this account. The Mission will thus participate more effectively in policy dialogue with the GOI improving Indonesian policy formulation and program design.

Project Development and Support

In FY 1982, the Mission used about $1 million in PD&S funds for evaluations, project design and technical assistance in connection with various policy issues.

PL 480 - Title I

In FY 1982, the U.S. provided $17.5 million in for the purchase of 95,000 metric tons of wheat. Proceeds accrue to the Government's development budget, and are used for self-help measures designed to increase food production. Twenty million dollars for 117,000 metric tons of wheat is programmed for FY 1983.

PL 480 Title II

In FY 1982 Title II efforts totalled $4,655,000 for programs sponsored by Catholic Relief Services (CRS) and Church World Services (CWS). The programs parallel GOI and A.I.D. development efforts to increase crop production, provide employment to rural poor through food-for-work projects, and address maternal and child health (MCH) problems through infant feeding programs. The MCH program was evaluated and several recommendations were made for program improvement. The Mission is working with the sponsoring agencies to carry these out. In FY 1983 $4,002,000 is proposed.

Requested Year Program (FY 1984)

The FY 1984 program presented here consists of 14 projects totalling $64 million.

Agriculture, Rural Development and Nutrition

This sector will receive 58% or $37 million of the total FY 1984 request. There are four new projects, one for each aspect of the new strategy. The Central Java Enterprise Development Project (497-0331) will attack the rural employment constraint by providing technical and financial assistance to the private sector to develop non-farm enterprises. The Local Credit Institutions (497-0341) project will assist financial institutions to provide small loans to the rural populace and will mobilize local savings through these institutions.

Agricultural Planning II (497-0342) grew out of an agricultural planning study which was carried out in Indonesia in the summer of 1982. It will build the Ministry of Agriculture's institutional capability, upgrading its ability to do resource allocation analysis and provincial level planning.

The agriculture strategy emphasizes water management. Indonesia does not have a comprehensive national policy on water management despite large domestic and foreign investments in the sector. Water Resources Policy (497-0339) will assist the GOI to establish a central authority to formulate national policies and strategies for long-term development of water resources.

Provincial Development Planning II (497-0276) grew out of an evaluation of PDP I recommending replication of that project's successes.

Agricultural research is a principal objective of the assistance strategy to achieve food self-sufficiency. Applied Agriculture Research (497-0302), National Watershed (497-0311) and East Timor Development (497-0330) support this goal. The latter is implemented by Catholic Relief Services.

Population

The Family Planning Development and Services II

(497-0327) project will support family planning services in both rural and urban programs, provide funds for research, training and voluntary sterilization activities. American technical advisors will support the very effective work of the Indonesian Family Planning program.

Education

General Participant Training II (497-0328) and a new Private Sector Management Training project (497-0345) will train the midand lower-level managers of Indonesia's off-farm development efforts. Both of these projects are central to the Mission's efforts to upgrade human resources and transfer technology following evaluation findings that returned participants provide important support to Indonesia's development effort.

Selected Development Activities

The Private Sector (497-0329), PVO Co-Financing II (497-0336) and the Development Studies (497-0340) projects are incrementally funded.

PL 480

A $30 million Title I program is requested to ease Indonesia's food import requirements. The sales proceeds will go to finance self-help measures to increase food production. We are requesting $4.4 million under Title II for projects administered by Catholic Relief Services (CRS) and Church World Services (CWS) to improve maternal and child health and provide food supplements for food-for-work activities.

PROGRAM: INDONESIA

CP 84

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY82- OBLIGATIONS	-THROUGH FY82- EXPENDITURES	-ESTIMATED FY83- OBLIGATIONS	-ESTIMATED FY83- EXPENDITURES	-PROPOSED FY84- OBLIGATIONS	-PROPOSED FY84- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
PVO CO-FINANCING	G	497-0225	74	81	2,172	2,172	2,151	1,949	---	100	---	102
ACEH ROAD BETTERMENT	L	497-0241	75	75	10,300	10,300	9,734	9,658	---	---	---	---
LUWU AREA AND TRANSMIGRATION DEV I	G	497-0244	81	82	2,090	2,090	2,090	583	---	1,200	---	307
LUWU AREA AND TRANSMIGRATION DEV I	L	497-0244	76	82	16,610	16,610	16,610	10,711	---	4,400	---	1,500
CITANDUY RIVER BASIN DEVELOPMENT I	L	497-0245	77	77	12,500	12,500	12,500	9,385	---	1,500	---	1,500
SEDERHANA IRRIGATION AND LAND DEV II	G	497-0252	78	81	11,300	11,300	11,300	8,280	---	1,500	---	1,500
SEDERHANA IRRIGATION AND LAND DEV II	L	497-0252	78	79	25,000	25,000	25,000	4,072	---	3,500	---	3,500
SUMATRA AGRICULTURAL RESEARCH	G	497-0263	77	77	2,500	2,500	2,500	1,053	---	600	---	600
SUMATRA AGRICULTURAL RESEARCH	L	497-0263	78	78	7,000	7,000	7,000	558	---	1,350	---	2,000
PROVINCIAL AREA DEVELOPMENT PROGRAM I	G	497-0264	77	83	5,100	5,100	4,150	2,519	950	500	---	600
PROVINCIAL AREA DEVELOPMENT PROGRAM I	L	497-0264	78	83	12,500	12,500	9,650	3,462	2,850	600	---	800
AG DEVELOPMENT PLANNING AND ADMIN	G	497-0265	77	83	1,300	1,800	1,525	1,054	500	400	---	346
AG DEVELOPMENT PLANNING AND ADMIN	L	497-0265	78	78	5,000	5,000	5,000	1,920	---	1,500	---	1,580
RURAL ELECTRIFICATION 1	G	497-0267	78	82	11,000	11,000	11,000	8,096	---	2,200	---	804
RURAL ELECTRIFICATION I	L	497-0267	78	78	30,000	30,000	30,000	14,779	---	12,200	---	3,021
PROVINCIAL AREA DEVELOPMENT PROGRAM II	G	497-0276	79	84	6,500	10,000	6,500	4,390	1,500	1,100	2,000	1,300
PROVINCIAL AREA DEVELOPMENT PROGRAM II	L	497-0276	79	84	18,000	36,350	18,000	4,578	8,550	2,000	5,150	2,000

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

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

PROGRAM: INDONESIA

CP 84

PROJECT TITLE	• L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY82- OBLIG ATIONS	-THROUGH FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	-ESTIMATED FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	-PROPOSED FY84- EXPENDI TURES
CITANDUY RIVER BASIN DEVELOPMENT II	G	497-0281	80	83	4,250	4,250	3,250	448	1,000	1,100	---	900
CITANDUY RIVER BASIN DEVELOPMENT II	L	497-0281	80	83	22,750	18,600	15,500	453	3,100	750	---	750
RURAL WORKS II	G	497-0285	79	81	3,000	3,000	3,000	2,387	---	500	---	113
RURAL WORKS II	L	497-0285	79	80	25,000	25,000	25,000	6,937	---	3,500	---	5,000
ASSISTANCE TO SMALL SCALE FISH PRODUCERS	G	497-0286	80	82	3,000	3,000	3,000	206	---	530	---	300
GRADUATE AGRICULTURAL SCHOOL TITLE XII	G	497-0290	79	80	2,170	2,170	2,170	1,013	---	600	---	457
GRADUATE AGRICULTURAL SCHOOL TITLE XII	L	497-0290	79	79	5,330	5,330	5,330	389	---	900	---	2,000
EASTERN ISLANDS AGRICULTURAL EDUCATION	G	497-0293	79	80	2,500	2,500	2,500	1,000	---	700	---	800
EASTERN ISLANDS AGRICULTURAL EDUCATION	L	497-0293	79	79	5,000	5,000	5,000	1,051	---	1,050	---	2,000
WESTERN UNIV AGRICULTURE EDUCATION	G	497-0297	81	83	3,900	3,900	3,400	475	500	550	---	750
WESTERN UNIV AGRICULTURE EDUCATION	L	497-0297	81	81	5,950	5,950	5,950	436	---	1,100	---	1,400
APPLIED AGRICULTURE RESEARCH	G	497-0302	81	84	6,500	7,000	3,500	173	550	1,000	3,000	2,500
APPLIED AGRICULTURE RESEARCH	L	497-0302	80	82	18,900	18,900	18,900	766	---	750	---	2,500
SECONDARY FOOD CROPS MARKETING	L	497-0304	83	83	---	6,400	---	---	6,400	75	---	880
NATIONAL WATERSHED DEVELOPMENT	G	497-0311	83	85	---	2,550	---	---	750	100	1,000	400
NATIONAL WATERSHED DEVELOPMENT	L	497-0311	83	86	---	11,200	---	---	5,100	---	5,000	1,000
LAND MAPPING AND TITLING	G	497-0312	80	82	2,000	2,000	2,000	142	---	550	---	550
PRIVATE SECTOR DEVELOPMENT	G	497-0329	82	82	500	500	500	---	---	150	---	200
PRIVATE SECTOR DEVELOPMENT	L	497-0329	82	82	1,500	1,500	1,500	---	---	300	---	500

• Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

PROGRAM: INDONESIA

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PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY82- OBLIGATIONS	-THROUGH FY82- EXPENDITURES	-ESTIMATED FY83- OBLIGATIONS	-ESTIMATED FY83- EXPENDITURES	-PROPOSED FY84- OBLIGATIONS	-PROPOSED FY84- EXPENDITURES
EAST TIMOR DEVELOPMENT	G	497-0330	81	84	5,000	5,000	2,500	130	1,500	500	1,000	700
CENTRAL JAVA PRIVATE ENTERPRISE	• G	497-0331	84	85	---	2,000	---	---	---	---	1,000	125
CENTRAL JAVA PRIVATE ENTERPRISE	* L	497-0331	84	85	---	7,800	---	---	---	---	4,000	300
PVO CO-FINANCING II	G	497-0336	82	82	500	500	500	---	1,250	250	---	250
WATER RESOURCES POLICY	• L	497-0339	84	86	---	6,400	---	---	---	---	4,000	125
LOCAL CREDIT INSTITUTIONS	• G	497-0341	84	86	---	3,000	---	---	---	---	1,500	---
LOCAL CREDIT INSTITUTIONS	• L	497-0341	84	86	---	8,500	---	---	---	---	4,500	---
AG PLANNING II	• G	497-0342	84	84	---	2,000	---	---	---	---	2,000	---
AG PLANNING II	* L	497-0342	84	86	---	8,000	---	---	---	---	2,850	---
TOTAL FOR ACCOUNT					296,622	373,172	278,210	103,053	34,500	49,605	37,000	45,960
GRANTS					75,282	89,332	67,536	33,898	8,500	14,130	11,500	13,604
LOANS					221,340	283,840	210,674	69,155	26,000	35,475	25,500	32,356
POPULATION PLANNING												
FAMILY PLANNING DEVELOPMENT AND SERVICES	G	497-0270	78	82	25,245	25,920	25,920	14,340	---	6,400	---	5,180
FAMILY PLANNING DEVELOPMENT AND SERVICES	L	497-0270	82	82	2,000	2,000	2,000	---	---	200	---	600
ORAL CONTRACEPTIVES	L	497-0271	78	82	60,000	60,000	60,000	34,690	---	11,900	---	11,400
FAMILY PLANNING DEVELOPMENT SERVICES II	G	497-0327	83	85	---	7,500	---	---	3,000	400	3,000	1,500
FAMILY PLANNING DEVELOPMENT SERVICES II	L	497-0327	83	85	---	12,000	---	---	3,000	350	6,500	3,000
TOTAL FOR ACCOUNT					87,245	107,420	87,920	49,030	6,000	19,250	9,500	21,680
GRANTS					25,245	33,420	25,920	14,340	3,000	6,800	3,000	6,680
LOANS					62,000	74,000	62,000	34,690	3,000	12,450	6,500	15,000
HEALTH												
PVO CO-FINANCING	G	497-0225	74	81	822	822	800	637	---	83	---	80

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

PROGRAM: INDONESIA

CP 84

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY82- OBLIG ATIONS	-THROUGH FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	-ESTIMATED FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	-PROPOSED FY84- EXPENDI TURES
MALARIA CONTROL	L	497-0239	75	75	24,700	24,700	24,269	24,156	---	69	---	---
RURAL SANITATION MANPOWER DEVELOPMENT I	L	497-0247	77	77	6,800	6,800	5,393	3,496	---	1,600	---	---
EXPANDED PROGRAM IMMUNIZATION	G	497-0253	79	81	3,200	3,200	3,200	933	---	400	---	600
EXPANDED PROGRAM IMMUNIZATION	L	497-0253	79	79	10,000	10,000	10,000	1,907	---	2,000	---	2,500
SURAKARTA POTABLE WATER	L	497-0262	77	77	6,800	6,800	6,800	6,576	---	224	---	---
HEALTH TRAINING,RESEARCH AND DEVELOPMENT	G	497-0273	78	81	4,500	7,000	4,500	1,753	---	1,500	---	1,247
HEALTH TRAINING,RESEARCH AND DEVELOPMENT	L	497-0273	83	83	---	2,600	---	---	2,600	---	---	1,000
VILLAGE FP/MOTHER-CHILD WELFARE	G	497-0305	80	84	10,000	10,000	7,400	1,476	---	1,000	---	1,200
COMPREHENSIVE HEALTH IMPRV PROGRAM	G	497-0325	82	82	3,000	3,000	3,000	---	1,500	220	---	500
COMPREHENSIVE HEALTH IMPRV PROGRAM	L	497-0325	81	81	6,000	6,000	6,000	---	2,500	600	---	800
TIMOR MALARIA CONTROL	L	497-0326	80	80	3,600	3,600	3,600	978	---	900	---	900
PVO CO-FINANCING II	G	497-0336	82	82	750	750	750	441	---	309	---	---
TOTAL FOR ACCOUNT					80,172	85,272	75,712	42,353	6,600	8,905	---	8,827
GRANTS					22,272	24,772	19,650	5,240	1,500	3,512	---	3,627
LOANS					57,900	60,500	56,062	37,113	5,100	5,393	---	5,200
EDUCATION AND HUMAN RESOURCES												
PVO CO-FINANCING	G	497-0225	74	81	1,125	1,125	1,125	805	---	150	---	170
HIGHER EDUCATION DEVELOPMENT TRAINING I	L	497-0248	77	81	5,700	5,700	5,700	4,621	---	600	---	479
PROFESSIONAL RESOURCES DEVELOPMENT I	L	497-0261	78	83	5,900	6,900	5,900	3,169	1,000	1,400	---	1,331
PROFESSIONAL RESOURCES DEVELOPMENT II	L	497-0275	78	78	5,000	5,000	5,000	806	---	1,500	---	1,900

*Refers to the planned project summary sheet

C Level of effort activity

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PROGRAM: INDONESIA

CP 84

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY82- OBLIGATIONS	-THROUGH FY82- EXPENDITURES	--ESTIMATED FY83- OBLIGATIONS	--ESTIMATED FY83- EXPENDITURES	-PROPOSED FY84- OBLIGATIONS	-PROPOSED FY84- EXPENDITURES
SELF INSTRUCTIONAL LEARNING SYSTEM	G	497-0280	79	81	3,000	3,000	3,000	1,584	---	800	---	616
EDUCATION COMMUNICATION DEVELOPMENT	G	497-0296	79	81	2,000	2,000	2,000	1,200	---	500	---	300
EDUCATION COMMUNICATION DEVELOPMENT	L	497-0296	79	81	4,000	4,000	4,000	1,359	---	1,200	---	1,441
ENERGY MANPOWER AND TRAINING	G	497-0300	80	81	1,000	1,000	1,000	197	---	500	---	303
LOCAL GOVERNMENT TRAINING II	G	497-0308	80	83	1,500	1,500	1,500	619	1,000	620	---	261
LOCAL GOVERNMENT TRAINING II	L	497-0308	80	83	3,250	3,250	3,250	---	3,250	600	---	900
IN-COUNTRY MANAGEMENT TRAINING	L	497-0317	82	82	4,000	4,000	4,000	---	---	250	---	500
GENERAL PARTICIPANT TRAINING II	G	497-0328	83	83	---	1,000	---	---	1,000	100	---	400
GENERAL PARTICIPANT TRAINING II	L	497-0328	83	86	---	11,250	---	---	1,750	200	6,000	600
PVO CO-FINANCING II	G	497-0336	82	82	500	500	500	18	---	250	---	232
STRENGTHENING EDUC. DECISION MAKING	L	497-0344	83	83	---	5,000	---	---	3,900	---	---	600
PRIVATE SECTOR MANAGEMENT TRAINING	* G	497-0345	84	84	---	3,000	---	---	---	---	3,000	---
TOTAL FOR ACCOUNT					36,975	58,225	36,975	14,378	11,900	8,670	9,000	10,033
GRANTS					9,125	13,125	9,125	4,423	2,000	2,920	3,000	2,282
LOANS					27,850	45,100	27,850	9,955	9,900	5,750	6,000	7,751
SELECTED DEVELOPMENT ACTIVITIES												
JAGORAWI HIGHWAY CONSTRUCTION	L	497-0223	74	74	26,000	26,000	25,985	25,910	---	75	---	---
PVO CO-FINANCING	G	497-0225	74	81	2,148	2,148	2,120	1,902	---	118	---	100
SCIENCE AND TECHNOLOGY/RESEARCH AND TRNG	G	497-0266	78	80	1,500	1,500	1,500	926	---	400	---	174
SCIENCE AND TECHNOLOGY/RESEARCH AND TRNG	L	497-0266	78	78	5,000	5,000	5,000	3,103	---	1,500	---	397

*Refers to the planned project summary sheet

CLevel of effort activity

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

PROGRAM: INDONESIA

CP 84

PROJECT TITLE	• L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY82- OBLIG ATIONS	-THROUGH FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	-ESTIMATED FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	-PROPOSED FY84- EXPENDI TURES
ASSISTANCE TO ENVIRONMENTAL CENTERS	G	497-0314	79	80	500	500	500	192	---	75	---	50
ENERGY PLANNING FOR DEVELOPMENT II	L	497-0318	82	82	750	750	750	---	---	100	---	250
PRIVATE SECTOR DEVELOPMENT	L	497-0329	82	84	1,500	6,500	1,500	---	---	400	5,000	500
PUSPIPTEK ENERGY LAB	G	497-0333	82	82	500	500	500	---	---	95	---	170
PUSPIPTEK ENERGY LAB	L	497-0333	82	83	11,250	11,250	3,843	---	4,000	750	---	1,500
PVO CO-FINANCING II	G	497-0336	82	86	9,500	9,500	---	---	1,000	100	2,500	600
POLICY STUDIES	G	497-0340	83	85	---	3,000	---	---	1,000	300	1,000	600
TOTAL FOR ACCOUNT					58,648	66,648	41,698	32,033	6,000	3,913	8,500	4,341
GRANTS					14,148	17,148	4,620	3,020	2,000	1,088	3,500	1,694
LOANS					44,500	49,500	37,078	29,013	4,000	2,825	5,000	2,647
TOTAL FOR COUNTRY					559,662	690,737	520,515	240,847	65,000	90,343	64,000	90,841
GRANTS					146,072	177,797	126,851	60,921	17,000	28,450	21,000	27,887
LOANS					413,590	512,940	393,664	179,926	48,000	61,893	43,000	62,954

*Refers to the planned project summary sheet

C Level of effort activity

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PROGRAM: Indonesia

PLANNED PROGRAM SUMMARY SHEET

CP 84-05 (8-82)

TITLE	FUNDING SOURCE:	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)	
Central Java Enterprise Development		5,000		FY 84 5,000 L 4,000 G 1,000	LIFE OF PROJECT FUNDING: 9,800 G 2,000/ L 7,800

NUMBER 497-0331 GRANT ☒ LOAN ☒	NEW ☒ CONTINUING ☐	POPULATION:	ED. & HR:	SEL. ACT.:	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 85	ESTIMATED COMPLETION DATE OF PROJECT FY 89

Purpose: To accelerate the growth of output, productivity and employment capacity of non-farm enterprises in the Province of Central Java.

Project Description: The project will consist of two complementary components:

(a) Technical assistance to assist the Government of Indonesia to explore a variety of policies and models for promoting more rapid, labor-intensive, rural industrial development. The technical assistance provided under this project will explore the role of the private sector in rural industrial development and the impact of existing investment regulations, tax and licensing policies on rural industrial development. It will also analyze methods to increase demand for products of cottage and small scale industry, and ways to induce linkage between these and larger industrial units.

(b) Development and testing within one province (Central Java) of a decentralized and unified management system capable of delivering to small scale entrepreneurs investment and working capital, technology, management and marketing assistance designed to increase the productivity and employment potential of rural enterprises. The province level office would be given the authority and necessary funding to develop and implement a program responsive to local needs.

These two discrete but related areas of project emphasis will address the central constraints faced by the GOI in promoting labor-intensive, rural industrialization. The majority of A.I.D. funds would support technical assistance and training activities aimed at overcoming these constraints, with the majority of investment and working capital requirements being met largely with credits provided by the IBRD or directly from the Indonesian Central Bank.

Relationship of Project to A.I.D. Country Strategy: This project is consistent with A.I.D.'s overall strategy of increasing private sector activity, and the Misson's Agriculture/Rural Development Strategy to increase off-farm employment.

Host Country and Other Donors: The Government of Indonesia has undertaken two major programs to promote development of cottage and small scale industry in recent years. The first program, initiated in 1974, provides small and medium-term loans to cottage and small scale industries under the general direction of the Bank of Indonesia. The second, also initiated in 1974 by the Ministry of Industry, is an extension and training program to assist small scale industries in management, marketing, and technology. The IBRD and bilateral donors such as Germany and the Netherlands are assisting with the credit programs. The United Nations Industrial Development Organization is providing general technical assistance to the latter program, and the IBRD is considering additional financing to support its nation-wide extension.

Beneficiaries: The principal beneficiaries will be the entrepreneurs who establish small industries in Central Java, and the thousands of rural unemployed who will find work in the newly created enterprises. Since many rural entrepreneurs are women, they are particularly expected to benefit from this project.

PROGRAM: Indonesia

PLANNED PROGRAM SUMMARY SHEET

CP 84-05 (8-82)

TITLE	FUNDING SOURCE:	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)		
Water Resources Policy and Planning		4,000		FY 84 4,000		LIFE OF PROJECT FUNDING: 6,400
NUMBER 497-0339 GRANT ☐ LOAN ☐ x	NEW ☐ x CONTINUING ☐	POPULATION:	ED. & HR:	SEL. ACT.:	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 86	ESTIMATED COMPLETION DATE OF PROJECT FY 88

Purpose: To develop both a national policy and strategy for the long-term development of water resources and the institutional base required for implementing the strategy.

Project Description: The project will address two major constraints to rational water resources planning in Indonesia:

(a) Large GOI and donor investments in water resources have proceeded in the absence of a comprehensive national policy or strategy. The jurisdictional authority, data sources and professional personnel required to develop a broad water resources policy and planning framework are dispersed among several agencies leading to inefficiencies and managerial difficulties.

With food self-sufficiency as a goal, the GOI wishes to order its investment priorities to govern resource allocation in the water resources sector but lacks an institutional base to analyze and develop such priorities. The technical assistance provided under this project will help create a policy and planning unit to address planning issues such as the following:

- priority of Outer Islands vs. Java in further development of water resources;
- the allocation of water among competing uses (irrigation, power, potable water) especially on Java;
- priority of expanded irrigated areas vs. intensification/diversification of existing irrigated areas;
- need and potential for decentralized planning and implementation of water resources projects;
- water law (clarity, conflict, equity, priority of use, access to water), environment and water quality (sediment and chemical pollution);
- choice of technology (low lift pumps, shallow tube-wells).

(b) Assuming that a comprehensive national plan, strategy and institutional framework did exist, the effective implementation and revision of plans would be inhibited by the lack of trained personnel and the absence of a university program in water resources planning and management. The project seeks to upgrade the capacity of Diponegoro University in Central Java or other appropriate institutions to provide training in water resources planning and management. A relationship will be established between the university and possibly a U.S. land grant institution which would provide the necessary training and technical assistance. Support will include exchange of professors, training in the U.S., third countries and Indonesia and equipment and training materials.

Relationship of Project to A.I.D. Country Strategy: This project is consistent with the overall strategy of assisting the GOI to better manage its own resources and A.I.D.'s agriculture/rural development strategy to increase food production, income and rural employment.

Host Country and Other Donors: Since the initiation of Indonesia's First Five year plan in 1969, Indonesia has undertaken a large number of project activities in the water resources sector, first within Java and later in the other (Outer) islands. Investment in these projects, with a variety of donor assistance, has been significant and has absorbed large portions of the yearly budget. GOI and donor resources for irrigation development under the subsequent two development plans (1969-1978) have exceeded $2 billion and have been in excess of half a billion dollars each subsequent year.

Beneficiaries: Ultimate beneficiaries will be water users who will benefit from the rational development of Indonesian water, whether they use it for irrigation power, or drinking.

PROGRAM: Indonesia

PLANNED PROGRAM SUMMARY SHEET

CP 84-05 (8-82)

TITLE	FUNDING SOURCE:	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)	
Local Credit Institution Development		6,000		FY 84 6,000 L 4,500 G 1,500	LIFE OF PROJECT FUNDING: 11,500 L 8,500/G 3,000

NUMBER 497-0341 GRANT ☐x LOAN ☐x	NEW ☐x CONTINUING ☐	POPULATION:	ED. & HR:	SEL. ACT.:	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 86	ESTIMATED COMPLETION DATE OF PROJECT FY 89

Purpose: To assist local financial institutions that provide small loans to the rural populace and mobilize local savings through these institutions.

Project Description: The project is designed to improve provincial development bank financial service capabilities and establish or improve local credit institutions. This will establish the base for a multi-tiered, decentralized financial system providng local markets with various financial services. The Government of Indonesia has a wide selection of credit programs. However, many provide credit for predetermined production packages, for new technologies, or are sector specific. Very few credit programs are decentralized, non-subsidized, locally-oriented, or mobilize local savings.

A.I.D. technical assistance will improve the administrative, operational, and control capabilities of selected Provincial Development Banks. This technical assistance will include: overall program administration; design and implementation of training programs for bank officials; and appropriate lending and banking operational procedures. Data processing equipment will also be introduced to improve the ability of Provincial Development Banks to manage, control and improve cost effectiveness of their savings and lending operations.

Since this is a demonstration/experimental activity, A.I.D. will provide some capital for a few Provincial Development Banks which will augment credit from the Indonesian Central Bank for relending to local financial institutions. These new funds will also be used to establish loan guarantee systems under some circumstances. These guarantee systems will be developed for areas where portfolio diversification is difficult for the local instituion, or to promote new lending activities on a pilot basis.

A major emphasis will be the development or strengthening of locally oriented, general credit institutions that are able to provide credit for many types of productive activities. Through Provincial Development Banks, A.I.D. will in turn provide technical assistance to participating local credit and savings institutions. These will also provide training programs and capital.

Relationship of the Project to A.I.D. Country Strategy: This project is consistent with A.I.D.'s rural development strategy of promoting employment opportunities in rural Indonesia, support to the private sector, and supporting decentralized management of government institutions.

Host Country and Other Donors: The GOI will provide necessary capital for relending through the bank of Indonesia. The Provincial Development Banks will provide qualified personnel and physical facilities. The World Bank and bilateral donors are assisting with various credit programs, but few of these are aimed at the lowest income groups, particularly non-farm groups, nor do they promote a locally oriented financial institution that attempts to mobilize savings.

Beneficiaries: The credit recipients will be Indonesians, the majority of whom are either women or landless, who derive most of their income from non-agricultural activities. Because of their lack of collateral, they have been excluded from most credit pro- grams. These off-farm producers account for approximately one half of rural incomes. Their capacity to increase and expand their economic activities is severely hampered by lack of credit and other financial services in the rural areas.

PROGRAM: Indonesia

PLANNED PROGRAM SUMMARY SHEET

CP 84-05 (8-82)

TITLE	FUNDING SOURCE:	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)		
Agricultural Planning II		4,850		FY 84 L 2,850/G 2,000		LIFE OF PROJECT FUNDING: 10,000 L 8,000 G 2,000
NUMBER 497-0342 GRANT ☒ LOAN ☒ / NEW ☒ CONTINUING ☐	POPULATION:	ED. & HR:	SEL. ACT.:	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 86	ESTIMATED COMPLETION DATE OF PROJECT FY 89

Purpose: To improve Ministry of Agriculture (MOA) policy analysis and planning, including resource allocation analysis and provincial level planning.

Project Description: The Agriculture Development and Planning Administration project created a nucleus of agricultural planning, and established an electronic data center for the MOA. The proposed project will build on this effort and integrate these components more effectively to build the MOA's institutional capability, and upgrade its ability to do more in-depth resource allocation analysis and province level planning.

The project will assist MOA offices and other agencies responsible for providing data and analysis to decision-makers through consulting services and training of selected staff. Increased use will be made of an electronic data center provided under the current agricultural planning project. Consultants will also assist MOA agencies in coordinating with other GOI agencies which play a major role in agricultural policy and planning.

A second project component will promote agricultural planning in two or three provinces. The GOI agricultural budget allocates most resources at the provincial level, but provincial agricultural planning is almost entirely budgeted by project. This project will identify important problems in the selected provinces. Assistance will concentrate on improving resources allocaton and budgeting while some longer range planning is undertaken.

Relationship of Project to A.I.D. Country Strategy: This project is consistent with A.I.D.'s overall strategy of transferring U.S. technology to Indonesia and A.I.D.'s Agricultural/Nutrition/Rural Development strategy to increase food production and income and improve the nutritional status of lower income groups. The project also coincides with A.I.D.'s recent initiatives to improve host country development policies.

Host Country and Other Donors: The Government of Indonesia supports the current A.I.D.-assisted agricultural planning effort with $4 million; a similar level of support is expected for this project. The IBRD has made several loans to the MOA supporting manpower training in such fields as economics and planning. The IBRD is also strongly supportive of planning and policy issues pertaining to commercial crops development, but has not been involved with institutional development. FAO over the past several years has supported short-term training and seminars in agricultural statistics and planning.

Beneficiaries: Direct beneficiaries will include several hundred agricultural officials who will receive long and short-term training and on-the-job experience with improved analytical and planning techniques. Indirectly, most Indonesians will benefit from higher agricultural productivity and increased employment opportunities.

PROGRAM: Indonesia

PLANNED PROGRAM SUMMARY SHEET

CP 84-05 (8-82)

TITLE	FUNDING SOURCE:	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)	
Private Sector Management Training				FY 84 3,000 Grant	LIFE OF PROJECT FUNDING: 8,000 G 3,000/L 5,000

NUMBER 497-0345 GRANT ☐x LOAN ☐x	NEW ☐x CONTINUING ☐	POPULATION:	ED. & HR: 3,000	SEL. ACT.:	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 86	ESTIMATED COMPLETION DATE OF PROJECT FY 89

Purpose: To strengthen management training in Indonesia.

Project Description: Indonesia has a shortage of trained managers in the public and private sectors, and a shortage of indigenous institutions capable of producing them. This project will train public officials and private businessmen concerned with off-farm employment.

Several interested donors (A.I.D., IBRD, Ford Foundation, British Council, French Aid, ILO and UNDP) have provided management consultants to study this aspect of the manpower problem. Their report is due in December 1982. It will provide the necessary information for final decisions regarding design of the project.

Alternatives now under consideration include creation of a new institution, such as a business school or institute of management, joint ventures with private sector and quasi-public sector firms, and apprenticeship programs. An important part of the project will be the examination and presentation of policy options directed toward a major increase in enterprise management capacity.

Relationship of Project to A.I.D. Country Strategy: This project is consistent with A.I.D.'s strategy to increase the role of the private sector in the process of development and upgrade the quality of management in Indonesia.

Host Country and Other Donors: A group of seven donors is studying the management training problems in Indonesia. Their input, and that of the GOI, will depend upon the final report of their survey.

Beneficiaries: The direct beneficiaries will be the midand low-level managers. The ultimate beneficiaries will be the public at large who will benefit from improved goods and services and employment possibilities.

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FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: NEPAL

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1982) 15,715

PER CAPITA GNP..... (DOLLARS,1981) 160

AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-80) 0.2%

AVERAGE ANNUAL RATE OF INFLATION (1960-70) 8.5% (1970-80) 8.6%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. (1977) 4.3%

LIFE EXPECTANCY AT BIRTH, IN YEARS
(1981) TOTAL 44.5 MALE 45.1 FEMALE 43.9

ADULT LITERACY RATE (1975) TOTAL 19% MALE 33% FEMALE 5%
(1961) TOTAL 9% MALE 17% FEMALE 2%

AGRICULTURE

AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE
(1970-1977) -0.7%

AGRICULTURAL PRODUCTION AS % OF GDP..... (1980) 57%

POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982) 1,017

MAJOR CROP(S)		ARABLE LAND	YEAR
SUBSISTENCE:	RICE CORN	73%	(1981)
CASH:	JUTE POTATOES	5%	(1981)

MAJOR AGRICULTURAL EXPORTS:(1981) JUTE RICE

MAJOR AGRICULTURAL IMPORTS: N.A.

PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1980) 93%

CENTRAL GOVERNMENT FINANCES

TOTAL DOMESTIC REVENUES ($ MILLIONS, U.S.)	(1978)	130 (79)	149 (80)	155
TOTAL EXPENDITURES ($ MILLIONS, U.S.)	(1978)	217 (79)	245 (80)	289
DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)	(1978)	-87 (79)	-96 (80)	-134
DEFENSE EXPENDITURES.				
AS % OF TOTAL EXPENDITURES..	(1978)	6.4% (79)	6.5% (80)	6.4%
AS % OF GNP.....	(1978)	0.6% (79)	0.9% (80)	1.0%
OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD, ($MILLIONS, U.S.)	(1979)	170 (80)	189 (81)	208

EQUIVALENT TO 7.0 MONTHS OF IMPORTS (1980)

FOREIGN TRADE

MAJOR EXPORTS... (1981) RICE JUTE WOOD

EXPORTS TO U.S.
($ MILLIONS, US. FOB) (1979) 6 (1980) 6 (1981) 2
AS % OF TOTAL EXPORTS (1979) 6% (1980) 8% (1981) N.A.

MAJOR IMPORTS... (1981) MANUFACTURES FUELS BUILDING MAT

IMPORTS FROM U.S.
($ MILLIONS, US. CIF) (1979) 8 (1980) 13 (1981) 8
AS % OF TOTAL IMPORTS (1979) 3% (1980) 4% (1981) N.A.

TRADE BALANCE($ MILLIONS, U.S.)(1978) -131(79) -145(80) -262

MAIN TRADING PARTNERS: INDIA JAPAN GERMANY, FED

EXTERNAL PUBLIC DEBT AS % OF GNP (1980) 8.7%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
($ MILLIONS, U.S.)..... (1980) 4
AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1980) 1.5%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 2.2% (1975) 2.3% (1982) 2.4%

POPULATION IN URBAN AREAS..... (1961) 4% (1971) 4%

LIVE BIRTHS PER 1,000 POPULATION.....(1970) 46 (1982) 42

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1976) 2%

POPULATION (1981) IN AGE GROUP:
(0-14YRS) 42.4% (15-64YRS) 54.6% (65+ YRS) 3.0%

INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982) 156

PEOPLE PER PHYSICIAN..... (1978) 34,915

MAJOR CAUSES OF
DISEASE (1978)INFECTIOUS DIS. PARASITIC DISEAS
DEATH.. (1978)DYSENTERY RESPIRATORY

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 69%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975) 8%

TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:

PRIMARY.....	(1979)	TOTAL 88.0%	MALE 124.0%	FEMALE 49.0%
SECONDARY.....	(1979)	TOTAL 19.0%	MALE 30.0%	FEMALE 8.0%
POST SECONDARY..	(1973)	TOTAL 2.8%	MALE 4.2%	FEMALE 1.2%

ENERGY PRODUCTION AS % OF CONSUMPTION..... (1980) 13%

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

COUNTRY NEPAL

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1977	1978	1979	1980	1981	TOTAL LOANS AND GRANTS 1946-81	REPAYMENTS AND INTEREST 1946-81	TOTAL LESS REPAYMENTS AND INTEREST 1946-81
I. ECONOMIC ASSISTANCE – TOTAL	9.0	13.4	16.8	20.6	19.8	278.4	3.0	275.4
Loans	–	–	–	–	–	7.6	3.0	4.6
Grants	9.0	13.4	16.8	20.6	19.8	270.8	–	270.8
a. A.I.D. and Predecessor Agencies	6.8	10.3	12.4	13.4	14.0	121.9	0.4	121.5
Loans	–	–	–	–	–	0.4	0.4	–
Grants	6.8	10.3	12.4	13.4	14.0	121.5	–	121.5
(Economic Support Fund)	–	–	–	–	–	–		
b. Food for Peace (PL 480)	1.0	1.6	2.7	5.7	4.3	132.3	2.6	129.7
Loans	–	–	–	–	–	7.2	2.6	4.6
Grants	1.0	1.6	2.7	5.7	4.3	125.1	–	125.1
Title I - Total Sales Agreements	–	–	–	–	–	102.5	2.6	99.9
Repayable in U.S. Dollars - Loans	–	–	–	–	–	–	–	–
Payable in Foreign Currency - Planned for Country Use	–	–	–	–	–	102.5	2.6	99.9
Title II - Total Grants	1.0	1.6	2.7	5.7	4.3	29.8	–	29.8
Emerg. Relief, Econ. Develop. & World Food Program	1.0	1.6	2.7	5.7	4.3	29.7	–	29.7
Voluntary Relief Agencies	–	–	–	–	–	0.1	–	0.1
c. Other Economic Assistance	1.2	1.5	1.7	1.5	1.5	24.2	–	24.2
Loans	–	–	–	–	–	–	–	–
Grants	1.2	1.5	1.7	1.5	1.5	24.2	–	24.2
Peace Corps	1.2	1.5	1.7	1.5	1.5	24.2	–	24.2
Narcotics	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–
II. MILITARY ASSISTANCE – TOTAL	*	0.1	0.1	*	0.1	2.3	–	2.3
Credits or Loans	–	–	–	–	–	–	–	–
Grants	*	0.1	0.1	*	0.1	2.3	–	2.3
a. MAP Grants	–	–	–	–	–	1.7	–	1.7
b. Credit Financing - FMS	–	–	–	–	–	–	–	–
c. Military Assistance Service-Funded (MASF) Grants	*	0.1	0.1	*	0.1	0.6	–	0.6
d. Transfers from Excess Stocks	–	–	–	–	–	*	–	*
e. Other Grants	–	–	–	–	–	–	–	–
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	9.0	13.5	16.9	20.6	19.9	280.7	3.0	277.7
Loans	–	–	–	–	–	7.6	3.0	4.6
Grants	9.0	13.5	16.9	20.6	19.9	273.1	–	273.1
Other U.S. Government Loans and Grants	–	–	–	–	–	–	–	–
a. Export-Import Bank Loans	–	–	–	–	–	–	–	–
b. All Other Loans	–	–	–	–	–	–	–	–

* LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1980	FY 1981	FY 1982	FY 1946-82
TOTAL	115.1	61.6	55.8	637.2
IBRD	0.0	0.0	0.0	0.0
IFC	0.0	0.0	6.2	9.3
IDA	60.0	0.0	0.0	261.4
IDB	0.0	0.0	0.0	0.0
ADB	42.7	46.8	36.9	276.7
AFDB	0.0	0.0	0.0	0.0
UNDP	8.0	11.3	0.0	58.6
OTHER-UN	4.4	3.5	12.7	31.2
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. O.A.C. COUNTRIES (Gross Disbursements)

Donor	CY 1980	CY 1981	CY 1977-81
U.S.	8.0	12.0	39.0
Japan	24.4	33.2	91.9
U.K.	15.9	16.7	72.1
Switzerland	8.1	9.7	33.3
Germany	30.9	6.0	67.2
Other	12.8	10.5	49.4
Total	100.1	88.1	352.9

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

CY 1980	CY 1981	CY 1976-81
6.8	-	1.6

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1980	CY 1981	CY 1954-81
USSR	-	-	30
Eastern Europe	-	-	-
China	-	20	205
Total	-	20	235

CP 84-13 (8-82)

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1982								
Loans	–	–	–	–	–	–	–	–
Grants....	15,513	8,230	3,139	4,144	–	–	–	–
Total	15,513	8,230	3,139	4,144	–	–	–	–
1983								
Loans	–	–	–	–	–	–	–	–
Grants....	13,500	8,500	2,400	2,500	100	–	–	–
Total	13,500	8,500	2,400	2,500	100	–	–	–
1984								
Loans	–	–	–	–	–	–	–	–
Grants....	13,500	8,500	2,300	1,750	950	–	–	–
Total	13,500	8,500	2,300	1,750	950	–	–	–

FY 84 PROGRAM HIGHLIGHTS

- agricultural production and rural development, $4.1 million
- environmental and resource conservation, $4.4 million
- health and family planning, $4.05 million
- radio education, $.95 million
- special foreign currency appropriation in Indian Rupees to train Nepalese participants in India, $1.1 million
- P/L. 480 Title II program through WFP Nepal, $1.5 million

Development Overview

Nepal's natural beauty belies its economic plight as one of the poorest countries in the world. Landlocked, sparsely endowed with natural resources - except for its hydro-electric potential that remains largely untapped - Nepal is physically splintered into three major topographical regions: the lowland Terai which supplies most of the country's cash crops, the Hills where most of the country's rural subsistence farming takes place and the Himalayan range which covers 30% of the country's land mass. Nepal is burdened by imbalances of population and area. The rural majority in the Hills has a sub-standard level of living with somber expectations for future improvement. The capacity of the Hills to provide adequately for an increasing population may already have reached its limit.

For the past two decades people have been migrating increasingly from the Hills to the Terai. Preliminary data from the 1981 Census show the current population of 15 million is growing at a rate of 2.6% per year. Population distribution has shifted from two-thirds in the Hills in 1961 to 56% today. The shift is evidence of the pressures Nepal faces while trying to maintain a balance between adequate food, employment, energy (fuelwood), and a rapidly growing population.

Early development planning in Nepal concentrated on two key objectives: knitting Nepal's diverse and largely inaccessible areas into a national unit and developing the agricultural potential of the southern Gangetic plain (the Terai). Much remains to be accomplished, but the country has made significant progress toward these goals.

U.S. assistance has made an important contribution to building up the basic institutional framework that Nepal needed for economic growth. Over the past 30 years, U.S.

CP 84-08 (8-82)

RESOURCE FLOWS
(In thousands of dollars)

Program	FY 1982 (Actual)	FY 1983 (Estimated	FY 1984 (Proposed)
Aid*			
Loans	–	–	–
Grants	18,541	20,460	20,350
Total AID	18,541	20,460	20,350
P.L. 480**			
Title I	–	–	–
(of which Title III is)	(–)	(–)	(–)
Title II	1,704	2,801	1,475
Total P.L. 480	1,704	2,801	1,475
Total AID and P.L. 480	20,245	23,261	21,825

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

CP 84-17 (8-82)

PERSONNEL/PARTICIPANTS DATA

Category	FY 1982 (Actual)	FY 1983 (Estimated	FY 1984 (Proposed)
AID Personnel [a]			
Direct Hire [b]	25	23	23
PASA[c]	–	–	–
Contract	29	36	32
Total	54	59	55
Participants [d]			
Noncontract	18	28	18
Contract	44	143	146
Total	62	171	164

[a]U.S. nationals on duty at the end of the fiscal year.
[b]FY 1983 and FY 1984 position levels.
[c]Participating agency technicians.
[d]Programmed during the fiscal year.

CP 84-14 (8-82)

Program	FY 1982 (Actual)		FY 1983 (Estimated		FY 1984 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat						
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total		–		–		–
(of which Title III is)		(–)		(–)		(–)
Title II						
Voluntary Agencies		–		–		–
World Food Programs		1,704		2,801		1,475
Gov't-to-Gov't		–		–		–
Title II Total		1,704		2,801		1,475
Total P.L. 480		1,704		2,801		1,475

aid has been involved in nearly all areas of economic endeavor--agriculture, transportation, communications, public health, education, public administration, industrial development, family planning, power transmission, and forestry. Emergency flood relief and food supply has been provided on a number of occasions to meet human needs arising from natural disasters. Heavy emphasis was given for many years to creating transportation and communications links within the country, a basic education system to begin educating Nepalese in needed skills, an organizational system to deal with basic health needs, and creation of basic institutions needed in agriculture, industry and the other development sectors.

These efforts helped to bring about a sense of nationhood and pave the way for further development. Capital investment from both domestic and external sources has contributed to the further growth of national systems in education, health, agriculture, transportation, communications and energy. Planning, administrative and managerial capabilities have been developed through training and academic programs in Nepal and elsewhere.

The Sixth Five Year Development Plan (1980-1985) continues the general direction of the previous development programs but adds several important adjustments. Hill agriculture is being emphasized. Efforts are focused to maximize returns on earlier infrastructure investments, stimulate export trade and tourism development and stress conservation of natural resources. The plan also emphasizes development of Nepal's vast water potential which is a major development resource. Current strategy calls for providing the basic needs of Nepal's population in terms of adequate food, firewood, basic health, education and transportation. To this end efforts to reduce rapid population growth are a high priority. The Government also intends to reexamine price and subsidy policies to encourage the agriculture sector. To give more autonomy to the districts in implementing development work, the Government has recently passed a decentralization bill. This new legislation is expected to clarify and strengthen the authority of the elected district authorities. A further adjustment to Nepal's development strategy is the more active role assigned to the private sector. The strategy recognizes that vitality is needed in the private sector if it is to complement public sector initiatives. Accordingly, the Government has liberalized foreign investment laws, made domestic cottage and small industry investment more attractive and eliminated several marginally productive parastatal corporations.

Total Resources

The Sixth Plan's annual GDP growth target is 4.3%. This projected rate of growth will require a total development outlay of $2.6 billion equivalent ($1.9 billion of which is expected in the public sector). This level of investment is treble the development outlay of the previous Five Year Plan which achieved a 2.2% annual growth in GDP. Preliminary Government of Nepal (GON) data indicate that the first year of the Sixth Plan may have achieved a 4.1% growth in GDP. Total development outlays for that year show an 18% increase over the final year of the Fifth Plan. Even if the GON is able to sustain this achievement, to achieve Plan targets it will have to put greater emphasis on domestic revenue collection, raise the proportion of deficit financing and secure a substantial increase in foreign capital flows.

GON domestic resource mobilization efforts have been impressive, growing at twice the GDP growth rate. Domestic revenues now account for about 9% of GDP, with 80% of revenues coming from taxes on goods and services. Revenue collection increased by one third in 1980/81 over the previous year. Despite this progress, however, Nepal's revenue to GDP ratio is low compared with other LDCs in the region. Moreover, the Government's ability in the short run to improve its resource mobilization efforts is limited. These limitations stem largely from structural constraints within the country's non-monetized economy and from the impact of external world prices.

The relative share of external assistance since 1956 has declined as domestic revenues have increased. External aid commitments rose during the same period and aid disbursements increased by 10% a year through 1974, accelerating by an average of 29% per annum during the Fifth Plan (1975-80). The first year of the Sixth Plan saw aid disbursements increase by 31.8% over the last year of the Fifth Plan. The average increase during the last six years (through mid-1982) has been 27%. This gain reflects increasing improvement in Nepal's ability to use foreign aid.

In response to that improved ability, foreign donor commitments have continued to increase. In December 1981, the World Bank-led Nepal Aid Group (Australia, Canada, France, Germany, Japan, Switzerland, United Kingdom, United States, World Bank, Asian Development Bank, United Nations Development Program) pledged $200 million in new commitments for the coming year, up considerably from annual commitments of $150-160 million for previous years. Commitments from non-Aid Group donors -- India, China and private voluntary organizations -- have also increased. We expect commitments to continue to rise during 1983 and 1984.

U.S. Interests and Objectives

Nepal's location astride the mountain passes of the Sino-India frontier, together with its complex historical links with both India and China, makes it a strategically important buffer state within the region. As long as Nepal is governed by an effective national regime committed to the economic development of its people and pursuing balanced relations with its neighbors, it contributes to regional stability. Should the regime become destabilized or its policies be sharply altered, it could become a source for wider instability.

There is no guarantee that the internal stability and external balance that Nepal has shown throughout much of the last three decades will continue indefinitely. On the contrary, that stability is increasingly threatened by the manifold problems and stresses the modernization process has helped create: e.g., growing population pressure on an increasingly stressed environment, rising expectations and increasing politicization of the population.

U.S. interests are to support Nepalese national integrity and to help Nepal develop a solid basis for sustained economic development, a vital element for continued stability. The economic aid we have provided to Nepal over the last three decades has supported the country's efforts to establish and strengthen national institutions. Support for Nepal's development policies which is implicit in the continued participation of the United States is also a major element in Nepal's ability to attract other donors. In addition, U.S. assistance demonstrates tangible U.S. encouragement of Nepal's growing process of democratization and its moderate and helpful foreign policy.

A.I.D. Assistance Strategy

A.I.D. in Nepal supports an integrated, multi-sector program, focusing on specific long-term development needs: increasing agricultural production, strengthening health and family planning services, conserving natural resources and implementing area rural development. Constant reassessment is being made through evaluations of specific project goals and of the underlying assumptions that establish these aims. A 1982 impact evaluation, for example, examined A.I.D.'s contributions to agricultural research from 1957 to 1978. It concluded that a functioning agricultural research system was being developed and that A.I.D. contributions had laid the foundation for subsequent research development, including related research supported by other donors.

The long-term objectives in the areas we address require simultaneous work in a number of fields. For example, rural area development requires attention to appropriate agricultural technology, availability of credit, livestock production, education and training, strengthening local government capacity, forestry development and cottage industry production. Agricultural production incorporates work in research and extension and in a number of related concerns (agricultural credit, livestock, farm and non-farm employment opportunities). Health and family planning delivery builds on more than a decade of A.I.D. support. The objective is to establish functioning health and family planning services throughout the country and to support the GON's goal of integrating existing health services. Our assistance in natural resource management is helping the GON address problems of rapidly accelerating environmental degradation caused by increasing pressures on arable land, fuelwood and fodder. Population growth is given special emphasis because it affects every aspect of development in Nepal. A.I.D. assistance to the National Commission on Population is helping the GON develop a comprehensive population policy.

The primary emphasis of the A.I.D. program is in the Hills where the majority of Nepalese still live. Improving conditions in the Hills is an important part of overall GON policy and strategy for achieving balanced development and insuring equity. A.I.D.'s objectives reflect two principal concerns: helping the rural poor and concentrating on a limited number of sectoral objec-

tives. A.I.D. recently concluded a three-year study of the status of women in Nepal. Several of the findings that address the issue of how effectively to integrate women in development efforts are now being implemented. In addition to discussion with the GON concerning how current programs can achieve greater participation of women, A.I.D. Nepal is helping the GON define and establish new polices that impact on population, local government institutions and demonstrate environmental protection concerns. The A.I.D. effort within the framework of GON programs and other donor activities contributes to a comprehensive GON development program.

Private sector development has been constrained by a number of factors, including the low level of monetization of the Nepali economy. In FY 1983, the A.I.D. mission will conduct an internal study and survey of existing domestic small and medium scale enterprises to begin defining an appropriate strategy and program approach for A.I.D. in this sector. The study will address questions such as: financial and skills constraints currently facing small entrepreneurs, social/cultural factors, effects of governmental policies and legislation (or the lack thereof), market information, credit facilities, and other relevant factors.

A.I.D. Program (FYs 1982-83)

The current program consists of development assistance grants, Title II PL 480 food aid through the World Food Program (WFP), and appropriated excess Indian Rupees for training in India.

In the critically important agriculture, rural development and nutrition sector, three key projects (supplemented by another five) are the lead vehicles for carrying out the hills-oriented strategy. The first of these, Integrated Cereals (367-0114), is operating at four government research stations and at six cropping sites (local areas where groups of participating farmers are located) with pilot production programs underway to exploit earlier research findings. Four selected areas will have full production campaigns during this next wheat season. Appropriate technology is being adopted in project areas and production yields are increasing at a promising rate. Women extension agents have been recruited for training to lead production campaigns targetted toward women (who handle much of the farming work). Another key project is Rural Area Development-Rapti Zone (367-0129) which aims to increase, broaden and diversify the level of economic and social activity in this zone (population 500,000). The spectrum of activities cover such diverse efforts as, for example, employment generation, cottage and small industrial development, agricultural production, health, education, family planning, credit, appropriate technologies, micro-hydropower and livestock production. Institutional development efforts have begun to pay off as locally-developed sound work plans totalling some $5 million were accepted for funding from the GON central budget this year. 204 women and men completed basic cottage industries training in the first of a series of planned programs to build productive skills in the local private sector. Credit programs to support private industries development in the Zone are under discussion with the Agricultural Development Bank of Nepal with focus on policy questions regarding appropriate interest rate structures for relending. Construction of necessary facilities to carry out the project throughout the Zone is speeding up, with positive effects on the project work. A mid-term evaluation will take place in early 1983 to assess whether the project has a reasonable probability of achieving its objectives within the planned timeframe (FY 1984). The third key activity is Resource Conservation and Utilization (367-0132) directed to helping arrest environmental degradation in two selected watershed areas. Activities in operation include, for example, central tree nurseries, national and village tree plantations, livestock improvement and treatment programs, fruit tree distributions, improved stove and other alternative energy demonstrations, improvement of trails, and pasture management. Technical assistance is provided by a Title XII institution: the South East Consortium for International Development (SECID) of North Carolina whose 13-man team is working

with A.I.D. advisors and in coordination with 14 Peace Corps Volunteers assigned to the local areas covered by the project. Four of the SECID advisors are working on developing curricula and acting as instructors at the World Bank-financed Institute of Renewable Resources, which is to be the core institution for training Nepalese foresters, range management, and watershed specialists needed to tackle the long-range problems of environmental destruction in the mountain environment.

Supporting these major efforts are several complementary projects: Trail Suspension Bridges (367-0119); Institute of Agriculture and Animal Sciences (IAAS) (367-0102); Seed Production and Input Storage (367-0118); and Agriculture Resources Inventory (367-0134). Trail Suspension Bridges deals with the problem of access in the difficult terrain crossed by thousands of rivers in deep gorges. Reliable bridges are a vital connecting link over river obstacles in terms of time, expense and lives saved. Under this project, A.I.D. funds substantial training of bridge and geological engineers, needed steel forms and cables, cement, and Peace Corps engineers while the Swiss aid program provides a team of Swiss engineers to help Nepalese bridge engineers in the actual designing of agreed upon structures. Sites are selected using A.I.D.-developed economic/social criteria so that cost/benefits of investment are maximized for each site selection. The IAAS project is an institution-building operation: to create a functional agricultural college capable of educating up to 750 students per year to the BS level in agriculture sciences. A.I.D. finances technical assistance through a contract with the Midwest Universities Consortium for International Activities (MUCIA), construction of physical facilities of the Institute, and degree training of permanent Nepali faculty and staff for the Institute, thereby helping develop an indigenous institutional capability to train skilled agricultural manpower to deal with Nepal's agricultural development problems in the longer-range. An evaluation of this project is scheduled for the spring of 1983 which will assess the strengths/weaknesses of the institution as it now exists, its future prospects and role, and the effectiveness of A.I.D. project design and inputs management.

A Seed Production and Inputs Storage (SPIS) activity complements the Integrated Cereals project (mentioned above) by assisting the GON to set up a labor-intensive system for (a) producing, testing, processing, storing and distributing improved seed of the major food crops (rice, wheat, maize, barley) and (b) storing and distributing inputs (fertilizer, tools, equipment) needed for producing these crops. Construction delays were encountered on the seed cleaning plants, storage houses and Central Seed Laboratory; as a result A.I.D. scaled down the construction element to stay within reasonable cost parameters. Management training programs have been effective in improving management and operation of most seed plants and warehouses; Nepalese extension workers have been assigned to further beef up logistics and management control and four Peace Corps volunteers have joined the project as field staff and overseers. Lastly, A.I.D. is supporting a technology application project--Agriculture Resource Inventory (367-0134) -- which is helping establish a Remote Sensing Center to utilize satelite and aerial photo imagery for national agricultural resource data collection and planning. A.I.D. is financing technical assistance by U.S. advisors and consultants, long-term training of 10 participants and procurement of scientific equipment and materials for the Center. Output of the Center is fed to user agencies (Ministry of Agriculture, Local Development, etc.) for strategic development planning, program and project design and environmental monitoring.

Population and Health

Two major projects are operational in this sector, addressing a range of population and basic health issues. Population Policy Development (367-0130) is directed to broad policy implications of continued population growth. A.I.D. is helping the National Commission on Population to increase its capability to conduct operations research on government policies to affect fertility

rates, as well as macro studies on fertility determinants. Findings and recommendations flowing from these studies are directed to appropriate GON ministries and the National Planning Commission for policy review.

Integrated Rural Health/Family Planning (367-0135) is a major integrated effort addressing managerial and services delivery problems for both national family planning and basic health services systems. The focus of this effort is on integrating GON health and family planning activities under one administrative/managerial organization in 23 of the country's 75 districts. Concurrently, expansion of delivery services is being undertaken to a larger segment of the rural population (including the 52 districts not previously serviced). A.I.D. is providing long-term technical assistance to the Ministry of Health through a contract with John Snow Public Health Group, Inc. of Boston; training in the U.S. for 31 trainees and 80 to be trained in Asian institutions; procurement and distribution of medical supplies, pharmaceutical equipment, contraceptives and malaria insecticides. Construction of three rural health centers, 10 health posts, two voluntary contraception centers and regional medical warehouses is well underway. Special attention is being given to improving the logistical system in order that timely supply of commodities and support items to rural health posts and clinics can be improved - this has been a major weakness of the delivery systems in the past. A mid-term evaluation of this project will be undertaken in early FY 1984 to assess the continued validity of the project design, identify weaknesses/strengths in the operation, and test the cost/benefit gains from the integration approach.

Education and Human Resources

A.I.D. is supporting one activity in this sector: Radio Education Teacher Training (367-0123). This project, while limited in scale, has future potential for affecting the lives of nearly every Nepalese child of primary school age: it is providing an institutional capacity within the GON to provide in-service teacher training--through the use of radio broadcasts--for about 2,500 rural primary teachers annually in the first stage. A Stage II operation to commence in FY 1984 will cover an additional 15,000 teachers. Since radio is nearly the only way to reach people in rural areas, the programming includes subject matter relevant to daily life -- e.g., agricultural information, health practices, family planning tips, etc. This operation is being carried out under a contract with Southern Illinois University. With Stage I being completed in FY 1983, a substantive evaluation is scheduled for January/February to assess the various assumptions, design elements and implementation experience with findings being used to modify, strengthen or otherwise alter the basic elements of the follow-on Stage II plans.

Private Voluntary Organizations (PVO's)

A.I.D. operates a multi-sectoral project in Nepal titled PVO Co-Financing (367-0144) which is designed to support PVO's working in Nepal on sub-projects which complement A.I.D.'s efforts in rural development, health, population and natural resources management. Three PVO's are currently operational under this project: Save the Children Foundation (SCF) which is operating a health and nutrition program covering child feeding, drinking water, and dental care; World Education, Inc. (WEI) which is working with the Ministry of Education on non-formal education methodologies, techniques, training, and subject content for illiterates and semi-illiterates; and Agricultural Development Council, Inc. which is engaged in training of Nepalese researchers in the U.S. and other Asian countries in basic research methodology, techniques, research identification and planning and application of findings to real-time problems. Supplementing these activities are individual Operational Program Grants (OPGs) with: International Human Assistance Programs, Inc. (IHAP) which operates two activities in the health field-- a Community-based Rural Health operation in the Jumla area, and a Disabled and Blind project in the Kathmandu area; and the United Missions to Nepal (an indigenous PVO) doing adaptive research and construction of

bio-gas units as an alternative energy source. 464 bio-gas units have been constructed and are operational under this latter OPG, and the unit cost has been reduced by 30% from original costs. Largely due to this successful operation, the Asian Development Bank has recently provided the GON with funds to continue bio-gas research and expanded production of bio-gas plants.

P.L. 480 Title II

Under the U.S. Government annual pledge of food aid to the World Food Program (WFP), A.I.D. responds to WFP calls for shipment of food grains or other surplus commodities to support WFP food-for-work projects in Nepal. In FY 1982, A.I.D. provided $1.7 million in value of commodities for such projects. For FY 1983, the planning figure of $2.8 million reflects a drought situation verging on a disaster and A.I.D. has already responded to a special GON and WFP request for an initial emergency foodgrain shipment of 10,000 tons of wheat against a 40,000 ton need (other international donors are providing the balance). For FY 1984, A.I.D. expects to program at a level of $1.5 million.

Foreign Currency Appropriation

A.I.D. annually requests an appropriation of excess U.S.-owned Indian rupees to fund academic (long and short-term) training of Nepalese in India at Indian technical and higher educational institutions. The ability to use excess Indian currencies for this purpose is cost-effective (about one-seventh of U.S. training costs), appropriate for Nepal's level of skills needs, and provides an excellent level and quality of academic training.

Requested Year Program (FY 1984)

A total of $13.5 million is requested for FY 1984. This amount will provide partial funding for three ongoing projects and full funding for one new start.

Agriculture, Rural Development and Nutrition

$8.50 million is requested in this category. This total includes $4.4 million for continued support to the Resource Conservation and Utilization project (367-0123) under which the Title XII institution (SECID, as described in the preceding section) is carrying out a program of watershed and rangeland/forests rehabilitation. The remaining $4.1 million is for the Rural Area Development/Rapti Zone project (367-0129) to continue incremental financing of technical advisors; procurement of technical equipment and supplies; participant training in the United States and third countries; and an incremental contribution to a Local Resource Conservation Fund set up to stimulate farmers to convert degraded land to environmentally sound uses through extending credit to those willing to make this commitment.

Population and Health

The $4.05 million requested for this sector will go to fund incrementally the Integrated Rural Health/Family Planning Services project (367-0135) described in the A.I.D. Program section above. A contract team will continue work with the Ministry of Health Planning unit on national/zonal/district-level health policy and program planning, training activities and modifications/improvements to logistics and procurement management systems at all levels.

Education and Human Resources Development

For this sector, $950,000 is requested to fund Stage II of an existing Radio Education Teacher Training project (367-0146). The current project (Stage I) has served to train a small cadre of Nepalese in preparation of broadcast teaching materials and techniques; provided the radio transmission equipment and 2,500 radios for teachers in remote areas; and sent 35 Nepalese to the United States and third countries for training of varying lengths. This initial stage essentially focused on teachers without high school certificates. Stage II will

build upon the technical base and experience/lessons learned to date by expanding the coverage to teachers with high school certificates to expose them to more professional teaching methods, while continuing and enhancing the original programming for the lesser-trained teachers in the system.

Foreign Currency Appropriation

A special foreign currency appropriation of $1.1 million equivalent in Indian rupees will fund training programs in India for 145 Nepalese in agriculture, forestry, soil conservation, rural development and health/family planning. This training directly supports A.I.D.'s dollar-funded projects and is more fully described in the Main Volume.

P.L. 480 Title II

A.I.D. proposes to allocate $1.5 million of Title II funds for commodity support of existing and projected World Food Program work projects in Nepal.

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

PROGRAM: NEPAL

CP 84

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY82- OBLIGATIONS	-THROUGH FY82- EXPENDITURES	-ESTIMATED FY83- OBLIGATIONS	-ESTIMATED FY83- EXPENDITURES	-PROPOSED FY84- OBLIGATIONS	-PROPOSED FY84- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
INSTITUTE OF AG AND ANIMAL SCIENCES	G	367-0102	74	82	5,501	5,489	5,484	3,445	---	800	---	700
INTEGRATED CEREALS	G	367-0114	76	83	7,970	7,970	7,970	5,770	---	1,000	---	900
SEED PRODUCTION AND INPUT STORAGE	G	367-0118	78	78	4,031	4,031	4,031	1,284	---	1,100	---	1,000
TRAIL SUSPENSION BRIDGES	G	367-0119	79	79	3,000	3,000	3,000	2,008	---	600	---	200
RURAL AREA DEVELOPMENT-RAPAT I	G	367-0129	80	86	26,700	26,700	9,850	3,298	3,200	4,100	4,100	4,500
RESOURCE CONSERVATION AND UTILIZATION	G	367-0132	80	84	27,498	27,498	9,388	5,460	4,800	4,500	4,400	4,800
RADP/RCUP DESIGN PROJECT	G	367-0133	78	78	2,900	2,900	2,779	2,643	---	---	---	---
AGRICULTURE RESOURCE INVENTORY	G	367-0134	80	80	2,400	2,400	2,400	749	---	500	---	500
PVO CO-FINANCING	G	367-0144	81	87	1,250	3,250	250	---	500	500	---	250
TOTAL FOR ACCOUNT					81,250	83,238	45,152	24,657	8,500	13,100	8,500	12,850
GRANTS					81,250	83,238	45,152	24,657	8,500	13,100	8,500	12,850
LOANS					---	---	---	---	---	---	---	---
POPULATION PLANNING												
POPULATION POLICY DEVELOPMENT	G	367-0130	79	79	2,000	2,000	2,000	530	---	700	---	600
INTEGRATED RURAL HEALTH/FP SERVICES	G	367-0135	80	86	16,200	16,200	5,731	2,270	2,400	2,900	2,300	3,100
PVO CO-FINANCING	G	367-0144	81	87	1,250	500	499	38	---	150	---	100
TOTAL FOR ACCOUNT					19,450	18,700	8,230	2,838	2,400	3,750	2,300	3,800
GRANTS					19,450	18,700	8,230	2,838	2,400	3,750	2,300	3,800
LOANS					---	---	---	---	---	---	---	---
HEALTH												
INTEGRATED RURAL HEALTH/FP SERVICES	G	367-0135	80	84	18,000	18,000	8,801	2,597	2,500	3,360	1,750	3,450

*Refers to the planned project summary sheet

[C] Level of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

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

PROGRAM: NEPAL

CP 84

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY82- OBLIG ATIONS	-THROUGH FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	-ESTIMATED FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	-PROPOSED FY84- EXPENDI TURES
PVO CO-FINANCING	G	367-0144	81	87	1,250	600	343	65	---	100	---	100
TOTAL FOR ACCOUNT					19,250	18,600	9,144	2,662	2,500	3,460	1,750	3,550
GRANTS					19,250	18,600	9,144	2,662	2,500	3,460	1,750	3,550
LOANS					---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES												
RADIO EDUCATION TEACHER TRAINING	G	367-0123	77	83	3,535	3,635	3,534	3,126	100	150	---	50
RADIO EDUCATION TEACHER TRAINING II	* G	367-0146	84	84	---	950	---	---	---	---	950	100
TOTAL FOR ACCOUNT					3,535	4,585	3,534	3,126	100	150	950	150
GRANTS					3,535	4,585	3,534	3,126	100	150	950	150
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					123,485	125,123	66,060	33,283	13,500	20,460	13,500	20,350
GRANTS					123,485	125,123	66,060	33,283	13,500	20,460	13,500	20,350
LOANS					---	---	---	---	---	---	---	---

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

PROGRAM: Nepal

PLANNED PROGRAM SUMMARY SHEET

CP 84-05 (8-82)

TITLE Radio Education Teacher Training II	FUNDING SOURCE:	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars) FY 84 950	LIFE OF PROJECT FUNDING: 950

NUMBER 367-0146 GRANT ☐x LOAN ☐	NEW ☐x CONTINUING ☐	POPULATION:	ED. & HR: 950	SEL. ACT.:	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 84	ESTIMATED COMPLETION DATE OF PROJECT FY 85

Purpose: Project purposes are: (1) to build upon existing GON capacities to provide in-service training for approximately 15,000 primary school teachers in grades one through five through radio broadcasts, provision of supplemental textbooks, and district-level supervision; (2) to create within the GON a capability to develop a continuous in-service training program which would provide skills upgrading for all primary school teachers; and (3) to reinforce ongoing GON/A.I.D. activities in rural development, resource conservation, and health/family planning by introducing these subjects into the content of both formal and informal radio curricula to enable teachers, and the listening audience at large, to better benefit from these development programs.

Project Description: The project will reinforce the GON's use of radio education as a major means of upgrading the skills of primary school teachers working and living in remote and rural areas of Nepal. It will build upon experience gained and outputs achieved in the Radio Education Teacher Training project (367-0123) (RETT) which will end in FY '83. Under this earlier program a total of nearly 6,000 untrained primary school teachers, who do not have a School Leaving Certificate (SLC, roughly the equivalent of a high school diploma), were given training to upgrade their academic skills. The RETT II project will prepare and test radio curricula and supplementary textbooks for SLC/pass teachers, who possess minimum academic skills, but have had little or no formal training in teaching methodologies. Approximately 15,000 SLC/pass teachers will participate in this program. Project resources will be used to assist the GON in developing continous in-service curricula, for radio dissemination, which will serve all primary school teachers regardless of their previous academic training. Finally, the project will finance a series of non-formal (or "magazine") radio education units, for teachers and the listening audience at large. Themes of agriculture, health and family planning and other areas of interest to the rural listening audience will be emphasized. Project elements include: (1) approximately 32 months of technical assistance; (2) preparation of approximately 400 hours of radio broadcast tapes, and their dissemination to rural listening audiences; (3) preparation and distribution of supplementary text/workbooks to 15,000 primary school teachers; (4)participant training; (5) support for local research in the area of radio education; and (6) project evaluations.

Relationship of Project to A.I.D. Country Strategy:

Human resources development and educational activities (e.g. training) are important elements in all projects being carried out under current program strategy. This project is designed to create a strong institutional base for strengthening the national educational system at the point of user contact: the teachers in rural areas. Better trained teachers more capable of acting as change agents will strengthen local-level capabilities to deal with development problems and issues.

Host Country and Other Donors: The GON will contribute approximately $300,000 to this project.

Beneficiaries: Beneficiaries will include up to 15,000 primary school teachers in Nepal and up to 300,000 primary school students whose education will be improved as a result of improved teacher training. In addition, the larger audience of rural listeners will benefit from the non-formal education programs, designed to better prepare the rural population to benefit from ongoing or planned development programs.

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Pakistan

FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: PAKISTAN

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1982) 90,406

PER CAPITA GNP..... (DOLLARS,1981) 350

AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-80) 2.8%

AVERAGE ANNUAL RATE OF INFLATION (1960-70) 3.3% (1970-80) 13.5%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. N.A.

LIFE EXPECTANCY AT BIRTH, IN YEARS

(1981)	TOTAL 50.2	MALE 50.9	FEMALE 49.5	
(1968)	TOTAL 47.4	MALE 47.4	FEMALE 47.3	

ADULT LITERACY RATE

(1972)	TOTAL 21%	MALE 30%	FEMALE 10%	
(1961)	TOTAL 15%	MALE 24%	FEMALE 6%	

AGRICULTURE

AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (1970-1981) -0.2%

AGRICULTURAL PRODUCTION AS % OF GDP..... (1980) 31%

POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982) 924

MAJOR CROP(S)		ARABLE LAND	YEAR
SUBSISTENCE:	WHEAT CORN	47%	(1981)
CASH:	RICE COTTON VEGETABLES	31%	(1981)

MAJOR AGRICULTURAL EXPORTS:(1981) RICE COTTON

MAJOR AGRICULTURAL IMPORTS:(1981) WHEAT VEG. OIL

PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1980) 57%

CENTRAL GOVERNMENT FINANCES

TOTAL DOMESTIC REVENUES ($ MILLIONS, U.S.)
(1978) 2,980 (79) 3,106 (80) 3,849

TOTAL EXPENDITURES ($ MILLIONS, U.S.)
(1978) 3,990 (79) 4,884 (80) 5,518

DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)
(1978) -1,010 (79) -1,778 (80) -1,669

DEFENSE EXPENDITURES,
AS % OF TOTAL EXPENDITURES.. (1978) 24.5% (79) 21.6% (80) 23.2%
AS % OF GNP..... (1978) 5.2% (79) 5.0% (80) 5.0%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
($MILLIONS, U.S.) (1979) 941 (80) 1,684 (81) 1,507
EQUIVALENT TO 3.0 MONTHS OF IMPORTS (1981)

FOREIGN TRADE

MAJOR EXPORTS... (1981) RICE COTTON CARPETS, KNO

EXPORTS TO U.S.
($ MILLIONS, US, FOB) (1979) 119 (1980) 139 (1981) 197
AS % OF TOTAL EXPORTS (1979) 6% (1980) 5% (1981) 7%

MAJOR IMPORTS... (1981) OIL PRODUCTS SUGAR MACHINERY

IMPORTS FROM U.S.
($ MILLIONS, US, CIF) (1979) 517 (1980) 752 (1981) 468
AS % OF TOTAL IMPORTS (1979) 13% (1980) 14% (1981) 9%

TRADE BALANCE($ MILLIONS, U.S.)(1979) -2,000(80) -2,732(81) -2,532

MAIN TRADING PARTNERS: JAPAN UNITED STATES SAUDI ARABIA

EXTERNAL PUBLIC DEBT AS % OF GNP (1980) 34.7%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
($ MILLIONS, U.S.)..... (1980) 605
AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1980) 11.3%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 3.0% (1975) 3.0% (1982) 2.9%

POPULATION IN URBAN AREAS..... (1968) 27% (1976) 27%

LIVE BIRTHS PER 1,000 POPULATION.....(1970) 47 (1982) 42

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1980) 6%

POPULATION (1981) IN AGE GROUP:
(0-14YRS) 46.3% (15-64YRS) 50.9% (65+ YRS) 2.8%

INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982) 131

PEOPLE PER PHYSICIAN..... (1977) 3,741

MAJOR CAUSES OF
DISEASE (1979)ENTERIC DISEASE TUBERCULOSIS TYPHOID FEVER
DEATH.. (1974)INFECTIOUS DIS. PARASITIC DISEAS MALARIA

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 99%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975) 25%

TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:

PRIMARY..... (1978)	TOTAL 56.0%	MALE 81.0%	FEMALE 31.0%	
SECONDARY..... (1978)	TOTAL 16.0%	MALE 24.0%	FEMALE 8.0%	
POST SECONDARY.. (1977)	TOTAL 2.2%	MALE 3.1%	FEMALE 1.2%	

ENERGY PRODUCTION AS % OF CONSUMPTION..... (1980) 69%

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

COUNTRY PAKISTAN

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD					TOTAL LOANS AND GRANTS 1946-81	REPAYMENTS AND INTEREST 1946-81	TOTAL LESS REPAYMENTS AND INTEREST 1946-81
	1977	1978	1979	1980	1981			
I. ECONOMIC ASSISTANCE – TOTAL	108.6	77.8	50.4	58.6	76.8	5047.7	1038.9	4008.8
Loans	103.6	75.8	45.2	47.5	47.5	3199.4	1038.9	2160.5
Grants	5.0	2.0	5.2	11.1	29.3	1848.3	–	1848.3
a. A.I.D. and Predecessor Agencies	71.0	20.1	9.1	–	–	2757.7	713.3	2044.4
Loans	66.3	19.4	7.2	–	–	2023.1	713.3	1309.8
Grants	2.7	0.7	1.9	–	–	734.6	–	734.6
(Economic Support Fund)	–	–	–	–	–	589.8		
b. Food for Peace (PL 480)	37.3	57.7	41.2	58.1	76.3	2213.6	325.5	1888.1
Loans	35.3	56.4	38.0	47.5	47.5	1176.2	325.5	850.7
Grants	2.0	1.3	3.2	10.6	28.8	1037.4	–	1037.4
Title I - Total Sales Agreements	35.3	56.4	38.0	47.5	47.5	1935.9	325.5	1610.4
Repayable in U.S. Dollars - Loans	35.3	56.4	38.0	47.5	47.5	695.7	89.1	606.6
Payable in Foreign Currency - Planned for Country Use	–	–	–	–	–	1240.2	236.4	1003.8
Title II - Total Grants	2.0	1.3	3.2	10.6	28.8	277.7	–	277.7
Emerg. Relief, Econ. Develop. & World Food Program	1.7	1.3	3.2	10.6	28.8	215.4	–	215.4
Voluntary Relief Agencies	0.3	–	–	–	–	62.3	–	62.3
c. Other Economic Assistance	–	*	0.1	0.5	0.5	76.4	0.1	76.3
Loans	–	–	–	–	–	0.1	0.1	–
Grants	–	*	0.1	0.5	0.5	76.3	–	76.3
Peace Corps	–	–	–	–	–	7.3	–	7.3
Narcotics	–	*	0.1	0.5	0.5	1.2	–	1.2
Other	–	–	–	–	–	67.8	–	67.8
II. MILITARY ASSISTANCE – TOTAL	0.3	0.6	0.5	–	–	713.7	8.3	705.4
Credits or Loans	–	–	–	–	–	7.6	8.3	0.7–
Grants	0.3	0.6	0.5	–	–	706.1	–	706.1
a. MAP Grants	–	–	–	–	–	650.3	–	650.3
b. Credit Financing - FMS	–	–	–	–	–	7.6	8.3	0.7–
c. Military Assistance Service-Funded (MASF) Grants	0.3	0.6	0.5	–	–	24.6	–	24.6
d. Transfers from Excess Stocks	–	–	–	–	–	26.8	–	26.8
e. Other Grants	–	–	–	–	–	4.4	–	4.4
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	108.6	78.4	50.9	58.6	76.8	5761.4	1047.2	4714.2
Loans	103.6	75.8	45.2	47.5	47.5	3207.0	1047.2	2159.8
Grants	5.0	2.6	5.7	11.1	29.3	2554.4	–	2554.4
Other U.S. Government Loans and Grants	45.6	25.5	25.9	–	–	350.5	345.2	5.3
a. Export-Import Bank Loans	–	25.5	25.9	–	–	220.5	213.6	6.9
b. All Other Loans	45.6	–	–	–	–	130.0	131.6	1.6–

* LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1980	FY 1981	FY 1982	FY 1946–82
TOTAL.....	349.3	277.3	371.3	3777.1
IBRD	0.0	0.0	138.5	904.3
IFC	6.6	3.4	19.8	86.0
IDA	165.0	0.0	0.0	1254.0
IDB	0.0	0.0	0.0	0.0
ADB	169.9	193.P	213.0	1278.4
AFDB	0.0	0.0	0.0	0.0
UNDP	7.8	15.3	0.0	109.3
OTHER–UN	0.0	65.3	0.0	145.1
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. O.A.C. COUNTRIES (Gross Disbursements)

Donor	CY 1980	CY 1981	CY 1977–81
U.S.	73.0	116.0	477.0
Japan	132.8	126.6	567.7
Canada	29.8	54.4	283.3
U.K.	51.5	50.1	240.4
Germany	70.4	44.0	323.1
Other	94.5	91.9	517.0
Total	452.0	483.0	2408.5

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

CY 1980	CY 1981	CY 1976–81
367.6	-	520.5

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1980	CY 1981	CY 1954–81
USSR	-	-	920
Eastern Europe	-	-	150
China	35	-	650
Total	35	-	1,720

ECONOMIC SUPPORT FUND PROGRAM SUMMARY
(In millions of dollars)

CP 82-21(8-82)

	FY 1982 Actual	FY 1983 Estimated	FY 1984 Proposed
Loans	34,000	67,000	75,000
Grants	66,000	133,000	150,000
Total	100,000	200,000	225,000

FY 84 PROGRAM HIGHLIGHTS

A.I.D.'s program will emphasize:
- Agricultural and rural development;
- Health, population and development training;
- Rural electrification and energy planning;
- Expansion of the private sector; and
- Special development efforts in Baluchistan and the Northwest Frontier Province, and on narcotics suppression;
- Support agriculture sector initiatives and policy changes through PL 480 Title I.

Development Overview

Pakistan is the world's ninth most populous nation and ranks as the twenty-seventh poorest country in the World Bank's "World Development Report 1982". Only three of the 33 low income countries have a higher population growth rate than Pakistan. Less than one-fourth of the adult population is literate, only 56% of the primary school age children attend school and only 16% attend secondary school. Only 31% of the primary school age girls attend school and only 8% attend secondary school. Contrary to trends in the developed world, life expectancy for females is lower than for males.

Pakistan is predominantly an agricultural country, with almost three-fourths of its population living in rural areas and one-third of its gross domestic product coming from agriculture. Overall food deficits remain a problem, even though good weather and improved government policies resulted in record wheat harvests in the last four years. Food represents more than 10% of merchandise imports, including approximately $275 million of vegetable oil imports a year. Jolted by the increasing cost of energy imports, which consumed 57% of the foreign exchange earnings from commodity exports in 1981, Pakistan has expanded investments in oil and gas exploration and in hydro-electric generating and transmission facilities. The economic shock caused by the energy crisis was followed by the influx of about two and one half million Afghan refugees fleeing the Soviet-dominated Kabul Government and the Soviet invasion. Pakistan is providing $150 million a year to supplement the assistance for these refugees provided by the international community.

Pakistan's agriculture has one of the lowest productivity rates in the world. A plethora of economic, social and political factors has contributed to this low productivity, including inefficient input utilization, inadequate development and dissemination of economically viable new technologies, uneconomic land holding patterns, and uneconomic input-output price relationships.

Primary health care is not available to the vast majority of Pakistan's population, and there is concern that a resurgence of malaria can only be avoided by continued spraying and research into alternative methods of malaria control.

CP 84-08 (8-82)

RESOURCE FLOWS
(In thousands of dollars)

Program	FY 1982 (Actual)	FY 1983 (Estimated	FY 1984 (Proposed)
Aid*			
Loans	29,965	57,000	75,000
Grants	2,048	120,600	130,000
Total AID	32,013	177,600	205,000
P.L. 480**			
Title I	50,000	50,000	50,000
(of which Title III is)	(–)	(–)	(–)
Title II	50,027	4,637	7,431
Total P.L. 480	100,027	54,637	57,431
Total AID and P.L. 480	132,040	232,237	262,431

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

CP 84-17 (8-82)

PERSONNEL/PARTICIPANTS DATA

Category	FY 1982 (Actual)	FY 1983 (Estimated	FY 1984 (Proposed)
AID Personnel [a]			
Direct Hire [b]	22	36	36
PASA[c]	2	6	4
Contract	–	28	83
Total	24	70	123
Participants [d]			
Noncontract	2	112	169
Contract	9	103	94
Total	11	215	263

[a]U.S. nationals on duty at the end of the fiscal year.
[b]FY 1983 and FY 1984 position levels.
[c]Participating agency technicians.
[d]Programmed during the fiscal year.

CP 84-14 (8-82)

Program	FY 1982 (Actual)		FY 1983 (Estimated		FY 1984 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat						
Rice						
Feedgrains						
Vegoil	110	50,000	101	50,000	93	50,000
Non-food						
Title I Total		50,000		50,000		50,000
(of which Title III is)		(–)		(–)		(–)
Title II						
Voluntary Agencies		–		–		–
World Food Programs		50,027		4,637		7,431
Gov't-to-Gov't		–		–		–
Title II Total		50,027		4,637		7,431
Total P.L. 480		100,027		54,637		57,431

Remittances from overseas workers, the IMF Extended Fund Facility agreement ($1.3 billion over three years), and short-term debt rescheduling have permitted official reserves to be maintained at the equivalent of approximately two months of imports. But Pakistan still faces significant debt service requirements, which will climb as grace periods expire on loans signed in the 1970s. The current account deficit for FY 1983 is projected at $1.5 billion, and deficits at this level or higher are expected to continue throughout the 1980s. At the same time, Pakistan finds it necessary to undertake a crash program to modernize its armed forces. For FY 1983, the Government plans defense expenditures at 28% of the total central budget.

Pakistan's development continues within the context of a Martial Law Administration (MLA) under which respect for human rights has fluctuated in response to domestic political and security developments. Although President Zia has stated his intention to hold elections, in five years general elections have been postponed twice. Continuation of martial law is explained as arising from the need to maintain domestic stability in the face of a com-

plex security problem, including the easy availability of weapons in the country, and the presence of more than 100,000 Soviet troops and advisors in neighboring Afghanistan. The subversive activities of the "Al Zulfikar" terrorist organization also remain a serious concern.

Total Resources

Pakistan's economic performance during the last five years has been positive. The gross domestic product has expanded at over six percent per year, as the result of broad-based growth across all sectors. Growth in agriculture averaged 4.1% per annum and manufacturing 9.2%. This performance has been due in part to improved GOP policies, generally favorable weather, and substantial workers' remittances. Public sector expansion has been curtailed, and encouragement given to the private sector. In agriculture, subsidies on fertilizers have been sharply reduced, distribution of pesticides has been increasingly turned over to the private sector, and procurement prices have been increased.

GOP revenues have also increased significantly. From FY 1978 to FY 1982, the overall consolidated budgetary deficit for the federal and provincial governments declined from 8.4% of GDP to an estimated 4.6%. Export earnings between 1977 and 1981 rose, as well as workers' remittances. These factors helped reduce the current account deficit from 6.7% of GNP in FY 1977 to an estimated 4.1% in FY 1982.

Despite these improvements in recent years, Pakistan's economy is still troubled and highly vulnerable. A large gap remains between savings and investment requirements. Dependence upon remittances from overseas workers and foreign energy supplies is excessive. The textile industry, which accounts for one-third of industrial production, is afflicted with problems of modernization and import restrictions in the developed countries. Inflation remains a problem. Private sector confidence and investment are constrained by memories of the nationalization policies of the previous government, tight credit, taxation policies and labor code provisions. The prospect for growing debt servicing is a concern as external public debt, which reached $11.3 billion in December 1980, continues to increase. The principal sources of Pakistan's external public borrowing have been the Pakistan Consortium, OPEC, IMF, Iran and the USSR. External public debt owed by the GOP (as of December 31, 1980) was: the Pakistan Consortium (made up of 11 countries which accounted for $5.7 billion and three multilateral agencies which accounted for $2.5 billion); OPEC members ($1.5 billion); and other lenders, including the IMF ($1.7 billion). Major bilateral sources are the U.S., Japan, Canada, the U.K., Germany, Iran, the USSR, and China.

The GOP has developed a three-year public sector development program covering the period FY 1982 - FY 1984. The composition reflects an important and desirable shift towards the agriculture, energy and social sectors. However, the total budget is expected to expand only slightly in nominal terms; the major shift in sectoral allocations will be accomplished through a reduction in the fertilizer subsidy and expenditures on public sector industry.

U.S. Interest and Objectives

Pakistan is strategically located on the East flank of the vital Persian Gulf. With neighboring Afghanistan presently occupied, Pakistan faces a number of challenges to its security. The purpose of providing A.I.D. assistance is to help ensure the economic and political stability of this strategically important country. A secure and independent Pakistan, with a developing economy and improving living standards, is important to resisting further Soviet encroachment and to building the foundation of regional stability in South Asia. The renewed economic development relationship with Pakistan also will provide increased opportunities to discuss a number of important United States concerns with the Pakistan Government, including the control of narcotics production and trafficking.

A.I.D. Assistance Strategy

Along with the political imperative for A.I.D.'s program in Pakistan, there is an equally strong developmental and humanitarian rationale for assistance to Pakistan. A.I.D. has designed a program which is a blend of development and commodity assistance financed with economic support funds and PL 480 food resources. This economic assistance program has been designed not only to maximize its development impact but also to produce as favorable a balance of payments impact as possible.

A.I.D. will collaborate closely with other donors to assure that activities do not overlap and critical development needs are addressed. Although other donors provide a larger total volume of assistance, A.I.D.'s program will emphasize institution-building and technology transfer which are often less emphasized by others. A.I.D.'s program will also explore all possible opportunities for encouraging policy improvements.

A.I.D.'s strategy is to concentrate on addressing critical constraints to development. Foremost among these is Pakistan's alarmingly high population growth rate of 3.0%. A.I.D. will support programs which complement core projects of the Government of Pakistan, the United Nations Fund for Population Activities (UNFPA), the World Bank, the Asian Development Bank, and other bilateral donors.

The major focus of A.I.D.'s program is on agriculture and rural development, since most of Pakistan's people live in rural areas and this is where Pakistan's greatest economic potential lies. Within this sector, improved agricultural research, education and extension, increased domestic production of oilseeds and greater availability of water and other agricultural inputs are the most urgent needs. Commodity assistance will finance imports critical to meeting agricultural and rural development constraints, such as fertilizer and equipment for irrigation canals, tillage and harvesting. In addition, the sale of these imported commodities will provide local currency to finance in-country costs of U.S. and other donor-supported development activities. Commodity assistance also helps to alleviate Pakistan's serious balance of payments problems.

In addition to bolstering the electrification infrastructure available for agricultural and industrial development, A.I.D.'s energy programs will explore alternative energy technologies. A.I.D. will also continue to support the government's efforts to extend primary health care services to rural areas and to provide the inputs needed to forestall another resurgence of malaria.

A.I.D.'s strategy calls for support of increased private sector involvement in Pakistan's development. Support is being provided to expand the private sector's role in marketing agricultural inputs and produce as well as accelerate the growth of Pakistan's less developed areas.

In view of the importance of attacking the narcotics problem worldwide, A.I.D. will undertake an area development effort in an opium poppy growing district in the North West Frontier Province of Pakistan. The GOP is committed to reducing significantly the acreage under opium poppy production and has requested the U.S. Government and A.I.D. to support that commitment. Because of A.I.D.'s development mandate, A.I.D. will treat the problem of opium poppy production reduction from a developmental perspective, providing an integrated package of development alternatives to the area where the project will be implemented. The overall thrust of this project will be a reduction in opium poppy cultivation and the enhanced economic development of the project area. A.I.D. is also participating in the international community's humanitarian assistance for the Afghan refugees.

The primary beneficiaries of A.I.D.'s program in Pakistan will be the rural poor, who will benefit from the variety of agricultural, health, population, and rural development projects.

A.I.D. Program

The FY 1982 program marked the reestablishment of a long-term development relationship with Pakistan. During this first year of a proposed six-year economic assistance program, A.I.D. was successful in initiating the entire first year's program of $150 million. PL 480 Title I financing was continued to import 110,000 metric tons of vegetable oil. The Title I Agreement provided an opportunity to continue the dialogue with the GOP on implementation of policies important to a dynamic agricultural sector. These include the establishment of economical producer and consumer prices for produce and agricultural inputs, and the expansion of the role of the private sector in the marketing and distribution of agricultural produce and inputs.

Agriculture and rural development projects, which form the core of the proposed six-year economic assistance program, were the focus of the FY 1982 program. ESF provided continuing grant support for two on-going projects from prior years, On-Farm Water Management (391-0413) and Agricultural Research (391-0296). Approximately 870 watercourses have already been upgraded under the On-Farm Water Management project and the FY 1982 funding will allow for additional watercourse improvements, as well as the provision of technical assistance for more effective management of the completed irrigation network. Evaluation of this activity has shown very high benefit-cost ratios, and a number of other donors, impressed by A.I.D.'s success in this area, are providing funds for follow-on projects. The Agricultural Research project will finance continued development of Pakistan's National Agricultural Research Center experimental farms, to complete construction of physical facilities at the center, and to extend the technical assistance being provided by the International Rice Research Institute (IRRI) and the International Center for the Improvement of Maize and Wheat (CIMMYT).

An Agricultural Commodities and Equipment program (391-0468) begun in FY 1982 has financed initially the importation of 130,000 metric tons of fertilizer, as well as equipment needed for rehabilitation of irrigation canals. This program is also being used to initiate a dialogue with the Government on a number of critical agricultural policy questions. The Rural Electrification project (391-0473) will accelerate the present 700 villages-a-year electrification rate, and assist with significant institutional strengthening and technological improvements in Pakistan's Water and Power Development Authority. The Tribal Areas Development project (391-0471) will fund rural development activities in one of Pakistan's least developed provinces, and is expected to supplement narcotics funding in developing alternatives to poppy cultivation.

In the population planning sector, FY 1982 ESF funding was provided to initiate the Population Welfare Planning project (391-0469). This project will address one of Pakistan's most critical problems, its 3.0% population growth rate.

In the health sector, ESF financed the initiation of two new projects in FY 1982. The Primary Health Care project (391-0475) builds upon the previous A.I.D.-assisted Basic Health Services project (391-0415) in order to provide more rational delivery system for health care in the rural areas. The Malaria Control II project (391-0472) builds upon an earlier highly successful A.I.D.-assisted project, and will help prevent a resurgence of this debilitating disease, through improved malaria program management, training, research and commodity support.

ESF resources provided through the Project Design Fund (391-0470) will finance technical assistance and design work needed to develop new activities under the six-year program of economic assistance.

In developing its projects, A.I.D. has explicitly benefitted from previous project evaluations. For example,

evaluations of previous population planning activities have found that these activities had failed to attain their objectives because, in part, they did not address Pakistan's social, cultural, and economic barriers to fertility changes. Data to address these concerns were either not available or, if available, not fully considered in previous policy, strategy or program management decisions. Within the administrative and management areas of the GOP's overall population welfare plan that the Mission's Population Welfare Planning project (391-0469) will address, data will be provided to assist management in these decisions through a variety of survey techniques.

The FY 1983 program will continue A.I.D.'s emphasis upon agricultural and rural development, with new projects in irrigation, agricultural production, agricultural education and continued support for on-going agriculture and rural development projects. Other new projects to be initiated include activities in energy, the private sector, narcotics suppression, population, and training. ESF support in FY 1983 will also be continued for on-going projects in health and population. PL 480 Title I financing for vegetable oil imports is also being continued, with a heavy emphasis on self-help measures and policy dialogue.

In the agricultural and rural development sector, four on-going projects will receive further ESF funding: On-Farm Water Management (390-0413), Agricultural Commodities and Equipment (391-0468), Tribal Areas Development (391-0471), and Rural Electrification (391-0473). The Irrigation System Management project (391-0467) will be a new FY 1983 project, and will include irrigation network management and the rehabilitation and maintenance of irrigation courses below the main canal level. The new Agricultural Production, Distribution and Storage project (391-0476) will address Pakistan's low level of agricultural productivity. The new Agricultural Education, Research and Extension project (391-0477) will involve the U.S. land grant system in a long-term effort to upgrade education, research and extension in Pakistan's agricultural sector.

In the health sector, ESF will provide support for Malaria Control II (391-0472), an on-going project, while in the population planning sector, ESF support will be provided to Population Welfare Planning (391-0469), also an on-going project. The Social Marketing of Contraceptives project (391-0484), a new population initiative, will help to address Pakistan's population planning problem through mobilizing private sector support.

In the education and human resources sector, the new Development Support Training project (391-0474) will finance in-country, third country and U.S. managerial and technical training programs for Pakistan's development planners at all levels of government, as well as in the private sector.

The new Private Sector Mobilization project (391-0482) will provide ESF funds for technical assistance, credit, and other interventions to expand the private sector's role in Pakistan's development. The Energy Planning and Development project (391-0478) will assist in energy policy formulation and expand the use of renewable energy technologies in Pakistan's rural areas. The new Area Development Project in the North West Frontier Province (391-0485) is expressly addressing the problem of opium poppy production in this province.

Requested Year Program

The requested FY 1984 $225 million ESF program is a continuation of the program initiated in FY 1982 and expanded in FY 1983. Three new projects, which address critical development constraints, are projected to start in FY 1984. Additionally, A.I.D. requests $50 million for the continuation of the PL 480 Title I program.

The agriculture and rural development sector will receive the majority of FY 1984 funding. ESF will be used to

continue Irrigation System Management (391-0467), Agricultural Commodities and Equipment (391-0468), Tribal Areas Development (391-0471), Rural Electrification (391-0473), Agricultural Production, Distribution and Storage (391-0476), and Agricultural Education, Research and Extension (391-0477). Additionally, three new projects in this sector will be initiated. The Baluchistan Area Development project (391-0479) will focus on the least developed of Pakistan's four provinces, and will include particular emphasis on developing and managing water resources. A rural roads project (391-0480) will also be initiated in FY 1984 to increase the access of Pakistan's rural inhabitants to markets for purchasing agricultural inputs and selling produce. The new Forestry Planning and Development project (391-0481) will strengthen forestry planning, management, training and research, and increase the supply of fuelwood and wood products.

ESF funding in the health sector will be used entirely for continuing the on-going Malaria Control II (391-0472) and Primary Health Care (391-0475) projects. In the population welfare sector, ESF will also be used for continuing funding for on-going projects, Population Welfare Planning (391-0469) and Social Marketing of Contraceptives (391-0484). In the education and human resources sector, funding will be provided for the on-going Development Support Training project (391-0474).

Funds will also be used to continue three on-going projects, the Project Design Fund (391-0470), Energy Planning and Development (391-0478), and Private Sector Mobilization (391-0482).

PROGRAM: PAKISTAN

CP 84

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY82- OBLIGATIONS	-THROUGH FY82- EXPENDITURES	-ESTIMATED FY83- OBLIGATIONS	-ESTIMATED FY83- EXPENDITURES	-PROPOSED FY84- OBLIGATIONS	-PROPOSED FY84- EXPENDITURES
ECONOMIC SUPPORT FUND												
AGRICULTURAL RESEARCH	G	391-0296	69	82	3,200	3,200	3,200	152	---	1,500	---	1,000
ON-FARM WATER MANAGEMENT	G	391-0413	77	83	10,000	10,000	7,000	---	3,000	7,000	---	3,000
IRRIGATION SYSTEM MANAGEMENT	G	391-0467	83	86	---	90,000	---	---	34,000	12,200	22,000	17,500
AGRICULTURAL COMMODITIES & EQUIPMENT	G	391-0468	82	86	26,000	76,000	26,000	115	20,000	40,000	10,000	10,000
AGRICULTURAL COMMODITIES & EQUIPMENT	L	391-0468	82	86	34,000	224,000	34,000	23,272	40,000	30,000	50,000	50,000
POPULATION WELFARE PLANNING	G	391-0469	82	86	25,600	25,600	4,300	5	4,800	6,700	4,800	6,600
PROJECT DESIGN FUND	G	391-0470	82	84	10,000	10,000	7,500	621	---	3,400	2,500	3,200
TRIBAL AREA DEVELOPMENT	G	391-0471	82	85	15,000	15,000	3,000	---	5,000	5,000	5,000	6,000
MALARIA CONTROL II	G	391-0472	82	86	41,000	41,000	1,500	1,071	6,400	6,000	10,000	9,000
RURAL ELECTRIFICATION	G	391-0473	82	86	43,000	43,000	8,000	---	23,000	24,000	---	7,000
RURAL ELECTRIFICATION	L	391-0473	83	86	112,000	112,000	---	---	27,000	27,000	25,000	25,000
DEVELOPMENT SUPPORT TRAINING	G	391-0474	83	85	8,000	10,000	---	---	4,000	2,500	3,000	3,000
PRIMARY HEALTH CARE	G	391-0475	82	85	20,000	20,000	5,500	---	---	2,800	8,200	6,800
AG PRODUCTION, DISTRIBUTION AND STORAGE	G	391-0476	83	86	---	55,000	---	---	5,000	---	30,000	15,000
AG EDUCATION, RESEARCH, AND EXTENSION	G	391-0477	83	86	---	65,000	---	---	10,000	---	22,500	15,000
ENERGY PLANNING AND DEVELOPMENT	G	391-0478	83	85	---	20,000	---	---	5,000	4,000	3,000	2,000
BALUCHISTAN AREA DEVELOPMENT *	G	391-0479	84	86	---	30,000	---	---	---	---	5,000	2,500
FARM TO MARKET ROADS *	G	391-0480	84	86	---	50,000	---	---	---	---	3,000	2,500
FORESTRY PLANNING AND DEVELOPMENT *	G	391-0481	84	86	---	25,000	---	---	---	---	3,000	2,500
PRIVATE SECTOR MOBILIZATION	G	391-0482	83	86	---	50,000	---	---	5,000	---	3,000	6,000

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

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

PROGRAM: PAKISTAN

CP 84

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY82- OBLIG ATIONS	-THROUGH FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	-ESTIMATED FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	-PROPOSED FY84- EXPENDI TURES
SOCIAL MARKETING OF CONTRACEPTIVES	G	391-0484	83	85	20,000	20,000	---	---	5,300	5,000	5,500	5,400
AREA DEVELOPMENT PROJECT (NWFP)	G	391-0485	83	86	---	20,000	---	---	2,500	500	9,500	6,000
TOTAL FOR ACCOUNT					367,800	1,014,800	100,000	25,236	200,000	177,600	225,000	205,000
GRANTS					221,800	678,800	66,000	1,964	133,000	120,600	150,000	130,000
LOANS					146,000	336,000	34,000	23,272	67,000	57,000	75,000	75,000
TOTAL FOR COUNTRY					367,800	1,014,800	100,000	25,236	200,000	177,600	225,000	205,000
GRANTS					221,800	678,800	66,000	1,964	133,000	120,600	150,000	130,000
LOANS					146,000	336,000	34,000	23,272	67,000	57,000	75,000	75,000

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

PROGRAM: Pakistan

PLANNED PROGRAM SUMMARY SHEET

CP 84-05 (8-82)

TITLE	FUNDING SOURCE:	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)	
Baluchistan Area Development	ESF			FY 84 5,000	LIFE OF PROJECT FUNDING: 30,000

NUMBER 391-0479 GRANT ☐ X LOAN ☐	NEW ☐ X CONTINUING ☐	POPULATION:	ED. & HR:	SEL. ACT.:	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 86	ESTIMATED COMPLETION DATE OF PROJECT FY 89

Purpose: To accelerate Baluchistan's development by financing activities which promote rural development, strengthen human and institutional resources. stimulate increased local participation in development activities, and reduce the development gap between Baluchistan and the rest of Pakistan.

Project Description: Baluchistan is Pakistan's most backward province. It accounts for 44% of the country's land area and five percent of its population. Baluchistan's climate is arid, water resources are scarce, and the terrain is largely mountainous and barren. It has minimal infrastructure, weak institutions, and a grave scarcity of trained human resources.

One critical area this project will address is the severe constraint to agricultural production posed by a lack of sufficient water conservation structures, irrigation systems, and farmer awareness of recently developed agricultural practices. The project will finance a significant increase in the amount of acreage brought under irrigation as well as train personnel in the maintenance and repair of these irrigation systems.

The lack of trained managers and able administrators is one of the most important factors inhibiting economic development of this province. This project will provide a specific training component to upgrade the administrative and managerial skills of provincial level officials. Technical training will also be provided to provincial personnel in agriculture, water and irrigation, forestry and health. Specific training in planning, management and supervision will also be provided to members of locally constituted bodies.

Relationship of the Project to A.I.D. Country Strategy: A.I.D.'s strategy focuses on agriculture and rural development since this is the area which will affect the majority of Pakistan's population and where Pakistan's greatest economic potential lies. The strategy also specifically focuses on the development of Pakistan's two least developed provinces, of which Baluchistan is one. This project, with its potential for substantial increases in agricultural production in Baluchistan and increases in rural income, supports this strategy. In addition, because this province has been severely underdeveloped and economically deprived, the percentage gains in agricultural production and water usage for irrigation could potentially be the highest of any U.S. project. Training as a component of this project will also support our overall objectives of strengthening the trained manpower needs of Pakistan.

Host Country and Other Donors: Several Government of Pakistan and other donor financed projects are likely to complement this project. The Government of Pakistan has given high priority to development in Baluchistan as evidenced by the recent formulation of a Special Development Plan for Baluchistan. The World Bank, Asian Development Bank, UNICEF, Japan, Canada and Kuwait are a few of the international donors providing assistance to the province. This project will complement other donor activities supporting institution strengthening activities.

Beneficiaries: The direct beneficiaries of the project will be (a) the individuals in the provincial government and locally constituted bodies who will benefit from the training and technical assistance provided under this project, and (b) the substantial number of rural poor who will be the direct recipients of assistance under specific rural development sub-projects.

PROGRAM: Pakistan

PLANNED PROGRAM SUMMARY SHEET

CP 84-05 (8-82)

TITLE	FUNDING SOURCE:	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)		
Farm to Market Roads	ESF			FY 84 3,000		LIFE OF PROJECT FUNDING: 50,000
NUMBER 391-0480 GRANT ☐ xLOAN ☐ / NEW ☐ x CONTINUING ☐	POPULATION:	ED. & HR:	SEL. ACT.:	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 86	ESTIMATED COMPLETION DATE OF PROJECT FY 89

Purpose: To assist the federal and provincial governments of Pakistan to improve their transportation and rural roads research, planning, design, construction and maintenance capability and performance.

Project Description: Approximately 63 million of Pakistan's 87 million citizens live in its 45,000 rural villages scattered over its 307,000 square mile territory. Most of the villages are not serviced by all-weather roads and many are not serviced by any roads at all. The inadequate road system limits the access of rural inhabitants to income-supplementing employment opportunities in rural areas and to social services such as education and health facilities.

This project will finance technical assistance, training and selected commodities to improve: rural transportation research and planning; new farm to market roads; selection criteria; design and construction guidelines; standards and practices; and the maintenance of existing and new farm to market roads. Special emphasis will be placed on solving of road maintenance problems, and on institutional improvements required to create working envoironments that permit and encourage trainees to apply knowledge gained. Commodities are likely to include farm-type tractors, graders, compactors and towed sprayers.

Funds also will be made available to cover part of the cost of farm to market road construction using the fixed amount reimbursement system. All construction financed will be of the low-cost type, although specific designs will vary according to local soil and climatic conditions and the type and intensity of traffic expected. In some areas, it is possible that rain and other water-related problems will dictte the use of low grade asphalt finishes. In most project areas, however, it is expected that dirt and gravel finishes will be adequate. The use of self-help labor will be encouraged, especially for maintenance.

Relationship of the Project to A.I.D. Country Strategy: A.I.D.'s strategy concentrates mainly on the agriculture and rural sectors, as does this project. Major emphasis will be placed on helping to improve transportation sector policies and resolve various institutional and technical problems that in the past have interfered with the growth of the rural road network and inhibited development of rural areas. This project will also be supportive of A.I.D.'s narcotics strategy to reduce the incentive to grow poppies by providing more ready access to markets for agricultural produce and to income-supplementing employment opportunities.

Host Country and Other Donors: The World Food Program (WFP) is actively involved in rural road construction in Pakistan. During the period January 1976 to December 1982, WFP assistance was used for the construction of 795 miles of earthen roads in Punjab Province. At present, WFP is providing food assistance for the surfacing of 738 miles of earthen roads. WFP is also involved in rural road construction and other infrastructural works in Baluchistan Province and North West Frontier Province, including the Federally Administered Tribal Areas. The World Bank is also providing assistance to Pakistan for the development of the road transportation sector in the North West Frontier, Punjab and Sind Provinces. A.I.D. will closely coordinate its efforts with the above agencies to insure that its assistance is not duplicative.

Beneficiaries: The primary beneficiaries of the project will be farmers and rural families, transporters, agricultural laborers and rural enterpreneurs of all types who will have easier access to markets, production inputs, employment opportunities and social services.

PROGRAM: Pakistan

PLANNED PROGRAM SUMMARY SHEET

CP 84-05 (8-82)

TITLE	FUNDING SOURCE:	AG. RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)		
Forestry Planning and Development	ESF			FY 84 3,000		LIFE OF PROJECT FUNDING: 25,000
NUMBER 391-0481 GRANT ☐ x LOAN ☐ / NEW ☐ x CONTINUING ☐	POPULATION:	ED. & HR:	SEL. ACT.:	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 86	ESTIMATED COMPLETION DATE OF PROJECT FY 89

Purpose: To assist the Government of Pakistan to improve and strengthen forestry planning, management, training and research capability and performance, and to increase the supply of fuelwood and wood products.

Project Description: Rapid deforestation brought about by the cutting of trees, mainly for firewood, is one of the most serious energy and social problems facing Pakistan. Only 1.3% of Pakistan's total land area supports productive forests, which is one of the lowest forest to land ratios in the world. Given the fact that firewood provides more than 20% of Pakistan's total energy needs, it is evident the role of forests is of critical concern.

This project will: (a) improve Pakistan's institutional capability for forestry planning and management at the national and provincial levels by providing assistance in management analysis and training, the assessment of present and future needs in forest products, and financial, research and development planning; (b) assist in conducting fuelwood supply/demand and marketing analyses; (c) study the feasibility of fuelwood substitutes such as coal briquettes; (d) establish a reliable data base through forest inventories of private and government lands; (e) develop fuelwood planting programs on government and private lands; and (f) strengthen applied research efforts by providing research grant funds to universities and regional research stations, to assist in research coordination and extension activities, and to fund scientific exchange programs. The fuelwood analysis will extend preliminary Government of Pakistan work and will include assistance for socio-economic research relating to fuelwood use. Particular attention will be paid to the fuelwood and deforestation problems in the Baluchistan and North West Frontier provinces.

Relationship of the Project to A.I.D. Country Strategy: This project focuses particularly on developing an institutional framework for addressing a basic need of the rural poor, and therefore has a direct relationship to A.I.D.'s strategy for rural development of Pakistan. A.I.D.'s sector strategy for energy and forestry gives high priority to supporting the energy and related forestry programs within the context of overall support for planning and human resources development in energy sector activities. This project is consistent with both A.I.D.'s and the Government of Pakistan 's priorities of conserving Pakistan's scarce foreign exchange and assisting its rural areas. It is expected that the expanded use of fuelwood for domestic uses will eventually help alleviate the foreign exchange drain caused by high levels of petroleum imports. Nursery establishment and tree planting activities associated with this project will provide employment opportunities for rural residents whose poppy production has been curtailed by narcotics control enforcement.

Host Country and Other Donors: Other donors, such as the World Bank, the Asian Development Bank, the Federal Republic of Germany, and Switzerland are providing assistance to develop the forest sector by establishing conversion facilities and improving forest harvesting. The World Food Program is assisting in planting trees to stabilize watersheds. This project will assist the Government of Pakistan in assessing and coordinating these activities to ensure sustained, efficient resource development and will provide support for additional unmet development needs.

Beneficiaries: The principal beneficiaries of this project will be Pakistan's rural poor, especially women and children who collect firewood and in many areas must walk great distances to do so. Eventually the entire country will benefit from increased fuelwood supplies and the positive environmental impact of reforestation of watersheds and marginal lands. Balance of payments pressures should also be eased as the availability of traditional fuel increases.

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FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: PHILIPPINES

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1982) 51,574

PER CAPITA GNP..... (DOLLARS,1981) 790

AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-80) 2.8%

AVERAGE ANNUAL RATE OF INFLATION (1960-70) 5.8% (1970-80) 13.2%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. N.A.

LIFE EXPECTANCY AT BIRTH, IN YEARS

(1981)	TOTAL 63.9	MALE 62.1	FEMALE 65.8	
(1968)	TOTAL 55.6	MALE 54.0	FEMALE 57.3	

ADULT LITERACY RATE

(1975)	TOTAL 87%	MALE 87%	FEMALE 86%	
(1960)	TOTAL 72%	MALE 74%	FEMALE 70%	

AGRICULTURE

AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (1970-1981) 0.9%

AGRICULTURAL PRODUCTION AS % OF GDP..... (1980) 23%

POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982) 1,468

MAJOR CROP(S)		ARABLE LAND	YEAR
SUBSISTENCE:	RICE CORN CASSAVA	63%	(1981)
CASH:	COCONUTS SUGARCANE	32%	(1981)

MAJOR AGRICULTURAL EXPORTS:(1981) COCONUTS SUGAR BANANAS

MAJOR AGRICULTURAL IMPORTS:(1981) WHEAT MILK SOYBEANS

PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1980) 50%

CENTRAL GOVERNMENT FINANCES

TOTAL DOMESTIC REVENUES ($ MILLIONS, U.S.)			
(1977)	2,657 (78)	3,205 (79)	3,927
TOTAL EXPENDITURES ($ MILLIONS, U.S.)			
(1977)	3,031 (78)	3,485 (79)	3,950
DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)			
(1977)	-374 (78)	-280 (79)	-23

DEFENSE EXPENDITURES,
AS % OF TOTAL EXPENDITURES.. (1978) 13.8% (79) 16.0% (80) 16.0%
AS % OF GNP..... (1978) 2.0% (79) 2.2% (80) 2.4%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD,
($MILLIONS, U.S.) (1979) 2,416 (80) 3,140 (81) 2,707
EQUIVALENT TO 4.0 MONTHS OF IMPORTS (1981)

FOREIGN TRADE

MAJOR EXPORTS... (1981) COPRA SUGAR WOOD

EXPORTS TO U.S.
($ MILLIONS, US. FOB) (1979) 1383 (1980) 1594 (1981) 1771
AS % OF TOTAL EXPORTS (1979) 31% (1980) 28% (1981) 31%

MAJOR IMPORTS... (1981) PETROLEUM MACHINERY TRANSPORT EQ

IMPORTS FROM U.S.
($ MILLIONS, US. CIF) (1979) 1508 (1980) 1958 (1981) 1967
AS % OF TOTAL IMPORTS (1979) 23% (1980) 24% (1981) 23%

TRADE BALANCE($ MILLIONS, U.S.)(1979) -2,038(80) -2,554(81) -2,814

MAIN TRADING PARTNERS: UNITED STATES JAPAN SAUDI ARABIA

EXTERNAL PUBLIC DEBT AS % OF GNP (1980) 20.4%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,
($ MILLIONS, U.S.)..... (1980) 792
AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO).... (1980) 10.1%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 2.9% (1975) 2.6% (1982) 2.4%

POPULATION IN URBAN AREAS..... (1960) 30% (1970) 32%

LIVE BIRTHS PER 1,000 POPULATION.....(1970) 40 (1982) 32

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1981) 43%

POPULATION (1981) IN AGE GROUP:
(0-14YRS) 43.6% (15-64YRS) 53.3% (65+ YRS) 3.1%

INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982) 59

PEOPLE PER PHYSICIAN..... (1977) 2,789

MAJOR CAUSES OF
DISEASE (1976)FLU & PNEUMONIA ENTERIC DISEASE TUBERCULOSIS
DEATH.. (1977)FLU & PNEUMONIA TUBERCULOSIS HEART DISEASE

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 107%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975) 43%

TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:

PRIMARY..... (1975)	TOTAL 104.0%	MALE 102.0%	FEMALE 107.0%	
SECONDARY..... (1975)	TOTAL 57.0%	MALE 65.0%	FEMALE 47.0%	
POST SECONDARY.. (1978)	TOTAL 26.6%	MALE 24.7%	FEMALE 28.6%	

ENERGY PRODUCTION AS % OF CONSUMPTION..... (1980) 18%

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

COUNTRY PHILIPPINES

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1977	1978	1979	1980	1981	TOTAL LOANS AND GRANTS 1946-81	REPAYMENTS AND INTEREST 1946-81	TOTAL LESS REPAYMENTS AND INTEREST 1946-81
I. ECONOMIC ASSISTANCE – TOTAL	86.8	63.9	72.0	63.3	97.6	2199.8	266.8	1933.0
Loans	32.2	54.3	44.6	31.1	28.4	630.3	266.8	363.5
Grants	54.6	29.6	27.4	52.2	69.2	1569.5	–	1569.5
a. A.I.D. and Predecessor Agencies	34.9	52.8	43.7	59.7	63.5	847.9	72.5	775.4
Loans	20.3	42.3	35.6	31.1	28.4	384.5	72.5	312.0
Grants	14.6	10.5	8.1	28.6	40.1	463.4	–	463.4
(Economic Support Fund)	–	–	–	20.0	30.0	245.3		
b. Food for Peace (PL 480)	48.9	27.1	23.8	18.8	24.1	438.6	77.0	361.6
Loans	11.9	12.0	9.0	–	–	142.6	77.0	65.6
Grants	37.0	15.1	14.8	18.8	24.1	296.0	–	296.0
Title I - Total Sales Agreements	11.9	12.0	9.0	–	–	155.3	77.0	78.3
Repayable in U.S. Dollars - Loans	11.9	12.0	9.0	–	–	122.9	61.7	61.2
Payable in Foreign Currency - Planned for Country Use	–	–	–	–	–	32.4	15.3	17.1
Title II - Total Grants	37.0	15.1	14.8	18.8	24.1	283.3	–	283.3
Emerg. Relief, Econ. Develop. & World Food Program	15.7	*	2.4	3.9	4.5	50.4	–	50.4
Voluntary Relief Agencies	21.3	15.1	12.4	14.9	19.6	232.9	–	232.9
c. Other Economic Assistance	3.0	4.0	4.5	4.8	5.0	913.3	117.3	796.0
Loans	–	–	–	–	–	103.2	117.3	14.1–
Grants	3.0	4.0	4.5	4.8	5.0	810.1	–	810.1
Peace Corps	3.0	4.0	4.4	4.8	5.0	65.7	–	65.7
Narcotics	*	–	0.1	–	–	0.9	–	0.9
Other	–	–	–	–	–	743.5	–	743.5
II. MILITARY ASSISTANCE – TOTAL	38.1	37.3	31.7	75.5	75.6	1104.6	77.1	1027.5
Credits or Loans	20.0	18.5	15.6	50.0	50.0	194.1	77.1	117.0
Grants	18.1	18.8	26.1	25.5	25.6	910.5	–	910.5
a. MAP Grants	17.0	16.1	15.5	25.0	25.0	610.2	–	610.2
b. Credit Financing - FMS	20.0	18.5	15.6	50.0	50.0	194.1	77.1	117.0
c. Military Assistance Service-Funded (MASF) Grants	0.0	0.7	0.0	0.5	0.6	35.5	–	35.5
d. Transfers from Excess Stocks	0.5	–	–	–	–	98.1	–	98.1
e. Other Grants	–	–	–	–	–	166.7	–	166.7
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	124.9	121.2	103.7	158.8	173.2	3304.4	343.9	2960.5
Loans	52.2	72.6	60.2	81.1	78.4	824.4	343.9	480.5
Grants	72.7	48.4	43.5	77.7	94.8	2480.0	–	2480.0
Other U.S. Government Loans and Grants	49.0	54.3	0.6	27.8	69.3	1001.4	738.2	263.2
a. Export-Import Bank Loans	–	4.7	0.6	27.8	69.3	691.1	427.9	263.2
b. All Other Loans	49.0	49.6	–	–	–	310.3	310.3	–

* LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1980	FY 1981	FY 1982	FY 1946–82
TOTAL	928.5	479.7	740.6	5243.5
IBRD	695.0	295.0	505.8	3463.5
IFC	9.9	40.2	21.0	164.4
IDA	0.0	0.0	0.0	122.2
IDB	0.0	0.0	0.0	0.0
ADB	208.5	135.5	213.8	1401.3
AFDB	0.0	0.0	0.0	0.0
UNDP	3.1	9.0	0.0	57.4
OTHER–UN	12.0	0.0	0.0	34.7
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

Donor	CY 1980	CY 1981	CY 1977–81
U.S.	53.0	59.0	335.0
Japan	109.6	230.1	547.0
Germany	13.9	12.1	60.2
Australia	9.8	15.8	48.3
Denmark	2.7	10.0	18.3
Other	37.3	34.4	101.3
Total	226.3	361.4	1110.1

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

CY 1980	CY 1981	CY 1976–81
3.6	-	6.6

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1980	CY 1981	CY 1954–81
USSR	-	-	-
Eastern Europe	-	-	65
China	-	-	-
Total	-	-	65

PHILIPPINES

CP 84-13 (8-82)

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1982								
Loans	25,600	12,800	9,900	2900	-	-	-	-
Grants	63,795	3,820	6,785	1950	590	650	50,000	-
Total	89,395	16,620	16,685	4850	590	650	50,000	-
1983								
Loans	26,302	13,500	3,300	8502	1,000	-	-	-
Grants	62,498	5,545	2,753	4000	100	100	50,000	-
Total	88,800	19,045	6,053	12502	1,100	100	50,000	-
1984								
Loans	30,900	19,500	7,000	4400	-	-	-	-
Grants	59,100	3,100	4,000	1300	300	400	50,000	-
Total	90,000	22,600	11,000	5700	300	400	50,000	-

FY 84 PROGRAM HIGHLIGHTS

The program will emphasize:
-continued development of upland rainfed areas through applied research and creation of off-farm employment for landless laborers - $22.6 million.
-continued support for family planning services - $11 million.
-development of locally managed and financed health services - $5.7 million.
-PL 480 Title II maternal and infant feeding - $7 million.
-ESF funded development predominantly in areas surrounding U.S. military facilities - $50 million.
-support to PVO initiated development projects - $2 million.

Development Overview

The Philippines has limited mineral resources, a modest industrial base, and an adequate but unevenly developed agricultural sector. Although the economy grew at reasonable rates during the 1970s, averaging over 6% annually, economic growth decelerated sharply in recent years. Serious development problems need to be addressed if economic growth is to accelerate during the 1980s. The rapid rate of population growth (an average of 2.8% between 1970 and 1980) has led to environmental degradation, including widespread deforestation, and has contributed to growing unemployment. An industrialization program heavily concentrated in Manila and following a capital-intensive, import substitution strategy has exacerbated these problems.

Economic growth during the 1970s has not significantly improved the status of poorer Filipinos; at least 39% of the population is below the absolute poverty income level. Growth in the Philippines has tended to reinforce uneven income distribution. The lowest 20% of households still receive less than 6% of the income and the highest 20% receive over 53%. In agriculture, the Government's programs for increasing rice and corn production have succeeded in generating a surplus (in part due to new technologies introduced by A.I.D.); yet because of low purchasing power and poor nutrition education, the average rural family does not receive a nutritionally adequate diet. Low world market prices for coconut oil and regressive domestic pricing policies have adversely affected coconut farmers, whose plight has been exacerbated by a processing system that favors banking and marketing interests over small producers.

Nevertheless the Government's commitment to helping the poor remains strong. Sixty-five percent of the 1982 budget was devoted to basic economic and social service programs. However, substantial investments planned in several capital-intensive industrial projects, subsidies

CP 84-08 (8-82)

RESOURCE FLOWS
(In thousands of dollars)

Program	FY 1982 (Actual)	FY 1983 (Estimated	FY 1984 (Proposed)
Aid*			
Loans	29,179	53,086	30,964
Grants	16,487	45,601	51,768
Total AID	45,666	98,687	82,732
P.L. 480**			
Title I	-0-	-0-	-0-
(of which Title III is)	(-0-)	(-0-)	(-0-)
Title II	12,580	9,993	7,778
Total P.L. 480	12,580	9,993	7,778
Total AID and P.L. 480	58,246	108,680	90,510

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

CP 84-17 (8-82)

PERSONNEL/PARTICIPANTS DATA

Category	FY 1982 (Actual)	FY 1983 (Estimated	FY 1984 (Proposed)
AID Personnel [a]			
Direct Hire [b]	46	44	43
PASA[c]	1	1	1
Contract	17	17	17
Total	64	62	61
Participants [d]			
Noncontract	119	163	107
Contract	34	25	13
Total	153	188	120

[a]U.S. nationals on duty at the end of the fiscal year.
[b]FY 1983 and FY 1984 position levels.
[c]Participating agency technicians.
[d]Programmed during the fiscal year.

CP 84-14 (8-82)

Program	FY 1982 (Actual)		FY 1983 (Estimated		FY 1984 (Proposed)	
	MT	$	MT	$	MT	$
Title I		-0-		-0-		-0-
Wheat						
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total		-0-		-0-		-0-
(of which Title III is)		(-0-)		(-0-)		(-0-)
Title II						
Voluntary Agencies		11,018		8,874		7,341
World Food Programs		1,562		1,119		437
Gov't-to-Gov't		-0-		-0-		-0-
Title II Total		12,580		9,993		7,778
Total P.L. 480		12,580		9,993		7,778

to state-owned firms, continued assistance to financially troubled business concerns and inefficient resource mobilization are likely to divert resources away from poverty alleviation programs. While the poor in the Philippines include many in urban slums, the overwhelming number are predominantly landless or subsistence farmers working in rainfed or upland areas and traditional fishermen. Although the rate of population growth nationwide has dropped over the last few years (to 2.4% in 1982), fertility in rural areas has declined much more slowly than in urban areas. Population pressures caused by a high growth rate among upland farm families and the immigration of landless people, along with indiscriminate logging, have increasingly led to the destruction of most upland watersheds. This has resulted in upland erosion, lowland flooding and siltation of the coastal fishing areas, destroying the limited resources upon which the poor depend.

The cycle of poverty has undermined security in many of the poorer regions of the Philippines. Many of the rural poor, because of their remote locations, have limited access to government programs which would help

break their cycle of poverty. Without land and other traditional income resources, the poor are forced to seek off-farm employment. Increasingly limited markets for their labor in rural areas have forced many to migrate to urban and other areas, such as those adjacent to military bases, where the prospects for employment seem greater.

Total Resources

The Philippine economy, with its expanding industrial sector and modernizing agriculture sector, grew at an average annual rate of 6.3% in the 1970s. Due to declining export earnings and a domestic financial crisis, economic growth dropped to 3.8% in 1981. While long term growth has brought a steady increase in gross national product (GNP) per capita -- $790 in 1981 -- it reflects the affluence of perhaps 20% of the population and masks the poverty of the majority.

The 1982 current accounts deficit is estimated at $2.8 billion. The trade deficit is roughly equivalent to the cost of crude oil imports. For this reason, the government has embarked on a $5.4 billion energy program aimed at reducing energy import dependency from 83% of commercial energy requirements in 1980 to 50% by 1986. Exports, while still dependent on a few primary agricultural products, are expanding into nontraditional manufactured goods. However, the structure of the manufacturing sector reflects the distortion of earlier import substitution and protectionist policies.

Major financial and industrial policy reforms, including the restructuring of the tariff system and an industrial structural adjustment program, are being implemented to develop a more labor-intensive industrial sector in areas other than Manila, to stimulate exports and to provide jobs for a labor force growing at 3.7% per annum. The World Bank is backing these fundamental changes with major financial support.

The Government's 1983-1987 Development Plan addresses key development problems. Two basic components of this plan are: (1) more productive use of land, labor and capital focused on expansion of labor-intensive and small and medium-scale industry in rural areas; and (2) increased domestic resource mobilization. The Plan's main feature is expansion of productive employment.

In view of both balance of payments and domestic budget deficits, the new Development Plan will depend on substantial capital inflows. Foreign assistance is coordinated by means of a Consultative Group chaired by the World Bank, which meets about once a year to review Philippine economic problems and performance and to plan future external assistance. Pledges from major donors exceeded the Government of the Philippines (GOP) FY 1982 target of $1.2 billion; the World Bank expects to commit $600 million, Japan $280 million, the Asian Development Bank $240 million followed by the United States, Middle East Development Fund, Australia and Germany with lesser amounts from the European Economic Community and Great Britain

U.S. Interests and Objectives

U.S. interests are security, commerce and economic development. The Philippines is strategically located astride major sea and air routes. The United States and the Philippines have a mutual defense treaty and two of our largest overseas military bases (Clark Air Force Base and Subic Naval Base) are located on Luzon. About one-half of all private external investment over the last ten years is of U.S. origin, and over 20% of the public external debt is owed to U.S. private commercial banks. About one-fourth of the Philippine's total import and export trade is with the United States. Philippine imports from the United States currently are about $1.8 billion. Since 1945, U.S. objectives have centered on retaining mutual defense bases and supporting domestic stability through economic recovery and growth. U.S. development assistance efforts have contributed to substantial growth in the Philippine economy. A.I.D.programs have helped to reduce the Philippine

population growth rate from 3.0% in 1967 to 2.4% in 1982, assisted in bringing electricity to 30% of the rural population, financed 120 municipal water systems and 11,000 wells for rural communities, contributed to the national agarian reform program through which 90% of the targeted farmers received certificates of land transfer, and as part of the Philippine rice self-sufficiency effort, expanded the national irrigation system to over 1.8 million hectares. A.I.D.'s recent contributions focus on programs promoting equity and increased access to basic services for rural people while increasing their income and self-sufficiency.

In addition to long standing U.S. foreign policy objectives, there are strong development reasons for continuing our assistance. Over three million households, or at least 45% of all families, still remain below the poverty line, and the skewed income distribution in the Philippines threatens the country's long-term stability. In addition, the smoldering separatist conflict in the southern Philippines and expanding leftist guerilla activities throughout the country have injected new vigor and urgency into the Government's program to reach the rural poor with basic services and jobs. Finally, while there has been evidence of declining fertility, high population growth remains a threat to sustained development.

A.I.D. Assistance Strategy

A.I.D. has developed a revised assistance strategy for the Philippines, based upon the identification of rural poor target groups, which attacks the key problem of low labor productivity. Given the pervasiveness of rural poverty and the limited nature of A.I.D.'s resources, the assistance strategy concentrates on selected geographic regions in order to demonstrate the program's merits and maximize its impact. The regions of Eastern and Western Visayas, the Bicol and Northern Luzon were chosen primarily on the basis of their relative poverty. The objectives of the program are to: (1) promote more productive agricultural employment in rain-fed and coastal areas, (2) create off-farm employment, and (3) raise the labor force's productivity. To accomplish these objectives, major program elements will (1) promote more sustainable and productive use of rain-fed and coastal resources, (2) develop private sector small and medium scale enterprises, (3) continue to mobilize and strengthen the management of local resources, and (4) reduce fertility and infant mortality. In so doing, A.I.D. seeks to demonstrate viable decentralized approaches, using public and private resources, to increase rural productivity. To the extent feasible, the Economic Support Fund (ESF) program also concentrates resources on the basic objectives of this strategy, with special emphasis on improving socio-economic conditions in areas surrounding the U.S. military facilities.

For over a decade, A.I.D. has been engaged in an active and direct policy dialogue with the GOP through direct discussions with GOP officials, provision of funding to support existing and new GOP development policies and training of Philippine policy makers and private sector decision makers. Such activities have influenced policies ranging from broad shifts on topics such as administrative and economic decentralization and population planning to GOP operations and procedures for implementing specific development programs. The programming of development assistance (DA), and to a lesser extent ESF, has had a positive influence on GOP development policies which assist the poorer elements of Philippine society.

A.I.D. Program

In FY 1982 and FY 1983, A.I.D.'s revised assistance strategy for the Philippines takes shape with five new starts using DA funds and three new starts using ESF funds. The PL 480 Title II program will continue at diminishing levels toward a phaseout in FY 1987. The FY 1982 and FY 1983 project portfolio is described below:

Agriculture and Rural Development represents close to one-half the total DA funded program. In line with the

strategy of increasing on-farm productivity and employment in rainfed areas, Farming Systems - Eastern Visayas (492-0356), initiated in late FY 1981, concentrates on developing and testing more productive rainfed farming systems and agriculture technologies. In FY 1982, Rainfed Resources Development (492-0366) commenced, focusing Government attention on the collaborative management, by national line and local authorities, of natural resources in the rainfed areas of the Bicol and Eastern and Western Visayas regions. This project focuses on policies defining access to natural resources and outlining the scope and limitations of government interventions in natural resource management. As a result of an evaluation of the Bicol Integrated Area Development Project (492-0289), the Rainfed Resources Development project was modified to enable testing of a wider range of upland development approaches. The evaluation also collected vital information on appropriate government budget procedures, the capacity of various governments to undertake upland activities, and the effects of land tenure issues on upland development.

Local Resources Management (492-0358) helps local governments to work with private groups, in order to identify rural poor groups, analyze the conditions that determine their economic state, plan measures to attack these problems and create a system for mobilizing local resources from both the public and private sectors for development. Design of the Local Resources Management (LRM) project benefited from information collected during the evaluation of the Rural Service Centers Project (492-0304) which demonstrated the effectiveness of income generating subprojects. Participants in subprojects realized up to a 15% increase in cash income and commented on their greater participation in the village decision making process. The evaluation also highlighted poor subproject performance attributed to inadequate feasibility studies, insufficient GOP counterpart funding, and weak subproject management.

Integrated Agriculture Production and Marketing (492-0302) has added significantly to the Government's ability to collect and analyze data necessary for the formulation of agricultural policies appropriate to continued development of the agricultural production and marketing potential of the country. An in-depth evaluation noted sufficient progress had been achieved in establishing academic programs for agricultural marketing and agribusiness; no further resources should be committed to this component. The agricultural extension component has also been successfully established; it now serves as a model for a major World Bank project. Remaining project resources are being concentrated in the areas of agricultural policy and the pilot food/feed processing facility. Freshwater Fisheries Development (492-0322) finances technical assistance to develop within the Bureau of Fisheries a capability to manage and operate a fish hatchery and to institutionalize an extension program to assist farmers cultivate fish as an added source of income. A recent evaluation noted lengthy delays in constructing the hatchery, logistical backlogs, and slower than expected farmer acceptance of the new technologies. On balance, however, the project is demonstrating that the fish systems are profitable. PVO Co-Financing (492-0345) continues to support development efforts of U.S.-based and indigenous private voluntary agencies for activities focused on developing rainfed areas and increasing employment opportunities for rural poor.

In FY 1983, Small and Medium Enterprise Development (492-0359) will be authorized, concentrating on establishing policies for productive and labor intensive small and medium scale enterprises. Participant Training III (492-0340), to be initiated in FY 1983, provides training and opportunities for exchanging experiences for public and private sector officials engaged in development related programs.

PL 480 Title II. FY 1982 and FY 1983 will continue the phase down of the PL 480 Title II program. During this period, Title II resources will be concentrated on the maternal and child health programs of CRS and CARE, following the findings of the 1980-81 evaluation that this

aspect of the Title II program is the most cost effective and has the greatest nutritional impact.

Population. During FY 1982 and FY 1983, Population Planning III (492-0341) will continue to support the family planning outreach program of the Philippine Government, providing supplies and information to couples nationwide through a force of 46,000 local volunteer workers.

In the health sector, Barangay Water II (492-0333) continues to assist in building the institutional capability of provincial and municipal governments to provide village water systems. By the end of FY 1982, this project supported 50 new village water systems, helped to install over 155 locally manufactured handpumps, and provided over 14,000 person hours of training. In addition, A.I.D. is working to develop a Primary Health Care Financing project (492-0367) directed toward providing quality primary health care services at a reduced cost through a combined and locally managed system. In addition, financing schemes based on private resources will be developed, tested and implemented.

The five-year $200 million Economic Support Funds program, a result of the 1979 amended U.S. Military Bases Agreement, continues during FY 1982 and FY 1983 to finance projects addressing basic human needs, with a focus on improving conditions of populations living in areas surrounding the military facilities. ESF projects include Project Design (492-0343) which funds feasibility and design work for the ESF projects; Clark Access Roads (492-0348) which supports construction of access and feeder roads in areas formerly part of the Clark Air Base; the Municipal Development Fund (492-0361) which provides financing to about 20 municipalities adjacent to the U.S. bases for constructing public works and infrastructure projects; Markets (492-0365) which provides funds for supporting improvements in market operations as well as construction of new or rehabilitation of existing public markets in selected cities and municipalities throughout the country; Regional Development Fund (492-0374) which provides assistance to the six provinces adjacent to the U.S. military facilities to finance high priority growth related infrastructure improvement projects while also providing assistance to resettle or improve the conditions in existing squatter settlements near the bases; and the Rural Energy Development Project (492-0375) which supports the use of renewable energy resources for wood fired power plants, charcoal production and wood fueled gasifiers for irrigation pumps.

Requested Year Program

For FY 1984, $22.6 million is requested for Agriculture and Rural Development programs. Rainfed Resources Development (492-0366) will continue to address the development of agroforestry resources, the enhancement and preservation of coastal zones and the development of technologies and the farming systems and appropriate policies to increase the production and income of rainfed farmers. These efforts will be enhanced by initiation of an Upland Rainfed Agriculture Research (492-0378) project designed to focus local research efforts on problems in the upland rainfed agricultural areas. Efforts to improve off-farm employment opportunities will be accelerated by initiation of Private Enterprise Promotion (492-0377) which will improve small and medium enterprise access to important inputs such as management, technology, credit and marketing resources. In addition, Energy Technology for Fisheries (492-0379) will increase the income of traditional fishermen, identified as a key target group, by making available low cost refrigeration and ice production equipment to preserve the catch and by enabling fishermen to lower fuel costs by powering fishing vessels with producer gas.

The country's population program, will continue to be supported through Population Planning III (492-0341) at the requested amount of $11 million.

The $5.7 million in health funds will continue to reduce the costs of adequate primary health care by inte-

grating service delivery while mobilizing private sector resources to finance the costs of delivery.

The PL 480 Title II program will continue to phaseout in FY 1987 and will be directed toward support of the maternal and child health feeding program.

In FY 1984 PVO Co-Financing II (492-0367) with $2 million from various functional accounts, will continue to encourage U.S. and indigenous PVOs to develop projects in local small enterprises, crop diversification, agroforestry and other activities capitalizing on the PVO's unique ability to mobilize beneficiary resources and involve them in the development process.

The Economic Support Fund request for FY 1984 is $50 million and represents the final year of the five-year $200 million program agreed to in 1979. Funds requested will continue to support the Municipal Development Fund (492-0361), Markets (492-0365), Regional Development Fund (492-0374) and Rural Energy Development (492-0375) projects to improve the social and economic conditions of the Philippines rural poor majority, with special emphasis on the Philippines poor rural population living in areas near the bases.

In addition to the requested program three project activities are under development for implementation in FY 1984 should additional funds become available. These are: (1) Upland Access (492-0376); (2) Water Supply and Sanitation Sector Coordination (492-0380); and (3) Technology Transfer for Energy Management (492-0381).

PROGRAM: PHILIPPINES

CP 84

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY82- OBLIG ATIONS	-THROUGH FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	-ESTIMATED FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	-PROPOSED FY84- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
BICOL SECONDARY FEEDER ROADS	L	492-0281	76	76	10,000	10,000	10,000	9,532	---	468	---	---
AGRICULTURE RESEARCH II	L	492-0286	79	81	10,000	10,000	10,000	5,519	---	3,981	---	500
CROP PROTECTION	L	492-0288	78	78	5,000	5,000	5,000	3,244	---	1,656	---	100
BICOL INTEGRATED AREA DEV III (RINCONADA	L	492-0289	79	80	5,000	5,000	5,000	1,389	---	1,426	---	1,000
RURAL ROADS II	L	492-0297	78	81	35,117	35,117	35,117	32,624	---	2,493	---	---
COOPERATIVE MARKETING	L	492-0300	78	79	6,000	6,000	6,000	1,722	---	4,198	---	---
SMALL FARMER SYSTEMS I	L	492-0301	78	79	10,000	10,000	9,999	9,905	---	---	---	---
INTEGRATED AG PRODUCTION AND MARKETING	G	492-0302	77	82	9,000	9,000	8,326	6,740	---	1,586	---	---
INTEGRATED AG PRODUCTION AND MARKETING	L	492-0302	77	77	3,000	3,000	3,000	2,151	---	849	---	---
BICOL INTEGRATED RURAL DEVELOPMENT	G	492-0303	78	80	2,890	2,335	2,335	1,282	---	1,053	---	---
RURAL SERVICE CENTERS	G	492-0304	78	80	1,697	1,696	1,687	1,457	---	230	---	---
BICOL INTEGRATED AREA DEV II (BULA)	L	492-0310	78	78	3,000	3,000	3,000	1,539	---	1,144	---	317
FRESHWATER FISHERIES DEVELOPMENT	G	492-0322	79	82	1,700	1,700	1,700	1,308	---	312	---	80
SMALL FARMER SYSTEMS II	G	492-0334	81	81	500	500	500	75	---	150	---	150
SMALL FARMER SYSTEMS II	L	492-0334	81	81	7,100	7,100	7,100	9	---	1,500	---	2,000
PVO CO-FINANCING	G	492-0345	80	83	3,831	3,589	2,089	985	1,500	710	---	424
EASTERN VISAYAS FARMING	G	492-0356	81	83	1,400	1,400	933	---	467	662	---	340
EASTERN VISAYAS FARMING	L	492-0356	81	81	1,600	1,600	1,600	54	---	525	---	575
LOCAL RESOURCES MANAGEMENT	G	492-0358	82	83	1,500	1,500	437	---	1,063	340	---	515
LOCAL RESOURCES MANAGEMENT	L	492-0358	82	82	4,500	4,500	4,500	---	---	845	---	1,280

*Refers to the planned project summary sheet

[C] Level of effort activity

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PROGRAM: PHILIPPINES

CP 84

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SMALL AND MEDIUM ENTERPRISE DEVELOPMENT	G	492-0359	83	83	---	1,500	---	---	1,500	150	---	350
SMALL AND MEDIUM ENTERPRISE DEVELOPMENT	L	492-0359	83	83	---	13,500	---	---	13,500	---	---	2,000
RAINFED RESOURCES DEVELOPMENT	G	492-0366	82	83	1,700	1,700	685	---	1,015	400	---	520
RAINFED RESOURCES DEVELOPMENT	L	492-0366	82	82	8,300	8,300	8,300	---	---	1,000	---	2,900
PVO CO-FINANCING II	* G	492-0367	84	86	---	4,000	---	---	---	---	1,000	200
PRIVATE ENTERPRISE PROMOTION	* G	492-0377	84	85	---	3,000	---	---	---	---	1,000	400
PRIVATE ENTERPRISE PROMOTION	* L	492-0377	84	85	---	14,000	---	---	---	---	11,500	1,000
UPLAND RAINFED AGRICULTURAL RESEARCH	* G	492-0378	84	84	---	500	---	---	---	---	500	100
UPLAND RAINFED AGRICULTURAL RESEARCH	* L	492-0378	84	86	---	9,000	---	---	---	---	5,000	200
ENERGY TECHNOLOGY FOR FISHERIES	* G	492-0379	84	84	---	600	---	---	---	---	600	---
ENERGY TECHNOLOGY FOR FISHERIES	* L	492-0379	84	84	---	3,000	---	---	---	---	3,000	---
TOTAL FOR ACCOUNT					132,835	181,137	127,308	79,535	19,045	25,678	22,600	14,951
GRANTS					24,218	33,020	18,692	11,847	5,545	5,593	3,100	3,079
LOANS					108,617	148,117	108,616	67,688	13,500	20,085	19,500	11,872
POPULATION PLANNING												
POPULATION PLANNING II	G	492-0277	77	80	11,536	12,331	12,052	11,990	---	---	---	---
POPULATION PLANNING III	G	492-0341	81	85	28,135	28,135	12,785	6,229	2,753	5,831	4,000	5,224
POPULATION PLANNING III	L	492-0341	81	85	26,915	26,915	15,600	3,063	3,300	7,875	7,000	8,000
TOTAL FOR ACCOUNT					66,586	67,381	40,437	21,282	6,053	13,706	11,000	13,224
GRANTS					39,671	40,466	24,837	18,219	2,753	5,831	4,000	5,224
LOANS					26,915	26,915	15,600	3,063	3,300	7,875	7,000	8,000
HEALTH												

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C Level of effort activity

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PROGRAM: PHILIPPINES

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BARANGAY WATER I	L	492-0291	78	79	6,000	6,000	6,000	5,865	---	---	---	---
LOCAL WATER DEVELOPMENT I	L	492-0309	76	77	20,000	20,000	20,000	11,378	---	6,985	---	---
PANAY UNIFIED SERVICES FOR HEALTH	G	492-0312	78	78	316	316	316	72	---	244	---	---
PANAY UNIFIED SERVICES FOR HEALTH	L	492-0312	78	78	5,400	5,400	5,400	1,441	---	3,959	---	---
BICOL INTEGRATED HEALTH,NUTR AND POP	L	492-0319	79	79	2,500	2,500	2,500	409	---	1,000	---	1,091
BARANGAY WATER II	G	492-0333	80	82	2,537	2,537	2,537	565	---	500	---	700
BARANGAY WATER II	L	492-0333	80	82	19,600	19,600	19,600	1,424	---	4,000	---	5,000
POPULATION PLANNING III	G	492-0341	81	85	1,700	1,700	---	---	1,700	800	---	900
PVO CO-FINANCING	G	492-0345	80	83	1,500	1,500	1,200	401	300	442	---	110
PVO CO-FINANCING II	* G	492-0367	84	86	---	1,200	---	---	---	---	300	100
PRIMARY HEALTH CARE FINANCING	G	492-0371	83	84	---	3,000	---	---	2,000	1,000	1,000	1,000
PRIMARY HEALTH CARE FINANCING	L	492-0371	83	85	---	16,500	---	---	8,502	1,000	4,400	4,000
TOTAL FOR ACCOUNT					59,553	80,253	57,553	21,555	12,502	19,930	5,700	12,901
GRANTS					6,053	10,253	4,053	1,038	4,000	2,986	1,300	2,810
LOANS					53,500	70,000	53,500	20,517	8,502	16,944	4,400	10,091
EDUCATION AND HUMAN RESOURCES												
AGRICULTURAL EDUCATION OUTREACH	G	492-0331	79	82	2,500	2,500	2,499	662	---	1,837	---	---
PARTICIPANT TRAINING III	L	492-0340	83	83	---	1,000	---	---	1,000	100	---	200
PVO CO-FINANCING	G	492-0345	80	83	919	919	818	223	100	250	---	137
PVO CO-FINANCING II	* G	492-0367	84	86	---	1,200	---	---	---	---	300	100
TOTAL FOR ACCOUNT					3,419	5,619	3,317	885	1,100	2,187	300	437
GRANTS					3,419	4,619	3,317	885	100	2,087	300	237
LOANS					---	1,000	---	---	1,000	100	---	200

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PROGRAM: PHILIPPINES

CP 84

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SELECTED DEVELOPMENT ACTIVITIES												
NON-CONVENTIONAL ENERGY DEVELOPMENT	G	492-0294	78	78	1,550	1,550	1,550	992	---	238	---	18
NON-CONVENTIONAL ENERGY DEVELOPMENT	L	492-0294	78	78	7,100	7,100	7,100	320	---	2,415	---	801
ECONOMIC AND SOCIAL IMPACT ANALYSIS WID	G	492-0295	78	80	2,500	2,500	2,500	2,172	---	266	---	---
REAL PROPERTY TAX ADMINISTRATION	L	492-0298	78	81	10,000	10,000	10,000	2,833	---	5,667	---	---
PVO CO-FINANCING	G	492-0345	80	83	750	750	650	40	100	300	---	200
PVO CO-FINANCING II	• G	492-0367	84	86	---	1,600	---	---	---	---	400	200
TOTAL FOR ACCOUNT					21,900	23,500	21,800	6,357	100	8,886	400	1,219
GRANTS					4,800	6,400	4,700	3,204	100	804	400	418
LOANS					17,100	17,100	17,100	3,153	---	8,082	---	801
ECONOMIC SUPPORT FUND												
ELEMENTARY SCHOOL CONSTRUCTION	G	492-0342	80	80	18,000	18,000	18,000	17,700	---	300	---	---
PROJECT DESIGN	G	492-0343	80	82	7,000	7,000	7,000	1,767	---	2,000	---	2,000
CLARK ACCESS AND FEEDER ROADS	G	492-0348	81	81	5,000	5,000	5,000	---	---	3,000	---	2,000
MUNICIPAL DEVELOPMENT FUND	G	492-0361	81	84	70,000	68,000	35,000	---	20,000	10,000	13,000	15,000
MARKETS	G	492-0365	82	84	21,000	21,000	4,000	---	8,000	4,000	9,000	6,000
REGIONAL DEVELOPMENT FUND	G	492-0374	82	84	45,000	55,000	20,000	---	15,000	4,000	20,000	10,000
RURAL ENERGY DEVELOPMENT	G	492-0375	82	84	25,000	26,000	11,000	---	7,000	5,000	8,000	5,000
TOTAL FOR ACCOUNT					191,000	200,000	100,000	19,467	50,000	28,300	50,000	40,000
GRANTS					191,000	200,000	100,000	19,467	50,000	28,300	50,000	40,000
LOANS					---	---	---	---	---	---	---	---

*Refers to the planned project summary sheet

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PROGRAM: PHILIPPINES

CP 84

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TOTAL FOR COUNTRY					475,293	557,890	350,415	149,081	88,800	98,687	90,000	82,732
GRANTS					269,161	294,758	155,599	54,660	62,498	45,601	59,100	51,768
LOANS					206,132	263,132	194,816	94,421	26,302	53,086	30,900	30,964

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C Level of effort activity

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PROGRAM: Philippines

PLANNED PROGRAM SUMMARY SHEET

CP 84-05 (8-82)

TITLE PVO Co-Financing II		FUNDING SOURCE:	AG, RD & N: 1,000	HEALTH: 300	PROPOSED OBLIGATION (In thousands of dollars) FY 84 2,000		LIFE OF PROJECT FUNDING: 8,000
NUMBER 492-0367 GRANT ☒ LOAN ☐	NEW ☒ CONTINUING ☐	POPULATION:	ED. & HR: 300	SEL. ACT.: 400	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 86	ESTIMATED COMPLETION DATE OF PROJECT FY 90

Project Purpose: The project will encourage Private U.S. and Philippine Voluntary Organizations (PVO) to carry out small scale development activities which increase the income and improve the living conditions of the rural poor.

Project Description: While the final results are not yet available from a detailed evaluation of the PVO Co-Financing I Project, preliminary findings from the evaluation indicate that the PVO Co-Financing II project will continue to assist U.S. and indigenous PVO's (especially innovative, community-based PVO's not previously identified or registered with USAID) in the development of community-based projects in such areas as agriculture and rural development, health, education and selected development activities to meet the most important needs of the rural poor. As in the predecessor PVO Co-Financing I Project, diverse activities that will be supported include establishing rehabilitation services for rural blind or otherwise handicapped persons; developing community water systems; increasing productivity of coconut farmers' land by introduction of additional perennial crops; providing training relevant to the needs of future small farmers; training coastal communities and gaining their participation in environmentally protective activities that will enhance the productivity of the inland seas upon which they depend for income; and developing a charcoal industry based on coconut shell waste that provides additional income for the rural poor and a source of inexpensive energy.

Relationship of the Project to A.I.D. Country Strategy: A.I.D.'s strategy is aimed at generating more productive rural employment in selected regions for key target groups of rural poor, especially the small-scale farmers in rainfed and upland areas. To achieve this objective requires both a combination of public and private sector efforts to increase agricultural productivity and respond to other related needs as well as the full involvement of the targeted beneficiaries in the development process. Under this project, U.S. and indigenous PVO's provision of valuable technical and financial services will complement development resources from A.I.D. and the Government of the Philippines while addressing locally identified needs through collaboration with target beneficiaries.

Host Country and Other Donors: The funds provided through this project represent from 50 percent to 75 percent of each project activity's total cost. The balance will be provided from a variety of sources including the private sector and the beneficiaries themselves. Other donors include local, national, and international philanthropic organizations, other bilateral and multilateral donors, and private individuals. In an effort to maximize the resources available for development, AID will urge PVOs to seek the maximum possible contribution from private sources.

Beneficiaries: While it is not possible to predict the number of beneficiaries which will be affected until specific PVO proposals have been selected for assistance, the beneficiaries will primarily be rural upland poor. Over 350,000 beneficiaries from this target group benefited from the PVO Co-Financing I project.

PROGRAM: Philippines

PLANNED PROGRAM SUMMARY SHEET

CP 84-05 (8-82)

TITLE Private Enterprise Promotion	FUNDING SOURCE:	AG, RD & N: G 1,000 L 11,500	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars) FY 84 12,500	LIFE OF PROJECT FUNDING: G 3,000/L 14,000
NUMBER 492-0377 GRANT ☒ LOAN ☒	NEW ☒ CONTINUING ☐	POPULATION:	ED. & HR:	SEL. ACT.:	INITIAL OBLIGATION FY 84 / ESTIMATED FINAL OBLIGATION FY 85 / ESTIMATED COMPLETION DATE OF PROJECT FY 90

Project Purpose: The project will strengthen the capacity of intermediary private sector institutions and firms to provide important management, production, marketing and financial inputs essential to the growth of small and medium scale enterprises.

Project Description: Numerous studies have indicated that small amd medium size enterprises face particular difficulties in gaining access to necessary production and marketing inputs to develop and expand their businesses. This project will complement the proposed FY 83 Small Medium Enterprise Development Project (SMED) which will accelerate the growth of Small and Medium Enterprises (SMEs) by concentrating on institutional development, policy research and various types of support to them in selected regions outside of Metro Manila.

The project will strengthen the capabilities of intermediary private sector institutions and firms to provide essential inputs to small and medium-scale enterprises. Activities envisaged under the project include development of a market information gathering and dissemination network accessible to SMEs; credit and technical assistance components to promote market linkages and subcontracting opportunities for smaller firms; a capital market development component to strengthen selected financial intermediaries to make investment capital and working capital more accessible to target firms; a component to improve the outreach capability of institutions that can provide management or technical knowledge; and a policy development component with research, consultant, and training/seminar inputs to improve the credit, marketing and overall policy environment for industry. The project is expected to be implemented through national private sector associations in conjunction with the Ministry of Trade and Industry.

Relationship of Project to A.I.D. Country Strategy: The project's purpose is directly related to A.I.D.'s major country assistance strategy objective to provide productive employment opportunities to the rural poor through appropriate private sector development.

Host Country and Other Donors: There are numerous programs, financed by the ADB, World Bank, and bilateral donors, to channel production inputs to smaller entrepreneurs, but there appears to be insufficient attention to improving the private sector institutional linkages as proposed under this project. Accordingly, this project should result in the more effective utilization of GOP and other donor resources. The host country contribution will represent at least 40 percent of total project costs.

Beneficiaries: Target beneficiaries are small and medium-scale entrepreneurs and the underemployed in areas outside Metro Manila and Cebu. Assuming this project can accelerate production employment opportunities for even a small portion of the Philippines rural poor households, the effects would be considerable.

PROGRAM: Philippines

PLANNED PROGRAM SUMMARY SHEET

CP 84-05 (8-82)

TITLE Upland Rainfed Agricultural Research	FUNDING SOURCE:	AG, RD & N: G 500 L 5,000	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars) FY 84 5,500	LIFE OF PROJECT FUNDING: G 500/L 9,000	
NUMBER 492-0378 GRANT ☒ LOAN ☒	NEW ☒ CONTINUING ☐	POPULATION:	ED. & HR:	SEL. ACT.:	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 86	ESTIMATED COMPLETION DATE OF PROJECT FY 90

Project Purpose: The project will develop alternate farming systems for improved production of crops, livestock, agro-forestry, farm water resources and aquaculture in upland rainfed areas of selected provinces to benefit the rural upland poor.

Project Description: Deforestation and the concomitant degradation of upland watershed areas are caused in part by increasing numbers of people attempting to sustain a livelihood on a degenerating soil and water resource base. Yet knowledge of Philippine upland farming systems and farm family economic and social behavior is limited.

To address these problems, the project will fund surveys on the biological, environmental, social, economic and institutional constraints which now exist in the upland rainfed areas -- focusing initially on the Bicol, Eastern and Western Visayas Regions and subsequently on the Ilocos and Cagayan Valley Regions. Following completion of these surveys and an analysis of their results, basic and applied research efforts will be carried out on cropping systems, livestock, agro-forestry, farm water sources, aquaculture and other areas. This will be accompanied by supportive research on upland typology, social and economic analysis and agrometeorology. Actual research activities will be conducted by multi-disciplinary teams on farm and research stations in upland sites (the latter of which will be primarily existing facilities established under Agricultural Research Projects I and II). All of these efforts will strengthen the research system at the regional level, specifically re-orienting and expanding each region's capacity to work on upland problems. In addition, by encouraging the GOP to refocus part of its research effort on upland problems, this project will support Mission efforts to help the GOP reformulate its agro-economic policies in upland rainfed areas.
The project will fund both expatriate and local technical assistance, foreign and local training, commodities and research.

Relationship of Project to A.I.D. Country Strategy: Upland Rainfed Agricultural Research is part of A.I.D.'s overall Rainfed Resource Development strategy, assisting the rural poor to make the most productive, yet sustained use of rainfed resources on which they depend for their livelihood.

Host Country and Other Donors: The project will be coordinated by the Philippine Council for Agricultural and Resources Research and Development (PCARRD), which can draw on various government, international and academic institutions at both the national and regional levels to address constraints in upland rainfed areas by facilitating and funding selected applied and basic research at targeted upland sites.

The World Bank is investing over $50 million in rainfed and watershed management projects, including $12 million for lowland rainfed agricultural research. The ADB is investigating the potential for rainfed cotton production.

Beneficiaries: There are approximately 500,000 poor households in the Bicol, Eastern and Western Visayas Regions which depend upon rainfed upland agriculture. The specific projects undertaken will only reduce poverty among a small number of this group; however, over time it is expected that policies will be adopted which will more directly benefit these farmers. A similar approach will be taken later in the Ilocos and Cagayan Valley Regions. The indirect, long-term beneficiaries will be the population who is now affected by the degradation of forests and watersheds such as the lowland irrigated rice farmers.

PROGRAM: Philippines

PLANNED PROGRAM SUMMARY SHEET

CP 84-05 (8-82)

TITLE Energy Technology for Fisheries	FUNDING SOURCE:	AG, RD & N: G 600 L 3,000	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars) FY 84 G 600/L 3,000	LIFE OF PROJECT FUNDING: G 600/L 3,000
NUMBER 492-0379 GRANT ☐x LOAN ☐x	NEW ☐ x CONTINUING ☐	POPULATION:	ED. & HR:	SEL. ACT.:	INITIAL OBLIGATION FY 84 / ESTIMATED FINAL OBLIGATION FY 84 / ESTIMATED COMPLETION DATE OF PROJECT FY 88

Project Purpose: The project will increase the income of artisanal fishermen by decreasing their fuel costs and improving the marketing and distribution of their fish catch.

Project Description: Under this project, the Farm Systems's Development Corporation (FSDC) will help individual fishermen organize into associations. FSDC will provide the associations with management and technical skills training, and will extend credit to fishermen's organizations to purchase and operate both gas-fed refrigeration equipment and gasifiers to operate small fishing boats. The primary fuel source will be biomass-based producer gas used in either a direct combustion mode or to fuel diesel or gasoline engines.

The project will finance short-term advisors in ice plant management, cold storage management (and the relevant technologies), and improved boat design; purchase of U.S. or locally manufactured equipment; short-term training; and funds to enable FSDC to provide credit to fishermen's associations to purchase fossil fuel conserving equipment.

Project success will result in increased potential for larger catches through the application of improved fishing technologies in coastal waters; increased incomes and improved nutrition through the availability of cold storage technology, improving the marketability of catches; and lower fuel costs through improved boat design and use of biomass-based producer gas, substituting for fossil fuels.

While the approach used in this project is new, it employs organizational and management techniques that have been well established and tested by FSDC and technologies that are well known. The boat gasifiers were developed by FSDC and tested on a pilot basis, and are now available commercially. The refrigeration technology will be a follow-on technology adaptation and application activity to the rural refrigeration program being funded under the AID-sponsored Nonconventional Energy Development Project.

Relationship of Project to A.I.D. Country Strategy: The A.I.D. development assistance strategy identifies artisanal fishermen as a particularly disadvantaged socio-economic group. The project focuses on this group and seeks to improve their livelihood by increasing the potential for larger, more marketable catches while decreasing fuel costs.

Host Country and Other Donors: A number of donors - the ADB, IBRD, and other UN organizations, support projects in municipal fisheries. The World Bank, for example, is providing $45 million to support fishery development, including the establishment of fishermen training facilities and the financing of fishponds and ice plants.

Beneficiaries: The primary beneficiaries will be the owners or operators of small boats and fishermen who do not own boats, but share the catch. An estimated 1,000 families will directly benefit from this project along with private equipment manufacturers and local entrepreneurs.

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CP 84-13 (8-82)

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1982								
Loans		-	-	-	-	-	-	-
Grants	5,073	2,160	-	760	1,915	200	-	38
Total	5,073	2,160	-	760	1,915	200	-	38
1983								
Loans	-	-	-	-	-	-	-	-
Grants	5,100	2,500	-	220	1,680	700	-	-
Total	5,100	2,500	-	220	1,680	700	-	-
1984								
Loans	-	-	-	-	-	-	-	-
Grants	5,100	2,400	-	155	2,245	300	-	-
Total	5,100	2,400	-	155	2,245	300	-	-

FY 84 PROGRAM HIGHLIGHTS

A.I.D.'s program emphasis will:
- Support private and voluntary organizations and the Peace Corps in implementing a number of small scale projects in 10 countries, $4.0 million.
- Help the South Pacific Commission meet basic needs in nutrition through fisheries programs, and women in development, $200,000.
- Continue to assist the School of Agriculture, University of the South Pacific to serve regional agricultural research, education and extension, $900,000.

Development Overview

The South Pacific regional program area, comprising ten island nations, with diverse geographic, demographic and economic characteristics, falls into three major ethnic areas: Cook Islands, Niue, Tonga, Tuvalu and Western Samoa are Polynesian; Fiji, Papua New Guinea, Solomon Islands and Vanuatu are Melanesian; and Kiribati is part of Micronesia. These differences account for the wide variety of historical, cultural, environmental and political systems found in the region.

Geographically, the nations comprise over 1,300 islands and atolls covering a combined ocean/land area of more than 14 million square kilometers. The total land area of these nations is only 526,000 square kilometers, ranging from Papua New Guinea's 462,000 square kilometers to Tuvalu's 26 square kilometers.

Approximately 4.3 million people reside in the region, 69% of them in Papua New Guinea. Five countries, Fiji, Solomon Islands, Western Samoa, Vanuatu and Tonga, contain an additional 29% of the region's population. Population growth rates are high. Vanuatu and Solomon Islands have annual increases of 3.2% or more. Population densities vary from a low 6.5 per square kilometer in Papua New Guinea to over 288 per square kilometer in Tuvalu.

Urbanization in the South Pacific is defined as that portion of the people not pursuing agricultural activities and which resides in a minimum settlement of 1,000 persons. Urbanization is a relatively new phenomenon and is having an unsettling impact in the island nations. On the average, approximately 25% of the regional population lives in or near urban centers. The range is from 9% urbanized in the Solomon Islands to 37% in Fiji. Papua New Guinea, the largest country, has an 11% urbanized population.

CP 84-08 (8-82)

RESOURCE FLOWS
(In thousands of dollars)

Program	FY 1982 (Actual)	FY 1983 (Estimated	FY 1984 (Proposed)
Aid*			
Loans	–	–	–
Grants	1,914	6,220	6,400
Total AID	1,914	6,220	6,400
P.L. 480**			
Title I	–	–	–
(of which Title III is)	(–)	(–)	(–)
Title II	–	–	–
Total P.L. 480	–	–	–
Total AID and P.L. 480	1,914	6,220	6,400

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

CP 84-17 (8-82)

PERSONNEL/PARTICIPANTS DATA

Category	FY 1982 (Actual)	FY 1983 (Estimated	FY 1984 (Proposed)
AID Personnel [a]			
Direct Hire [b]	4	4	4
PASA[c]	–	–	–
Contract	3	4	4
Total	7	8	8
Participants [d]			
Noncontract	–	–	–
Contract	5	5	5
Total	5	5	5

[a]U.S. nationals on duty at the end of the fiscal year.
[b]FY 1983 and FY 1984 position levels.
[c]Participating agency technicians.
[d]Programmed during the fiscal year.

CP 84-14 (8-82)

Program	FY 1982 (Actual)		FY 1983 (Estimated		FY 1984 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat						
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total						
(of which Title III is)		( )		( )		( )
Title II						
Voluntary Agencies						
World Food Programs						
Gov't-to-Gov't						
Title II Total						
Total P.L. 480						

The largest proportion of the workforce is engaged in agriculture and fisheries. While this proportion has been declining for some time in relation to the non-agricultural and services sectors, it is still the major part of the cash economy. The level of employment in subsistence agriculture is very high.

The general employment situation is similar to many developing counties, with widespread unemployment in urban centers, especially among youth. Government priorities in most nations are aimed at finding suitable employment opportunities, particularly for unskilled youth. There is little likelihood that significant industrial development will emerge to provide employment for traditional farmers and fishermen. In several countries there has been considerable emigration of the young to developed, industrialized countries from which remittance incomes are sent home. These small states suffer from the loss of such a significant part of the young work force, regardless of the benefits from increased foreign exchange levels. Natural disasters are common and climatic conditions can be extremely harsh. Rainfall is generally high, often with more than 100 inches per year. Cyclones

occur frequently in the southwest area.

In addition to major physical and demographic differences, each country is different from the others in leadership structure, language, role of women, kinship networks and land tenure systems. Such diversity makes a regional development outlook difficult.

Total Resources

Estimated real growth of GNP from 1970-1977 varied considerably from Kiribati with 6.0% to Tonga with 0.9%. The two larger nations, Fiji and Papua New Guinea, showed 3.7% and 2.5% respectively. Kiribati depleted its phosphate reserves at the time of independence (1979) and, along with cessation of mining, the GNP of Kiribati in 1980 dropped to $354 per capita. Fiji's economy is dominated by sugar, tourism and the production of food primarily for local consumption. Papua New Guinea's growth has been from export of copper concentrates, coffee, cocoa and copra, whereas Tonga's growth is attributed to copra, bananas, cottage handicrafts and tourism.

For these nations to continue a growth pattern into the 1980's they will have to further diversify and intensify agriculture and fisheries; education systems will require modification to equip rural people for increased agricultural employment opportunities, for added income as well as subsistence.

Total bilateral and multilateral assistance to the South Pacific in 1980 was $452 million. Most of that aid, $285 million, was received by Papua New Guinea, primarily from Australia. The A.I.D. program is less than 1% of total aid. The major donors are: Australia, New Zealand, United Kingdom, the United Nations and the European Economic Community. The majority of the bilateral and multilateral aid is directed towards budgetary support and development of infrastructure. The migration of educated youth and a lack of appropriate skills, particularly at the lower level of island government, is the chief deterrent to effective use of bilateral and multilateral aid.

The ten counties are increasingly joined together in various fora, e.g. the South Pacific Forum, the South Pacific Conference, the U.N., and are asserting themselves on international issues of mutual interest.

U.S. Interest and Objectives

United States interests in the South Pacific are largely derived from those we have in East Asia generally, and more specifically in Australia and New Zealand. In summary, the United States and other donors share a common interest in seeing that the small, newly independent island states maintain stable environments for political and economic growth.

Major United States interests are 1) to maintain open and secure sea and air communication throughout the Pacific, 2) to support friendly governments that pursue moderate foreign policies supportive of U.S. basic interests not only in the region, but also in the U.N. and in Third World councils, 3) to preserve the reservoir of goodwill toward the United States which exists throughout the region, but which has suffered erosion from a lack of any real U.S. presence in the region since the end of WW II, and 4), to preserve U.S. access to fish and seabed resources in the region's exclusive economic zones.

A.I.D. Assistance Strategy

Our objective is to maintain a useful and meaningful presence in the region, but one supplemental to the major donors. Consequently, the A.I.D. strategy is to provide modest, non-bilateral and indirect assistance from a small regional development office at the American Embassy in Fiji, through intermediaries, to the independent island countries. These intermediaries are U.S. and indigenous private and voluntary organizations (which implement about 70% of the current program), South Pacific regional institutions (about 25%), and the U.S. Peace Corps, which has primary responsibility for implementing

a small grants program with island governments and villages (about 5%).

The A.I.D. assistance consists of both "grass roots" community projects, and regional programs which benefit all of the island countries. The strategy is to increase agricultural, fishing, and trade-related cash income possibilities for specific groups of rural and urban islanders, and to assist them to address their own basic needs, primarily through appropriate training and education activities.

Experience to date indicates that the A.I.D. program strategy is increasing developmental skills at lower levels of society and has allowed several island governments to make better use of both bilateral and multilateral programs conducted by other countries.

A.I.D. Program (FYs 1982-1983)

Private and Voluntary Organizations (PVOs): Assistance to PVOs under the regional PVO grants program (879-0251) represents the foundation of A.I.D.'s program in the South Pacific. A wide variety of integrated rural development projects are being undertaken with funding in agriculture, rural development, nutrition and education and human resources development. There are presently 10 PVOs (nine U.S., one indigenous) with 21 operational program grants (OPGs) under way in nine countries.

The Young Men's Christian Association (YMCA) in Western Samoa and Fiji has trained over 1,000 youth in such skills as small motor repair and carpentry. YMCA programs have also established rural clubs with active membership exceeding 2,000; last year Western Samoa increased its taro exports by 35%, largely due to active agricultural training and marketing activities of the YMCA rural clubs scheme. The Summer Institute of Linguistics (SIL) has trained over 500 village leaders from 43 language groups in Papua New Guinea who, in turn, are working in literacy training and community development in their villages. SIL programs have also provided job training for over 400 persons, and launched over 100 small self-help projects in such areas as coffee and chicken production. An energetic project of the Foundation for the Peoples of the South Pacific (FSP) in Tonga has directly benefitted over 3,000 rural women (and, indirectly, their families and communities) through FSP-supported activities in improved water and sanitation, kitchen use, nutrition, income generation, and credit.

An evaluation of the private and voluntary organization component of the South Pacific regional program was undertaken in late 1981. The evaluation found that the PVO program was having significant impact on people's well being, and that the beneficiaries are indeed representative of the rural poor. The evaluation recommended more emphasis in future PVO project design on increasing the number of beneficiaries, and on improved baseline data collection. These recommendations are now being implemented.

U.S. Peace Corps: Approximately 300 Peace Corps volunteers are currently assigned to the South Pacific region. In FY 1979, A.I.D. started the Accelerated Impact Program (AIP, 879-0256) in cooperation with the Peace Corps. It is estimated that approximately 150,000 people have benefitted from the AIP program to date. In the first year, 27 self-help projects were started and include vegetable gardens, poultry raising and community water systems. By the end of FY 1982, 153 additional projects had been started in rural communities. The program is now addressing additional problems in such areas as fisheries, forestry, energy, and other areas of community need. An AIP grant with the Peace Corps and the Fisheries Department of the Government of Western Samoa sparked the development of a fish aggregation device (a kind of artificial reef). The device has proven very effective in increasing the catch of small fishermen, and over 100 of them are now in use in Western Samoa.

Regional Organizations: United States policy supports regional activities through the South Pacific Commission

(SPC), and the University of the South Pacific (USP).

The USP satellite communications project (879-0254) has received $905,000 to make use of the NASA ATS-1 satellite. The project is expanding the USP satellite center to eight national satellite communication centers outside of Fiji. The system is now delivering audio-visual course materials, providing pre-diploma courses and tutorials between students in their home countries and the USP faculty in Fiji, and disseminating development related information from USP and other development-related agencies to the outlying national centers.

The largest A.I.D. grant in the South Pacific regional program is a Title XII collaborative assistance grant with the USP and the universities of Hawaii and Cornell for South Pacific Islands Agricultural Development (879-0267). The project, begun in FY 1980, is upgrading the faculty and facilities of the USP School of Agriculture located in Western Samoa, and expediting delivery of agricultural extension services from the School to countries served by USP. A baseline study for curriculum development and construction of faculty housing have been completed. Technical assistance from Hawaii and Cornell Universities is under way. Five lecturers from USP are undergoing training at U.S. institutions, four at the masters degree level, one at the Ph.D. level.

Two activities funded through SPC are the highly successful Skipjack Tuna Tagging Survey and the Tuna/Billfish Research Program (879-0002). The programs have established, for the first time, a real measure of the quantities, habitats and migration patterns of ocean resources which are critical to the island nations. The findings of the programs have brought about a cabinet-level decision in Fiji to enlarge Fiji's tuna fleet and to invite other Pacific island countries to enter into a regional marketing scheme for skipjack tuna.

A Women in Development Project (879-0274) with the SPC was begun in FY 1982 to implement a changed curriculum at the SPC's Community Education Training Center in Fiji from a predominently domestic orientation to one geared to meet business management, leadership and welfare needs of the family and the community. This project, as well as the women in development (WID) emphases in several PVO projects, comprise a significant WID sub-component in the South Pacific program.

An FY 1982 program development and support grant was given to support SPC's South Pacific Regional Environmental Program (SPREP). The funds will be used to assist in the development of viable conservation and environmental management systems in collaboration with island governments.

A Rural Water/Sanitation Project (879-0269) was begun in FY 1980 to implement rural water/basic sanitation projects in independent SPC countries. Projects thus far have been started in the Cook Islands and Western Samoa with additional projects scheduled to begin in Niue, Kiribati, Vanuatu, and Tuvalu.

There will be new initiatives in energy and expansion in the health sector. Work will continue to assist PVOs improve their own evaluations.

For FY 1983, $2.5 million is planned for agriculture, rural development and nutrition (ARDN) sector programs to continue ongoing ARDN focused grants to PVOs, the Title XII project with USP and the Tuna/Billfish Research Program with SPC. In the education and human resources sector, $1,680 million is planned to support PVO activities and continue the recently initiated project with SPC to train women in leadership and business.

In the health sector, $220,000 is planned primarily to expand the rural water supply program of the Foundation for the Peoples of the South Pacific on Tonga. In selected development activities, $300,000 will support the Accelerated Impact Program (AIP) with the Peace Corps. An additional $400,000 will be utilized for new initiatives by PVO's, primarily in solar energy.

Requested Year Program (FY 1984)

Funds requested for FY 1984 will continue projects already in place and expand the most successful ones. The creation of a PVO Co-Financing Project (879-0001) in FY 1984 for the South Pacific will provide a decentralized and more efficient mechanism to deal with the 21 PVO activities now being administered by the 10 PVOs.

Funding of $2.4 million in agriculture, rural development and nutrition is requested for ongoing PVO grants, the continuation of the Title XII Agricultural Development Project with USP, and the Tuna/Billfish research program with SPC. Funding of $2,245 million is requested under education and human resources for PVO training activities and to continue the women in development program at the SPC's Community Education Training Center. Health funds totaling $155,000 are requested primarily for PVO activities, and selected development activity funds totaling $300,000 will be utilized to continue the Accelerated Impact Program, primarily with the Peace Corps.

PROGRAM: SO PACIFIC REGIONAL

CP 84

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY82- OBLIG ATIONS	-THROUGH FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	-ESTIMATED FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	-PROPOSED FY84- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
PVO COFINANCING	* G	879-0001	84	88	---	6,000	---	---	---	---	1,400	600
TUNA/BILLFISH ASSESSMENT	G	879-0002	81	84	300	400	200	75	100	125	100	150
PRIVATE AND VOLUNTARY ORGANIZATIONS	G	879-0251	80	83	4,600	4,600	2,946	1,366	1,400	1,160	---	1,198
SOUTH PACIFIC ISLAND AGRICULTURAL DEV	G	879-0267	80	85	5,640	5,640	3,310	2,176	1,000	1,275	900	1,275
TOTAL FOR ACCOUNT					10,540	16,640	6,456	3,617	2,500	2,560	2,400	3,223
GRANTS					10,540	16,640	6,456	3,617	2,500	2,560	2,400	3,223
LOANS					---	---	---	---	---	---	---	---
HEALTH												
PVO COFINANCING	* G	879-0001	84	88	---	450	---	---	---	---	155	110
PRIVATE AND VOLUNTARY ORGANIZATIONS	G	879-0251	80	83	560	780	560	---	220	315	---	360
RURAL WATER SUPPLY	G	879-0269	81	83	600	600	600	53	---	280	---	250
TOTAL FOR ACCOUNT					1,160	1,830	1,160	53	220	595	155	720
GRANTS					1,160	1,830	1,160	53	220	595	155	720
LOANS					---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES												
PVO COFINANCING	* G	879-0001	84	88	---	14,000	---	---	---	---	2,145	900
PRIVATE AND VOLUNTARY ORGANIZATIONS	G	879-0251	80	83	6,288	7,822	6,242	3,433	1,580	2,325	---	1,026
COMMUNICATIONS TECHNICAL APPLICATIONS	G	879-0254	81	82	200	200	200	100	---	100	---	---
WOMEN IN DEVELOPMENT	G	879-0274	82	85	287	400	100	---	100	150	100	100
TOTAL FOR ACCOUNT					6,775	22,422	6,542	3,533	1,680	2,575	2,245	2,026
GRANTS					6,775	22,422	6,542	3,533	1,680	2,575	2,245	2,026
LOANS					---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES												

* Refers to the planned project summary sheet

G Level of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

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

PROGRAM: SO PACIFIC REGIONAL

CP 84

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY82- OBLIG ATIONS	-THROUGH FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	-ESTIMATED FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	-PROPOSED FY84- EXPENDI TURES
PRIVATE AND VOLUNTARY ORGANIZATIONS	G	879-0251	80	83	---	400	---	---	400	240	---	160
ACCELERATED IMPACT PROGRAM	G	879-0256	79	87	879	2,265	772	735	300	250	300	271
TOTAL FOR ACCOUNT					879	2,665	772	735	700	490	300	431
GRANTS					879	2,665	772	735	700	490	300	431
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					19,354	43,557	14,930	7,938	5,100	6,220	5,100	6,400
GRANTS					19,354	43,557	14,930	7,938	5,100	6,220	5,100	6,400
LOANS					---	---	---	---	---	---	---	---

* Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

PROGRAM: South Pacific

PLANNED PROGRAM SUMMARY SHEET

CP 84-05 (8-82)

TITLE	FUNDING SOURCE:	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)	
PVO Co-Financing		1,400	155	FY 84 3,700	LIFE OF PROJECT FUNDING: 22,450

NUMBER 879-0001 GRANT ☒ LOAN ☐	NEW ☒ CONTINUING ☐	POPULATION:	ED. & HR: 2,145	SEL. ACT.:	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 88	ESTIMATED COMPLETION DATE OF PROJECT FY 89

Purpose: To provide partial support for development activities of U.S. and South Pacific island nations' private and voluntary organizations (PVOs) in their efforts to assist in activities which improve the social and economic status of rural and urban low-income groups.

Project Description: All the island nations support decentralized development programs to improve national economies and strengthen self-sufficiency. This approach requires appropriate education and skills training for target groups, pilot efforts in community development, cooperative development, and individual involvement. This project will meet these requirements through collaborative efforts with U.S. and local PVOs.

Since 1977 there has been funding of PVO operational program grants in the South Pacific under Asia Bureau Regional programs. This project will decentralize A.I.D. assistance to PVOs by basing it more directly in the project portfolio of A.I.D.'s South Pacific Regional Development Office (SPRDO) in Fiji. Each of the U.S. PVOs receiving grants under this umbrella project will have negotiated its own basic operating agreements with the individual island governments. On the basis of these agreements SPRDO will grant A.I.D. assistance for PVO development activities.

The U.S. PVOs receiving A.I.D. assistance to date include Catholic Relief Services, Save the Children Federation, Helen Keller International, Foundation for the Peoples of the South Pacific, Asia Foundation, International Human Assistance Programs, the Young Men's Christian Association, Summer Institute of Linguistics, Agricultural Cooperatives Development International, and the Fiji Council of Social Services . Their project activities include trades training for rural and urban youth, agriculture and fisheries production and marketing, rural water and sanitation, women in development activities, project design and management, baseline studies, literacy, and nutrition education.

Relationship of Project to A.I.D. Regional Strategy: The project is the central vehicle for the delivery of A.I.D assistance to the South Pacific. Our strategy is implemented not through bilateral country agreements, but rather through the work of PVOs, regional organizations (primarily the South Pacific Commission and the University of the South Pacific) and a small grants program implemented primarily in conjunction with the U.S. Peace Corps. The PVO activity currently comprises about 70% of total A.I.D. assistance to the region.

Host Country and Other Donors: A minimum cash or in-kind contribution of at least 25% of total project costs will be made by non-A.I.D. donors. A.I.D. contribution to PVO programs traditionally runs at about 50% of total project costs. The PVOs themselves on the average have contributed about 15%, villagers about 10%, and other donors (local and national government, other bilaterals, United Nations, etc.) about 25%.

Beneficiaries: The beneficiaries of the South Pacific PVO programs are poorer island farmers and fishermen, village women, and the urban unemployed. Approximately 65,000 had directly benefitted from the programs as of June 1982.

FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: SRI LANKA

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1982) 15,398

PER CAPITA GNP..... (DOLLARS,1981) 300

AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-80) 2.4%

AVERAGE ANNUAL RATE OF INFLATION (1960-70) 1.8% (1970-80) 12.6%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. (1973) 7.3%

LIFE EXPECTANCY AT BIRTH, IN YEARS

(1981)	TOTAL 66.0	MALE 64.2	FEMALE 67.9
(1968)	TOTAL 65.8	MALE 64.8	FEMALE 66.9

ADULT LITERACY RATE

(1971)	TOTAL 78%	MALE 86%	FEMALE 69%
(1963)	TOTAL 75%	MALE 85%	FEMALE 64%

AGRICULTURE

AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (1970-1981) 0.1%

AGRICULTURAL PRODUCTION AS % OF GDP..... (1981) 24%

POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982) 1,533

MAJOR CROP(S)		ARABLE LAND	YEAR
SUBSISTENCE:	RICE VEGETABLES	44%	(1981)
CASH:	TEA RUBBER COCONUTS	35%	(1981)

MAJOR AGRICULTURAL EXPORTS:(1981) TEA RUBBER COCONUTS

MAJOR AGRICULTURAL IMPORTS:(1981) WHEAT RICE

PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1980) 54%

CENTRAL GOVERNMENT FINANCES

TOTAL DOMESTIC REVENUES ($ MILLIONS, U.S.)

(1978)	673 (79)	728 (80)	802

TOTAL EXPENDITURES ($ MILLIONS, U.S.)

(1978)	1,027 (79)	1,165 (80)	1,655

DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)

(1978)	-354 (79)	-437 (80)	-653

DEFENSE EXPENDITURES,

AS % OF TOTAL EXPENDITURES.. (1978)	1.8% (79)	2.0% (80)	1.7%
AS % OF GNP..... (1978)	0.7% (79)	0.8% (80)	0.7%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD ($MILLIONS, U.S.) (1979) 520 (80) 249 (81) 330

EQUIVALENT TO 2.0 MONTHS OF IMPORTS (1981)

FOREIGN TRADE

MAJOR EXPORTS... (1981) TEA NAT RUBBER OIL PRODUCTS

EXPORTS TO U.S.

($ MILLIONS, US. FOB) (1979)	102 (1980)	116 (1981)	143
AS % OF TOTAL EXPORTS (1979)	10% (1980)	11% (1981)	13%

MAJOR IMPORTS... (1981) PETROLEUM MACHINERY TRANSPORT EQ

IMPORTS FROM U.S.

($ MILLIONS, US. CIF) (1979)	78 (1980)	89 (1981)	128
AS % OF TOTAL IMPORTS (1979)	5% (1980)	4% (1981)	7%

TRADE BALANCE($ MILLIONS. U.S.)(1979) -470(80) -948(81) -773

MAIN TRADING PARTNERS: JAPAN SAUDI ARABIA UNITED STATES

EXTERNAL PUBLIC DEBT AS % OF GNP (1980) 38.0%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT,

($ MILLIONS, U.S.).....	(1980)	106
AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO)....	(1980)	6.8%

SOCIAL DATA

POPULATION GROWTH RATE...(1970) 1.9% (1975) 1.5% (1982) 1.8%

POPULATION IN URBAN AREAS..... (1963) 19% (1981) 22%

LIVE BIRTHS PER 1,000 POPULATION.....(1970) 29 (1982) 28

MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION. (1976) 33%

POPULATION (1981) IN AGE GROUP:
(0-14YRS) 35.7% (15-64YRS) 60.1% (65+ YRS) 4.2%

INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982) 37

PEOPLE PER PHYSICIAN..... (1975) 6,232

MAJOR CAUSES OF
DISEASE (1979)MALARIA TUBERCULOSIS HEPATITIS
DEATH.. (1981)DEFICIENT DIET FLU & PNEUMONIA

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 97%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975) 19%

TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:

PRIMARY..... (1981)	TOTAL 87.4%	MALE 92.3%	FEMALE 82.5%
SECONDARY..... (1981)	TOTAL 65.2%	MALE 68.2%	FEMALE 62.5%
POST SECONDARY.. (1981)	TOTAL 9.1%	MALE 9.4%	FEMALE 8.9%

ENERGY PRODUCTION AS % OF CONSUMPTION..... (1980) 12%

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

COUNTRY SRI LANKA

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1977	1978	1979	1980	1981	TOTAL LOANS AND GRANTS 1946-81	REPAYMENTS AND INTEREST 1946-81	TOTAL LESS REPAYMENTS AND INTEREST 1946-81
I. ECONOMIC ASSISTANCE – TOTAL								
Loans	64.8	60.6	49.9	60.3	70.8	575.5	82.3	493.2
Grants	60.0	53.4	39.7	49.6	61.1	427.5	82.3	345.2
	4.8	7.4	10.2	10.7	9.7	148.0	–	148.0
a. A.I.D. and Predecessor Agencies								
Loans	20.9	23.0	29.0	31.4	46.1	202.9	21.1	181.8
Grants	20.1	19.0	23.4	25.8	43.8	168.2	21.1	147.1
(Economic Support Fund)	0.8	4.0	5.6	5.6	2.3	34.7	–	34.7
	–	–	–	–	–	7.2		
b. Food for Peace (PL 480)								
Loans	43.9	37.6	20.9	28.9	24.7	371.0	61.2	309.8
Grants	39.9	34.4	16.5	23.8	17.3	259.3	61.2	198.1
Title I - Total Sales Agreements	4.0	3.4	4.6	5.1	7.4	111.7	–	111.7
Repayable in U.S. Dollars - Loans	39.9	34.4	16.3	23.8	17.3	264.2	61.2	203.0
Payable in Foreign Currency - Planned for Country Use	39.9	34.4	16.3	23.8	17.3	245.4	49.3	196.1
Title II - Total Grants	–	–	–	–	–	18.8	11.9	6.9
Emerg. Relief, Econ. Develop. & World Food Program	4.0	3.4	4.6	5.1	7.4	106.8	–	106.8
Voluntary Relief Agencies	0.8	0.2	0.6	–	–	21.8	–	21.8
	3.4	3.2	4.0	5.1	7.4	85.0	–	85.0
c. Other Economic Assistance								
Loans	–	–	–	–	–	1.6	–	1.6
Grants	–	–	–	–	–	–	–	–
Peace Corps	–	–	–	–	–	1.6	–	1.6
Narcotics	–	–	–	–	–	1.6	–	1.6
Other	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	–	–
II. MILITARY ASSISTANCE – TOTAL								
Credits or Loans	*	–	*	*	0.1	3.9	0.4	3.5
Grants	–	–	–	–	–	0.3	0.4	0.1–
	*	–	*	*	0.1	3.6	–	3.6
a. MAP Grants	–	–	–	–	–	3.2	–	3.2
b. Credit Financing - FMS	–	–	–	–	–	0.3	0.4	0.1–
c. Military Assistance Service-Funded (MASF) Grants	*	–	*	*	0.1	0.4	–	0.4
d. Transfers from Excess Stocks	–	–	–	–	–	*	–	*
e. Other Grants	–	–	–	–	–	–	–	–
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE								
Loans	64.8	60.6	49.9	60.3	70.9	579.4	82.7	496.7
Grants	60.0	53.4	39.7	49.6	61.1	427.6	82.7	345.1
	4.8	7.4	10.2	10.7	9.8	151.6	–	151.6
Other U.S. Government Loans and Grants								
a. Export-Import Bank Loans	–	–	–	–	0.3	18.6	20.4	1.6–
b. All Other Loans	–	–	–	–	–	3.4	3.3	0.1–
	–	–	–	–	0.3	15.2	16.9	1.7–

* LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1980	FY 1981	FY 1982	FY 1946-82
TOTAL	200.0	75.8	80.1	864.4
IBRD	0.0	0.0	42.7	115.6
IFC	0.3	23.1	2.0	32.0
IDA	151.5	0.0	0.0	356.4
IDB	0.0	0.0	0.0	0.0
ADB	42.2	47.8	35.4	279.4
AFDB	0.0	0.0	0.0	0.0
UNDP	6.0	4.8	0.0	63.2
OTHER-UN	0.0	0.1	0.0	17.8
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. D.A.C. COUNTRIES (Gross Disbursements)

Donor	CY 1980	CY 1981	CY 1977-81
U.S.	59.0	35.0	221.0
U.K.	76.4	53.2	182.6
Japan	48.6	53.4	206.9
Canada	29.5	33.0	121.6
Sweden	23.1	22.7	106.6
Other	75.1	105.4	378.2
Total	311.7	302.7	1216.9

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

CY 1980	CY 1981	CY 1976-81
58.0	-	71.3

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

	CY 1980	CY 1981	CY 1954-81
USSR	-	-	100
Eastern Europe	-	-	95
China	-	-	220
Total	-	-	415

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PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1982								
Loans	42,000	42,000	-	-	-	-	-	-
Grants	6,500	4,000	-	2,300	100	100	-	-
Total	48,500	46,000	-	2,300	100	100	-	-
1983								
Loans	39,643	39,143	-	-	-	500		
Grants	5,200	3,400	-	200	100	1,500		
Total	44,843	42,543	-	200	100	2,000		
1984								
Loans	31,500	23,500	-	8,000	-	-	-	-
Grants	8,800	7,500	-	1,100	100	100	-	-
Total	40,300	31,000	-	9,100	100	100	-	-

FY 84 PROGRAM HIGHLIGHTS

A.I.D.'s FY 1984 program will emphasize:

- increasing and diversifying food production, rural incomes and employment by supporting the development and rehabilitation of irrigation systems, and strengthening of Sri Lankan development institutions, $31.0 million;
- improving the quality and expanding the coverage of preventive health services, $9.1 million; and
- a $30.9 million PL 480 program to support reductions in food grain subsidies and generate funds for local development projects, and to provide food supplements for malnourished infants, young children and mothers.

Development Overview

For 30 years following independence in 1948, the Government of Sri Lanka (GSL) emphasized expenditures on health, education and social programs but little investment in economic productivity. These policies resulted in an impressive performance in social development, with food consumption increasing to 2,200 calories per capita, and life expectancy to 68 years, while infant mortality was reduced to 42 per 1,000, and the net population growth rate to 1.9%. The adult literacy rate grew to 85%, the highest in the developing countries of Asia.

However, by the mid-1970's, these impressive gains were being undermined by a stagnant economy and deteriorating public services. Welfare-oriented policies and increased reliance upon the public sector of the economy, combined with droughts and unfavorable prices for basic exports, produced a low GNP growth (2.9%) and an even lower growth in agriculture production (2%) per year. The most serious consequences were widespread unemployment and massive food deficits. Since 1977, a far-reaching program has been launched to accelerate economic growth and employment. Particular attention has been given to: (1) accelerating the growth of exports; (2) stabilizing the price level and growth of imports through budgetary discipline, subsidy reductions, and the encouragement of private savings and investment; and (3) improving the composition of public investment and reducing its share relative to private investment. During the 1982-86 period, the economy is projected to grow at an average annual rate of 6% in real terms, with the creation of one million jobs.
The three "lead projects" in the GSL's development program continue to be: (1) the Accelerated Mahaweli Development Program (AMP) to provide employment and increase food production and power capacity; (2) the Colombo Free Trade Zone program, to attract foreign

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RESOURCE FLOWS
(In thousands of dollars)

Program	FY 1982 (Actual)	FY 1983 (Estimated	FY 1984 (Proposed)
Aid*			
Loans	32,828	64,389	62,018
Grants	2,839	8,220	10,615
Total AID	35,667	72,609	72,633
P.L. 480**			
Title I	17,600	17,600	26,000
(of which Title III is)	(–)	(–)	(–)
Title II	5,632	4,255	4,923
Total P.L. 480	23,232	21,855	30,923
Total AID and P.L. 480	58,899	94,464	103,556

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

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PERSONNEL/PARTICIPANTS DATA

Category	FY 1982 (Actual)	FY 1983 (Estimated	FY 1984 (Proposed)
AID Personnel [a]			
Direct Hire [b]	23	25	25
PASA[c]	–	1	1
Contract	22	25	25
Total	45	51	51
Participants [d]			
Noncontract	154	131	80
Contract	95	104	86
Total	249	235	166

[a]U.S. nationals on duty at the end of the fiscal year.
[b]FY 1983 and FY 1984 position levels.
[c]Participating agency technicians.
[d]Programmed during the fiscal year.

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Program	FY 1982 (Actual)		FY 1983 (Estimated		FY 1984 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat	107	17,600	104	17,600	150	26,000
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total		17,600		17,600		26,000
(of which Title III is)		(–)		(–)		(–)
Title II						
Voluntary Agencies		5,607		4,226		4,658
World Food Programs		25		29		265
Gov't-to-Gov't		–		–		–
Title II Total		5,632		4,255		4,923
Total P.L. 480		23,232		21,855		30,923

capital and increase employment and non-traditional exports; and (3) the Urban Development and Housing Program for low income families.

The economy made substantial adjustments in 1981, with inflation bottoming out at 10%, in June of 1982, and the balance of payments deficit improving as the government reduced its own expenditures. Unfortunately, economic prospects for 1982 are not as favorable. Budgetary expenditures will rise sharply, due to the provision of drought relief and higher capital expenditures for the public investment program. The trade deficit will increase by 30%, and imports by 13%.

Adequate donor support is critical if Sri Lanka is to overcome its current economic problems. Substantial aid is required to help strengthen institutions, and to rehabilitate and expand the country's long neglected productive base and deteriorating social services. There is also a need for quick-return, production-oriented projects, and fast-disbursing aid for balance of payments relief.

Total Resources

The GSL's five year development program budget (1982-86) calls for Rs.98 billion ($4.5 billion), an increase of 30% over the investment program for 1981-85. The level of investment will depend on: (1) the rate of domestic economic growth; (2) production and world market prices for traditional Sri Lankan exports; (3) expansion of non-traditional Sri Lankan exports and foreign investment; (4) oil prices and international inflation; (5) the GSL's ability to mobilize local financial resources and foreign assistance; and (6) public and private implementation capacity.

Sri Lanka receives support from a variety of foreign sources, including the World Bank-sponsored donor group of 12 countries, (including the United States), the United Nations, Asian Development Bank, and the International Monetary Fund. The aid group effectively coordinates its support through annual meetings and regular contacts in Sri Lanka, between GSL officials and resident donor representatives.

Sri Lanka secured pledges of $668 million for 1982 at the most recent aid group meeting; ($211 million for the Accelerated Mahaweli Development Program, and $457 million for other assistance). It is estimated that Sri Lanka's assistance requirement for 1983 will be $455 million, of which $400 million will be for other than Mahaweli.

U.S. Interests and Objectives

U.S. interests are to support a viable, independent, and democratic Sri Lanka. The country has a strong record of free elections, human rights and social equity. It plays a moderating role in the non aligned movements, keeps its ports open to the navies of all nations, and is active in international forums in a responsible way.

U.S. interest in Sri Lanka is also reflected in the increasing trade between the two countries. The United States is now Sri Lanka's first export market and third largest source of imports. As a result of the GSL's economic reforms and private sector incentives, U.S. investment in Sri Lanka has risen from $500,000 in 1978 to an estimated $8 million in 1981. Planned additional U.S. investments will make the United States one of the largest foreign investors in Sri Lanka.

A.I.D. Assistance Strategy

A.I.D.'s program supports Sri Lanka's development by:

(1) expanding food production; (2) increasing employment and income; and (3) improving human productivity and well-being. A.I.D.'s strategy is to concentrate its support in those sectors where additional assistance is urgently needed, and where A.I.D. has both a legislative mandate and comparative advantage over other donors. Thus development assistance is concentrated primarily in agriculture and rural development, particuularly irrigation and water management, and for the improvement of health and population services to those in need.

A.I.D. Programs (FYs 1982-83)

The current A.I.D. program consists of development assistance, PL 480 food aid, a Housing Guarantee, and centrally-funded activities.

In the key agricultural and rural development sector, the Mahaweli Ganga Irrigation (383-0042) project was concluded in FY 1982. As a result of this project, some 35,000 acres of newly irrigated land were prepared and farm production, social infrastructure and improved water management provided to 15,000 low-income farm families. Five additional projects which are well along in implementation are Rice Research (383-0040), Paddy Storage and Processing

(383-0041), Development Services and Training (383-0044), Agricultural Base Mapping (383-0045), and Agricultural Education Development (383-0049). These projects have raised the productivity of Sri Lanka's farmers and agricultural sector.

The Paddy Storage and Processing and the Agricultural Base Mapping projects will be successfully completed in 1983, while the Rice Research project will be concluded by mid-1984.

Under the Paddy Storage and Processing project, the Paddy Marketing Board (PMB) is increasing the GSL's storage and milling capacities. Under the Agricultural Base Mapping project, the Survey Department of the Ministry of Lands and Land Development has produced aerial photographs to update the country's base maps and established a user-assistance center. A recent special evaluation concluded that the Survey Department had made remarkable progress in the face of many constraints and that A.I.D. had contributed to a successful institution building effort.

Major project activities under the Rice Research project were concluded in 1982. A recent evaluation of this project concluded that the technical assistance provided significantly increased the country's capability and technological base for rice research.

The Development Services and Training project is providing a sound basis for long-term rural development. It has enabled 100 individuals to undertake various training activities, aimed at updating technical and management skills. Useful pilot/demonstration activities also have been supported, including such energy conservation efforts as solar kilns and sail-powered fishing boats.

At the conclusion of the Agricultural Education Development project in 1985, the Faculty of Agriculture and the Post-Graduate Institute of Agriculture at the University of Peradeniya will have a highly trained staff and the necessary facilities and equipment to support the doubling of indigenously trained college graduates, and the tripling of indigenously trained post graduates.

Five additional projects in the agricultural sector, Mahaweli Basin I and II (383-0056 and 383-0073), Mahaweli Sector Support (383-0078) Mahaweli Environment (383-0075), Reforestation and Watershed Management (383-0055), and Water Management (383-0057) build on the results of earlier efforts to attain self-sufficiency in basic foods and to protect natural resources.

A.I.D.'s Mahaweli projects support a portion of the GSL's large multi-year, multi-donor river basin development scheme. They help to finance the design and construction of an irrigation system encompassing 136,000 acres of paddy land and homesites for some 43,000 settler families. Design and construction services and technical assistance are provided by U.S. firms. The Mahaweli Environment project ensures the stability of irrigated agricultural development and settlements in the Mahaweli area by providing protected habitats for displaced wildlife.

A.I.D. is also reforesting over 15,000 acres of denuded land in the upper catchment of the Mahaweli River, and the planting of 35,000 acres of fuelwood forests in the dry zone through the Reforestation and Watershed Management project. The Water Management project helps strengthen the GSL's irrigation services for small farmers, and increases farmer participation in the management of irrigation systems.

The on-going PL 480 Title I food assistance program contributes to: (1) sustaining the government's policy of reducing food subsidies; (2) supporting rural development and employment; and (3) reducing Sri Lanka's balance of payments gap. Wheat flour milled from Title I wheat is distributed to cooperatives, bakeries and registered retail outlets. Low

income families purchase wheat flour and bread from these outlets under the GSL's food stamp plan which replaced a non-targeted ration that had been provided to everyone. Local currency sales proceeds are used by the government for agriculture and rural development, with emphasis on irrigation and water management activities. A special Title I impact evaluation conducted in 1982 concluded that Sri Lanka's rural development strategies are sound, the GSL's total budgetary commitments to the rural sector are significant, and the Title I program represented a positive balance of payments resource. As part of the PL 480 agreement, the GSL is developing an integrated national agricultural/food/nutrition strategy.

One new project is planned for FY 1983: the Private Enterprise Promotion Project (383-0082). Its purpose is to foster a climate that increases private sector investments, both domestic and foreign, with emphasis on agro-industrial activities. The three major components are:

(a) establishment of a local Investment Promotion Center to serve the varied needs of the private sector in Sri Lanka;

(b) a program to stimulate new investments, which will include pre-feasibility studies to show prospective investors the technical and economic viability of new investments; and

(c) support to local institutions to expand training in management, entrepreneur development, rural financial markets, and related subjects.

In the health sector, A.I.D. has three projects. The Malaria Control project (383-0043) has been remarkably successful in helping to reduce the incidence of malaria from over 400,000 reported cases in 1975 to about 47,000 cases in 1981. The Market Town Water Supply project (383-0063) supports development of a master plan for drinking water resources and improved sanitation for the Jaffna Peninsula, the construction of water supply systems for two market town areas (with over 60,000 people) and improved national capabilities to design, install and maintain domestic water systems. The National Institute of Health Sciences project (383-0062), supports construction of additional training facilities for primary health care workers.

PL 480, Title II programs are administered through CARE, which manages a school feeding program in collaboration with the Ministry of Education Services, and a Maternal/Child Health (MCH) program and other smaller programs with the Ministry of Health. The MCH program addresses three nutritional problems in Sri Lanka: protein-calorie malnutrition, nutrition anemia and Vitamin A deficiency. The program reaches approximately 600,000 medically selected pregnant and lactating mothers and pre-schoolers through the monthly issuance of a pre-cooked food supplement, Thriposha. The primary school feeding program, which reaches approximately one million school children in grades 1 to 4, is combatting widespread undernutrition. An evaluation of the Title II program in FY 1982 found the Thriposha program to be one of the better MCH programs sponsored under Title II, and also recommended changes in the school feeding program to improve its effectiveness. As a result, A.I.D. now plans to increase its support for the MCH program, and, beginning in FY 1985, gradually to phase-out U.S. assistance for the school feeding program.

The low-income Housing Guarantee program has been assisting the GSL with its Aided Self-Help (ASH) and Slum and Shanty Upgrading programs. The ASH program is a rural housing effort designed to allow low-income communities in rural areas to build their own housing with limited government assistance. The Slum and Shanty Upgrading program is designed to assist urban slum dwellers to improve the quality of

their units, and provides basic services such as water and sewers. The capital cost of these programs is supported by loan guarantees. Technical assistance also is provided to assist the GSL planning and implementing agencies refine and extend their capabilities; and to introduce new concepts to the GSL, such as the formation of a housing finance banking system.

The PVO Co-Financing project (383-0060) provides small grants to U.S. and Sri Lankan private voluntary organizations (PVOs) to enhance the ability of local communities to undertake activities in such fields as agriculture, education, private enterprise, and health and population.

Requested Year Program (FY 1984)

An A.I.D. program level of $40.3 million is requested for FY 1984, made up of two new and six continuing projects. This program, together with the PL 480 Title I and II programs, will make significant contributions to each of A.I.D.'s three major objectives in Sri Lanka; and help sustain the GSL's commitment to its economic reforms and emphasis on growth with equity.

The development assistance request includes $36.0 million for the agricultural and rural development sector. The Mission's continuing support for irrigation systems is highlighted by the Mahaweli Basin Development project (383-0073) at $13.4 million and Mahaweli Sector Support project at $7.1 million. Both are assisting with increased food production, generating employment opportunities and providing basic human needs to poor rural families. Complementary assistance of $3.5 million for the Mahaweli Environment project (383-0075) and $2.5 million for the Water Management project (383-0057) will complete funding for these two key efforts. Initial funding of $3.5 million is proposed for a new Diversified Agriculture Research and Production project (383-0058) which will contribute to increasing the production of subsidiary field crops in Sri Lanka. $.8 million is proposed for the Development Services and Training project (383-0044), to support the strengthening of the planning, implementation and management capabilities of Sri Lankan institutions. $.5 million drawn from the program's four funding accounts will enable the PVO Co-Financing project (383-0060) to continue with collaborative rural development, health, education and selected development activities.

In the health sector, $9 million is proposed for the new Preventive Health Services project (383-0081) which will improve the quality and expand the coverage of preventive health services at the community/village level, support the government's water supply and sanitation plan, and assist the Anti-Malaria campaign.

Other continuing programs included in the request are:

- A PL 480, Title I, food loan of $26 million, which will contribute to reducing Sri Lanka's food gap, and generate local currency agriculture and rural development activities including water management, irrigation, agriculture extension and reforestation. An agricultural/food/nutrition public investment plan being undertaken as a part of current PL 480 agreements will help in the allocation of these proceeds.

- The PL 480, Title II, MCH and school feeding programs at $4.7 million.

PROGRAM: SRI LANKA

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PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY82- OBLIG ATIONS	-THROUGH FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	-ESTIMATED FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	-PROPOSED FY84- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
RICE RESEARCH	L	383-0040	77	77	3,800	3,800	3,800	2,887	---	500	---	268
PADDY STORAGE AND PROCESSING I	L	383-0041	78	78	5,400	5,400	5,400	4,520	---	880	---	---
MAHAWELI GANGA IRRIGATION	G	383-0042	77	77	800	800	800	631	---	37	---	---
MAHAWELI GANGA IRRIGATION	L	383-0042	77	78	5,200	5,200	5,200	4,310	---	390	---	---
DEVELOPMENT SERVICES AND TRAINING	G	383-0044	78	84	6,500	6,500	4,900	2,554	800	1,600	800	1,595
AGRICULTURAL BASE MAPPING	L	383-0045	78	78	4,500	4,500	4,500	3,189	---	524	---	150
AGRICULTURAL EDUCATION DEVELOPMENT	G	383-0049	78	82	7,500	7,500	7,500	3,623	---	1,200	---	1,200
REFORESTATION AND WATERSHED MANAGEMENT	G	383-0055	80	83	950	1,250	950	250	300	400	---	400
REFORESTATION AND WATERSHED MANAGEMENT	L	383-0055	80	83	3,400	4,900	3,400	84	1,500	2,200	---	1,800
MAHAWELI BASIN DEVELOPMENT I	L	383-0056	80	80	10,000	10,000	10,000	2,623	---	2,459	---	2,459
WATER MANAGEMENT I	G	383-0057	79	84	3,000	5,100	3,000	1,703	600	1,200	1,500	1,700
WATER MANAGEMENT I	L	383-0057	79	84	6,800	10,800	6,800	3,442	3,000	2,054	1,000	2,600
DIVERSIED AG RESEARCH & PRODUCTION	* G	383-0058	84	87	---	5,000	---	---	---	---	1,500	800
DIVERSIED AG RESEARCH & PRODUCTION	* L	383-0058	84	87	---	13,500	---	---	---	---	2,000	500
PVO CO-FINANCING	G	383-0060	78	87	900	1,900	700	74	200	300	200	400
MAHAWELI BASIN DEVELOPMENT II	L	383-0073	81	85	85,000	110,000	52,000	8,000	26,600	33,000	13,400	33,000
MAHAWELI ENVIRONMENT	G	383-0075	82	84	5,000	5,000	1,500	---	---	694	3,500	872
MAHAWELI SECTOR SUPPORT	L	383-0078	81	85	50,000	100,000	33,800	16,441	7,543	17,359	7,100	14,643
PRIVATE ENTERPRISE PROMOTION	G	383-0082	83	83	---	1,500	---	---	1,500	125	---	500
PRIVATE ENTERPRISE PROMOTION	L	383-0082	83	83	---	500	---	---	500	75	---	175

*Refers to the planned project summary sheet

[C] Level of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

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

PROGRAM: SRI LANKA

CP 84

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY82- OBLIGATIONS	-THROUGH FY82- EXPENDITURES	-ESTIMATED FY83- OBLIGATIONS	-ESTIMATED FY83- EXPENDITURES	-PROPOSED FY84- OBLIGATIONS	-PROPOSED FY84- EXPENDITURES
TOTAL FOR ACCOUNT					198,750	303,150	144,250	54,331	42,543	64,997	31,000	63,062
GRANTS					24,650	34,550	19,350	8,835	3,400	5,556	7,500	7,467
LOANS					174,100	268,600	124,900	45,496	39,143	59,441	23,500	55,595
HEALTH												
MALARIA CONTROL	L	383-0043	79	79	16,000	16,000	16,000	13,601	---	2,399	---	---
PVO CO-FINANCING	G	383-0060	79	87	784	884	524	197	200	250	100	250
KALUTARA INSTITUTE OF HEALTH SCIENCES	G	383-0062	80	82	2,200	2,200	2,200	---	---	684	---	1,224
MARKET TOWN WATER SUPPLY	G	383-0063	80	82	2,000	2,000	2,000	662	---	1,205	---	133
MARKET TOWN WATER SUPPLY	L	383-0063	80	82	6,000	6,000	6,000	13	---	2,474	---	3,348
PREVENTIVE HEALTH SERVICES	* G	383-0081	84	88	---	5,500	---	---	---	---	1,000	750
PREVENTIVE HEALTH SERVICES	* L	383-0081	84	88	---	37,000	---	---	---	---	8,000	3,000
TOTAL FOR ACCOUNT					26,984	69,584	26,724	14,473	200	7,012	9,100	8,705
GRANTS					4,984	10,584	4,724	859	200	2,139	1,100	2,357
LOANS					22,000	59,000	22,000	13,614	---	4,873	8,000	6,348
EDUCATION AND HUMAN RESOURCES												
PVO CO-FINANCING	G	383-0060	78	87	516	916	416	275	100	200	100	141
TOTAL FOR ACCOUNT					516	916	416	275	100	200	100	141
GRANTS					516	916	416	275	100	200	100	141
LOANS					---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES												
PVO CO-FINANCING	G	383-0060	78	87	300	1,100	300	35	---	200	100	150
PRIVATE ENTERPRISE PROMOTION	G	383-0082	83	83	---	1,500	---	---	1,500	125	---	500
PRIVATE ENTERPRISE PROMOTION	L	383-0082	83	83	---	500	---	---	500	75	---	75
TOTAL FOR ACCOUNT					300	3,100	300	35	2,000	400	100	725
GRANTS					300	2,600	300	35	1,500	325	100	650
LOANS					---	500	---	---	500	75	---	75

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

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

PROGRAM: SRI LANKA

CP 84

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY82- OBLIGATIONS	-THROUGH FY82- EXPENDITURES	-ESTIMATED FY83- OBLIGATIONS	-ESTIMATED FY83- EXPENDITURES	-PROPOSED FY84- OBLIGATIONS	-PROPOSED FY84- EXPENDITURES
TOTAL FOR COUNTRY					226,550	376,750	171,690	69,114	44,843	72,609	40,300	72,633
GRANTS					30,450	48,650	24,790	10,004	5,200	8,220	8,800	10,615
LOANS					196,100	328,100	146,900	59,110	39,643	64,389	31,500	62,018

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

PROGRAM: Sri Lanka

PLANNED PROGRAM SUMMARY SHEET

CP 84-05 (8-82)

TITLE	FUNDING SOURCE:	AG, RD & N.	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)	
Diversified Agriculture Research and Production		1,500 G 2,000 L		FY 84 3,500	LIFE OF PROJECT FUNDING: 5,000 G/ 13,500 L

NUMBER 383-0058 GRANT ☐x LOAN ☐x	NEW ☐ x CONTINUING ☐	POPULATION:	ED. & HR:	SEL. ACT.:	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 87	ESTIMATED COMPLETION DATE OF PROJECT FY 90

Purpose: To increase and intensify the production of subsidiary field crops in the lower rainfall regions of Sri Lanka.

Project Description: This project will provide shorter and longer-term impacts, with applied research and seed production as its two primary components. Seed quality is a critical input in upland agriculture as it is now practiced in Sri Lanka. The project will improve the quality and extent of the GSL's certified seed program with a target of providing 10% of the annual seed requirement for subsidiary field crops. Initial work will be with varieties already recommended for dissemination, providing a relatively quick impact. The research component will concentrate on crops with established market potential and on a limited number of technological changes accessible to the intended beneficiaries. All technologies will be carefully evaluated on economic, as well as socio-agronomic and environmental grounds.

These two components will be complemented by an enhanced extension effort in upland crops, building on the work of a World Bank-sponsored project in adaptive research and extension. The project will focus on in-service training for extension staff and improving the existing extension/research feedback linkage. A fourth component will be an ongoing market research program to monitor and promote marketing or subsidiary crops. A.I.D. assistance will include technical assistance (primarily in research and seed technology), commodity support for the seed production and research components, and short-term and long-term training in research, seed production, extension and marketing.

Relationship of Project to A.I.D. Country Strategy

Attention to subsidiary field crops in the "dry" zone is one of the higher A.I.D. and GSL, priorities as it is an area of: (1) significant agricultural potential; and (2) relatively less-advantaged inhabitants in terms of incomes and access to productive resources. This project will result in increased farm incomes; improved nutrition through increased consumption of protein-rich legumes and overall increased food availability; expanded employment, and improved land resource management through sustained-yield farming on the uplands. The project thus supports A.I.D. and GSL objectives of expanded food production, increased employment and improved human productivity and well-being.

Host Country and Other Donors: The GSL's has developed a floor price scheme for subsidiary crops, and research efforts in upland crops are underway at five primary stations throughout the country. Demand for these crops is increasing and the private sector has proved effective in rice marketing, a capability which will be relevant for the target crops of this project.

Relevant donor activities include the major World Bank-financed project a Canadian project in upland cropping systems research, an Australian-assisted resettlement and production project, and an Asian Development Bank-funded dryzone agriculture project.

Beneficiaries: The direct beneficiaries will be farmers in the low rainfall areas outside the major irrigation schemes. Available data do not allow a precise estimate, but may range from 500 - 800,000 farmers, or 30-45% of total farm operators in the country. Farmers in these areas are relatively poorer in terms both of per capita income and the allocation of public investment to date. Indirect beneficiaries would include those involved in agricultural marketing and processing and, ultimately, Sri Lankan consumers.

PROGRAM: Sri Lanka

PLANNED PROGRAM SUMMARY SHEET

CP 84-05 (8-82)

TITLE	FUNDING SOURCE:	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)	
Preventive Health Services			1,000 G 8,000 L	FY 84 9,000	LIFE OF PROJECT FUNDING: 5,500 L/ 37,000 G

NUMBER 383-0081 GRANT ☒ LOAN ☒	NEW ☒ CONTINUING ☐	POPULATION:	ED. & HR:	SEL. ACT.:	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 88	ESTIMATED COMPLETION DATE OF PROJECT FY89

Purpose: To improve the quality and expand the coverage of preventive health care services at the community/village level in Sri Lanka.

Project Description: The health system in Sri Lanka tends to emphasize curative health care and neglect preventive health services. Although the GSL's policies of providing "free" health care have resulted in an impressive reduction in infant mortality and maternal deaths and an increase in life expectancy, morbidity rates remain high and the GSL is faced with increasing health care costs. Among the major contributing factors to the seriousness of these health problems are the absence of primary health services outside the major population centers, a lack of emphasis on preventive health care, and the lack of clean drinking water and sanitation facilities.

In 1980, the GSL (with assistance from the World Health Organization) began work on a plan to reorganize and restructure its health care system. The completed plan calls for a shift in emphasis towards preventive health services and an extension of health services, down to the community/village level. In 1980, the GSL, with A.I.D. support, also developed a national plan for the International Drinking Water Supply and Sanitation Decade (1981-1990). The implementation of these two plans will require institutional development including donor support for technical assistance, training, commodities and capital costs.

This project, building on AID's current efforts, will assist the GSL to: restructure and improve primary health care services through (a) continued support for the development of the National Institute of Health Sciences, the major training institution for public health service personnel; and (b) support of other institutions which will play a key role in the delivery of health services, i.e., the Health Education Division of the Ministry of Health, the Family Health Bureau, the Population Center of the Ministry of Plan Implementation, and community level institutions responsible for providing health care. It will also support the National Water Supply and Drainage Board in implementing selective parts of the Sri Lankan water supply and sanitation plan and continue the Anti-Malaria Campaign.

Relationship to A.I.D. Country Development Strategy: This project directly supports A.I.D.'s strategy and the GSL's objectives of improving the productivity and well-being of the Sri Lankan people. The GSL plans to devote more resources to social infrastructure and services as major investments in the Mahaweli Development Program begin to decline. This project will support GSL initiatives to improve preventive health care services.

Host Country and Other Donors: The primary coordinating bodies will be the GSL's National Health Council and the Ministry of Health. The principal implementing agencies will be the Ministries of Health, Educational Services, Local Government, Housing and Construction, and Plan Implementation. District Development Councils and other local organizations will be involved under the present efforts to decentralize selected development activities.

The Asian Development Bank recently approved a $9.3 million project to help the GSL improve health care and family planning services in eight districts. The GSL and interested donors have now established a Health Resource Group to support health programs in Sri Lanka.

Beneficiaries: Beneficiaries of the project will include 1.3 million persons living in four districts who will receive improved primary health care, family planning and water and sanitation services.

FY84 CP ECONOMIC AND SOCIAL DATA

COUNTRY: THAILAND

BASIC DATA

TOTAL POPULATION.. (THOUSANDS,MID 1982) 49,097

PER CAPITA GNP..... (DOLLARS,1981) 770

AVERAGE ANNUAL PER CAPITA REAL GNP GROWTH RATE.. (1960-80) 4.7%

AVERAGE ANNUAL RATE OF INFLATION (1960-70) 1.9% (1970-80) 9.9%

NATIONAL INCOME RECEIVED BY LOW 20% OF POPULATION.. (1976) 7.6%

LIFE EXPECTANCY AT BIRTH, IN YEARS

	(1981)	TOTAL 63.0	MALE 61.1	FEMALE 65.0
	(1968)	TOTAL 55.5	MALE 52.9	FEMALE 58.3
ADULT LITERACY RATE	(1970)	TOTAL 79%	MALE 87%	FEMALE 70%
	(1960)	TOTAL 68%	MALE 87%	FEMALE 56%

AGRICULTURE

AVERAGE ANNUAL PER CAPITA AGRICULTURAL PRODUCTION GROWTH RATE (1970-1981) 3.0%

AGRICULTURAL PRODUCTION AS % OF GDP..... (1980) 25%

POPULATION DENSITY / SQ MI OF AGRICULTURAL LAND (1982) 707

MAJOR CROP(S)		ARABLE LAND	YEAR
SUBSISTENCE:	RICE	59%	(1981)
CASH:	CORN CASSAVA	17%	(1981)

MAJOR AGRICULTURAL EXPORTS:(1981) RICE ROOTS & TUBERS

MAJOR AGRICULTURAL IMPORTS:(1981) COTTON DAIRY PRODUCTS

PROPORTION OF LABOR FORCE IN AGRICULTURE..... (1980) 76%

CENTRAL GOVERNMENT FINANCES

TOTAL DOMESTIC REVENUES ($ MILLIONS, U.S.)			
(1978)	3,087 (79)	3,667 (80)	4,503
TOTAL EXPENDITURES ($ MILLIONS, U.S.)			
(1978)	3,975 (79)	4,486 (80)	6,110
DEFICIT(-) OR SURPLUS ($ MILLIONS, U.S.)			
(1978)	-888 (79)	-819 (80)	-1,607

DEFENSE EXPENDITURES.

AS % OF TOTAL EXPENDITURES.. (1978)	17.9% (79)	20.9% (80)	16.9%
AS % OF GNP..... (1978)	3.1% (79)	3.5% (80)	3.1%

OFFICIAL INTERNATIONAL RESERVES, GROSS HOLDINGS END OF PERIOD, ($MILLIONS, U.S.) (1979) 3,129 (80) 3,026 (81) 2,727

EQUIVALENT TO 3.0 MONTHS OF IMPORTS (1981)

FOREIGN TRADE

MAJOR EXPORTS... (1981) RICE SUGAR CORN

EXPORTS TO U.S.

($ MILLIONS, US. FOB)	(1979) 594	(1980) 823	(1981) 905
AS % OF TOTAL EXPORTS	(1979) 11%	(1980) 13%	(1981) 13%

MAJOR IMPORTS... (1981) MACHINERY FUELS MINERALS

IMPORTS FROM U.S.

($ MILLIONS, US. CIF)	(1979) 1123	(1980) 1332	(1981) 1297
AS % OF TOTAL IMPORTS	(1979) 16%	(1980) 14%	(1981) 13%

TRADE BALANCE($ MILLIONS, U.S.)(1979) -1,860(80) -2,709(81) -2,922

MAIN TRADING PARTNERS: JAPAN UNITED STATES SINGAPORE

EXTERNAL PUBLIC DEBT AS % OF GNP (1980) 12.4%

SERVICE PAYMENTS ON EXTERNAL PUBLIC DEBT.

($ MILLIONS, U.S.).....	(1980)	435
AS % OF EXPORT EARNINGS (DEBT SERVICE RATIO)....	(1980)	5.2%

SOCIAL DATA

POPULATION GROWTH RATE...(1970)	3.1%	(1975)	2.2%	(1982)	2.0%
POPULATION IN URBAN AREAS..... ..	(1960) 13%		(1970) 13%		
LIVE BIRTHS PER 1,000 POPULATION.....(1970)	N.A.		(1982) 30		
MARRIED WOMEN AGED 15-44 YRS. USING CONTRACEPTION.	(1981) 59%				

POPULATION (1981) IN AGE GROUP:
(0-14YRS) 41.2% (15-64YRS) 55.7% (65+ YRS) 3.1%

INFANT DEATHS IN FIRST YEAR OF LIFE / 1000 LIVE BIRTHS (1982) 59

PEOPLE PER PHYSICIAN..... (1976) 8,227

MAJOR CAUSES OF
DISEASE (1979)ENTERIC DISEASE MALARIA FLU & PNEUMONIA
DEATH.. (1978)ILL-DEFINED CAUS SENILITY RESPIRATORY

PER CAPITA CALORIE SUPPLY AS A % OF REQUIREMENTS.. (1977) 97%

POPULATION WITH REASONABLE ACCESS TO SAFE WATER SUPPLY(1975) 25%

TOTAL SCHOOL ENROLLMENT AS % OF POPULATION IN AGE GROUP:

PRIMARY..... (1977)	TOTAL 82.0%	MALE 85.0%	FEMALE 78.0%	
SECONDARY..... (1978)	TOTAL 29.0%	MALE 30.0%	FEMALE 28.0%	
POST SECONDARY.. (1977)	TOTAL 5.3%	MALE 6.1%	FEMALE 4.5%	

ENERGY PRODUCTION AS % OF CONSUMPTION..... (1980) 5%

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

COUNTRY THAILAND

PROGRAM	FOREIGN ASSISTANCE ACT PERIOD 1977	1978	1979	1980	1981	TOTAL LOANS AND GRANTS 1946-81	REPAYMENTS AND INTEREST 1946-81	TOTAL LESS REPAYMENTS AND INTEREST 1946-81
I. ECONOMIC ASSISTANCE – TOTAL	27.7	10.6	25.4	29.6	30.8	772.8	87.4	685.4
Loans	7.5	5.5	8.0	5.8	12.2	138.6	87.4	51.2
Grants	20.2	5.5	17.4	23.8	18.6	634.2	–	634.2
a. A.I.D. and Predecessor Agencies	22.8	7.5	21.6	26.0	26.2	703.0	72.3	630.7
Loans	7.5	5.5	8.0	5.8	12.2	115.0	72.3	42.7
Grants	5.3	2.0	13.6	20.2	14.0	588.0	–	588.0
(Economic Support Fund)	–	–	–	2.0	2.0	416.8		
b. Food for Peace (PL 480)	–	*	–	–	–	23.0	8.0	15.0
Loans	–	–	–	–	–	17.4	8.0	9.4
Grants	–	–	–	–	–	5.6	–	5.6
Title I - Total Sales Agreements	–	–	–	–	–	17.4	8.0	9.4
Repayable in U.S. Dollars - Loans	–	–	–	–	–	13.8	2.9	10.9
Payable in Foreign Currency - Planned for Country Use	–	–	–	–	–	3.6	5.1	1.5–
Title II - Total Grants	–	*	–	–	–	5.6	–	5.6
Emerg. Relief, Econ. Develop. & World Food Program	–	*	–	–	–	*	–	*
Voluntary Relief Agencies	–	–	–	–	–	5.6	–	5.6
c. Other Economic Assistance	4.9	3.3	3.8	3.6	4.6	40.8	7.1	39.7
Loans	–	–	–	–	–	6.2	7.1	0.9–
Grants	4.9	3.3	3.8	3.6	4.6	40.6	–	40.6
Peace Corps	1.3	1.8	1.9	1.7	2.1	34.3	–	34.3
Narcotics	3.6	1.5	1.9	1.9	2.5	6.3	–	6.3
Other	–	–	–	–	–	–	–	–
II. MILITARY ASSISTANCE – TOTAL	47.2	36.6	32.1	37.4	54.6	1719.5	86.1	1633.4
Credits or Loans	30.0	29.5	30.0	36.0	53.4	223.3	86.1	137.2
Grants	17.2	9.1	2.1	1.4	1.2	1496.2	–	1496.2
a. MAP Grants	16.0	6.0	1.2	0.6	0.4	1159.1	–	1159.1
b. Credit Financing - FMS	30.0	29.5	30.0	36.0	53.4	223.3	86.1	137.2
c. Military Assistance Service-Funded (MASF) Grants	1.2	1.1	0.9	0.8	0.8	76.5	–	76.5
d. Transfers from Excess Stocks	*	–	–	–	–	243.2	–	243.2
e. Other Grants	–	–	–	–	–	17.4	–	17.4
III. TOTAL ECONOMIC AND MILITARY ASSISTANCE	64.9	49.4	57.5	67.0	65.4	2492.3	173.5	2318.8
Loans	37.5	35.0	38.0	41.8	65.6	361.9	173.5	188.4
Grants	27.4	14.4	19.5	25.2	19.8	2130.4	–	2130.4
Other U.S. Government Loans and Grants	10.8	4.5	102.9	23.4	4.3	263.2	144.4	118.8
a. Export-Import Bank Loans	1.9	4.5	86.7	21.7	4.3	229.1	111.9	117.2
b. All Other Loans	8.9	–	16.2	1.7	–	34.1	32.5	1.6

* LESS THAN $50,000.

ECONOMIC PROGRAMS OF ALL DONORS
(Millions of Dollars)

A. ASSISTANCE FROM INTERNATIONAL AGENCIES – COMMITMENTS

	FY 1980	FY 1981	FY 1982	FY 1946-82
TOTAL	720.7	507.5	711.1	4295.7
IBRD	555.0	307.9	474.0	2882.0
IFC	0.5	27.6	0.0	111.2
IDA	0.0	0.0	0.0	124.8
IDB	0.0	0.0	0.0	0.0
ADB	164.8	170.0	222.4	1070.1
AFDB	0.0	0.0	0.0	0.0
UNDP	9.4	2.0	0.0	61.8
OTHER-UN	0.0	0.0	14.7	45.8
EEC	0.0	0.0	0.0	0.0

B. BILATERAL OFFICIAL DEVELOPMENT ASSISTANCE

1. O.A.C. COUNTRIES (Gross Disbursements)

Donor	CY 1980	CY 1981	CY 1977-81
U.S.	17.0	19.0	62.0
Japan	196.9	226.2	782.5
Germany	62.3	50.4	185.8
Australia	8.7	9.0	49.6
U.K.	7.7	5.7	21.7
Other	27.0	23.2	107.6
Total	319.6	333.5	1209.2

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

CY 1980	CY 1981	CY 1976-81
10.1	-	15.3

C. LOANS AND GRANTS EXTENDED BY COMMUNIST COUNTRIES

CY 1980	CY 1981	CY 1954-81

CP 84-13 (8-82)

PROGRAM SUMMARY
(In thousands of dollars)

Fiscal Year	Total	Agriculture, Rural Development and Nutrition	Population Planning	Health	Education & Human Resources Development	Selected Development Activities	Other Programs	
							ESF	Other
1982								
Loans	17,700	15,700	2,000	-	-	-	-	-
Grants	13,464	5,963	2,000	437	-	-	5,000	64
Total	31,164	21,663	4,000	437	-	-	5,000	64
1983								
Loans	16,700	7,500	3,700	5,000	-	500	-	-
Grants	15,800	7,900	1,400	-	-	1,500	5,000	-
Total	32,500	15,400	5,100	5,000	-	2,000	5,000	-
1984								
Loans	21,600	13,000	3,600	-	-	5,000	-	-
Grants	12,400	4,500	2,900	-	-	-	5,000	-
Total	34,000	17,500	6,500	-	-	5,000	5,000	-

FY 84 PROGRAM HIGHLIGHTS

A.I.D.'s Program will emphasize:
-- strengthened agricultural marketing services in rural areas, $4.0 million;
-- improved economic policy formulation, $5.0 million;
-- transfer of technology to stimulate agricultural production, particularly for marginal farmers on rainfed lands, $12.5 million;
-- expansion of Thailand's successful family planning program, $6.5 million;
-- greater participation of private voluntary organizations in the development process, $1.0 million; and
-- continued ESF support to Adversely Affected Thais in border areas, $5.0 million.

Development Overview

Thailand's economy has experienced a consistently high rate of growth since the early 1960s. Gross Domestic Product in real terms registered an average growth rate of about 7% annually, placing Thailand firmly in the ranks of the emerging middle-income countries. Per capita GNP stands at about $770. In spite of the present global economic slowdown, the Thai economy is still expected to grow at a real rate of 5% to 7% per annum during the next five years.

While these accomplishments are impressive, the pattern of Thailand's growth has been uneven in terms of its sectoral composition and distribution of benefits. Urban locales experienced the most rapid growth and the rural poor, especially in areas of rainfed agriculture, benefitted least from the nation's overall growth. A variety of structural imbalances have emerged within the past several years which threaten Thailand's sustained growth. Most important among these are the following:

-- About one-quarter of the population, mainly in rural areas, subsist under conditions of poverty. For long-term political stability and social equity, more attention must be given to those who have not yet fully participated in Thailand's development. This problem is especially acute in the northeast region.

-- In the past, agricultural growth has been based on the expansion of land under cultivation. Limits to arable land have been reached and future agricultural growth must now come from improved productivity and development of new domestic and international markets.

-- Until recently, industrial growth has been based primarily on import substitution and centered on large-scale, capital-intensive projects. It is now

CP 84-06 (8-82)

RESOURCE FLOWS
(in thousands of dollars)

Program	FY 1982 (Actual)	FY 1983 (Estimated	FY 1984 (Proposed)
Aid*			
Loans	4,792	10,904	14,943
Grants	14,023	15,189	17,023
Total AID	18,815	26,093	31,966
P.L. 480**			
Title I	–	–	–
(of which Title III is)	(–)	(–)	(–)
Title II	–	–	–
Total P.L. 480	–	–	–
Total AID and P.L. 480	18,815	26,093	31,966

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

CP 84-17 (8-82)

PERSONNEL/PARTICIPANTS DATA

Category	FY 1982 (Actual)	FY 1983 (Estimated	FY 1984 (Proposed)
AID Personnel [a]			
Direct Hire [b]	25	22	22
PASA[c]	1	1	1
Contract	12	13	13
Total	38	36	36
Participants [d]			
Noncontract	45	172	156
Contract	–	–	–
Total	45	172	156

[a]U.S. nationals on duty at the end of the fiscal year.
[b]FY 1983 and FY 1984 position levels.
[c]Participating agency technicians.
[d]Programmed during the fiscal year.

CP 84-14 (8-82)

Program	FY 1982 (Actual)		FY 1983 (Estimated		FY 1984 (Proposed)	
	MT	$	MT	$	MT	$
Title I						
Wheat						
Rice						
Feedgrains						
Vegoil						
Non-food						
Title I Total						
(of which Title III is)		( )		( )		( )
Title II						
Voluntary Agencies						
World Food Programs						
Gov't-to-Gov't						
Title II Total						
Total P.L. 480						

well recognized that future industrial development must stem from a labor-intensive, export-oriented strategy.

-- Thailand's balance of payments situation has deteriorated markedly in recent years with the current account deficit running in excess of 6% of GDP. In addition to emphasizing manufactured exports, positive steps to limit the growth of oil imports must be continued.

-- While the country's population growth rate has dropped dramatically in the past decade, from 3.0% to 1.9%, even the most optimistic projections indicate a doubling of population to 100 million by the middle of the next century.

-- Inefficient, centralized government in Bangkok impedes private sector initiative and local decision-making.

The Royal Thai Government's (RTG) Five-Year Economic and Social Development Plan (1982-86) is addressing each of these basic structural issues. It explicitly moves away

from aggregate growth as a sole objective and seeks a more balanced and stable future development pattern. More specifically, the Plan emphasizes the following:

-- Reduction of absolute poverty and accelerated rural development in backward areas through self-help programs to improve productivity, use of appropriate technology and encouragement of popular participation.

-- Improving productivity in agriculture and industry to increase the rate of return on investments and to raise small farm and small enterprise incomes. Stimulating private sector initiative in new investment areas through Government policy and regulatory reform is a key facet of this effort.

-- Maintaining economic stability by reducing the relative balance of payments deficit by one-third, slowing down the growth of Government expenditures, and increasing the revenue base to reduce the deficit.

-- More equitable distribution of social services by contributing greater resources to primary education and preventative health programs in rural areas. Heavy emphasis is also placed on lowering the current population growth rate of 2.0% per annum to 1.5% by 1986.

-- Reform of public administration through increased decentralization, better coordination of budget and development policy, reducing the growth of the civil service, and improved management information systems.

Total Resources

Thailand's gross domestic product is currently expected to expand by 5%-6% in 1982. The reasons for this notable performance in the face of a global economic downturn can be traced principally to continued strong agricultural production which, in turn, has led to expansion in agro-industries and associated support sectors. However, as most arable land is now under cultivation, it will become increasingly difficult for Thailand to sustain a high level of agricultural output without adopting more modern farming methods and marketing systems.

As a medium-sized, open economy, well integrated into the international market system, Thailand has nevertheless continued to be buffeted by external factors over which it exerts minimal control. Sluggish markets in major industrial countries have restrained demand for key Thai primary exports and invariably weakened world market prices. Thus, while export production grew appreciably for most major commodities in 1981, export value grew at a slower rate. Total exports for 1981 were registered at $6.5 billion, and imports at $9.3 billion, leaving a balance of trade deficit of $2.8 billion. Special export promotion measures, as well as receipts from tourism and remittances from Thai workers in the Middle East, permitted Thailand to end 1981 with a $108.7 million balance of payments surplus, despite a continuing deficit in its balance of trade. This trend should continue through 1982.

External debt at the end of 1981 totaled almost $8.0 billion, two-thirds of which was accounted for by the public sector, and one-third by the private sector. Public sector debt increased sustantially due to large energy and other basic infrastructure investments. The debt service to export ratio stood at 14.5% in 1981, virtually the same level as in 1980, and little change is anticipated for 1982.

The 1981 Consumer Price Index indicated a slowdown in general price increases (12.7%) from the 19.7% registered in 1980. This was the result of fairly tight domestic fiscal and monetary policies, a relatively small increase in oil imports and an abundance of several key agricultural food crops. Current statistics indicate 1982 will bring a return to single digit inflation, perhaps as low as 7%.

The national budget for FY 1983 fixes expenditures at

$7.7 billion, or 9.9% over FY 1982. Taxes and other revenues are projected to represent 85.3% of domestic receipts. Despite the increased threat along the country's Indochina border since 1979, FY 1983 budget costs for defense and internal security remain at approximately 25%. Nevertheless, these security costs, when added to debt service costs and selected fixed costs, mean that only 41.2% of budget resources are available for national economic development as outlined by the Fifth National Plan.

The RTG continues its attempts to raise domestic revenues through improved tax collection, streamlined budgeting, and encouragement of both export production and greater efficiency in the state-run enterprises. Still, foreign capital assistance was responsible for 14.6% of total development expenditures over the Fourth Plan (1977-1981) and will be expected to account for 18.8% of those of the Fifth Plan (1982-1986).

Total foreign economic assistance has been estimated for FY 1982 at $1.2 billion. In order of magnitude, key donors are the World Bank, Japan, Asian Development Bank, followed at a lesser magnitude by the United States, United Kingdom, Belgium, and Germany. Quite significantly, the RTG also expects to raise $500 million from private international capital markets.

U S. Interests and Objectives

The United States has a fundamental interest in the stability and independence of Thailand as a contributor to peace and regional cooperation in Southeast Asia. As the "front line state" in concert with its Association of Southeast Asian Nations (ASEAN) partners, Thailand is central to the preservation of regional security. In support of this goal, U.S. economic policy in Thailand is directed toward the use of trade and investment to help sustain broad-based economic development, with continued reliance on the private sector and openness to the world trading system. In this regard the United States and Thailand have a growing trade exceeding $2.3 billion a year; U.S. direct private investment in Thailand is approaching $1 billion. U.S. exports to Thailand in 1983 are expected to surpass $1.3 billion.

The continued cooperation of the Thai Government is essential to several U.S. foreign policy objectives, including refugee programs, anti-piracy activities, and the control of illicit narcotics trafficking from Southeast Asia. The United States continues to show strong support for Thai humanitarian efforts with respect to refugees. The United States has resettled over 266,000 refugees, or about 68% of the total resettled population. The current refugee population in Thailand, however, still exacts enormous demands on Thai economic resources. With the refugee population resting at about 170,000 the Thai Government will continue to seek aid both in resettlement within U.S. borders, and in encouraging other countries to increase their assistance in this area.

Upwards of 30 million Thais earn less than $250 per annum. The A.I.D. program assists in strengthening Thailand's stability by activities which help provide the basis for economic growth in the northern and northeastern regions of the country where poverty is the most pervasive. In addition to supporting stability, A.I.D. activities in the hill areas of the North are helping to achieve the most beneficial use of limited land resources in opium-growing areas. The ESF program's objective has been to counter the negative effects on the Thai populations in border areas resulting from the heavy influx of Kampuchean refugees.

A.I.D. Development Strategy

Since Thailand has moved into the ranks of the emerging middle income countries, A.I.D. is adapting its approach to reflect this transition. Greater efficiency and equity in the way Thailand deploys its growing resources are paramount concerns. Although A.I.D. is still in the process of redefining how it can best assist Thailand under these new economic circumstances, two themes seem fairly clear: (1) to support RTG efforts at redirecting

public and private investment to ensure rural growth and development more nearly equivalent to standards already achieved in the Bangkok area, and (2) stimulating the RTG to enhance the efficiency and effectiveness of its existing rural service delivery programs aimed at the poor.

While still centered on farmers of rainfed land, who as a group represent the bulk of Thailand's poor, the A.I.D. program will also focus on the rural marketplace in terms of both farmers and businessmen alike, working through public/private intermediaries situated between the Bangkok and village levels.

Because uncontrolled population growth will erase the benefits of economic growth and undercut A.I.D. and RTG efforts in many areas--no matter how equitable and broadly dispersed--A.I.D. also continues to assist the RTG family planning program as a matter of high priority.

A.I.D. Program - FY 82/83

Agriculture

For FY 1982-83, the bulk of A.I.D.'s resources is concentrated in the agricultural sector, with particular emphasis on more productive rainfed farming as the key to higher incomes among the Northeast poor. The ongoing Northeast Rainfed Agriculture Development project, initiated in FY 1981, (493-0308) is helping to develop and evaluate integrated farming systems and Government planning and service capabilities tailored to the specific agro-ecological needs of the Northeast. The FY 1982 Seed Development II project (493-0326) builds upon the successful first phase Seed Development project, and in addition to establishing new RTG seed processing capabilities in new crops, is directly oriented towards fostering private sector involvement in improved seed multiplication and distribution. The promise of dynamic private entrepreneurship in serving A.I.D. and RTG agricultural development goals demonstrated in the seed projects has been an important stimulus to the FY 1983 Private Sector in Development project (493-0329), which will help identify and analyze potential investment opportunities in such developmentally important areas as agribusiness, and work to facilitate Thai and American investments in small or medium-sized ventures.

Two projects active in FY 1982 which are providing valuable lessons on techniques for optimizing earlier irrigation infrastructure investments of the RTG include the Lam Nam Oon (493-0272) and Northeast Small-Scale Irrigation (493-0312) projects. The results of a 1981 evaluation of the Lam Nam Oon project led to a shift away from general integrated rural development, and a refocus on solving problems of water management and cooperative farmer/government irrigation system operation. Some of this experience will be transferrable to other RTG irrigation schemes and can have an impact on improving irrigation practices throughout the Northeast.

Program attention to improving the effective service delivery capability of RTG agencies continues in FY 1983 with initiation of the Rainfed Agricultural Intensification (RAI) project (493-0328), and will draw upon lessons learned under the Northeast Rainfed Agriculture Development project (493-0308) initiated two years earlier. The new project is aimed principally at marshalling more of the Agriculture Ministry's human and financial resources into efficiently tackling Northeast farm problems. The substance of A.I.D.'s sector policy dialogue with the RTG in developing the RAI project has been influenced by the joint evaluation of the just completed Agricultural Extension Outreach project (493-0280), which trained over 5,000 sub-district agriculture agents. One of the findings confirmed by the evaluation was the high impact of commercial and non-traditional channels for disseminating new technologies in rural areas. Closely related to rainfed production activities is a new project for FY 1983 in farming systems research, Khon Kaen University (493-0332). This also is a unique tripartite activity of the Thai, Japanese and U.S. Governments to be jointly implemented by Khon Kaen University and the Agriculture Ministry.

Two projects ongoing in FY 1982 and FY 1983-- Agricultural Planning (493-0317) and Emerging Problems of Development (493-0309)--are directly engaged in institutionalizing RTG planning and policy-making machinery. The latter activity is helping key RTG staff ministries to develop a cohesive planning/budgeting/financial management system.

Population

In FY 1982, fertility control continued to be a sector of high priority and considerable success for A.I.D. Reduction in the population growth rate (from over 3% in the 1960s to approximately 1.9% now) has exceeded national development plan targets, and Thailand appears to be well on the way to achieving the Fifth Plan 1986 target of 1.5%. Recent A.I.D.-sponsored evaluations demonstrating the success of predecessor family planning projects were highly persuasive in convincing the RTG to increase its budget allocations for contraceptive supplies by 12 times to $6.0 million in FY 1982. A.I.D.'s Population Planning II project (493-0325) supports efforts to expand and strengthen the family planning service network.

Health

Improving health sectoral planning capability, in part through field project experience, is the main theme of the new FY 1983 Rural Water Supply project (493-0331). By supporting preparation of a comprehensive rural water sector plan, A.I.D. expects to influence RTG policies to permit more rational user charges and to improve the management, finances, and direct service effectiveness of principal Government water supply agencies. At the same time, the project will address an urgent rural demand for safer, more convenient and adequate water.

Economic Support Funds (ESF) are used to contribute to a special RTG program which combines RTG and other donor contributions for the purpose of stabilizing rural communities along the Thai-Kampuchean border, where over 90,000 residents have been displaced or adversely affected by events in neighboring Kampuchea. Program assistance is being initiated for communities along the Thai-Lao border during FY 1983 to assist an additional 90,000 Thais. Under this program the RTG is restoring homes, building or repairing roads, furnishing medical facilities, schools and irrigation works, and providing other services to the affected Thais.

Requested Year Program

Planning levels for FY 1984 include $17.5 million allocated to Agriculture and Rural Development; $6.5 million for continuation of Population programs; and $5.0 million for a new initiative involving assistance to the host government policymaking process under the Special Development Activities account.

Agriculture

Within the Agricultural and Rural Development sector, a new FY 1984 project start will concentrate on stimulating the marketing side of the agriculture system in Thailand. This new area of emphasis arises out of the realization that A.I.D.'s agriculture production-oriented projects related to small-scale irrigation and rainfed agriculture development could not obtain optimum results if the farmers' effective access to markets is not assured. It is planned, through the new Agricultural Marketing Services (493-0333) project, to make use of U.S. market analysis/promotion expertise and media technology to collect basic data on agricultural markets and production factors and disseminate this information to farmers and entreprenuers through existing radio/TV facilities.

Selected Development Activities

A second new project initiative planned in FY 1984 concentrates on enhancing host government development policy-making capabilities. As Thailand moves into middle-income status, socioeconomic change is occurring at a

much more rapid pace than before and the Government is finding it more and more difficult to accumulate needed data, complete analyses, and produce timely options for a rational decision-making process. Under the proposed Thai Development Institute (TDI) project (493-0334), technical assistance, training, and special studies will help to institutionalize data gathering and analysis, providing the RTG with an ongoing professional capability for continuity in the study of macro-economic and sectoral policies.

For continued support of other ongoing Development Assistance projects, $22.0 million is requested to stimulate agricultural production, to press ahead with the family planning effort, and to sustain PVO programs. An additional $5.0 million is also sought in ESF financing to continue programs assisting affected Thai along the Thai/Indochina border.

PROGRAM: THAILAND

CP 84

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY82- OBLIGATIONS	-THROUGH FY82- EXPENDITURES	-ESTIMATED FY83- OBLIGATIONS	-ESTIMATED FY83- EXPENDITURES	-PROPOSED FY84- OBLIGATIONS	-PROPOSED FY84- EXPENDITURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
LAM NAM OON ON-FARM DEVELOPMENT	G	493-0272	77	77	100	100	100	17	---	46	---	---
LAM NAM OON ON-FARM DEVELOPMENT	L	493-0272	77	77	4,500	4,500	4,500	1,528	---	2,239	---	---
LAND SETTLEMENTS	G	493-0289	79	80	200	200	200	61	---	87	---	49
LAND SETTLEMENTS	L	493-0289	79	79	4,000	4,000	4,000	298	---	1,183	---	2,023
MAE CHAEM WATERSHED DEVELOPMENT	G	493-0294	80	84	10,000	10,000	4,400	655	---	1,080	2,500	1,409
PVO CO-FINANCING	G	493-0296	80	85	4,000	4,000	1,546	569	1,000	532	1,000	906
VILLAGE FISH POND DEVELOPMENT	G	493-0303	79	79	442	442	442	388	---	---	---	---
RENEWABLE NON-CONVENTIONAL ENERGY	G	493-0304	79	79	5,000	5,000	5,000	1,102	---	1,293	---	1,604
NE RAINFED AGRICULTURE DEVELOPEMENT	G	493-0308	81	84	3,700	3,700	2,400	68	1,300	588	1,000	700
NE RAINFED AGRICULTURE DEVELOPEMENT	L	493-0308	81	81	6,300	6,300	6,300	19	---	974	---	1,500
NORTHEAST SMALL SCALE IRRIGATION	G	493-0312	80	81	2,800	2,800	2,800	131	---	495	---	435
NORTHEAST SMALL SCALE IRRIGATION	L	493-0312	80	80	5,800	5,800	5,800	78	---	343	---	892
DECENTRALIZED DEVELOPMENT MANAGEMENT	G	493-0315	81	83	3,100	3,100	2,500	135	600	812	---	776
DECENTRALIZED DEVELOPMENT MANAGEMENT	L	493-0315	81	82	7,500	7,500	7,500	1,100	---	1,600	---	2,100
AGRICULTURAL PLANNING	G	493-0317	81	83	3,200	3,200	3,200	162	---	991	---	1,011
MINI/MICRO HYDROELECTRIC	G	493-0324	82	82	100	100	100	---	---	---	---	50
MINI/MICRO HYDROELECTRIC	L	493-0324	82	83	8,000	8,000	8,000	---	---	456	---	2,392
SEED DEVELOPMENT II	G	493-0326	82	82	100	100	100	---	---	---	---	50

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

PROGRAM: THAILAND

CP 84

PROJECT TITLE	• L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY82- OBLIG ATIONS	-THROUGH FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	-ESTIMATED FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	-PROPOSED FY84- EXPENDI TURES
SEED DEVELOPMENT II	L	493-0326	82	82	6,100	6,100	6,100	28	---	407	---	2,529
RAINFED AGRICULTURE INTENSIFICATION	L	493-0328	83	85	---	15,000	---	---	7,500	---	7,500	850
PRIVATE INVESTMENT IN DEVELOPMENT	G	493-0329	83	83	---	3,000	---	---	3,000	300	---	750
KHON KHAEN UNIVERSITY	G	493-0332	83	83	---	2,000	---	---	2,000	---	---	300
AG MARKETING SERVICES	• L	493-0333	84	85	---	10,000	---	---	---	---	5,500	200
TOTAL FOR ACCOUNT					74,942	104,942	64,988	6,339	15,400	13,426	17,500	20,526
GRANTS					32,742	37,742	22,788	3,288	7,900	6,224	4,500	8,040
LOANS					42,200	67,200	42,200	3,051	7,500	7,202	13,000	12,486
POPULATION PLANNING												
POPULATION PLANNING I	G	493-0283	75	81	16,300	16,300	15,232	14,478	---	754	---	---
POPULATION PLANNING II	G	493-0325	82	84	2,000	8,500	2,000	574	1,400	655	2,900	2,094
POPULATION PLANNING II	L	493-0325	82	84	2,000	9,800	2,000	---	3,700	1,010	3,600	1,457
TOTAL FOR ACCOUNT					20,300	34,600	19,232	15,052	5,100	2,419	6,500	3,551
GRANTS					18,300	24,800	17,232	15,052	1,400	1,409	2,900	2,094
LOANS					2,000	9,800	2,000	---	3,700	1,010	3,600	1,457
HEALTH												
RURAL PRIMARY HEALTH CARE EXPANSION	L	493-0291	78	78	5,500	5,500	5,500	3,109	---	1,542	---	---
PVO CO-FINANCING	G	493-0296	80	82	437	437	437	---	---	233	---	96
MALARIA AND VECTOR CONTROL	G	493-0305	79	79	500	500	500	297	---	154	---	---
MALARIA AND VECTOR CONTROL	L	493-0305	79	79	4,000	4,000	4,000	2,814	---	1,050	---	---
RURAL WATER SUPPLY (PWWA)	L	493-0331	83	83	---	5,000	---	---	5,000	---	---	750
TOTAL FOR ACCOUNT					10,437	15,437	10,437	6,220	5,000	2,979	---	846
GRANTS					937	937	937	297	---	387	---	96
LOANS					9,500	14,500	9,500	5,923	5,000	2,592	---	750
EDUCATION AND HUMAN RESOURCES												

• Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

PROGRAM: THAILAND

CP 84

PROJECT TITLE	• L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY82- OBLIGATIONS	-THROUGH FY82- EXPENDITURES	-ESTIMATED FY83- OBLIGATIONS	-ESTIMATED FY83- EXPENDITURES	-PROPOSED FY84- OBLIGATIONS	-PROPOSED FY84- EXPENDITURES
NON-FORMAL VOCATIONAL EDUCATION	G	493-0295	80	80	500	500	500	269	---	147	---	26
PVO CO-FINANCING	G	493-0296	80	82	795	795	795	489	---	267	---	39
HILL AREA EDUCATION	G	493-0297	80	81	1,600	1,600	1,600	434	---	481	---	378
TOTAL FOR ACCOUNT					2,895	2,895	2,895	1,192	---	895	---	443
GRANTS					2,895	2,895	2,895	1,192	---	895	---	443
LOANS					---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES												
EMERGING PROBLEMS OF DEVELOPMENT	G	493-0309	80	83	4,000	5,000	4,000	760	1,000	1,039	---	1,100
REMOTE SENSING FOR DEVELOPMENT	G	493-0314	79	79	290	290	290	143	---	135	---	---
PRIVATE INVESTMENT IN DEVELOPMENT	G	493-0329	83	83	---	500	---	---	500	100	---	250
PRIVATE INVESTMENT IN DEVELOPMENT	L	493-0329	83	83	---	500	---	---	500	100	---	250
THAI DEVELOPMENT INSTITUTE (TDI)	• L	493-0334	84	84	---	5,000	---	---	---	---	5,000	---
TOTAL FOR ACCOUNT					4,290	11,290	4,290	903	2,000	1,374	5,000	1,600
GRANTS					4,290	5,790	4,290	903	1,500	1,274	---	1,350
LOANS					---	5,500	---	---	500	100	5,000	250
ECONOMIC SUPPORT FUND												
AFFECTED THAI PROGRAM	G	493-0327	80	84	---	---	9,000	9,000	5,000	5,000	5,000	5,000
TOTAL FOR ACCOUNT					---	---	9,000	9,000	5,000	5,000	5,000	5,000
GRANTS					---	---	9,000	9,000	5,000	5,000	5,000	5,000
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					112,864	169,164	110,842	38,706	32,500	26,093	34,000	31,966
GRANTS					59,164	72,164	57,142	29,732	15,800	15,189	12,400	17,023
LOANS					53,700	97,000	53,700	8,974	16,700	10,904	21,600	14,943

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

PROGRAM: Thailand

PLANNED PROGRAM SUMMARY SHEET

CP 84-05 (8-82)

TITLE	FUNDING SOURCE:	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION *(In thousands of dollars)*		
Agricultural Marketing Services		5,500		FY 84 5,500		LIFE OF PROJECT FUNDING: 10,000
NUMBER 493-0333 GRANT ☐ LOAN ☒ / NEW ☒ CONTINUING ■	POPULATION:	ED. & HR:	SEL. ACT.:	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 85	ESTIMATED COMPLETION DATE OF PROJECT FY 90

Purpose: To collect and disseminate timely, accurate and basic information on agricultural markets and production factors to farmers and entrepreneurs.

Project Description: Greater farmer productivity in Thailand is dependent at least as much upon the stimulus of the market as it is upon knowledge of more advanced production technologies. Undeveloped agricultural markets frustrate the ability of farmers to get the best possible return for their production. Farmers in nearby areas often receive markedly different prices for their produce without apparent reason other than ignorance of market conditions and opportunities.

This project will use radio and TV to disseminate on a daily and weekly basis key production and marketing data such as regional/national prices and inventories, weather trends, and seasonal production problems. Supporting services provided by the project would include training in market research and promotion programs, individual market studies, and on-the-ground follow up with the target audience. Also to be provided are data storage and retrieval systems, media programming and production equipment, and probably some physical facilities construction (e.g. regional market research/promotion centers, radio/TV facilities). Both the U.S. Department of Agriculture and state public broadcasting services have considerable experience in this area and could be sources for technical assistance and sites for on-the-job training.

To be successful this activity must be complemented by improvements in Thai Government agricultural pricing and regulatory policies, public and private marketing infrastructure investment, and agricultural production research and extension systems. In fact, progress is being made on all these fronts. The timing for this activity takes advantage of three recent developments in Thailand: creation of nationwide broadcast networks, large-scale rural electrification, and awakening entrepreneurial and commercial banking interest in agribusinesses based on vigorous cash crop economies, especially in the Northeast. The project also holds the potential to translate newly available Landsat remote sensing plus weather trends data into readily usable information for farmers, marketeers, and planners alike.

Relationship of Project to A.I.D. Country Strategy:

Building rural incomes is the keystone of A.I.D. efforts in Thailand. Strengthening of farmers' and investors' knowledge of income-producing market opportunities supports this objective directly. The proposed approach relies heavily upon transfer from the United States of proven, sophisticated technologies and methodologies in market analysis, business opportunities identification and promotion, agricultural and geophysical data collection, and mass communications. The project builds upon Thailand's strong emerging infrastructural base, emphasizing ways to improve the development effectiveness of these existing investments.

Host Country and Other Donors: Privately operated radio and television stations and local industry associations will be asked to participate in and contribute to the project. To the maximum practical extent, local costs will be borne by the host country; a very preliminary estimate places this contribution at about $5.0 million.

Beneficiaries: Virtually all Thai households are in radio and TV reception range. It is anticipated that the more isolated, lower-income farmers, who constitute three-quarters of the poor, will especially benefit from easier access to agricultural economic information. Potential investors in cash crop-related agribusinesses will also be direct beneficiaries of this project.

PROGRAM: Thailand

PLANNED PROGRAM SUMMARY SHEET

CP 84-05 (8-82)

TITLE	FUNDING SOURCE:	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)		
Thai Development Institute				FY 84 5,000		LIFE OF PROJECT FUNDING: 5,000
NUMBER 493-0334 GRANT ☐ LOAN ☒ / NEW ☒ CONTINUING ☐	POPULATION:	ED. & HR:	SEL. ACT.: 5,000	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 84	ESTIMATED COMPLETION DATE OF PROJECT FY 89

Purpose: To enhance the development policy formulation capabilities of the public sector in Thailand.

Project Description: Over the next few years Thai decision-makers will face difficult policy choices in carrying out structural reforms necessary to improve economic performance and ensure more equitable access to development resources. The World Bank and International Monetary Fund facilities will provide financial incentives to encourage positive, albeit politically difficult, actions. The World Bank, for example, is proposing a series of Structural Adjustment Loans (SAL) of roughly $150 million per year in return for progressive actions related to labor-intensive, export-oriented industry; transportation; agricultural marketing; energy; land use; and social infrastructure, where policy options are not clear.

While the problems have been defined, and international financial support mechanisms are available, A.I.D. can effectively fill a key gap with a modest investment in empirical research and analysis in these strategic development areas which will provide an apolitical basis for RTG review and action.

Thailand is well-endowed with the intellectual talent to undertake policy studies but research is fragmented, unsustained, and not necessarily relevant to the major issues on the Thai development agenda. To overcome these deficiencies, the Royal Thai Government (RTG) is proposing to establish an independent Thai Development Institute (TDI) with compensation levels high enough to attract quality staff and assume full-time dedication to major policy concerns. A.I.D. plans to draw upon its highly successful experience with the Korean Development Institute in helping the TDI become an operational reality through the provision of technical assistance for strategic planning and institutional development; training programs, including advanced study in the U.S.; provision of some equipment; and by financing some of the key studies in A.I.D.'s direct areas of interest.

Relationship of Project to A.I.D. Country Strategy: More professional policy dialogue and decision-making within the RTG is becoming critical as advancing development brings more sophisticated problems. Strained RTG financial resources require greater care and selectivity in budget allocation; the basis for objective choice among competing claims must be made clearer. A.I.D. assistance will carry with it an implicit entry into policy dialogue with the RTG (and other donors) on major development issues of common interest. For a relatively small contribution, A.I.D. can have a marked impact on the quality and direction of policy analysis.

Host Country and Other Donors: The RTG agency most closely identified with sponsoring the Institute is the National Economic and Social Development Board (NESDB), the principal planning and policy arm of the Government. The extent of interdependence between TDI and NESDB has not yet been determined. As noted, strengthening of the Thai public sector policy analysis machinery complements World Bank and IMF efforts at achieving rational Thai economic policies.

Beneficiaries: Direct beneficiaries of the project will be RTG planners and policy makers who should have greatly improved data and analyses upon which to base their development strategy. Indirect beneficiaries will be those less-advantaged elements of the Thai public, especially the rural population, whose share of public resources is disproportionately small due to outdated historical budget allocations no longer justified by development needs.

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Asia Regional Program

PROGRAM: ASIA REGIONAL

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PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY82- OBLIG ATIONS	-THROUGH FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	-ESTIMATED FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	-PROPOSED FY84- EXPENDI TURES
AGRICULTURE, RURAL DEV. AND NUTRITION												
PROGRAM DEVELOPMENT AND SUPPORT	G	498-0249	75	C	---	---	16,674	14,462	3,170	3,500	3,955	2,100
PRIVATE AND VOLUNTARY ORGANIZATIONS	G	498-0251	76	C	---	---	8,342	7,899	300	333	200	170
ASEAN PLANT QUARANTINE	G	498-0258.02	80	84	4,800	5,077	3,477	772	1,300	1,000	300	200
ASEAN WATERSHED MANAGEMENT CONSERV	G	498-0258.03	83	86	---	3,000	---	---	1,205	300	795	350
ASEAN AIT SCHOLARSHIPS	G	498-0258.04	78	80	1,100	1,100	600	---	---	---	---	---
ASEAN AGRICULTURE DEV PLANNING CENTER	G	498-0258.11	78	85	3,000	3,400	1,900	641	700	479	400	100
ASEAN ENERGY ACTIVITIES	G	498-0258.12	78	85	60	60	60	---	---	---	---	---
EXTENSION OF SMALL SCALE AG EQUIPMENT	G	498-0265	76	83	4,350	4,350	2,568	1,009	1,250	1,100	---	500
WATER MANAGEMENT SUPPORT	G	498-0274	83	86	---	4,500	---	---	1,000	900	1,000	900
RURAL ENTERPRISE DEVELOPMENT	G	498-0275	83	86	---	3,600	---	---	300	300	1,000	1,000
SMALL PROJECT ASSISTANCE - PEACE CORPS	G	498-0279	83	87	---	1,800	---	---	360	180	360	180
TOTAL FOR ACCOUNT					13,310	26,887	33,621	24,783	9,585	8,092	8,010	5,500
GRANTS					13,310	26,887	33,621	24,783	9,585	8,092	8,010	5,500
LOANS					---	---	---	---	---	---	---	---
POPULATION PLANNING												
PROGRAM DEVELOPMENT AND SUPPORT	G	498-0249	75	C	---	---	416	307	150	150	150	100
TOTAL FOR ACCOUNT					---	---	416	307	150	150	150	100
GRANTS					---	---	416	307	150	150	150	100
LOANS					---	---	---	---	---	---	---	---
HEALTH												
PROGRAM DEVELOPMENT AND SUPPORT	G	498-0249	75	C	---	---	3,956	2,575	900	500	800	500

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

PROGRAM: ASIA REGIONAL

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PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY82- OBLIG ATIONS	-THROUGH FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	-ESTIMATED FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	-PROPOSED FY84- EXPENDI TURES
PRIVATE AND VOLUNTARY ORGANIZATIONS	G	498-0251	76	C	---	---	1,057	892	---	65	100	100
ASEAN HEALTH SCHOLARSHIPS	G	498-0258.07	78	86	2,000	3,900	2,000	---	500	400	500	250
REGIONAL MALARIA TRNG AND RESEARCH	G	498-0273	83	84	---	300	---	---	150	150	150	100
TOTAL FOR ACCOUNT					2,000	4,200	7,013	3,467	1,550	1,115	1,550	950
GRANTS					2,000	4,200	7,013	3,467	1,550	1,115	1,550	950
LOANS					---	---	---	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES												
PROGRAM DEVELOPMENT AND SUPPORT	G	498-0249	75	C	---	---	1,902	1,814	250	300	200	200
PRIVATE AND VOLUNTARY ORGANIZATIONS	G	498-0251	76	C	---	---	4,035	3,309	---	150	100	100
ASEAN AIT SCHOLARSHIPS	G	498-0258.04	78	36	2,825	5,275	1,050	200	675	675	1,000	500
ASEAN HEALTH SCHOLARSHIPS	G	498-0258.07	78	81	500	500	500	---	---	100	---	300
ASEAN ISEAS FELLOWSHIPS	G	498-0258.10	79	84	850	1,680	805	605	50	200	230	200
ASIAN AMERICAN FREE LABOR INSTITUTE	G	498-0263	80	87	8,000	30,600	12,100	11,619	4,100	4,100	4,100	4,100
TOTAL FOR ACCOUNT					12,175	38,055	20,392	17,547	5,075	5,525	5,630	5,400
GRANTS					12,175	38,055	20,392	17,547	5,075	5,525	5,630	5,400
LOANS					---	---	---	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES												
PROGRAM DEVELOPMENT AND SUPPORT	G	498-0249	75	C	---	---	4,424	3,973	500	400	550	300
PRIVATE AND VOLUNTARY ORGANIZATIONS	G	498-0251	76	C	---	---	4,698	4,056	---	235	100	50
REGIONAL REMOTE SENSING CENTER	G	498-0253	79	85	5,600	5,600	3,710	1,379	500	700	535	1,000
ACCELERATED IMPACT PROGRAM	G	498-0256	79	83	250	1,900	124	54	200	150	---	100
ASEAN PLANT QUARANTINE	G	498-0258.02	78	81	600	600	600	20	---	100	---	100

*Refers to the planned project summary sheet

C Level of effort activity

FY of final obligation column – All projects in this column with an initial obligation date before December 31, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

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

PROGRAM: ASIA REGIONAL

CP 84

PROJECT TITLE	* L / G	PROJECT NUMBER	FY OF INITIAL OBLIG	FY OF FINAL OBLIG	TOTAL PROJECT COST AUTHD	TOTAL PROJECT COST PLANNED	-THROUGH FY82- OBLIG ATIONS	-THROUGH FY82- EXPENDI TURES	-ESTIMATED FY83- OBLIG ATIONS	-ESTIMATED FY83- EXPENDI TURES	-PROPOSED FY84- OBLIG ATIONS	-PROPOSED FY84- EXPENDI TURES
ASEAN AIT SCHOLARSHIPS	G	498-0258.04	78	81	300	300	300	---	---	100	---	100
ASEAN ENERGY ACTIVITIES	G	498-0258.12	78	80	440	715	440	487	---	---	275	---
ASEAN-ENERGY COOPERATION IN DEVELOPMENT	G	498-0272	82	82	1,000	1,000	1,000	---	---	300	---	500
FORESTRY AND BIO-RESOURCE SYSTEM MGT.	* G	498-0276	84	88	---	5,000	---	---	---	---	500	100
ASEAN SMALL-MEDIUM INDUSTRY	* G	498-0277	84	87	---	4,500	---	---	---	---	1,000	500
PRIVATE SECTOR SUPPORT	G	498-0278	82	82	118	118	118	20	---	98	---	---
TOTAL FOR ACCOUNT					8,308	19,733	15,414	9,989	1,200	2,083	2,960	2,750
GRANTS					8,308	19,733	15,414	9,989	1,200	2,083	2,960	2,750
LOANS					---	---	---	---	---	---	---	---
TOTAL FOR COUNTRY					35,793	88,875	76,856	56,093	17,560	16,965	18,300	14,700
GRANTS					35,793	88,875	76,856	56,093	17,560	16,965	18,300	14,700
LOANS					---	---	---	---	---	---	---	---

*Refers to the planned project summary sheet

CLevel of effort activity

FY of final obligation column — All projects in this column with an initial obligation date before December 31, 1982 are based on the authorized date. For all projects with an initial obligation date after December 31, 1982 the FY of final obligation is based on a planned date.

PROGRAM: Asia Regional

PLANNED PROGRAM SUMMARY SHEET

CP 84-05 (8-82)

TITLE	FUNDING SOURCE:	AG, RD & N.	HEALTH:	PROPOSED OBLIGATION *(In thousands of dollars)*	
Forestry and Bioresource System Management				FY 84 500	LIFE OF PROJECT FUNDING: 5,000

NUMBER 498-0276 GRANT ☐x LOAN ☐	NEW ☐x CONTINUING ☐	POPULATION:	ED. & HR:	SEL. ACT.: 500	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 88	ESTIMATED COMPLETION DATE OF PROJECT FY 89

Purpose: The project will improve understanding, policy formulation, and management of forest and bioresource systems in Asia.

Project Description: In 1979, the Asia Bureau initiated a program in energy, forestry, and environment. A regional meeting was held in Manila which outlined the main elements of bureau strategy in the energy sphere. Asia Missions have since increasingly moved to develop programs that deal with the major interrelated problems of oil-import dependence, deforestation, and environmental degradation. The growth of projects in alternative energy, social forestry, and watershed management is evident in the project portfolio.

A common focus of this program development has been on wood production, conversion, and utilization. In April 1982, the Asia Bureau held a major regional conference in India on "Forestry and Development in Asia" that further defined the problems and opportunities in this area. This project provides a vehicle for following up on the recommendations of this meeting and improving the technical capabilities of Asian countries in the management of bioresource systems.

The project will promote a multidisciplinary approach to the management of forest and bioresource systems in Asia. The bioresource system perspective is a relatively new analytic construct that could have profound implications for Asian development policies. This project will seek to introduce this concept and help policy-makers and program managers understand the nature, determinants, and consequences of the bioresource system in their countries.

Assessments, training, and research will be carried out on the social, economic, technical, and environmental aspects of bioresource production, transportation, conversion, processing, distribution and utilization. Prime emphasis will be placed on woody biomass. An Asian center of excellence will be supported as a catalyst for regional efforts.

Relationship of Project to A.I.D. Strategy: A central A.I.D. and Asia Bureau objective is to increase agricultural production and rural incomes. This objective depends in part on the success of efforts to reduce oil dependency, alleviate fuelwood scarcities, and halt watershed and other land resource degradation. This project will address these issues by promoting an integrated approach to managing wood and bioresources for sustained rural development.

Host Country and Other Donors: This regional project will be developed in consultation with the World Bank, Asian Development Bank and other donor organizations. Opportunities for coordinating institutional support for regional and national centers will be fully explored.

Beneficiaries: With its emphasis on policy change and improving management capabilities, this project will benefit both the personnel of organizations involved in bioresource and rural development and, through improved policies and programs, the farmers and poor population that depend on trees and other biomass as a source of energy, shelter, food, fodder, medicine, and as protection against floods and soil erosion.

PROGRAM: Asia Regional **PLANNED PROGRAM SUMMARY SHEET** CP 84-05 (8-82)

TITLE	FUNDING SOURCE:	AG, RD & N:	HEALTH:	PROPOSED OBLIGATION (In thousands of dollars)	
ASEAN Small and Medium Scale Industry				FY 84 1,000	LIFE OF PROJECT FUNDING: 4,500

NUMBER 498-0277 GRANT ■ X LOAN □	NEW □ X CONTINUING □	POPULATION:	ED. & HR:	SEL. ACT.: 1,000	INITIAL OBLIGATION FY 84	ESTIMATED FINAL OBLIGATION FY 87	ESTIMATED COMPLETION DATE OF PROJECT FY 89

Purpose: To assist the Association of Southeast Asian Nations (ASEAN) in a coordinated program of regional assistance to small and medium scale enterprises, primarily through technology transfer and joint venture/sub-contracting relationships with U.S. business.

Project Description: The ASEAN countries have, from the day of economic independence, encouraged the growth of small and medium scale industry (SMI). Competitive free-market economies and foreign private investment have characterized their national economies and policies. SMI development has been a continual component of ASEAN-U.S. discussions. The project evolves from ASEAN's formal proposal to the United States during the Fourth ASEAN-U.S. Dialogue held in Washington, D.C. in March 1982. The proposal is a product of the ASEAN Committee on Industry, Minerals, and Energy (COIME). ASEAN countries view private foreign investment as a source of supplementary capital to generate desired investments, as well as one of the important means to attain increased employment, export growth and diversification, dispersal of industries to less developed areas, technological advancement and utilization of local resources.

The project also reflects the trade and investment emphasis of the Fourth Dialogue, and further enhances the trade relationship between the United States and the ASEAN region. The region is a major supplier of raw materials to the United States and other industrialized nations, and a major importer of commodities and technology from the West. In 1981, ASEAN exports to the United States reached about $15.0 billion (20% of ASEAN exports), while imports from the United States amounted to $12.0 billion (about 16% of all ASEAN imports).

The ASEAN SMI project will have two major emphases: (1) Joint Ventures and Sub-Contracting--encourage American businesses to locate in, or to establish production and marketing tie-ups with, ASEAN SMI; (2) Technology Transfer--assessing the desirability and feasibility of various industrial ventures, and assisting with the necessary managerial and technological requirements for their implementation. Donation of production equipment is an additional potential emphasis. The project would facilitate the transfer of U.S. capital equipment to ASEAN SMI.

Relationship of Project to A.I.D. Country Strategy: The common need among the five ASEAN countries to encourage regional economic growth lends itself to regional cooperation in SMI development. The ASEAN nations among themselves have stressed industrial growth (e.g. in their ASEAN Industrial Complementation and ASEAN Industrial Joint Venture schemes). Trade and investment are at the core of the ASEAN-U.S. relationship, and private enterprise development is an increasingly important element in overall U.S.G. relations with ASEAN, as well as in bilateral A.I.D. programs in three of the five ASEAN countries.

Host Country and Other Donors:

ASEAN countries hosting ASEAN regional projects and serving as the implementing agent have traditionally provided both capital and routine budgetary support costs. The project will rely on existing or new Asian Development Bank (ADB) or World Bank (IBRD) projects for capital assistance to SMI programs in the ASEAN countries. Other donors, especially Japan and the European Economic Community (EEC) are assisting ASEAN industry through their own programs, but would not participate in this project. The ASEAN-U.S. Business Council, a joint program of the ASEAN and U.S. Chambers of Commerce, would participate in project design and implementation.

Beneficiaries: The project would be designed and implemented within the context of overall ASEAN regional industrial policy, but would be directed to the special needs of small and medium scale industry.

ADDITIONAL PROGRAM REQUIREMENTS*

TITLE	ESTIMATED LENGTH OF PROJECT	ESTIMATED 1ST YEAR COST	PURPOSE
Philippines			
Upland Access	Seven Years	Grant 1,000 Loan 7,500	To improve access in potentially productive settled upland areas in selected provinces of the Philippines.
Water Supply and Sanitation Sector Coordination	Seven Years	Grant 2,000 Loan 3,000	To increase the cost effectiveness of water supply and sanitation (WS&S) investments by promoting fuller and more effective coordination of donor inputs; and to realize greater health and economic development benefits of prior and ongoing investments in water supply by assisting city and municipal water districts and private village water associations to develop and maintain water systems.
Technology Transfer for Energy Management	Six Years	Grant 1,000 Loan 1,000	To promote energy conservation in the modern sector through the adoption of new technologies, equipment and improved management systems.
Bangladesh			
Water Management Systems	FY 1984-1987	2,000	To improve the efficiency of existing low lift, shallow tubewell and deep tubewell pumps by establishing in selected districts replicable models for on-farm water management services and community canal improvements and by promoting private sector capability to provide farmers with pump equipment, spare parts and associated services.

Projects identified for implementation if additional funds become available. ("Shelf Projects")